

### Statement

Thank you for giving me the opportunity to speak on this issue. To make it easier for the committee I have some printed copies that I would like to distribute to you now. I will also email a copy to the committee clerk in order that it can be included within the minutes of the meeting.

By way of introduction, perhaps I can say that I know very little of the work of Flash Musicals, and they and their work is irrelevant to this call-in which is focussed solely on the processes involved and used by the Council.

Also can I say to those that are attending this meeting, that this committee is a sub-committee of the Council's main Overview and Scrutiny responsibilities and is made up of the chair of the Overview and Scrutiny Committee and its members. It has no decision making powers, only the power to recommend. It is part of our duty as Councillors to hold the executive to account and to scrutinise their decision making. This meeting is part of that process.

I believe that the residents, the voluntary sector, and all of our partners, expect us as elected representatives to make decisions in an open, honest, fair and transparent way based on all of the facts available to us and after we have listened to their views.

Some may try to say that this is a political issue. This couldn't be further from the truth.

I have been to a few Flash Musicals functions and events and I can honestly say that I have thoroughly enjoyed them. I can see what they have brought to the community since 2002 when they moved to the derelict building in Harrow and turned it into something useful for the community. I would recommend to all in this room that they should visit Flash Musicals and see what excellent work they are doing.

We appreciate that Flash Musicals, along with the wider voluntary sector in Harrow, provide excellent services to their local communities. However, we fervently believe that the council must treat all of these organisations equitably

With regard to the council commissioning work and providing grants, these are done in an open, honest, fair and transparent way.

Whilst some may not agree with it, everybody understands that there has to be a process – there have to be rules. There are always winners and losers in any process of this kind but everyone accepts the outcomes because they have all been treated the same.

It must be noted that the decision commits the council to expenditure through a 5 year SLA that is not available to other providers; it is outside of the current commissioning process and is not open and transparent. It also undermines the "Outcome Based Grants" process. To make a decision of this type then a large

section of the effected community needs to be informed of the issues and to be largely in agreement.

The reason we have called this decision in is because:-

1. We do not believe that there has been adequate consultation with stakeholders
2. We do not believe adequate evidence has been provided to the Council, or indeed, the wider community before the decision was made
3. We believe the decision is contrary to the policy framework and not wholly in accordance with the budget framework
4. We believe that the action is not proportionate to the desired outcome
5. We believe that the decision has been made by the Portfolio Holder without due regard to the Public Sector Equality Duty.
6. We also believe that the legal and financial advice has not been fully considered before the decision was made.

Bearing in mind that fairness is central to and underpins the processes previously used by the Council; I would like to address the 6 points of the call-in separately.

#### **1. Inadequate consultation with stakeholders prior to the decision**

As we are all aware the perception is that this decision was made in a rush on an afternoon when others were preparing for a full council meeting where their own future as Leader and Portfolio Holder would be decided. I cannot believe that the Portfolio Holder thought that this issue was so pressing when his own future was being called into question.

As we all know, council decided to remove the Leader that evening and subsequently the new leader dismissed the Portfolio Holder from his position.

It is clear from the report that there has been no recent consultation or briefing with Councillors from the different political parties for their views on such a major and highly public decision.

As we are all aware this property is within the Housing Revenue Account and there are other properties owned by this account that are used by voluntary sector organisations that also bring immeasurable value to local communities.

#### ***Were they consulted and will they be treated in exactly the same way?***

Within the report it says that the council will place work with flash musicals but doesn't indicate what this work could be. This would confirm to anyone outside this process that the decision has been made in a hasty and hidden way?

Who else could have applied for this unknown work? Has there been any consultation with any affected group for this unknown work – quite frankly, we do not know.

One might be forgiven for believing that there was an intention to circumvent such scrutiny.

## **2. The absence of adequate evidence on which to base a decision**

Within the report (2.2.2) at the bottom of page 18 it clearly states that the evidence has not been provided to the council, or more importantly to the Portfolio Holder prior to making the decision that would support the statement that services have been delivered to the value of £72,000.

I would ask why a decision has been made so quickly when this basic information has not been provided. I understand that this situation has developed over many years and little other than a passing reference is made to the complications of the relationship between the council and this site is referenced in the report.

I would further ask why we are making a decision to pay someone for something when the report gives so little or no real justification.

If we are to be an open, honest, fair and trustworthy council, where is the evidence that the council specifically asked Flash Musicals to supply these services, what other groups were considered and what was the guiding principles to supply this work in an equitable way across the voluntary sector?

Where are the details of any action that the Council has undertaken with other people or groups that were in a similar position? Where is the indicative precedent that the Council has used from the past that has informed the way this situation has been dealt with?

This report should contain more of the history of this site and its work with Flash Musicals. The voluntary sector should be consulted, the results of that consultation should be in the report and Flash themselves should be asked to contribute.

## **3. The decision is contrary to the policy framework, or contrary to, or not wholly in accordance with the budget framework**

The policies to apply for funding, or supplying services, across the Council are open and transparent.

Quite frankly, by one organisation, with little explanation, receiving preferential treatment through a hasty decision making process with regard to the write-off of debt and the reduced rental for council owned buildings, it has meant that there is significant risk that other organisations or individuals will also seek financial reimbursement under similar circumstances and the possible consequence if they are refused. Indeed, this was highlighted within the report as a risk (page 23) but quite clearly, ignored.

The decision contradicts the Councils agreed policies that ensure there is a joined-up, cross-sector approach to agreeing the delivery of local priorities.

The property concerned is within the Housing Revenue Account (HRA) and the decision may have an adverse impact on the HRA, or other Council budgets used to reimburse the HRA, due to the lower rent. This could be seen as contrary to the long term business plan for the HRA that has been previously agreed by Cabinet.

#### **4. The action is not proportionate to the desired outcome**

We accept that this debate around flash musicals has been going on for some time, one source has said for 13 years, and we have sympathy with their position.

But is this the right outcome?

The council needs to ensure that in exercising its functions it must have regard to a combination of economy, efficiency & effectiveness.

Where is this articulated within the report?

I would contend that the decision has been made without it being understood how it is proportionate to the desired outcome.

#### **5. A potential human rights challenge**

Under Equality legislation, specifically the Public Sector Equality Duty (PSED), a decision maker must have due regard to the effect of that decision.

Where is it articulated how this decision has taken due regard to fostering good relations between people who share a protected characteristic and those who do not?

Where is it articulated how this decision has taken due regard to positively contributing to the advancement of equality and good relations within the voluntary sector within Harrow when the decision has ignored the financial difficulties of other organisations that the Council connects with.

Where is it articulated how this decision reflects the wider sector and the delivery of services, which may contribute to greater inequality and poorer outcomes.

#### **6. Insufficient consideration of legal and financial advice.**

##### **a. Legal Advice**

What Legal Advice was given that made this decision so urgent? There is no publication of any Legal Advice provided around the fact that the Council is commissioning services from Adult Services and Community & Culture without due consideration of other suitable providers and the effect that this may have.

There is no mention in the Legal Advice concerning the fact that the decision contradicts the commitments given within the agreed Council Equality Objectives that state:-

*“As a service provider, we are committed to ensuring our services are open, fair and accessible by taking into consideration the needs and requirements of our diverse community and service users. We will continue to improve our services through a comprehensive Equality Impact Assessment (EqIA) process, engaging with and listening to our communities and service users.”*

As a procurer of goods and services, we will continue to ensure our commissioning processes are fair and equitable and that service providers delivering a service on our behalf share our commitment to equality and diversity.

**b. Financial Advice**

In these tight fiscal times we need proper information before making these decisions. We need to know what the long term impact of our decisions will be, and in decisions like these, especially on other voluntary sector organisations.

But is it £72,000? Within the press it has been stated, and I quote, *“Flash has done services in the tune of £103,000. Which the council has an invoice for and still needs to be made”*

Do we have a contract with Flash to provide services valued at £103,000, if so, can we see the contract and the SLA that governs it? And was this work won as a result of a competitive tender, and will this cost escalate?

What I suspect has happened is that officers have exploited the good nature of this charity and that we will find little formal evidence to support any invoice for services rendered to the council by Flash Musicals.

**To Conclude:**

In view of the reasons outlined in point 3, and due to recent changes within the political administration of the Council, we would like the committee to consider referring the decision to Full Council in accordance with the powers and duties given to the Call-In Sub-Committee as stated within the Constitution. This should happen particularly if the Portfolio Holder making the original decision is not present to be questioned.

I believe that there are many lessons to be learnt from the way that the Council has dealt with Flash Musicals over the years and these should be studied in a public arena.