

OVERVIEW AND SCRUTINY COMMITTEE MINUTES

28 JANUARY 2010

Chairman:	* Councillor Stanley Sheinwald	
Councillors:	* Mrs Margaret Davine * B E Gate * Mitzi Green * Jerry Miles * Mrs Vina Mithani * Janet Mote	* Christopher Noyce * Anthony Seymour † Mrs Rekha Shah * Dinesh Solanki * Yogesh Teli * Mark Versallion
Voting Co-opted:	(Voluntary Aided) † Mrs J Rammelt Reverend P Reece	(Parent Governors) * Mr R Chauhan * Mrs D Speel

- * Denotes Member present
- † Denotes apologies received

666. Attendance by Reserve Members

RESOLVED: That there were no Reserve Members in attendance.

667. Declarations of Interest

RESOLVED: To note that the following interests were declared:

<u>Agenda Item</u>	<u>Member</u>	<u>Nature of Interest</u>
8. Draft Third Sector Strategy	Councillor Brian Gate	Personal – Currently a member of the Harrow

Association of Voluntary Services Board.

10. Integrated Care Organisation Challenge Panel)	Councillor Stanley Sheinwald	Personal - Chair of the Carers' Partnership Group. The Member remained in the room during the discussion and decision making on this items.
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)	Councillor Mrs Vina Mithani	Personal - Currently worked for the Health Protection Agency. The Member remained in the room during the discussion and decision making on these items.
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)	Councillor Mark Versallion	Personal - Non-Executive Director of North West London Hospitals NHS Trust. The Member remained in the room during the discussion and decision making on these items.
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)	Councillor Brian Gate	Personal - Married to a health professional based at St Peter's Medical Centre. His daughter also currently worked part-time at two medical centres. The Member remained in the room during the discussion and decision making on these items.
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)	Councillor Jean Lammiman	Personal – The Member, who was not a member of the Committee, stated that she was currently a patient at Northwick Park Hospital. The Member remained in the room during the discussion and decision making on this item.
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)	Councillor Yogesh Teli	Personal - Cabinet Support Member to the Portfolio Holder for Adults and Housing. The Member remained in the room during the discussion and decision making on this item.
14. Question and Answer Session with the Leader of the Council and the Chief Executive)		

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)	Councillor	Personal - Cabinet Support
)	Dinesh Solanki	Member to the Portfolio
)		Holder for Adults and
)		Housing. The Member
)		remained in the room during
)		the discussion and decision
)		making on this item.
)		
)	Mr R Chauhan	Personal – His wife
)		currently worked in the
)		procurement department of
)		a local authority. The
)		representative of the
)		Voluntary Aided Sector
)		remained in the room during
)		the discussion and decision
)		making on this item.

668. Minutes

RESOLVED: That the minutes of the meetings held on 24 November 2009 and 8 December 2009 be taken as read and signed as correct records.

669. Public Questions

RESOLVED: To note that no public questions were put.

670. Petitions

RESOLVED: To note that no petitions were received.

671. Deputations

RESOLVED: To note that no deputations were received.

RESOLVED ITEMS

672. References from Council/Cabinet

RESOLVED: To note that there were no references.

673. Draft Third Sector Strategy

The Committee received a report which set out the background to the development of the Council's draft Third Sector Strategy. The Portfolio Holder for Community and Cultural Services stated that the report was being presented to the Committee as part of the consultation process being undertaken before the strategy was finalised.

The Portfolio Holder stated that over the next three years the Council would lead the transformation of the public sector's relationship with the local Third Sector. It was explained that the key objectives were to strengthen the role of

the Third Sector as a strategic partner, support the development of capacity within voluntary and community organisations, and increase opportunities for Third Sector involvement in the design and delivery of public services. The Portfolio Holder informed the Committee that there had been wide consultation and research conducted with the Third Sector and other key stakeholders in the preparation of Harrow's Third Sector Strategy. Whilst the recent adverse weather conditions had resulted in some consultative events being cancelled, officers were currently addressing specific gaps.

Following questions from Members, the Portfolio Holder and the Interim Divisional Director for Community and Cultural Services stated that:

- the feasibility study that would consider the possibility of a Third Sector Organisation delivering the Council's grants scheme was still in an early stage and no further details could be provided at present. The Council was working to improve the grants process by making it as accessible and transparent as possible;
- when implementing the Third Sector Strategy, the Council was aiming to adhere to the timescales identified in the action plan. Whilst external delays could not be ruled out, the Council had already commenced work on some programme areas and it was hoped that this early start would negate any subsequent delays;
- the programme areas outlined in the action plan were due to take place in parallel, not in sequence;
- the West London Alliance was due to undertake a mapping exercise in West London in relation to the Third Sector. The Council was currently considering whether the data collected from this research would be sufficient for its own purpose or whether further independent research would be required;
- whilst it was the Council's aim to appoint a Compact Champion, this programme area had not yet been fully scoped. It was acknowledged that the Council needed to explore what the Compact meant to the Third Sector;
- in order to ensure that the Voluntary Sector remained aware of the Council's Third Sector Strategy, a communications update was being sent via Harrow Association of Voluntary Services (HAVS) to all its members;
- the consultation period had been extended by 2 weeks, although the final report was still due to be considered by Cabinet on 18 March 2010.

A Member stated that he recalled a Voluntary Sector review meeting at which a commitment to funding was made to support Compact Champions. An officer agreed to look into the matter.

RESOLVED: That the report be noted.

674. Report from the Standing Scrutiny Review of the Budget

The Committee received a report which set out the findings of the Standing Scrutiny Review of the Budget. The Chairman explained that the review had been established in October 2007 and had presented its interim report to the Overview and Scrutiny Committee in September 2008. The Committee were informed that the review group had met over a number of months with Council officers, external witnesses and also undertook visits to Hillingdon, Newham, Wandsworth and Camden. The Chairman stated that the visits had proved very useful in identifying best practice, particularly in relation to the management of capital assets, and the report made a number of recommendations as to how the Council's performance in this area could be enhanced.

A Member stated that he was pleased to have been part of the Standing Scrutiny Review of the Budget and fully supported the conclusions and recommendations.

RESOLVED: That

- (1) the findings and recommendations of the Standing Scrutiny Review of the Budget be noted and approved;
- (2) the report of the Standing Scrutiny Review be referred to the meeting of Cabinet on 11 February 2010 for consideration as part of the budget setting process, with the recommendation that it is included in the budget papers submitted to Council on 18 February 2010;
- (3) the Overview and Scrutiny Committee re-constitute the Standing Scrutiny Review of the Budget in the next Municipal Year.

675. Integrated Care Organisation Challenge Panel

An officer introduced the report which set out the findings of the Integrated Care Organisation (ICO) Challenge Panel that had been established to investigate the implications of proposals to develop an ICO comprising Ealing and Harrow Community Services and Ealing Hospital. The officer stated that the Challenge Panel had been well attended, with a number of senior figures from the NHS present.

The officer explained that a number of recommendations had been made by the Challenge Panel, as detailed in the report. The Committee was informed that one of the Challenge Panel's central concerns was ensuring that NHS Harrow understood the role of Scrutiny and that the process for engagement was clear. The officer explained that, though there was a general acceptance that the ICO proposals may well represent a good model of care for Harrow, the Challenge Panel had highlighted the importance of Scrutiny being provided with sufficient and timely information in order to ensure that the interests of local residents were being safeguarded.

A Member thanked all those that had been involved in the Challenge Panel and stated that it was important that Scrutiny maintained an open and honest

relationship with all its partners. Another Member stated that although the ICO in its current form did not constitute a substantial change to service provision, it set the scene for future and more substantial alterations. As a result, the Member stated that scrutiny may decide that a broader piece of work considering changes in the NHS may be needed in the future.

RESOLVED: That

- (1) the observations and recommendations of the Integrated Care Organisation Challenge Panel be noted and endorsed;
- (2) the report of the Integrated Care Organisation Challenge Panel be referred to Cabinet;
- (3) the report of the Integrated Care Organisation Challenge Panel be referred to NHS Harrow.

676. Report from the Chairman of Performance and Finance Scrutiny Sub-Committee to Overview & Scrutiny

The Chairman of the Performance and Finance Scrutiny Sub-committee explained provided the Committee with a verbal update, during which he stated:

- the Sub-Committee had been pleased with the results of the Comprehensive Area Assessment (CAA) and had considered how Overview and Scrutiny could assist in identifying further improvements in Adults and Children's services. He explained that the Council could only achieve a 4 star rating during the next CAA if both these services attained equally high individual ratings. He recommended that Scrutiny add this topic to the Scrutiny Work Programme for the next Municipal Year;
- the results of the recent staff survey had been good and the Sub-Committee felt reassured that the Council was moving in the right direction. The Sub-Committee felt that further work by Scrutiny on this topic was not needed and resources could be better utilised elsewhere.

RESOLVED: That the verbal report be noted.

677. Minutes of the Performance and Finance Scrutiny Sub-Committee meeting held on 19 January 2010

RESOLVED: That the actions arising from the minutes of the Performance and Finance Scrutiny Sub-Committee meeting held on 19 January 2010 be noted and, insofar as necessary, agreed.

678. Scrutiny Lead Members Report

RESOLVED: That the Scrutiny Policy and Performance Lead reports be noted and the recommendations contained therein approved.

679. Question and Answer Session with the Leader of the Council and the Chief Executive

The Leader of the Council introduced the budget for 2010/11 and informed the Committee that despite a difficult economic climate, the budget had been balanced whilst allowing for a 0% increase in Council Tax. Savings of £7.3 million had been achieved via an efficiency programme and the Council had invested £4.3 million in priority areas. The Leader added that despite numerous efficiency savings, the budget setting process had successfully minimised the risk to frontline services. He stated that there was a funding gap of £15.9 million in the budget for 2011/12 and £13.8 million in 2012/13, and that this represented a challenge for the future.

Introducing the Corporate Plan, the Leader stated that, following consultation with residents, the Council had rolled forward the three 2009/10 corporate priorities. These were:

- To deliver cleaner and safer streets.
- To improve support for vulnerable people.
- To build stronger communities.

It was explained that the Corporate Plan set out the Council's Flagship Actions against which the Council could be assessed. The Leader stated that the results of the recent Comprehensive Area Assessment (CAA) demonstrated that the Council was continuing to improve services for residents. However, despite these successes, the Council faced future challenges. The Leader explained that as considerable savings had already been made, it was becoming increasingly difficult to identify further efficiency savings, especially as demand for services was increasing. Furthermore, the Local Government Settlement offered by Central Government for 2010/11 was down to 1.5% in its final year, and the three year concessionary fares package, announced by Central Government in 2008 to help local authorities cover the cost of providing free off-peak bus travel in London, was being changed retrospectively, and would likely cost the Council around £1 million.

Following questions, the Leader of the Council, Chief Executive, Portfolio Holder for Performance, Communication and Corporate Services and the Corporate Director of Finance responded as follows:

Q - Given that many local public bodies such as the PCT, the Police and neighboring authorities are facing the same financial difficulties as the Council, has the Business Transformation Project given consideration to how these bodies can work collaboratively to overcome these shared financial concerns?

A – The Leader stated that the Council was interested in the concept of Total Place, a new initiative that looked at how a 'whole area' approach to public services could lead to better services at less cost. Total Place sought to identify and avoid overlap and duplication between organisations, delivering service improvement and efficiency savings at the local level. The utilisation of building assets would also be reviewed, with an emphasis on co-locating certain services to reduce the need for multiple buildings and offices. In addition to working with other public bodies, the Leader stated that the

Council needed to reconsider its relationship with residents by exploring the concepts of civic duty and citizenship.

Q – Do you feel that the Council’s partners are willing to engage with the concept of “Total Place”?

A – The Leader stated that whilst all organisations naturally sought to protect their own interests, there was a growing necessity to work collectively. The Chief Executive stated that all public bodies strived to provide good services and it was becoming increasingly apparent that many could not do this alone. As seeking efficiency savings was no longer a lone sustainable option, a cultural change was needed to remove organisational borders and work collaboratively. The Portfolio Holder for Performance, Communication and Corporate Services added that many areas had successfully implemented the concept of Total Place and that the Council needed to draw on the experiences of these authorities.

Q – Over the coming years, which services are likely to put the most strain on the budget?

A – The Leader stated that the number of vulnerable people utilising Council services was expected to increase. In addition, landfill costs were rising and this was an issue that required London-wide investment. With the number of children expected to rise, the cost of providing sufficient school places was also expected to put increased pressure on the budget. Whilst it was hoped that the Building Schools for the Future Programme might assist with the financing of new buildings, the future of the scheme remained uncertain. The Corporate Director of Finance stated that the yearly Capital Programme would also need to be financed but, as the financial position strengthened, the pressure to add to reserves and provisions might reduce. The Council would need to carefully consider the size of the capital programme and how much pressure it would tolerate on the Revenue Budget.

The Chief Executive added that there was some concern that the Government intended to protect certain public bodies and that this would result in other bodies being disproportionately affected by grant reductions.

Q – Has the Council taken interest rate fluctuations into account and the impact such changes would have on outstanding loans?

A – The Leader informed the Committee that potential fluctuations had been considered when preparing the budget. In addition, it was expected that there might be some cases where local authorities would be given the opportunity to renegotiate existing loans. The Leader added that following the high profile collapse of major Icelandic banks, the Council had withdrawn its investments from other countries. Whilst this resulted in reduced returns, the Council’s priority was to safeguard public finances.

Q – Can you provide details of where further savings could be made?

A - The Chief Executive stated that whilst the Council would continue to make efficiency savings the process became increasingly more difficult each year as many of the obvious opportunities had already been identified. The

transformation programme provided an opportunity to look at areas in a more fundamental way. In particular, through the Cross Council Efficiency Programme, the Council was considering the way in which a number of processes might be simplified or standardised. A number of areas had been identified where efficiencies might result, including customer contact and assessment processes across the authority. The Portfolio Holder for Performance, Communication and Corporate Services added that anticipated savings from the Business Transformation Programme had not been included in the budget for the next financial year and therefore any savings delivered would be a bonus to the Council.

Q - We note the awarding of the major works projects contract to Apollo. Can you give us any further detail about the background of this company and why the decision has been taken to change provider and how much have we saved by this change?

A – The Committee were informed that the contract with Apollo was taken following a formal tendering process, during which the credentials of the company were thoroughly examined and scrutinised to ensure that the organisation had sufficient capacity to fulfill its contractual obligations. It was added that the new contract would result in a cost reduction of 5% in comparison to the previous contract.

Q - Given the substantial funding gaps identified in 2011/12 and 2012/13, what will the likely impact on services be?

A – The Leader stated that whilst he was confident that the Council would be able to cover the funding gaps, the way in which the Council provided services would need to change dramatically. However, he anticipated that recipients of Council services would not notice any decline in services.

Q – What impact will the budget constraints have on Harrow Libraries?

A – The Leader stated that Harrow’s libraries were held in high regard and, aside from being expected to run more efficiently, no changes had been confirmed. However, the Council could not rule out any options and would ultimately choose the most efficient method of providing any given service. If the Council considered selling property assets, libraries were unlikely to be affected as most of the buildings they occupied were leased.

Q - Following the Government’s decision to review its concessionary fares package, what impact is this likely to have on the budget?

A – The Leader stated that with the loss of the concessionary fares package, the Council would need to add just under £1 million to the budget, and had done so.

Q - Has the Council considered the way in which it procures services?

The Corporate Director of Finance informed the Committee that the West London Alliance, which comprised Brent, Ealing, Hammersmith and Fulham, Harrow, Hillingdon and Hounslow councils, had agreed to establish a joint procurement unit for Residential and Domiciliary Care Services. Similar joint

procurement arrangements had also been utilised when securing the Council's occupational health contract. The Chief Executive added that joint procurement could be extended in the future to include other common contracts. However, the Leader stated that it was important that the Council did not neglect local suppliers when considering procurement opportunities.

The Committee were informed that procurement was a key strand of the Business Transformation Project and the Council was working closely with PricewaterhouseCoopers (PwC) to identify new opportunities. The Chief Executive added that the Council was eager to pursue pan-London procurement opportunities and that by procuring services together, local authorities could achieve better deals.

Q – Given that Council resources are not utilised equally by all residents, has any consideration been given to factoring service usage into the calculation of Council Tax?

A – The Leader stated that although there were many families in Harrow that consumed a disproportionately large amount of the Council's resources, the Council had no immediate plans to differentiate between service users. The Portfolio Holder for Performance, Communication and Corporate Services stated that it was important that the Council did not lose the 'moral contract' it had with residents and that the development of a resident compact, although complicated, would be useful.

Q – Can you reassure the Committee that the efficiency programme will not negatively affect Children's Services, particularly the Parent Partnership Service?

A - The Leader stated that the Corporate Director of Children's Services had been fully consulted on all proposed efficiency savings within his directorate and that safeguarding children was very important to the Council. In addition, additional resources had been put into certain areas of Children's Services. The Corporate Director of Finance stated that all the political groups had been provided with a comprehensive breakdown of the proposed efficiency savings and that Members could consult these documents if they required further information.

The Portfolio Holder for Performance, Communication and Corporate Services stated that, as outlined in the Corporate Plan, it was the Council's ambition to be recognised as one of the best London Councils by 2012. In order to achieve this, the Council would need to achieve a 4 star rating for Children's Services and consolidate the improved performance in Adult's Services. He added that he was confident that no service would be significantly affected by efficiency savings.

Q – Are there any plans to review parking charges in the Borough?

A – The Leader stated that there were no immediate plans to review car parking charges.

Q – In cases where services were outsourced, would the Council aim to have existing staff re-deployed?

A – The Chief Executive stated that staff understood the financial position of the Council and, on the whole, accepted that difficult decisions would need to be made. The Portfolio Holder for Performance, Communications and Corporate Services added that the results of the recent staff survey indicated that individuals were proud to work for the Council.

A Member stated that though the Council faced many challenges, it was important that the Committee recognised the successes that had been achieved. In particular he congratulated the Leader and the Chief Executive on the results of the Comprehensive Area Assessment and the proposed budget. The Member added that he hoped the Council's partners would be willing to work collaboratively in the future to overcome financial challenges.

The Chairman thanked all for participating in the Question and Answer Session. The Committee also thanked the Leader of the Council, who had decided to stand down at the next election, for his hard work.

RESOLVED: That the comments of the Overview and Scrutiny Committee be referred to the Cabinet meeting on 11 February 2010 for consideration as part of discussions relating to the budget.

(Note: The meeting, having commenced at 7.00 pm, closed at 9.50 pm).

(Signed) COUNCILLOR STANLEY SHEINWALD
Chairman