

PERFORMANCE AND FINANCE SCRUTINY SUB-COMMITTEE**16 NOVEMBER 2009**

Chairman: * Councillor Mark Versallion

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|--------------|------------------------|---------------------|
| Councillors: | * Ms Nana Asante | * Christopher Noyce |
| | * John Cowan (1) | * Anthony Seymour |
| | * B E Gate | Mrs Rekha Shah |
| | * Thaya Idaikkadar (3) | * Dinesh Solanki |
| | * Ashok Kulkarni | * Yogesh Teli |

* Denotes Member present
(1), (3) Denote category of Reserve Member

[Note: Councillor Mrs Kinnear also attended this meeting in connection with Minute 138 below].

PART I - RECOMMENDATIONS - NIL**PART II - MINUTES****136. Attendance by Reserve Members:**

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

Ordinary Member

Councillor Janet Mote
Councillor Philip O'Dell

Reserve Member

Councillor John Cowan
Councillor Thaya Idaikkadar

137. Declarations of Interest:

RESOLVED: To note that the following interest was declared:

Agenda item 11 – Scrutiny Review of the Voluntary Sector – Six Month Update
Councillor Ms Asante declared a personal interest in that she was a member of the Voluntary and Community Sector. She would remain in the room to take part in the discussion and decision relating to this item.

138. Minutes:

RESOLVED: That the minutes of the meeting held on 20 July 2009 be taken as read and signed as a correct record, subject to it being noted that Councillor Eileen Kinnear attended the meeting and spoke on item 12 (Progress Update – Lean Housing Responsive Repairs Project).

139. Public Questions, Petitions and Deputations:

RESOLVED: To note that no public questions, petitions or deputations were put at the meeting under the provisions of Overview and Scrutiny Procedure Rules 8, 9 and 10 (Part 4F of the Constitution) respectively.

140. References from Council and Other Committees/Panels:

RESOLVED: To note that there were no references.

141. Integrated Planning 2010/11 to 2012/13:

The Sub-Committee considered a report of the Corporate Director, Finance, which provided an update on integrated planning for 2010-11 to 2012-13. An integrated planning framework had been adopted to ensure that the Corporate Plan and Medium Term Financial Strategy (MTFS) were developed in tandem.

The Divisional Director, Finance and Procurement outlined the funding gaps and challenges facing the Council. Members' attention was drawn to the provision for pay awards and inflation, assumptions on income streams which were affected by the economic climate, and the affect on services should the financial situation worsen.

Concern was expressed at the feasibility of achieving the £9m reduction in budget provision given that the savings from the Business Transformation Programme and other efficiency programmes would not be realised in 2010/11. In response to questions, the Sub-Committee was advised that:

- The Corporate Director Finance was in discussion with other Borough Treasurers as to a prudent estimate for pay;
- Council tax collection rates of 98% were anticipated for 2010/11 and the situation would be reviewed;
- The opportunity would be taken to make decisions regarding the reserves for future years;
- The assumptions made were considered to be valid and would be updated in the budget report to Cabinet on 17 December 2009;
- Prudent assumptions on the pension fund had been made as the next actuarial review would not take place until the end of 2009/10 but the implications do not impact until 2011/12 budget;
- The integrated budget and service planning process would consider the alignment of draft corporate priorities in conjunction with levels of delivery in the context of statutory functions. The level of service delivery needed to be balanced against the need to protect vulnerable users.

RESOLVED: that the report be noted.

142. **Revenue and Capital Monitoring 2009/10:**

Members received a report setting out the Council's revenue and capital forecast position for 2009/10. The report summarised the monitoring position as at the end of August 2009.

The Divisional Director, Finance and Procurement introduced the report and, in response to questions from Members, identified the budget pressures in the various Directorates and their impact.

Members expressed concern that the use of SAP (System Application Processing) was not mandatory and that it was not used by all managers. It was noted that, although support and training was available, there were areas where the systems used did not enable easy transfer of information to SAP. It was noted that the accuracy of the Council budget forecasting was dependent on managers completing timely and accurate budget returns. It was also noted that in some directorates further cultural change was needed in order to achieve full compliance. The officer advised that there was a performance target that managers should understand and monitor their budgets with the use of SAP. Whilst all managers used the system some used it less frequently than others.

RESOLVED: That

(1) the report be noted;

(2) a letter from the Chairman be sent to the Corporate Director, Finance recommending that all managers should be required to fully use SAP by 31 March 2010.

143. **Use of Resources Improvement Plan:**

The Divisional Director, Partnership, Development and Performance introduced a report which summarised the process for the conclusion of the Use of Resources assessment in 2009 and reviewed progress with the Improvement Plan.

Members' attention was drawn to the scores for the main themes of the Comprehensive Area Assessment (CAA) being published by the Audit Commission on its 'One Place' website on 10 December 2009. In response to questions, Members were advised that:

- It was believed that a comparison of costs of the CPA (Comprehensive Performance Assessment) with CAA would be published in the New Year;
- The current expectation was that as part of the final judgement there would not be any red flags for Harrow;

- Officers were working closely with the CAA lead officer on the assessment as well as with other inspectorates such as the Care Quality Commission and Ofsted;
- The Audit lead officer had stated that the final judgement on Harrow as a place and as a Council would be a joint inspectorate one;
- Should a partner organisation receive a challenging judgement then the spirit of CAA was that other partners would aim to support in dealing with the matter.

The Sub-Committee referred to the perception by the Government Treasury that Harrow was an affluent borough and asked whether CAA presented an opportunity to influence this perception. The officer stated that he was not aware that the CAA process at this stage would influence the Treasury's view on funding for specific local authorities.

The Chairman reported that he had met with Councillor Stanley Sheinwald as the Corporate Effectiveness and Finance Leads to consider the assessment. It was agreed that the Chairman and Vice-Chairman meet to look at the published results prior to the January meeting of the Sub-Committee.

RESOLVED: That

(1) the report be noted;

(2) a report be submitted to the meeting of the Sub-Committee on 19 January 2009 on the results of the CAA assessment including Harrow's position in comparative terms.

144. **Scrutiny Review of the Voluntary Sector - Six Month Update:**

Members received a report which set out an update on progress against the recommendations of the Overview and Scrutiny report 'Delivering a Strengthened Voluntary Sector.' It was noted that the final report made 22 recommendations, of which 21 were accepted by Cabinet in March 2009. The recommendation relating to the Harrow Heroes was not agreed as it was not considered ready to be outsourced to the voluntary sector.

The Sub-Committee welcomed the progress that had taken place. Following discussion the officer undertook to:

- Seek comment from the Harrow Strategic Partnership (HSP) on the progress of the one recommendation with a current status of red and a date for the introduction of proposals (item 20 to Appendix 1);
- Clarify whether a date had been arranged for the refresh of the Compact document (item 9);
- Ascertain what arrangements were being made for the roll-out of training on the Compact (item 10);
- To obtain a definition of 'infrastructure organisations' (item 13);
- Ascertain arrangements for officer training on the process for the 2009-10 grants round and the Compact (item 14).

RESOLVED: That

(1) the report be noted;

(2) a written response be provided to Members prior to the next meeting as outlined above;

(3) report updating progress be submitted on a six monthly basis.

(Note: The meeting having commenced at 7.30 pm, closed at 9.46 pm)

(Signed) COUNCILLOR MARK VERSALLION
Chairman