

Relationship Manager Letter

London Borough of Harrow

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Reference:	Harrow – RM Letter
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Date:	December 2003

Key messages

Introduction

The corporate assessment carried out in 2002 rated the council as weak. Harrow Council has made some improvements in its services during the last year, and has continued to invest to deliver further improvements, most notably in the areas of environment and building internal capacity.

The council has made progress in many of the priority areas identified in the Improvement Plan, and this needs to continue. Improvement in some areas, such as environment, is from a low base and much work has still to be done before an acceptable standard of service is received by all residents. Through the development of the Harrow Strategic Partnership and the community strategy, the council is developing an understanding of local needs and working in partnership with the local community.

The council has not yet finalised high level strategic plans such as the corporate plan and community strategy which is in draft form and was submitted to cabinet in November 2003, as a basis for further consultation.

The purpose of this letter

To ensure that councils receive a tailored seamless service, integrated with the work of other inspectorates, the Audit Commission has appointed a Relationship Manager for each council. The Relationship Manager is the Commission's primary point of contact with you and is also the interface between the Commission and the other inspectorates, Government Office and other key stakeholders.

This is our first 'Relationship Manager Letter' to the council. The letter incorporates the council's CPA Improvement Report and summarises the significant issues arising from the 2003 Audit Commission inspection programme. This letter should be read alongside the council's Annual Audit Letter presented by the Appointed Auditor.

We have issued separate inspection reports during the year having completed specific aspects of our programme. These reports are listed at Appendix 1.

Council Performance

CPA Scorecard

Harrow Council has changed from being weak to fair.

The council has made improvements in education, social services, environment, libraries and leisure over the last year.

The 'New Harrow Project' has contributed to improvements, such as cleaner streets in South Harrow. However, this has only been implemented in part of the borough.

The council is working with local partners to develop a community strategy.

There has been some deterioration in housing benefits performance, for example, in the time taken to process housing benefits claims. The council has recently introduced changes to improve performance against all of its targets.

Harrow Council needs to maintain its focus on streetscene services and on building internal

systems. The council has put plans in place to do this.

CPA Improvement Report

Qualitative Assessment of Continuous Improvement

How good are the council's plans for improvement?

Priorities

The council is clear about its priorities for improvement which flow from community consultation and learning from the Comprehensive Performance Assessment. The council's Improvement Plan was agreed initially by Cabinet in December 2002 with an updated version agreed in March 2003. Cabinet receives quarterly progress reports. The plan contains nine improvement priorities which are linked to the IDeA assessment and CPA recommendations. An overview of the priorities is also contained in the best value performance plan. These are:

- | | |
|---------------------------------------|-------------------------------------|
| Improving Services for Local Citizens | Council's Leadership Role & Agenda |
| Strategic Planning | Financial Strategy |
| Role of Elected Members | Reviewing Local Partnerships |
| Customer Service Approach | Internal and External Communication |
| Human Resources Strategy | |

The medium term budget strategy has been developed to support priorities. There is a shared understanding of priorities between leading councillors and senior officers.

The Harrow Strategic Partnership's Community Strategy is in draft form, and is a reflection of the existing key priorities of partners and the council. The strategy will be launched in May 2004 following further public consultation to identify any additional priorities. The strategy contains eight priority areas, each of which has a vision, and further focus areas:

- | | |
|--------------------|----------------|
| Community Cohesion | Healthy Harrow |
|--------------------|----------------|

- | | |
|----------------------------|---------------------|
| Children & Young People | Learning for All |
| Making ICT work for Harrow | Regenerating Harrow |
| Greener Harrow | Safer Harrow |

These have a greater external focus than the Improvement Plan which was predominantly about building corporate capacity within the council.

The council recognises environment and social services as key priorities for improvement.

Ambition

The council has set some stretching targets for its Local Public Service Agreement (LPSA, March 2003). Targets relate to community priorities or poor performing areas critical to achieving community priorities. These include reducing differentials in educational attainment, permanent families for children for adoption, recycling of waste, community safety, road accidents, and streetscene. The targets are particularly challenging for environment. Childrens services targets are linked to the council's need to continue to bed down and improve services for looked after children and those in need of protection, whilst developing improved family support services for the wider group of children in need.

Future Plans

The council has set out its future plans in its draft community strategy. A key part of these plans is the New Harrow Project. As part of this project, the council has piloted a new approach to its streetscene services in South Harrow. A phased implementation to the remaining parts of the borough commenced in October 2003 and will continue until March 2006. The aim of the project is to improve services such as street cleaning and refuse collection. An inspection in July 2003 stated that the effectiveness of the pilot was good, but also identified a number of critical issues that need to be addressed such as the development of effective performance management and risk management processes, information and communications technology resources and the building of street infrastructure to meet required standards. Given that the New Harrow Project is a key part of future plans, it is crucial that these areas are addressed.

The ICT strategy was agreed by the council in October 2003. The council has identified the implementation of ICT through a strategic partnership as an area for further development and an options analysis has been carried out to progress this. Further development of performance management systems and improved performance in social services has also been identified as areas for improvement. These form a key part of the council's future plans.

Focus

There has been some refocusing of plans in response to the CPA improvement agenda. For example, there is considerable emphasis on improving performance management, financial management and capacity. The community strategy and corporate plan have not yet been finalised.

However, key documents contain a range of similar but not identical priorities and the council needs to ensure that it has a clear and consistent focus for all its services, across the borough. The council produces quarterly performance monitoring reports and regularly monitors progress of its draft Improvement Plan. Action plans need to be more robust, the progress report for the Improvement Plan does not identify slippage and is not outcome focussed and that for the ICT strategy, (as contained in the cabinet report), does not provide timescales for all actions, costs or who is responsible for progressing actions. The council acknowledges this and future plans are to be refined.

There is improved financial reporting and information is used to challenge and facilitate continuous improvement.

Capacity

The council has worked hard to improve its capacity. The extent to which this work has been effective will become evident during the next year. The council is developing its member capacity - a Member development programme has recently commenced and draft proposals for leadership workshops are under discussion.

Following CPA in 2002, recruitment of executive directors/directors to strengthen the corporate core is underway. As at September 2003, all executive director posts and six of the nine director posts had been filled, with recruitment for the remaining posts continuing. The social

services department's structure has been redesigned.

Service level capacity shows a mixed picture.

The Social Services Inspectorate has concerns about the extent of the change programme for social services and whether there is sufficient middle management capacity to deliver it.

Revised manager competencies have been developed and a management programme is being implemented. A review of middle management capacity is being undertaken. Resources have been earmarked to drive forward the capacity programme in Harrow.

Improved monitoring and management of absence has reduced sickness levels. The Medium Term Finance Strategy supports corporate priorities.

New models of area based working are being developed through the New Harrow Project. The Harrow Strategic Partnership has enhanced relationships between partners and a local vitality profile is under development to identify needs. Project management is becoming established across the council.

Performance Management

The council does not yet have a single, fully embedded system for performance management that feeds accurate monitoring information into the improvement process. Performance management across the council is variable. For example, the inspection of the New Harrow Project showed that whilst there was a robust system to evaluate performance of environmental quality for the New Harrow Project, call centre response times were not measured.

The September 2003 Improvement Plan progress report indicates that a Performance Management System is being developed. All services have set out targets for improvement for 2003/04 - 2005/06 in the best value performance plan. Performance on best value performance indicators is reported quarterly and financial reports are discussed monthly by managers and reported quarterly to councillors.

Housing benefits have recently introduced a new performance regime including revised performance management systems and new targets for response times for claims processing have been introduced. Whilst initial figures show

improvement, it is too soon to determine if this will be sustainable in the long term.

Resources have been earmarked to develop performance management within the council.

Learning

This is an area of strength for the council. Overall, the council responds well to external challenge and inspection, and learns from it. The council has used its participation in beacon council events and other regional and national initiatives to develop a greater understanding of its own activities and the environment in which it operates. It is using the New Harrow Project to break down silo working and is actively consulting with partners and sharing learning in the development of the community strategy and the Harrow Strategic partnership.

The council is part of the West London Alliance which is used to share learning across a number of west London councils.

Investment

Investment has been made in priority areas. The council has made alterations to its structure to enhance capacity and is investing in training of councillors and staff. The council has made significant investment in the New Harrow Project pilot but our inspection raised concerns about the sustainability of this project once it is rolled out across the borough.

With respect to improving access to services for local users, the council has prepared its ICT Strategy and is looking for a strategic partner to progress this. This forms an integral part of the First Contact initiative. Whilst these first steps clearly show that the council is committed to change, our inspection identified that a comprehensive strategy is needed to drive the changes the council wishes to make both at the front end and behind the scenes.

A number of key appointments have been made including those in the new Directorate of People First. The Director of Children's Services has been appointed and is charged with the development of the strategy for children services across social care and education. He is also the council's statutory Director of Social Services.

There has also been a more recent decision to integrate all adult services with the PCT, under

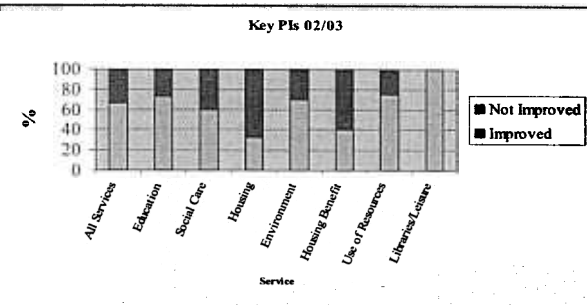
PCT management by 2005 – the vision, strategy and improved outcomes are yet to be defined.

Much effort has been invested in building base budgets and work is ongoing within People First to establish accurate cost centre figures. This should result in the directorate having a clearer idea about its budget in the next financial year.

Financial management within the council has improved and balances are at an appropriate level. A number of Invest to Save initiatives will be launched over the forthcoming months and these are targeted at key areas that matter to local people, such as foster care.

Achievement

There have been some improvements in Education, Social Services, Environment and Libraries and Leisure over the last year. For example, our recent inspection noted that there had been a significant improvement in streetscene services in South Harrow compared with other parts of the borough, and this has been backed by the council's own survey results. However, levels of improvement across council services have varied, as shown graphically below for key performance indicators:



Sixty six per cent of performance indicators have improved and 34 per cent have not.

Social Services

Whilst there have been improvements in financial systems and management information, this has been from a very low base and there is still work to embed performance management practices and review system changes. Strategic planning is at a very early stage, as there has been an absence of a planning resource for some years.

Performance indicators show improvements in child protection and looked after children, but there is a need to address the quality of frontline work.

Social services in Harrow are rated as a one star service. Services for children are serving some people well and have promising prospects for improvement. Services for adults are serving some people well but have uncertain prospects for improvement.

Education

Where trend data is available, this shows that educational attainment is improving. Seventy three per cent of indicators have improved over the last year. However, 2002/03 performance information indicates that the council's performance has deteriorated for statements of special educational need excluding exceptions. The council remains in the bottom quartile for statements of special educational need including exemptions. Unaudited figures as at November 2003 indicate that the council is meeting its target of 100 per cent for statements excluding exceptions; however, whilst performance for statements including exceptions has improved the council is still not meeting its target of 43 per cent. The council anticipates that its newly introduced processing systems will enable it to improve response times and meet targets.

Progress has been made in the areas of weakness identified in the 2001 OFSTED inspection. Good progress is being made on children's services and structural changes have anticipated the Green Paper. Collaborative work between schools and other agencies is incorporated in the New Harrow Project.

The annual Education service review shows that there has been progress on priority areas, although the report to Scrutiny Sub-Committee shows that targets have not been met in all cases. Expenditure per pupil in both primary and secondary schools is high and above set targets.

Housing

Benefits

Performance in relation to housing benefit response times has fallen during the last year (with the exception of one indicator, the council is in the bottom quartile for all housing benefit performance indicators). A new performance system has been introduced, and additional trainees appointed. The council anticipates that this will improve response times for all claims processing. Unaudited figures show that as at November 2003 productivity has increased and the backlog of new and renewal claims has

decreased from almost 4,000 to 150. The council should ensure that this improvement is not at the expense of performance in relation to other aspects of the service. The BFI has rated the service as fair.

Housing Services

The council's successful bid for £11.5 million to establish an ALMO is dependent on the service receiving a two star rating. The service at present shows a mixed picture, with strengths in homelessness. There are signs of improvement in tenancy services – both rent collection and void turnaround. Tenancy services are in the top 25 per cent in relation to tenant participation in management and decision making, with a 64 per cent satisfaction in 2000/01.

The council has been awarded Beacon Status in 2003/04 for tackling homelessness and strong partnerships have contributed to this success. Homelessness is noted as a strength with no families currently in bed and breakfast accommodation.

The housing strategy has met fit for purpose on the accessibility element and the council has agreed a work programme with GOL to achieve fit for purpose on all elements of the strategy in 2003/04.

Overall, only one third of indicators have improved in the last year and two out of the three key housing PIs, where trend data is available, have not improved.

Libraries and Leisure

Opening hours have increased and 165 computers have been installed following additional investment in the service. There has been an increase in levels of usage in libraries and an increase in the black and ethnic minority population using libraries. All key performance indicators have shown improvement.

Environment

Overall, 70 per cent of indicators have improved over the last year. The performance for waste management for 2002/03 indicates that where comparisons can be made, the council's service has not improved. However, there has been increased investment of 54 per cent in the street cleansing budget and the council has stated that this has led to an improvement in the standard of cleaning and an increase in the refuse collection rates in this financial year (however,

these figures have yet to be audited). Customer satisfaction rates have improved in South Harrow as a result of New Harrow Project pilot, as evidenced by a follow up MORI survey conducted by the council in May 2003.

Community Safety

Performance indicators show an increase in the level of crime in the borough, with the exception of robberies. There has been changes in methods of recording which it is anticipated will have affected performance data.

Conclusion

The council has made improvements to some services during the last year and has recently introduced changes which it anticipates will lead to further service improvements. The council needs to finalise its corporate and community strategies and continue to deliver its Improvement Plan.

The council also needs to ensure that it has robust performance management systems in place and needs to develop action plans with specific, measurable, achievable, reliable and timely (SMART) targets in order to monitor progress effectively. Some of the initial building blocks have been put in place but further improvements are required. We will be monitoring progress over the next 12 months.

Inspections/Performance projects

First Contact – Stage One

The team concluded that the council is clearly committed to making a major change in the way it interacts with customers. This commitment is much in evidence among senior councillors and officers and is evidenced by the cross-party agreement that provision be made in next year's budget and in the new medium-term financial plan to carry out the necessary work. Progress has been made in terms of service improvements and through the South Harrow pilot.

However, the success of fundamental step changes will depend on the wider support and co-operation of councillors, officers and partners. Customer satisfaction will depend not only on the quality of the first contact, but on the efficiency and effectiveness of the processes which underpin service delivery. First Contact will only improve if it is treated as one part of a

much wider picture and a comprehensive strategy is now needed to drive the changes the council wishes to make both at the front end and behind the scenes.

Partnerships Review

The team concluded that although the previous Harrow Partnership forged strong links between councillors during its five year history, its councillors generally accept that it lacked a clear strategic purpose and direction. Consequently while the old partnership brought together agencies for joint work, it was unable to identify and respond to all the local community's diverse needs. The lack of clear targets, a structured planning and delivery framework, and performance management system were also significant shortcomings of the previous arrangement. The new Harrow Strategic Partnership will therefore need to address these points as a priority if it is to achieve its vision of improving the quality of life for local people.

New Harrow Project (evaluation of the South Harrow pilot)

Early indications of the effectiveness of the pilot from the evidence that the team gathered, are good overall. Residents and businesses in South Harrow welcome the pilot, and the area is now cleaner and well-presented. The inspection team was impressed by the commitment and enthusiasm of the South Harrow staff.

Within the report the team acknowledges the positive aspects, outlines areas for improvement and identify potential risks.

The team also identified a number of critical issues which the council needs to address. These include development of effective performance management and risk management processes, development of the information and communications technology (ICT) resources, and the building of the street infrastructure to meet required standards.

The future of CPA

The Audit Commission has consulted on the future arrangements for CPA and has concluded that it will be developed by:

- The introduction of a new CPA framework in 2005/06 and again in 2010, that enables assessments to be made in the context of

an agreed set of local and national policy priorities.

- The release of annual improvement reports in December 2003 and December 2004.

The CPA programme from January 2005 will seek to understand the impact of the council in their locality, and to recognise the leverage, co-ordination and leadership the council provides to achieve a wider improvement agenda.

The precise shape and nature of this approach has yet to be finalised, though the Commission has recognised the need to agree the strategy for improvement reporting after 2004, leading up to a further re-assessment from 2010.

Strategic regulation: future audit and inspection work

Strategic regulation contributes to improvement in public services by ensuring that regulators collaborate to identify each council's priorities for improvement, and provide assessments that are useful to managers, professionals, politicians and the public.

For the first time we have brought together co-ordinated audit and inspection plans that make clear how our work supports the improvement agenda of each single tier and county council. These plans are now available on the Audit Commission website.

We have developed a programme of work for **2003/04** that is proportionate to both the council's risks and its performance as assessed through CPA. We have structured our work programme across the following themes that help to clarify the purpose of our work:

- Assessment
- Improvement
- Assurance.

The key areas of work programmed for 2003/04 are:

A staged inspection of the 'New Harrow Project' examining the impact of the South Harrow pilot;

an indicative inspection of housing management (prospective ALMO);

- an SSI inspection of services for people with a physical disability;
- a review of local partnerships;
- a staged inspection of the 'First Contact' best value review;
- an inspection of the Youth Offending Team;
- a review of risk management arrangements;
- an audit of performance indicators;
- the audit of the accounts;
- an assessment of the arrangements for ensuring the adequacy of internal control;
- a review of financial standing;
- an assessment of the council's arrangements for ensuring the legality of transactions;
- supporting the development of the medium term budget strategy; and
- a review of the ICT strategy.

Audit and Inspection planning for 2004/05, linked to your improvement plan, will be carried out in early 2004.

Closing remarks

A copy of this Letter will be provided to the Chief Executive and to all councillors.

Finally, I would like to take this opportunity to express my appreciation for the assistance and co-operation provided during the course of the work. Our aim is to deliver work to a high standard which makes a positive and practical contribution which supports the council's improvement agenda.

Jackie Barry-Pursell
Relationship Manager

December 2003

Reports issued during 2003

First Contact	March 2003
Partnership Review	May 2003
New Harrow Partnership	July 2003