

# OVERVIEW AND SCRUTINY COMMITTEE (SPECIAL) MINUTES

## 9 JULY 2019

<b>Chair:</b>	* Councillor Sachin Shah	
<b>Councillors:</b>	<ul style="list-style-type: none"> <li>* Richard Almond</li> <li>* Dan Anderson</li> <li>* Sarah Butterworth</li> <li>* Honey Jamie</li> </ul>	<ul style="list-style-type: none"> <li>* Jean Lammiman</li> <li>* Jerry Miles (1)</li> <li>* Chris Mote</li> <li>* Kanti Rabadia</li> </ul>
<b>Voting Co-opted:</b>	(Voluntary Aided)	(Parent Governors)
	<ul style="list-style-type: none"> <li>† Mr N Ransley</li> <li>* Reverend P Reece</li> </ul>	<ul style="list-style-type: none"> <li>* Mr M Chandran</li> <li>† Ms M Trivedi</li> </ul>
<b>Non-voting Co-opted:</b>	Harrow Youth Parliament Representative	

- \* Denotes Member present
- (1) Denotes category of Reserve Member
- † Denotes apologies received

### 70. Attendance by Reserve Members

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

Ordinary Member

Councillor Jeff Anderson

Reserve Member

Councillor Jerry Miles

## 71. **Declarations of Interest**

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

### Agenda Item 4 – Question and Answer Session with the Leader of the Council and Chief Executive

During the question and answer session, Councillor Jean Lammiman, a member of the Committee, declared a non-pecuniary interest in that she had recently been interviewed in relation to the inspection of The Local Area (LA, CCG and NHS) for the SEND (Special Educational Needs and Disability) Reforms, an inspection which had been conducted by Ofsted. She would remain in the room whilst the matter was considered and voted upon.

During the question and answer session, Councillor Chris Mote, a member of the Committee, declared a non-pecuniary interest in that his wife, Councillor Janet Mote, had met the Inspection Team in relation to the inspection of The Local Area (LA, CCG and NHS) for the SEND (Special Educational Needs and Disability) Reforms, during the introductory and feedback meetings. He would remain in the room whilst the matter was considered and voted upon.

## **RESOLVED ITEMS**

### 72. **Appointment of Parent Governor Co-opted Members of the Overview and Scrutiny Committee**

**RESOLVED:** That Mr Manoj Chandran (Whitmore High School) and Ms Mandeep Trivedi (Stanburn Primary School) be appointed as Parent Governor Co-opted Members of the Overview and Scrutiny Committee for the Municipal Year 2019/20.

### 73. **Question and Answer Session with the Leader of the Council and Chief Executive**

The Chair welcomed the Leader of the Council and the Chief Executive to the meeting. The Chair outlined the purpose of the question and answer session which was to scrutinise the Leader and the Chief Executive in relation to their decisions and performance, including initiatives and projects. He outlined how the meeting would be conducted and requested all those present to refrain from politicising this meeting and to uphold the spirit in which scrutiny operated and worked across party lines.

Prior to the consideration of questions from the Committee, the Chief Executive and the Leader of the Council referred to their presentation circulated with the supplemental agenda and provided an overview of the following: strategic context, strategic response and strategic priorities.

The Chief Executive stated that:

- he had worked in local government for many years but that he had not experienced the degree of uncertainty and challenges that currently faced local government;
- local government was facing a significant flux and a great deal of uncertainty and these aspects had been evident at the Local Government Conference he had attended during the previous week;
- the country was 'wrestling' with Brexit and there was uncertainty in relation to how it would impact on the economy and on future government policy. The style and approach of the government was likely to change with a new PM and ministerial team which, in turn, would impact on policy and the legislative environment, particularly in relation to the major issues facing local government on housing, health and social care and education. He expected changes in the funding of local government which would impact on Council Tax, fair funding and the comprehensive spending review.

The Chief Executive reported on the major issues that he had been leading on since joining Harrow in February 2019:

- (1) the Regeneration Programme, including proposals for the procurement of a Strategic Development Partner to assist with the delivery of a number of core strategic development sites in Harrow;
- (2) the Council's Medium Term Financial Strategy (MTFS).

He added that, in parallel, the following issues would be ongoing: service delivery and the Council's future direction of travel, including a refresh of the Harrow Ambition Plan. It was important to ensure that the services provided within the financial constraints of the Council were good and effective and that the budget was on a sound footing. In the longer term, a focused Harrow Ambition Plan was required. The Council's policy agenda would focus on the integration of health and social care, an effective HR, organisational and staff development, including performance management. It was important that the culture of the organisation was fit for purpose.

The Leader of the Council added that Harrow was a low spending/high achieving Council and the government's future funding plans would determine the Council's direction of travel. It was therefore difficult to plan ahead.

The Chair invited questions from Members of the Committee.

- Q - Harrow Ambition Plan/Corporate Plan/Shared Services:**  
**The strategic priorities indicated that a new outcome focused Harrow Ambition Plan was required. The Council's Corporate Plan was not focused as it contained minute detail. The modernising agenda appeared to have slowed down. What lessons had been learnt from the ending of the HR and Legal Services arrangements with Buckinghamshire County Council? What income targets had been set from the sale of commercial**

**services? Scrutiny would be focusing on shared services with a view to carrying out a review.**

- A -** The Chief Executive identified some of the strengths in the current approach in relation to the Harrow Ambition Plan. However, it was important to address some of the areas differently by focusing on what the Council wanted to achieve for the borough, including a focus on outcomes such as employment and skill set. It was essential that the Plan was owned by the various partners, such as businesses, police and colleges. In a number of areas he would be looking for something different - the Plan needed to be about the place as much as the Council.

The Chief Executive stated that Buckinghamshire County Council was moving towards the creation of a new single, county-wide unitary council and was therefore moving away from the shared service arrangements with Harrow Council. He was of the view that whilst the shared legal arrangements had worked well, the HR element had not served the Councils well and might have been the contributing factor. Too much financial support had been removed from the HR area and, looking ahead, he was uncertain if Buckinghamshire County Council would have been an ideal partner. In terms of the lessons learnt, it was important to identify from the outset what you wanted the service to achieve and how it should perform.

The income targets as at 2022 were £5m of which £2.4m had been identified. A further £2.9m needed to be achieved of which £600k had been identified for 2019/20, and the remainder would need to be achieved as follows: £1.25m in 2021 and £1m in 2022. These targets had been set out in the MTFs (Medium Term Financial Strategy) report submitted to the Cabinet and the targets set were stretched.

The Leader of the Council stated that the commercialisation agenda had not changed. The delay had been due to the works intended at the Depot site. He added that the HR service would be brought in-house and should be seen as an opportunity to re-design the service for the benefit of the Council. Other shared services, such as HB Public Law, were working well.

- Q -** **Regeneration:**  
**Under a joint venture model, how would the Council be able to make sure that it got what it wanted and was not forced into doing things that the partner wanted the Council to do?**

**What is the current thinking about where the new Civic Centre would go?**

**Regeneration must be through the whole of the Borough not just the centre. What plans have you for all parts of Harrow?**

- A -** The Chief Executive informed Members that the Council would enter into a legally binding partnership with a development partner each

owning half of the company. The Council would then have both influence and control as a joint partner. Any decisions would have to be agreed by both the Council and the Private Sector Partner.

The Chief Executive added that, as part of the procurement process, the Council would define its intentions and requirements for the sites, such as housing and a new Civic Centre. The Council was also the planning authority and had obligations to meet. Inevitably, in any partnership, there would be compromises and the Council, to some extent, would be giving up some degree of control and sharing risks.

In terms of a new Civic Centre, the Chief Executive stated that the intention was not to re-provide the same Civic Centre but to generate housing, including affordable housing, on the Poets Corner site. However, for the site to be financially viable, a new Civic Centre would be required on an alternative site and the Peel Road site was the preferred option although the Council would be open to other suggestions and criteria would be set out as part of the procurement process.

The Chief Executive added that the Council had spent a great deal of time on the Regeneration Programme for the sites it owned. Some regeneration had been led by the private sector, such as on the Kodak site, and there was a plethora of different types of regeneration being carried out in the borough. He added that the regeneration of the borough as a whole would be a requirement of the partnership approach with a developer but that the Council was currently concentrating on a number of key sites which it had struggled to get off the ground.

The Leader of the Council referred to the regeneration of Edgware and added that the tender process was underway and that external legal advice would be sought on contracts/tenders. He added that some 60 companies had shown an interest but it was likely that up to four companies would form a shortlist of businesses that would want to work with the Council and be willing partners.

The Leader informed Members that the Council was also in discussions with neighbouring boroughs, namely Barnet and Brent Council with a view to a lead borough being identified. Discussions were also ongoing on the future of the A5 corridor which was a long term project and would require government support and finance.

- Q - Joint Venture/Funding & Profit:**  
**How would a joint venture work, as it would require the agreement of both parties? The cost, expertise available and capital funding were essential ingredients. Any developer would not only want to recover costs but also make profit. They will also look at sites other than the core sites identified. Did the Council understand and appreciate all the elements involved?**

**The report to Cabinet identified a debt figure of £446m. The Treasury Outturn report identified figures as at March 2019 and a net borrowing of £320m. The report(s) also identified other long term liabilities. Which figures were correct?**

- A -** The Chief Executive stated that both officers and Members were aware of the requirements of any private developer, including the profit element. It was important to recognise that the Council would also benefit from any profit made. The work relating to a joint venture was complex and a great deal of work would be required. All elements would be explained to Members.

The Leader of the Council stated that any partnership would require an assessment of profit and risk involved.

The Chief Executive stated that he would ask the Director of Finance to respond to the query relating to the figures. The questioner stated that he had given notice of this question on the administration's view of the actual and potential levels of the Council's debt, taking into account the Property Acquisition and two-year Budget Strategy papers in the July Cabinet agenda and also income now and in future from Project Phoenix schemes. The matter had also been raised at the GARMSC. The Chair of Overview and Scrutiny Committee acknowledged that prior notice had been given and requested that a written response be provided to Members.

- Q - Joint Ventures/Housing:**  
**It had been accepted that the Council would require external expertise to move joint ventures forward. How confident was the administration that the joint ventures in place would be successful?**  
**As part of the Regeneration agenda, some affordable housing had not been sold. Did the Council have any projections and how would the plans work?**

- A -** The Leader of the Council stated that whilst there was expertise within the Council, external advice would also be required. The Council did not have experience in regenerating major sites and would be looking for a partner to ensure better value. He added that the housing market was unstable and that developers would not build homes unless there was confidence in the market.

The Chief Executive added that the alternatives available to the Council were to explore the possibility of a joint venture, develop the sites or hand over the sites to another party. None of the options were fool proof and a sensible and prudent approach would be required to develop complex sites. He expected a degree of uncertainty to remain in the medium term and the procurement process would commence over the next two years. The scheme was expected to last over a period of 10 years and the Council would need to manage any challenges in the interim period.

The Chief Executive pointed out that there was an element of risk involved in any joint venture and the Council was looking to ensure that any proposals were cost neutral. He reported that a detailed legal agreement, which would set out expectations and a time period, would be necessary. It was important to ensure that the Council had the ability to flex tenure to manage changes in the financial and housing markets.

- Q - Performance:**  
**Councillors often received complaints about waiting times for the Call Centre. As the Council moves to more online services, how would it meet residents' expectations?**

**Councillors have had a number of complaints about the garden waste service this year. What changes would the Council be making for the following year?**

- A -** The Chief Executive acknowledged that there were issues with the service which had generated complaints and inherent in the question was that it was important to get delivery right at the first attempt. The Council also needed to fundamentally review its processes and make them simple to use/implement, particularly at the time of automation. He would be investing in the Council's website and new technology and he recognised that there was a requirement to ensure that new systems worked before other channels of communication were 'switched off'.

The Leader of the Council was concerned about the lack of resilience. He added that as the Council moved many of its services online, it was important that back office functions were also connected. He added that the Portfolio Holder for Community Engagement and Accessibility was exploring options for those who were not able to access services online.

- Q - Regeneration/Transport Links:**  
**Was the TfL (Transport for London) involved in the proposed Regeneration of the borough as transport links would be vital as a result of the reduction in car parks?**

- A -** The Leader of the Council reported that the TfL had also suffered from cuts in its budget and bus routes had suffered losses. The congestion at Harrow Bus Station, including the services available in North Harrow, continued to prove challenging. The TfL was also challenged by low emission bus routes as single deck buses were vibrating more than double deck buses. Discussions with network rail were in train to ensure key transport links to the borough did not suffer and were improved. In regard to the Kodak site, it was important that there were good transport links from Harrow Weald to Harrow Bus Station, including connections to Harrow Leisure Centre and Northwick Park Hospital.

The Chief Executive added that there was a need to articulate the transport infrastructure required and set out a clear vision prior to lobbying the TfL.

- Q - Budget:**  
**The Council had a large budget gap. You are taking a paper to 11 July Cabinet meeting. Can you explain your plans?**

**There are plans to consult on changes to Council Tax support. How would the Council ensure that the poorest were not affected.**

- A -** The Chief Executive stated that the Council Tax Support Scheme (CTSS) was not a saving exercise. The aim was to ensure that the Scheme worked for recipients due to the changes to Universal Credit. Consultation would be undertaken to ensure that there were no unintended consequences and detriment to recipients. There was an aspiration - in the longer term - to put more money into the Scheme.

The Chief Executive referred to both the Council Tax and Social Care precepts and that any changes in government policy could have significant impact on both. Changes in policy would not be expected until the autumn and the CTSS would provide choice. The large number of grants specific to this area might also stop. Early indications from the two candidates for the PM was that more money would be provided to the public sector and that funding for social care needed to change. In the interim, it was important for the Council to bridge its budget gap by making more efficiency savings, attract further commercial investments and progress the Transformation Plan.

The Leader of the Council stated that for the Council to bridge its current budget gap, it would require a 20% increase in Council Tax. The challenge was to explore ways in which funding could be redistributed to reduce impact.

- Q - Regeneration/Communication:**  
**A holistic approach to the Regeneration Programme was required and the issues faced by the Council needed to be communicated, as the Council should not be seen as the 'enemy'.**

**The Council's Community Lottery to raise money for local causes had been communicated poorly and it was important for the Council to ensure that any early enthusiasm did not wear off.**

**The management of waste collection and maintenance of highways were key issues. There was a need to address these and improve communication when incidents were reported by residents. There was an issue of how Members reported such incidents and the need for them to follow procedures set. Members and residents also needed confidence in the processes.**

**How was the Council going to take the issues raised above forward?**



**A -** The Chief Executive acknowledged that communication was poor and he recognised the need to develop and improve existing systems. It was important that the Council did not set expectations it could not meet. Moreover, it was important to ensure that issues were addressed and dealt with first time. He cited the example of garden waste collection and pointed out that, whilst the issues had been largely resolved, the Council ought to have got it right first time. The Leader of the Council said that the garden waste scheme had been made too complicated.

**Q - Education/Young People:**  
**The Strategic Priorities relating to Health and Social Care and Adult Social Care ought to be commended. However, why was there no reference to Education as a focus on how young people/schools would help build on successes of the past? For example, the young people were facing many challenges and the governors in schools were also facing challenges as their duties were becoming onerous. Where did Education fit into the priorities as the priorities concentrated on commercialisation and partnerships?**

**A -** The Chief Executive stated that the priority areas were linked to improvements required and, perhaps, the 'Strategic Priorities' ought to be redefined as 'Priorities for Improvement'. He was not being complacent about Education as a priority and he had spent a great deal of time with Headteachers recently. He referred to the recent inspection of The Local Area (LA, CCG and NHS) for the SEND (Special Educational Needs and Disability) Reforms, an inspection which had been conducted by Ofsted and that he was pleased with the outcome. The schools were part of the 'Harrow family' and their achievements would continue to be supported.

The Leader of the Council stated that education was important. The Strategic Priorities were cost drivers and it was important to get them right, including the direction of travel. Otherwise, it would be difficult to plan ahead.

**Q - Scrutiny Process:**  
**As Chair of Overview and Scrutiny Committee, I was asked to agree that the report on Vaughan Road was urgent and could be considered at the July 2019 Cabinet meeting. Additionally, I was asked to approve that the decision on Vaughan Road was urgent and would not be subject to the Call-In process. All aspects were agreed by me. I was also assured that Ward Councillors had been informed. It subsequently transpired that the assurances given were not correct and, subsequently, the report was withdrawn from consideration. Can you assure me that officers, in the future, would pay due respect the scrutiny process and have regard to its process and function?**

- A - The Chief Executive stated that, as a champion of scrutiny and the Overview and Scrutiny Committee's functions, it was important that officers were held to account. He would discuss the matter further with the Chair separately.

The Chief Executive added that the 'overview' element of scrutiny was also about how it could influence policy and it operated in the form of a select committee. Scrutiny acted as a check and balance on local decision-making with Councillors working across party lines. He would take back the concerns of the Chair to his colleagues.

- Q - **Council's Website:**  
**Can the Council test run online systems with partners/public bodies? For example, it took 16 clicks to find reference to Dementia on the Council's website.**

- A - The Chief Executive acknowledged that it was important that information was easily accessible and he would be discussing this matter with the Council's digital web team. He recognised that it would be mutually beneficial to have the systems tested which would help the Council to operate effectively.

- Q - **Budget/Council Tax/Reserves:**  
**It was difficult to understand the financial situation of the Council. The Council Tax had risen year on year and a respite was needed. There was a surplus on the budget and the Council had reserves. Why was CT rising?**

- A - The Leader of the Council explained that the figures had changed due to receipt in grant funding of £4.5m. Borrowing money had allowed the Treasury Management debt to be restructured. The Director of Finance had stressed that Capital Funding could only be approved upon receipt of a robust business case. He would ask the Director of Finance to clarify how reserves could be used. The cost of services had risen whilst government grants had been reduced. Some of the funding gap had been mitigated by an increase in Council Tax.

The Chief Executive explained that external borrowing was in the region of £346m for 2019/20 and this figure was expected to rise to £450m in 2020/21. He expressed a view that if possible the Council should improve on the level of unallocated reserves available to the Council and there was a need to ensure that the reserves were over and above a minimum figure of £10m. There was a total of £53m in allocated reserves.

- Q - **HR/Member Development:**  
**What were the issues with the Council's current HR function? Additionally, why was Member Development seen as a poor relation?**

A - The Chief Executive stated that he was striving for a modern, up to date, high quality HR service. He believed that there had been under investment in staff training and development. Early results from the recent staff survey had highlighted this point and it was important that staff were helped to be effective. The quality of leadership and training/development were key to achieving effective staff. Good industrial relations were also important and investment was also required in this area.

The Chief Executive agreed that Member Development was also important and should not be seen as a poor relation. The Member asking the question stated that the officer responsible for this area required additional support. In response, the Chief Executive stated that the newly appointed Director's remit was to develop a management development programme, enhance the service and re-establish it.

In conclusion, the Chair sought assurances from the Chief Executive about scrutiny's involvement in any proposed joint venture and shared service proposals and that scrutiny ought to be at the heart of these proposals so that it could carry out its role to provide checks and balances. The Chief Executive agreed with these sentiments and stated that he would need to take guidance on the mechanisms to use for this to happen.

The Chair thanked all for their attendance and contributions.

(Note: The meeting, having commenced at 7.32 pm, closed at 9.28 pm).

(Signed) COUNCILLOR SACHIN SHAH  
Chair