

Update on Progress to Implementation of Original Recommendations

Ref	Original Recommendation	Response – as reported to Cabinet 23 April 2015	Update as at January 2016
1.0	Harrow Council to set a budget covering at least three years from 2016/17, to provide a greater degree of certainty and ensure that all budget decisions are aligned to a medium-to-long term strategic vision. Changes will need to be made on an annual basis, but these should be amendments to a complete three year plan, rather than a significant development upon loosely defined or partial plans.	<p>Response</p> <p>Agreed.</p> <p>This will be the basis of the budget process that culminates in Council Tax setting in February 2016.</p>	<p>In February 2016, the Council approved a three year budget for 2016/17 to 2018/19.</p> <p>There will be a budget refresh process if further innovations are developed or alternative savings are proposed.</p>
2.0	Harrow Council to establish clear criteria or principles for budget decision making for future budget-setting processes and communicate these clearly and widely within the Council and to the public.	<p>Response</p> <p>Agreed.</p> <p>The budget is intended to deliver the Council's Corporate plan within the resources available. A set of principles for how the budget is constructed to achieve this will be issued to officers during the budget setting process. This will form the basis of any "Take Part" style consultation that takes place.</p>	<p>The three year approved budget for 2016/17 to 2018/19 was based on the priorities and outcome based view set by the Administration and detailed within the Corporate Plan.</p> <p>This now forms the foundation on which to move forward and will be refreshed annually to account for further innovations and alternative saving proposals.</p>
3.0	Harrow Council to give much greater emphasis to understanding and improving how Council money is spent, rather than dedicating most of the available time and energy to deciding what the	<p>Response</p> <p>Agreed.</p> <p>More time should be spent on what the council spends rather than savings</p>	<p>The budget report approved by Cabinet in February 2016 detailed a clear plan on how the Council will spend its £141m of controllable budget to support agreed priorities (table 1 in</p>

	Council will not spend money on in the future.	that need to be delivered. However it is important to reflect on the Council's statutory requirement to set a balanced budget.	the budget report). The Harrow Ambition Plan, approved by Cabinet in February 2016, and the three year budget set out the direction of travel over the medium term as to how the funding envelope will be used to support priorities and the Harrow Ambition.
4.0	Harrow Council to move away from a directorate-based budgeting process to an outcomes-based one that: a. Is meaningful to residents, rather than based on the Council's internal structure. b. Is based on residents' needs. a. 100% outcomes-based by 2019/20 or earlier. b. Draws on 'zero-based budgeting' elements: where new ideas are developed from the ground up, rather than incrementally developing upon past ideas.	Agreed. However this will take time to implement and will be fully implemented, as suggested, by 2019/2020	This agreed three year budget (2016/17 to 2018/19) is the foundation on which to move forward in terms of identifying alternative budget processes.
5.0	Harrow Council to draft a proposal for a gradual transition to an Outcomes-Based Budgeting approach, for consideration by Overview and Scrutiny prior to finalisation and implementation.	Response Agreed. As per 4	Work is now being undertaken on considering the most appropriate options as the next budget rounds starts, in preparation for the 2017/18 draft budget being presented to December Cabinet.
6.0	Harrow Council to give careful consideration to getting the following right when planning and implementing an outcomes-based budget approach: a. Communication, culture change and change	Response Agreed	The agreed three year budget and Harrow Ambition Plan is an achievement in light of the challenges faced and provide a solid platform with which to move forward and achieve

	<p>management: Avoid confusion and uncertainty by planning in advance and dedicating sufficient resource to programme management; recognise that some members of staff may feel threatened and behave defensively and plan a response to this.</p> <p>b. Leadership: Ensure that Members and everyone at Senior Management level have a common vision and are fully engaged in the design and delivery of an approach. Choose individual outcome leads on their leadership ability not their service knowledge.</p> <p>c. Contingency Plan: In recognition that a changing approach is experimental and involves some risk. This may include setting key milestones and review points at which contingencies trigger.</p>		<p>the savings, ambitions, innovations laid out over the next 3 years.</p> <p>The points raised are integral to success over the next three years and are part of the considerations as the Council moves forward.</p>
7.0	<p>Harrow Council to give consideration to whether additional resourcing is needed to support the budgeting process in light of the above recommendations and any other considerations.</p>	<p>Response Agreed.</p>	<p>Consideration has been given to this point. However in light of the financial challenges faced, back office functions that support the budget process have had to take their share of budgets reductions and are reduced in size. The best use of the remaining resources will be made to support the agreed budget process, but it will have to be contained within the funding envelope available.</p>
8.0	<p>In determining how best to deliver priority outcomes, Harrow Council</p>	<p>Response Partially agreed. While we recognise the</p>	<p>Consideration will be given to using appropriate tools.</p>

	<p>should consider the totality of public spend in Harrow and work collaboratively with public sector partners to deliver shared objectives as effectively as possible. Use of the Greater Manchester Cost Benefit Analysis Tool (see below) should be investigated with partners, to see if this can be used as a Common Approach.</p>	<p>importance of looking at the total public sector spend in Harrow, any final decisions about the budget must be in the financial interests of the council.</p>	<p>There is an increased move towards collaborative working. The Council is perusing shared services with other local authorities to achieve efficiencies and generate income. There remains a collaborative working relationship with the CCG in terms of the Better Care Fund negotiations and consideration of the best use of property assets across the CCG and Council. There is Pan London collaboration in terms of a joint Sexual Health transformation project to improve service provision and achieve efficiencies.</p>
9.0	<p>Harrow Council to equip all Members with the skills and knowledge needed to improve Harrow's journey towards outcome based budgeting. For instance by increasing awareness of which services are statutory, what this means and how much scope there is for altering the nature and scale of these services. The reason for this is because simply labelling something "statutory" doesn't inform about what it means for services in terms of outcomes, quantity or quality, or other features of a service.</p>	<p>Response Agreed. Training can be delivered in this area.</p>	<p>Appropriate training will be provided once the budget process moving forwards has been decided.</p>
10.0	<p>Harrow Council to write to the Government, welcoming the 2014 Autumn Statement commitment to giving local authorities indicative multiyear</p>	<p>Response Partially agreed – a letter will be sent to the current Government and as part of the Fairer Grant for Harrow campaign, once a</p>	<p>The Administration are engaged in the '159 Campaign' to achieve a better funding settlement for Harrow.</p>

	budgets as soon as possible after the next Spending Review, and lobby all relevant parliamentary political parties to deliver this if they are in Government after the General Election.	new Government is in place following the General Election, a letter will be written to the Government.	The central government grant settlement, announced in December 2015, was not a good settlement for Harrow and not a good settlement for Outer London as whole. There was successful Member / Officer lobbying to Ministers which achieved a positive result in additional transition Revenue Support Grant for 16/17 and 17/18, however this was adversely mitigated by a late announced significant reduction in the Council's Public Health Grant allocation.
11.0	Harrow Council to consider how resources can be freed up to resource early intervention and prevention services.	Response Agreed. The current budget process already supports "Invest to save" proposals. Any large scale early revenue investment may well increase savings required elsewhere in the early years of the MTF5.	No further update.
12.0	. Harrow Council to further develop evidenced-based decision-making, to make sure that resources are used as effectively as possible to deliver public value. In particular, it is recommended that Harrow Council pilots the use of the Greater Manchester 'Cost Benefit Analysis' Tool as a method to help us understand the costs and benefits of early intervention and prevention, and build evidence for pooling budgets with partners where benefits are derived by more than one public sector body. This could be for	Response Partially agreed. The Council will continue to explore all options for early intervention and budget pooling where they deliver financial benefits to the Council.	Resources have been focused on setting the three year budget. Now this is set and forms the foundation for moving forward, as planning commences for years 2 and 3, appropriate tools will be evaluated.

	<p>any or all of the following:</p> <p>a. To evaluate a core service with strong preventative elements.</p> <p>b. To evaluate a service with preventative elements that is at risk of being cut – to help the Council decide whether it should or shouldn't be cut.</p> <p>c. To help us estimate the costs and benefits of a new service delivery model that the Council might invest in, to help the Council decide whether it should do so.</p>		
13.0	<p>Harrow Council to adopt a consultation approach that focusses on public engagement in determining priority outcomes – linking outcomes to service options to some extent, in order to ensure that it is meaningful to the public.</p>	<p>Agreed. Consultation and resident engagement are an essential part of the process of setting the Council's MTFS</p>	<p>A new set of Consultation Standards was approved by Cabinet in July 2015.</p>
14.0	<p>Harrow Council to investigate and evaluate options for budget-simulation consultation tools, in which respondents select from cuts and spending options to form a balanced budget, such as that developed by the London Borough of Redbridge. These might need to be adapted to align with an outcomes-based budgeting approach, rather than an incremental based budgeting approach.</p>	<p>Agreed. This will be considered</p>	<p>Such consultation tools can often require an enormous resources and this would have to be considered alongside tight financial constraints.</p> <p>The focus of resources to date has been on setting the three year budget. As consideration now been given to the refresh process for year 2 and 3, tools will be investigated for appropriateness.</p>
15.0	<p>Harrow Council should at the very least,</p>	<p>Response</p>	<p>Comment as per 14 above.</p>

	ensure that consultations encourage meaningful choices and encourage people to think about trade offs in their responses. This may or may not be through the mechanism described in recommendation 14.	As per 13 & 14	
16.0	Harrow Council to investigate and feedback on how local businesses should be positively engaged in future budget-setting and consultation processes, including ideas for how they can contribute to the achievement of Harrow's vision and objectives.	<p>Response</p> <p>There is a statutory requirement to consult the business community on the budget already. This does not currently generate any significant response or interest. Officers will work with members to try and devise a new way of discharging this responsibility that gains more traction with the business community.</p>	<p>The Harrow Business Consultative Panel with local businesses was held on 26 January 2016 as part of the budget consultation process.</p> <p>Consideration is currently been given to alternative / additional forms of engagement.</p>
17.0	Harrow Council to investigate the remaining concerns of the Voluntary & Community Sector Reps raised when giving evidence to this Challenge Panel (see appendix 2), report its conclusions to Overview & Scrutiny Committee and outline what it intends to do differently in the future as a result.	<p>Response</p> <p>Agreed.</p>	Update pending – verbal update will be provided at the meeting.
18.0	Scrutiny to increase its 'pre-decision' Scrutiny (on topics to be decided by Overview and Scrutiny Members). Council officers to notify Scrutiny of forthcoming 'key decisions' at least 6 months in advance to facilitate this, allowing Scrutiny to input at an early stage of	<p>Response</p> <p>Agreed: Pre-decision scrutiny can be an extremely valuable tool that leads to better quality outcomes for residents. Members and officers would need to explore how the "six month" rule would work in practice and</p>	This recommendation has yet to be actioned. The recommendation will be explored and the results reported back to the next meeting of this group. Currently the Key Decision Schedule is published quarterly and provides details of key decisions that will be

	policy, strategy and proposal development.	only apply it where appropriate.	made at Cabinet for the three months ahead.
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