
REPORT OF OVERVIEW AND SCRUTINY COMMITTEE

(SPECIAL) MEETING HELD ON 7 JULY 2009

Chairman:	* Councillor Stanley Sheinwald	
Councillors:	* Mrs Camilla Bath (2) * John Cowan (1) * Mrs Margaret Davine * B E Gate * Mitzi Green * Graham Henson (5)	* Jerry Miles * Mrs Vina Mithani * Paul Scott (1) * Dinesh Solanki * Yogesh Teli * Mark Versallion
Voting	(Voluntary Aided)	(Parent Governors)
Co-opted:	† Mrs J Rammelt † Reverend P Reece	* Mr R Chauhan † Mrs D Speel

* Denotes Member present
(1), (2) and (5) Denote category of Reserve Members
† Denotes apologies received

[Note: Councillor David Ashton also attended this meeting to speak on the item indicated at Minute 571 below].

PART I - RECOMMENDATIONS - NIL
PART II - MINUTES
567. Attendance by Reserve Members:

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

<u>Ordinary Member</u>	<u>Reserve Member</u>
Councillor Janet Mote	Councillor Mrs Camilla Bath
Councillor Chris Noyce	Councillor Paul Scott
Councillor Anthony Seymour	Councillor John Cowan
Councillor Mrs Rekha Shah	Councillor Graham Henson

568. Declarations of Interest:

RESOLVED: To note that there were no declarations of interests made by Members in relation to the business to be transacted at this meeting.

569. Minutes:

RESOLVED: That the minutes of the meeting held on 11 June 2009 be deferred until the next ordinary meeting of the Committee.

570. Deputations:

RESOLVED: To note that no deputations were received at the meeting under the provisions of Overview and Scrutiny Procedure Rule 10.

571. Question and Answer Session with the Leader and the Chief Executive:

On behalf of the Committee, the Chairman welcomed the Leader of the Council and the Chief Executive to the meeting. He added that this was a valued opportunity for scrutiny to discuss issues with the Leader and the Chief Executive and the Committee looked forward to hearing their views.

The Chairman informed the Committee and the guests present that 30 questions had been received but, due to time constraints, a number of questions had been deferred for consideration through alternative means. All Members of the Committee would receive written responses to the deferred questions.

The Chairman reminded Members to be brief when asking questions, and stated that questions would fall under the following categories of the financial crisis, the budget and other issues.

Financial Crisis

In response to a question on how the financial crisis had influenced the Council's cash flow, the subsequent impact on service delivery in health and social care, and how the issues would be tackled, the Leader of the Council spoke briefly about the cash flow problems facing the Council. He stated that there would be some impact on service delivery as a result of the economic downturn. The Council was facing fluctuating energy costs and a shortfall of £2m in the budget partly because of lower capital receipts.

Whilst the recession had not affected the London area in the same way as other parts of the country, the Council was expecting upward pressures on health and social care, and amongst other services.

Budget

Members of the Overview and Scrutiny Committee asked questions about the expected out-turn for 2008/09 and the expected out-turn for 2009/10; savings that could be achieved through natural wastage, efficiency savings and economies of scale, challenges that would affect the Council's finances and how these would be dealt with, and the position with regard to the reserves in the current difficult financial climate. They were concerned about how these issues would impact on the Council and in its delivery of services. Further pertinent questions were asked during the responses given by the Leader of the Council and the Chief Executive. Members also asked questions about the views of London Councils and the reasons behind the Transformation Programme. Members were concerned about

The Leader of the Council replied that the out-turn for 2009/10 was not known but there were a few pressures that the Council was facing. Any overspend would not be welcomed.

With regard to the 2008/09 out-turn, there had been opportunities to:

- build on reserves;
- invest money in certain services and, as part of this exercise, the Portfolio Holders had been asked to present a programme for improving and delivering on cleaner and safer streets;
- allocate money for special projects; and
- use money to build schools for the future.

The Leader of the Council added that a sum of £0.5m had been allocated for the Council's Transformation Programme and the reserves held by the Council would amount to £5.25m. He explained that future grant settlements were expected to be poor and there might be a cash reduction in the grants. Settlements were likely to be grim thereby putting additional pressures on local authorities. This combined with national pay bargaining would add to the challenges already facing the Council.

In relation to savings that could be achieved through natural wastage, efficiencies and economies of scale, the Leader of the Council was of the view that 'salami' slicing of budgets was appropriate in the current economic climate. In response to the grant being widely predicted to include real cuts in the years ahead, there was a need to identify opportunities to invest in improved services. As a result, the Council, with its partners, was putting in place a programme to transform the way in which public services were delivered, seeking to join up back office functions to achieve economies of scale and provide more seamless access to services via a rationalised estate of public buildings.

The Chief Executive stated that year-on-year savings were no longer the way forward in the current economic climate where Harrow was facing an ageing population and the cost of waste disposal was increasing. The incremental approach to achieving savings had to be re-visited. As part of the Transformation Programme, the following opportunities would be examined:

- challenging the services provided by assessing whether they were necessary or critical;

- how best services could be provided with a guiding principle of serving the interests of residents;
- the partnership agenda including an examination of the asset base of partners with a view to co-locating and pooling of resources;
- changing the relationship between the Council and its residents by establishing a dialogue with a view to forming joint aspirations on expected behaviours, values and actions.

The Chief Executive added that the Transformation Programme would be a journey and that the Council would need to realise residents' expectations.

In response to a question from a Member about the pooling of resources for learning disabilities and mental health, which the Council and the Primary Care Trust would be exploring, the Chief Executive stated that there were synergies to be achieved here. He confirmed that the budgets would be pooled separately.

With regard to recycling, the Leader of the Council stated that it was not intended to enforce and penalise residents for not recycling; rather residents would be encouraged to contribute in the transformation journey. A series of campaigns would be run with a view to changing behaviours, as there was a desire for change amongst residents. It was envisaged that a Compact would be established with residents as a way forward. The Compact would not be contractual but would concentrate on the three Council priorities, which had been designed by residents.

Transformation Programme

A Member suggested that the Transformation Programme ought to be taken forward by staff that lived in the borough because of their knowledge base. In response, the Leader of the Council stated that it was of paramount importance that the Programme was delivered by officers that had the best skills to deliver its requirements.

Another Member was pleased to learn that the Council was looking to potentially reduce the number of services it provided. He asked what exercises had been undertaken in this regard. The Leader of the Council stated that zero-based budgeting was an issue. Benchmarking exercises had suggested that Harrow was a low cost Council. However, the Council was looking at a fundamental review of services and structures with a view to ascertaining whether existing services could be provided differently, were necessary and provided value for money.

The Chief Executive stated that the question of outsourcing had to be addressed and was a key issue for the whole organisation. The guiding principle behind this was what would best serve the interests of residents. The financial environment did not provide a choice and therefore all avenues would be explored. The Leader of the Council cited an example of where the pooling of resources with other boroughs - London Authorities Mutual Ltd - had helped to reap benefits and, in this instance, save money in purchasing insurance. However, following the recent Court of Appeal judgment, Harrow had decided to seek leave to appeal against the ruling. Unfortunately, the judgement would hamper the wider shared services agenda.

The Leader of the Council added that whilst there was a potential for boroughs to work across boundaries, it might result in the creation of super boroughs, a concept that could create its own problems. The Chief Executive stated that whilst the West London Alliance was looking at a shared services agenda, it was not, in his opinion, moving fast enough. As a result, opportunities might not be realised. A 2-3% reduction in budgets was not a way forward and increases in the region of 10% were now needed.

Other Issues

Members enquired about the Council's achievements, the awards it had been nominated for, the achievements of the Chief Executive, the performance of staff and managers, residents' right to be heard by a Magistrate in relation to council tax matters, and the recent action against a mother who had allegedly put misleading details on a school application form.

The Chief Executive responded to some of the questions. He stated that the step change had brought about a momentum and helped to accelerate the change programme. The majority of the Council's performance indicators had improved, the personalised care budgets initiative had been commended, as had the recycling in schools initiative. The momentum needed to be sustained in the move towards becoming the best Council in London by 2012.

The expectations of residents had increased and it was important that the Council was able to meet and build on these expectations. The recent residents' survey had shown that satisfaction levels had increased, and it was important that residents, when dealing with the Council, went away with a good experience and a warm feeling. Essentially the most important award for the Council was one from its residents. It was therefore important how the Council communicated with its residents.

The Chief Executive outlined seven key ingredients to ensuring resident satisfaction, such as keeping residents informed of how money was spent, delivering services which provided value for money and increasing Council's visibility by re-branding. Other key ingredients included how the media portrayed the Council and the impression given by staff to residents at the first point of contact. A Member commented that perception was crucial and residents ought to be asked to engage in any change process instead of being imposed as a fait accompli. The Leader of the Council stated that frank communication with residents was essential.

Members complained about residents' right to be heard by a Magistrate in relation to Council Tax matters. The Chief Executive undertook to meet with some Members with a view to gaining an insight into their concerns.

A Member stated that correspondence with residents had improved but the issue of lost files remained. He asked that procedures be put in place to ensure that files were not lost, particularly when these could now be stored electronically. In response, the Chief Executive stated that the quality of communication with residents needed improving, and it was essential that both staff and Councillors went the 'extra mile' when dealing with residents' queries. He would value scrutiny's input in this area to help ensure quality service provision. In terms of dealing with complaints from residents, it was essential that a centralised complaints system was in place.

The Leader of the Council commented that the attitude displayed by both staff and Councillors should always be positive. It was essential that there was a culture of ownership and learning amongst all staff. Members asked what monitoring was in place and whether mystery shopping could be extended. The Chief Executive undertook to extend mystery-shopping enquiries to Councillors to measure their responses, and agreed to circulate a synopsis and results of recent mystery shopping exercises carried out. This would help Members understand the levels of detail available and the mechanism used by the mystery shoppers. Speed was not always an issue but a resolution of the problem was a key ingredient at the first point of contact. He added that the Council's expectations of staff were relayed during induction sessions, and a National Vocational Qualification in customer services was also available.

Members favoured the 360-degree assessments for Members and suggested that the political groups roll these out.

Culture Change Programme/Senior and Middle Management Performance

A Member acknowledged that the cultural change programme had produced some good results but was of the view that the rate at which change happened was key. He was concerned that there were significant areas in which the Council had yet to make advances and asked the Chief Executive if any deadlines had been given to Directors.

In response, the Chief Executive stated that the organisation was improving fast but the issue was how the journey so far could be taken forward. One of the key ingredients to cultural change was creativity. The CREATE values had resulted from a 'bottom up' approach and the objective was to ensure that these values were successfully embedded. Whilst the majority of staff subscribed to the values, he acknowledged that there were some blockages within the organisation, which was unacceptable. This needed to be addressed. Officers were aware of what was expected of them and such values were an integral part of the Individual Performance Appraisal and Development process.

The Chief Executive added that it was important that the organisation continued to progress and he continually assessed whether his senior management team was right for the organisation. He was confident that the move towards being recognised as the best London Council by 2012 was on track. Providing incentives for senior management was a difficult debate in the current economic climate but there were other ways to reward success.

A Member asked about the morale of staff and whether there was an upbeat mood amongst staff. The Chief Executive stated that the staff survey had shown that a third of the staff felt that Harrow was the best place of work, and that staff were also pleased

with the visibility of senior staff. The energy and positivity of staff had been demonstrated at the staff forum. It was important that managers encouraged their staff and imparted their knowledge as a development measure. Another Member congratulated the Chief Executive for improving staff morale since his appointment.

Schools

The Leader explained why the case against a mother who had allegedly put misleading details on a school application form had not been pursued further. He was of the view that it had been correct to bring the charge in the first instance and stated that it had been dropped with the greatest reluctance. However, this had opened up a wider debate on school places and the Secretary of State for Children, Schools, and Families, Rt Honourable Ed Balls MP, had subsequently called for an inquiry into school places, which was welcomed.

Ward Councillors

Some Members highlighted the need to keep Ward Councillors fully informed of key issues affecting their Wards and constituents. Ward briefings would be helpful. The Chief Executive expressed an interest in the idea of providing and acknowledged that Ward Councillors were a key link between the Council and its residents. The idea of Area Champions was also suggested. A discussion ensued about the concept of neighbourhood panels with a budget to spend on improvements for the Wards. This was similar to the Prosperity Action Teams (PATs) that already existed in Harrow.

Revenue Generation

In response to a question on revenue generation and traffic management related income, the Leader of the Council stated that income from parking was a pressure area. He undertook to provide details on enforcement, wardens and CCTV offences.

A Member highlighted the need to engage better with residents, as it would help shape the Council and how it was run.

The Chairman thanked the Chief Executive and the Leader of the Council for attending the meeting and summarised the actions arising from the discussion. It was

RESOLVED: That (1) the Chief Executive meet with Councillors Mrs Camilla Bath, Stanley Sheinwald and Mrs Margaret Davine regarding the concerns about council tax and the residents' right to be heard by a Magistrate;

(2) details of the mystery-shopping exercises be sent to all members of the Committee by the Chief Executive;

(3) Councillor Mark Versallion provide the Chief Executive with information of areas of the Council where culture change had not had an impact;

(4) a written response on traffic management related income be sent to all members of the Committee.

(Note: The meeting, having commenced at 7.02 pm, closed at 8.55 pm).

(Signed) COUNCILLOR STANLEY SHEINWALD
Chairman