

# OVERVIEW AND SCRUTINY COMMITTEE MINUTES

## 4 JUNE 2013

<b>Chairman:</b>	* Councillor Paul Osborn	
<b>Councillors:</b>	* Sue Anderson * Kam Chana * Mano Dharmarajah * Tony Ferrari	* Ann Gate * Graham Henson * Jerry Miles * Stephen Wright
<b>Voting Co-opted:</b>	(Voluntary Aided) † Mrs J Rammelt Reverend P Reece	(Parent Governors) * Mrs A Khan
<b>Non-voting Co-opted:</b>	Harrow Youth Parliament Representative	
<b>In attendance: (Councillors)</b>	Thaya Idaikkadar Barry Macleod-Cullinane	Minute 402 Minute 402, 409

- \* Denotes Member present
- † Denotes apologies received

### 394. Welcome

The Chairman welcomed the Leader of the Council, the Portfolio Holder for Planning and Regeneration and officers to the first meeting of the Committee of the new Municipal Year. He stated that he would like to vary the order of the agenda and take substantive items in the following order: 9, 8, 10, 11, 12 and 13.

### **395. Members' Right to Speak**

**RESOLVED:** In accordance with Committee Procedure Rule 4.1 of the Constitution, the Panel agreed that the following Members could speak at the meeting:

Councillors Thaya Idaikkadar, William Stoodley and Barry Macleod-Cullinane.

### **396. Attendance by Reserve Members**

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

### **397. Declarations of Interest**

**RESOLVED:** To note that the following interests were declared:

#### Agenda Item 5 – Petitions

Councillor Graham Henson declared a non-pecuniary interest in that he was a Reserve Member of the Planning Committee. He would leave the room if the planning application in respect of Vaughan School was discussed.

Councillor William Stoodley declared a non-pecuniary interest in that he was the Chair of the Planning Committee. He would leave the room if the planning application in respect of Vaughan School was discussed.

Councillor Stephen Wright declared a conflict of interest in that he was a Member of the Planning Committee. He would leave the room if the planning application in respect of Vaughan School was discussed.

#### Agenda Item 9 - Adoption of Site Allocations DPD, Harrow and Wealdstone Area Action Plan DPD and Development Management Policies DPD

Councillor Sue Anderson declared a non-pecuniary interest in that she was an officer for HM Revenue and Customs. She would remain in the room whilst the matter was considered and voted upon.

Councillor Paul Osborn declared a pecuniary interest in that he was a Member of the Harrow West Conservative Association, which was one of the sites identified in the report for redevelopment. He would leave the room if the site was discussed.

Councillor Tony Ferrari declared a pecuniary interest in that he was a Member of the Harrow West Conservative Association, which was one of the sites identified in the report for redevelopment. He would leave the room if the site was discussed.

Councillor Barry Macleod-Cullinane declared a pecuniary interest in that he was a Member of the Harrow West Conservative Association, which was one of the sites identified in the report for redevelopment and in that he lived in Harrow on the Hill, which bordered another site also identified for redevelopment. He would leave the room if the sites were discussed.

Councillor Stephen Wright declared a pecuniary interest in that he was a Member of the Harrow West Conservative Association, which was one of the sites identified in the report for redevelopment. He would leave the room if the site was discussed.

#### Agenda Item 7 Provision of SAP Reports

Councillor Graham Henson declared a non-pecuniary interest that he had been the Portfolio Holder with responsibility for Human Resources and IT at the time when the Capita contract had been agreed. He would remain in the room whilst the matter was considered and voted upon.

Councillor Barry Macleod-Cullinane declared a non-pecuniary interest in that he worked for London Councils, which hosted the Project Athena, Capital Ambition funded events. He would remain in the room whilst the matter was considered and voted upon.

Councillor Paul Osborn declared a non-pecuniary interest in that he had been a Cabinet Member in 2008 and was responsible for the Council Improvement Plan, however, he had not been responsible for the SAP system. He would remain in the room whilst the matter was considered and voted upon.

#### **398. Minutes**

**RESOLVED:** That the minutes of the meeting held on 9 April 2013 and the minutes of the Special meeting held on 23 May 2013 be taken as read and signed as a correct record.

#### **399. Public Questions**

**RESOLVED:** To note that no public questions were received.

#### **400. Petitions**

**RESOLVED:** To note, that in accordance with the Council's petition scheme (paragraph 7.3) that the following petition from 'Vaughan Parents for Progress', containing 1,125 signatures submitted to the Planning Committee on 29 May, be received. The Chairman read the terms of the petition, which were as follows:

'We are a community group that supports the proposed building project at Vaughan Primary School, for a number of important reasons. We have collected 1125 signatures from supportive Harrow residents and employees.

The school intake has now permanently increased from 60 to 90 pupils a year. As it is, the current school building is not fit for purpose, and by September 2014 it will fail to accommodate this increase without temporary classrooms.

We feel that the proposed scheme offers the best possible outcome for our children, as it will give them a wonderful learning space and will provide a

more secure environment by placing the reception at the front of the school, maximising the safety of our children.

We fear further delay in the planning or building of this scheme will result in unnecessary disruption to our children's education.

Please consider who will suffer as a result of any further delay.

Residents?

Parents?

Teachers?

Staff?

Local businesses?

In their own "small way", maybe.

But, the real victims will be the children ...

We urge you to pass these plans when they come before the planning committee and to ensure there is no delay in the release of funding, so that this vital building work can start as soon as possible.'

The Chairman stated that it would not be appropriate for the Committee to discuss the planning application relating to the expansion of Vaughan School, as this should be considered at the Planning Committee meeting on 19 June 2013. He stated that the meeting should focus on next steps should planning permission be granted or refused. He asked officers from the Children and Families Department to clarify the following:

- if planning permission was granted at the meeting on 19 June, was the necessary funding in place to begin the building works and what were the lead-in times for this;
- what plans were in place should planning permission be refused.

An officer from the Children and Families Department advised that:

- the proposed expansion of Vaughan School was part of the phase 1 Primary School Expansion Programme as agreed by Cabinet in 2012, whereby 13 schools had been identified for permanent expansion over the next few years;
- the planned expansion at Vaughan School was included in the Capital Programme and funding had been agreed by Members;
- the planning application relating to Vaughan School had generated a great deal of public interest, and the item had been deferred at the Planning Committee meeting of April 2013 so that additional information relating to the planning application could be sought;
- the petition was a reflection of the level of demand in Harrow for high quality education;

- all the places at the school for September 2013 had been filled including any additional places in bulge classes;
- if planning permission were to be refused, then officers would discuss with the school how additional pupils could be accommodated at the school from September 2014 onwards. In the longer term, Vaughan School would be included in the Priority Schools Programme, which would not be available until 2017.

A Member stated that he had been previously advised that if planning permission were not granted, then the deadline set by the builders would have been missed. An officer advised that the deadline date for the builders was February 2014 and December 2014 was the anticipated completion date for the building works. The Member asked whether the building works would take place during term time only, or would they also take place during school holidays. The officer stated that it was anticipated that some of the works would take place during the summer holidays, however, as the site in front of the school was self-contained, the building works could take place during term time if necessary.

A Member asked how many pupils the school would be expected to accommodate between 2013-2017. An officer advised that between 2013-17 there would be 5 year groups, each with a bulge class, which would work out to 150 pupils over a four year period.

The Committee agreed that the petition should be referred back to the next meeting of the Planning Committee for further consideration.

#### **401. References from Council/Cabinet**

**RESOLVED:** To note that no References were received.

### **RESOLVED ITEMS**

#### **402. Provison of SAP Reports**

The Committee received a report of the Director of Finance and Assurance which set out a summary of the recommendations of previous reviews into the use of SAP and financial management and any recommendations and actions arising from these.

The Chairman stated that a number of senior officers had been requested to attend the meeting to explain why information relating to SAP requested by a Member had not been provided. The Chairman added that he was disappointed to have received a late email apology from the former Corporate Director of Resources regarding her attendance at the meeting. He was disappointed by her non-attendance and the lack of engagement and felt that this was potentially a disciplinary issue and that a reference should be forwarded to the Chief Officers' Employment Panel. This was unanimously agreed by the Committee.

A Member, who was not a Member of the Committee, expressed his disappointment that information relating to SAP had been sought by him approximately 201 days ago, and no explanation had yet been provided by the former Corporate Director of Resources as to the reasons for the delay. The Chairman added that the Access to Information rules set out in law and in the Constitution had been revised recently. He requested the Monitoring Officer to ensure that these procedures were correctly followed by officers in the future and that any request for information from Members should be provided within 10 days of the original request.

The current Corporate Director of Resources advised that the report outlined the seven recent reviews into financial management in Harrow that formed part of the evidence base for the SAP/General Ledger Improvement work stream within the Transforming Financial Management Project. The Corporate Director added that the reviews had raised a number of issues, which had been addressed in a variety of ways and included the implementation of following measures:

- the provision of mandatory refresher SAP training for Revenue Budget holders;
- performance measures to ensure managers were complying with their forecasting;
- the monthly monitoring of the compliance of managers with the KP06 budget monitoring processes;
- the role of the Finance Business Partner had been reviewed and updated;
- an annual timetable for budget monitoring, setting and closing was consulted and agreed;
- training programmes using the SAP reporting tool for 10 super users were completed in April 2013 jointly with the ERP support team and housing colleagues;
- the creation of a Finance Super user post.

The Corporate Director added that further strands following the CIPFA review were yet to be implemented and additional training would be delivered later in the year. Future viability and use of SAP was being reviewed, bearing in mind the financial challenges that lay ahead and the fact that the Capita contract was due to expire in October 2015.

The Director of Finance and Assurance added that the above measures would ensure improved budget setting, forecasting and monitoring processes were in place as well as ensure the cost-effectiveness and sustainability of the systems used to support this function.

A Member, who was not a Member of the Committee, flagged up that the timetable for the procurement exercise would be constrained by the 2014 local and European elections timetable and the operation of Purdah rules. He requested to know the exact timescales for the procurement exercise.

The Corporate Director of Resources advised that if it was agreed that the council should re-tender its IT provider, then a pre qualification questionnaire (PQQ) would need to be issued by January 2014. The council was in the process of reviewing possible options long-term cost efficiencies would be discussed at a cross-party Member group.

A Member, who was not a Member of the Committee, asked the following questions:

- what outcomes did the council hope to achieve through the tendering exercise;
- what would be the appropriate means for achieving these;
- what challenges and risks were associated with these;
- had the appropriate level of support and resources required for the activity been identified.

The Corporate Director of Resources advised that it was difficult to predict how the Council's main services would be delivered after 2015. Any major contracts in the future would need to have the following aspects built into them: variability and flexibility to respond to the council's changing needs. Therefore, a cost-based contract would be preferable as these had a higher level of variability built into them. The Chairman emphasised the importance of aligning the timelines for re-tendering the SAP contract with the 2014 election timelines.

A Member stated that Report 5, relating to the Corporate Resources Outline Business Case stated that the chart of accounts was not 'best structured' and stated that it was imperative that this situation be remedied as soon as possible. The Director of Finance and Assurance advised that this situation was under review and action would be taken to deal with this. The Member stated that this was a strategic decision and would require at least two years to implement.

A Member asked whether the PQQ for the IT service contract could be drafted in general rather than specific terms. The Corporate Director of Resources stated that advice was being sought regarding this. Information regarding this would be circulated to Members of the Committee in due course. The Director of Finance and Assurance advised that other authorities had specified process outcomes in their IT contracts, which was also the case for the proposed tri-borough leisure and libraries contract.

**RESOLVED:** That the report be noted.

#### 403. Debt Collection - Current Policy

The Committee received a report of the Head of Collections and Housing Benefits which set out current debt collections levels for all debt collection across the Council, and for people affected by the changes to the Council Tax Benefits and provided an update on the progress of the review of the Corporate Debt Collection Policy. A document setting out an extract of equalities data from the Citizens' Advice Bureau (CAB) project on Welfare Reform Awareness was tabled.

An officer made the following points about the report:

- the report provided an update on the measures undertaken to address the concern raised at the Scrutiny Challenge Panel, in November 2011, which focussed on the Council's debt recovery process;
- the 4 main recommendations arising out of the Challenge Panel had been as follows:
  - identification of vulnerable residents and reviewing of their cases;
  - potential integration of all debt recovery services with the central recovery service;
  - improved communication processes within the organisation and with external agencies in order to facilitate a greater understanding of the level and impact of debt within the community;
  - improved signposting for residents affected by financial/debt difficulties to sources of advice and advocacy in the borough.
- extensive changes to the benefits system as a result of the Welfare Reform Act of 2012 meant the loss of £8M, affecting approximately 12 thousand households, 7,000 of which previously received a 100% council tax rebate. This worked out to an average reduction of £660 per household;
- the Council had a 97.7% in-year collection rate and a 98.5% overall collection rate over 2-3 years;
- in 2013/14, £3.8 m would be passported to residents under the localisation of benefits;
- Harrow had some collection challenges ahead as it had made provision for a 70% collection rate, whereas this figure was between 30-40% for most other London authorities;
- the council had set up a debt collection Sub-Group, which was working closely with bailiffs, the Citizens Advice Bureau (CAB) and other partner agencies. It was focussing on the identification of and support for the most vulnerable residents through the following measures: an



awareness campaign that included posters, leaflets and articles in the local press; surgeries held in Access Harrow and in Libraries; a telephone awareness campaign aimed at raising awareness and ensuring engagement. The Sub-Group had agreed a set of procedures to be followed in relation to the debt collection process. Additionally, debt recovery in relation to those in receipt of adult social care would be considered by Cabinet shortly. However, the take up rate of the support offered by CAB and the Council among residents to date had been low;

- a corporate data sharing agreement was being developed and would be shared with Members once completed;
- housing was represented at a number of fora across the borough;
- there were increased resources to provide vulnerability support and to deal with the challenges of council tax collection in the future.

The Leader of the Council and Portfolio Holder for Performance, Customer Services and Corporate Services stated that resources were being used in a targeted way and the Council was implementing a light-touch approach when dealing with vulnerable residents.

The Chairman queried the flow chart relating to those eligible for short term allowances. An officer advised that some arrows had been omitted from the flow chart and undertook to amend the flow chart.

The Chairman asked what measures were in place to ensure that the cost of pursuing non-payers did not exceed the cost of the original debt. The officer advised that the recommendations from the Debt Collection Sub-Group focussed on a softer approach and summonses were intended as a deterrent and to ensure that residents engaged with the council or the relevant agency. There was no formal policy in place yet, but a set of procedures were being developed. Innovative methods such as the use of Experian, charging orders and financial checks would facilitate the debit collection process.

The Chairman asked how the Council was engaging with the 4,950 non-payers in 2013/14. The officer advised that following consideration of these cases by the steering group, and some proactive engagement work by officers, that this figure had reduced to 3,900. Data relating to these cases had been analysed and shown that some of these non-payers had changed circumstances and the amount they were liable to pay had to be adjusted and as such they had received new bills with new instalment dates. Some instalments had not been paid because they were not yet due rather than because of deliberate non payment. Others had not paid because they were exempt, for example pensioners on 10% council tax support. The Council had used a number of methods to engage with these residents and had offered them advice regarding any benefits they may be entitled to but were not claiming; used internal data and vulnerability criteria to assess their needs, and worked jointly with adult social care and housing to understand why they had not paid and how they could be encouraged pay in the future.

A Member asked what measures were in place to flag up those residents who having paid regularly for a number of years, then failed to pay and whether such cases would be escalated as a matter of course. The officer stated that the software was not capable of flagging up such cases. The Council had put the use of committals and bankruptcies on hold. There was £4.5m owing in arrears plus £1m in collection costs. In the first instance, officers would look at other possible options rather than resort to the immediate use of external agencies such as bailiffs. The Council was evaluating all the possible repercussions of the welfare reforms and this would inform future debt collection policy. The Member stated that the Council should avoid the use of extreme sanctions where possible, particularly since the overall amount of arrears for some tax payers was small, perhaps only £150. He added that the processes to be followed should be transparent and formalised and should not depend on the subjective judgement of individual officers. The Chairman concurred with this view. The officer stated that the process was evolving and would be reviewed and formalised to ensure a high collection rate was maintained. The Corporate Director of Resources stated that he would ensure the process was reviewed and would look for check points to be put in place.

A Member asked whether the Equalities Impact Assessment (EqIA) relating to debt collection had been updated and whether vulnerable groups were offered a number of methods and venues to make payments. The officer advised that some payment methods had been removed, such as the use of giros, however, the implementation of weekly payments, the use of direct debit and an automated telephone payment system were available. Kiosk payments had improved and increased, and additional kiosks might be installed in libraries in the future. The officer undertook to circulate information relating to the EqIA to Members of the Committee.

A Member asked how residents in his ward, which was one of the most deprived wards in the borough, would be supported if they went into arrears and how they could access the various hardship funds available. The officer advised that the Harrow Help Scheme and the Emergency scheme and a wider programme of support, which signposted internal and external sources of support, would be available to those in arrears. There had been an increase from £300k to £1.2m in the funds to help those in rent arrears via Discretionary Housing Payments fund. Advice about Debt management and credit unions would also be available. The Chairman requested that a report be submitted to the Committee in due course relating to the effectiveness of the debt collection policies.

A Member asked how non-payers would be flagged up and treated. An officer advised that current processes were cost effective, in that 80% of the process was automated and 20% carried out manually. Additionally, the bailiffs had been working closely with the council, had amended their staff training to include awareness of the needs of vulnerable groups and those with mental health issues. The Council issued 14 thousand reminders and 15 thousand summonses and did not have the resources to integrate safeguarding mechanisms into the debt collection process.

The Chairman stated that a resident in arrears could visit their Ward Councillor, who could in turn request a review of the resident's case, however, Access Harrow did not seem to have the authority to do this for residents. The officer stated that he would look into the possibility of this being done.

A Member asked whether the charges levied by the bailiffs were open and transparent and whether the £125 summons costs could replace the bailiff fee and whether this amount covered the bailiff costs. An officer advised that there had been a tendering exercise with the bailiff company. The first and second letter fees were prescribed and other areas of reasonable costs had also been specified in the contract. The bailiffs had agreed to provide some additional services at no additional cost. Both the Council and CAB monitored these charges and the council sample checked the fees as part of its contract management process and this was reviewed by the Sub-Group. However, it may not be appropriate to use summons fees to cover bailiff costs as Harrow had a budgeted amount it needed to collect from summons fees to offset part of the costs of Council Tax administration, collection and recovery. In certain cases however, officers were exploring the possibility of using such fees to offset bailiff fees, for example regarding council tax payers previously receiving 100% benefit but now having to pay up to 22.5% of their council tax.

A Member asked that in view of the fact that collection rates were consistently high, whether there would be any value in carrying out additional case studies, focussing on lessons learnt and bad debt provision. The officer stated that this would be reviewed with the Director of Finance and Assurance. The Chairman requested that a report be submitted to the Performance and Finance Scrutiny Sub-Committee regarding this.

A Member asked why autism had not been included as one of the vulnerable categories. The officer undertook to look into this.

**RESOLVED:** That the report be noted.

#### **404. Adoption of Site Allocations DPD, Harrow and Wealdstone Area Action Plan DPD and Development Management Policies DPD**

The Committee received a report of the Corporate Director of Environment and Enterprise which set out the outcome of the independent Examination in public of the Site Allocations DPD, the Harrow and Wealdstone Area Action Plan DPD and the Development Management Policies DPD and recommended their adoption by Cabinet and Council as part of the local development plan for Harrow.

An officer made the following points about the report:

- the three policy documents listed above will form a substantial part of the Local Plan for the Borough and contain detailed policies and site allocations that would be used to determine the acceptability of planning applications over the next 15 years. The policies had been developed to help deliver the spatial strategy and strategic objectives and policies of Harrow's adopted Core Strategy;

- every local development plan document was required to be submitted to the Secretary of State for independent examination in order to determine whether the plan had been prepared in accordance with legal requirements and that it was 'sound';
- the planning inspector had recommended that a number of modifications be made to the plans. Following implementation of the suggested modifications, the planning inspector's report had confirmed that the three policies in question were 'sound' and legally compliant;
- it was recommended that the Council should now proceed to adopt the three Local Plans incorporating the modifications as agreed and as appended to the Inspector's Report;
- the three Local Plans and the Planning Inspector's report would be permanently available for inspection on the Council's website.

The Chairman stated that the Constitution set out that these plans should be considered by the Overview and Scrutiny Committee (O&S) and added that at this stage the Committee could not comment on or propose amendments to these policies as they had been through the formal examination process and been found 'sound'. He considered that the plans should only come to O&S to consider in the earlier stages of the plan-making process, not at the post examination and adoption stage. He requested that the Monitoring Officer note this issue and to look into amending the Constitution to facilitate this request.

A Member queried whether some of the information contained in chapter 4 of the report relating to the Rayners Lane Hotel and the former Matrix public house was up to date. An officer advised that the report was a 'snapshot in time', and may contain some out of date information, however, the Delivery Schedule was considered to be up to date and accurate and would be monitored through the Council's Annual Monitoring Report.

**RESOLVED:** That

- (1) the outcome of the independent Examination in Public of the three Local Plans be noted; and ;
- (2) it be noted that the three Local Plans would be recommended to Cabinet and Council.

#### **405. Report of the Performance and Finance Scrutiny Sub-Committee Chair**

The Committee received a report of the Divisional Director of Strategic commissioning which set out a summary of issues to be taken forward by the Performance and Finance Scrutiny Sub-Committee.

**RESOLVED:** That the report be noted.

#### 406. Scrutiny Lead Member Report

The Committee received a report of the Divisional Director of Strategic Commissioning which set out the activities of the Scrutiny Leader Members since February 2013.

**RESOLVED:** That the report be noted.

#### 407. Any Other Business

The Chairman advised that neither the Leader nor the Chief Executive would be free to attend the Special Meeting of the Committee, scheduled to take place on 2 July 2013. It was proposed that the meeting be re-scheduled to take place on either Monday 8 or Tuesday 9 July and the date confirmed to all parties in due course.

#### 408. Exclusion of the Press and Public

**RESOLVED:** That in accordance with Part I of Schedule 12A to the Local Government Act 1972, the press and public be excluded from the meeting for the following item, for the reasons set out below:

<u>Item</u>	<u>Title</u>	<u>Reason</u>
13.	Reviews of Financial Management	Information under paragraph 3 (contains information relating to the financial or business affairs of any particular person (including the authority holding that information)).

#### 409. Provision of SAP Reports

The Committee considered the part II appendices relating to this item.

Following discussion, the Chairman requested that a report setting out clear and measurable objectives, outcomes, timelines and deliverables be submitted to the Performance and Finance Scrutiny Sub-Committee regarding the re-tendering of the Capita contract.

A Member asked about the robustness of the budget setting and monitoring process and how this would be monitored. The Director of Finance and Assurance stated that an improved, more robust system was in place, that would allow budget holders to make salient decision and identify areas of growth and enable Members to make more informed decisions.

A Member, who was not a Member of the Committee stated that sound financial systems were core to the business of the council and asked how these would be reviewed and any issues resolved. The Director of Finance and Assurance advised that the council's accounts for 2012/13 had been approved by the auditors. Staffing within the finance team was under review.

The viability and practicability of SAP was also under review. Members would be furnished with the most comprehensive information to facilitate their decision-making regarding the continued use of SAP.

**RESOLVED:** That the appendices be noted.

(Note: The meeting, having commenced at 7.30 pm, closed at 9.44 pm).

(Signed) COUNCILLOR PAUL OSBORN  
Chairman