

**REPORT FOR: PERFORMANCE AND
FINANCE SCRUTINY
SUB-COMMITTEE**

Date:	6 April 2011
Subject:	Updated response to Scrutiny Standing Review of the Budget (Report from Phase Two)
Responsible Officer:	Julie Alderson, Interim Director Finance
Scrutiny Lead Member Area:	Councillor Sue Anderson, Performance Lead – Sustainable Development and Enterprise
Exempt:	No
Enclosures:	Appendix 1 – Response to Scrutiny Recommendations updated

Section 1 – Summary and Recommendations

This report provides an update to the recommendations in the report from phase two of the Scrutiny Standing Review of the Budget.

Recommendations:

That the Performance and Finance Scrutiny Sub-Committee note the updated response

Reason: (For recommendation)

To ensure that the recommendations from scrutiny are acted upon.

Section 2 – Report

1. The report on phase two of the Scrutiny Standing Review of the Budget was received by cabinet in February 2010. At that meeting it was agreed that a further report should be produced, outlining the response to the recommendations.
2. The recommendations and the response are shown in Appendix 1 and have been updated since the meeting of 24 June 2010.

Financial Implications

3. There are no direct financial implications.

Performance Issues

4. The implementation of the recommendations will have a positive impact on the Council's performance under Use of Resources.

Environmental Impact

5. There are no direct environmental impacts.

Risk Management Implications

6. There are no direct risk management implications.

Corporate Priorities

7. The recommendations relate mainly to asset management and fees and charges and therefore are indirectly connected to all the corporate priorities.

Section 3 - Statutory Officer Clearance

Not required for this report.

Section 4 - Contact Details and Background Papers

Contact: Jennifer Hydari, Divisional Director, Corporate Finance & Procurement, 020 8420 1393

Background Papers: NONE

Response to Recommendations

	Recommendation	Response	Lead Officer	Timescale	Updated for meeting 6 April
1	We urge officers to ensure that the Borough's sustainable community strategy is at the core of all of our property proposals and drives a coherent and ambitious borough-wide strategy for asset management/development.	<p>Agreed</p> <p>The Sustainable Community Strategy provides the policy and priority context for the property strategy.</p> <p>Consideration is currently being given to the benefits which could be realised through the adoption of a HSP Property Strategy.</p>	Andrew Trehern Corporate Director, Place Shaping	September 2010	A verbal update will be given at the meeting
2	We urge the Council to develop its asset management proposals in partnership with other public sector organisations. The work of this review and other Scrutiny projects has identified the opportunities offered through capital developments and we remain unsure that all of the opportunities for sharing resources are being exploited. We appreciate that this is difficult but	<p>Agreed</p> <p>The asset management (Property) strategy will be developed in consultation with the members of the HSP Board.</p>	Andrew Trehern Corporate Director, Place Shaping	September 2010	A verbal update will be given at the meeting

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	nonetheless we would urge officers to continue to identify joint objectives.				
3	<p>Whilst we commend the work of the Place Shaping directorate and its ambitions regarding the management of the asset base, we would suggest that there is still more that could be done. In particular, we would recommend that the detailed area planning profiles as adopted in Camden are developed in Harrow. This will ensure that the needs of a local area, its asset base, both public and private and the views of its residents about the local character can be at the heart of development as we emerge from recession.</p>	<p>The Place Shaping review and approach to asset management will be guided by the LDF Core Strategy, which sets a spatial vision for the whole of Harrow.</p> <p>The Core Strategy will be supported by an infrastructure plan, based on identified need, vitality profiles, and other local, area based information.</p> <p>It is not intended to progress the development of Area Profiles, such as those previously used in Camden, as officers consider that this approach would add limited additional value.</p> <p>Therefore, it is not intended to progress this recommendation at this stage.</p>	Andrew Trehern Corporate Director, Place Shaping	LDS Programme	No further action required

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4	<p>We also suggest that the detailed planning profile also includes information and intelligence on not only the Council's asset base but partners' assets co-located with our own. The recession offers us the opportunity to make innovative proposals around the asset base through reduced property prices which can in turn offer innovative solutions to property issues for ourselves and partners. We would suggest that discussions with Hillingdon Council would be helpful in this context.</p>	<p>See comments above.</p> <p>The "information and intelligence" which has been compiled in respect of property includes all of our key partner's facilities.</p> <p>The Property and Place Shaping review of the Corporate Transformation Programme is looking at all HSP assets, and partners are directly engaged in that process. The potential for co-location is a key objective of the review and is already being pursued actively with partners where this will provide customer service, efficiency and sustainability gains.</p> <p>Consideration has been given to the</p>	<p>Andrew Trehern Corporate Director, Place Shaping</p>	<p>On going</p>	<p>A verbal update will be given at the meeting</p>

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		purchase of property at strategic locations. Officers will continue to scan the market for appropriate opportunities.			
5	We recommend that the council diversifies its asset options along the lines of the recommendations above in order to diffuse the impact of the recession on the key asset management proposal – the redevelopment of the Civic Centre – and to ensure we hit the ground running as the economic situation improves.	<p>The Place Shaping and Property Review will recommend a “Strategic Sites Development Programme” at Cabinet in Autumn of 2010.</p> <p>One of the objectives of this programme will be to present a compelling opportunity for inward investment to Harrow.</p> <p>It is anticipated that the redevelopment of the Civic Centre will be part of the strategic sites programme.</p>	Andrew Trehern Corporate Director, Place Shaping	September 2010	The Civic Centre development is in the 2011-12 capital programme. There is the potential for co-location in the plans. Also the Children’s integrated strategy is a key part of the development.
6	We urge the Council to ensure that all	Agreed	Andrew	September	

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	potentially viable assets, of which we are precluded from disposing at the present time due to the recession, are assessed for their letting potential in order to maintain a revenue stream. In particular, we would urge the Council to consider how such premises might be beneficially let to the Third Sector or to small businesses at reduced (or zero?) rents to support these organisations through the recession.	<p>The commercial property portfolio is managed at high level of occupancy and this is being maintained throughout the recession to date.</p> <p>The proposed HSP property strategy will include policy in respect of access to premises by the third sector, social enterprises, etc</p>	Treherne Corporate Director, Place Shaping	2010	
7	<p>We recommend that</p> <ul style="list-style-type: none"> • the charging framework be reviewed to ensure that it gives a corporate steer to <ul style="list-style-type: none"> ○ Using charges to influence demand ○ Assessing the impact of the charge for one service on another • the framework be launched formally; • training on the framework be provided 	<p>The charging framework will be reviewed during 2010-11, and communicated to all managers. The framework will constitute part of the Integrated Planning and Budgeting Process which includes review of fees and charges. The proposals for fees and charges will feed into the Challenge Panels held in October/November to ensure that budget managers have adequately and appropriately addressed the requirements of the charging</p>	Jennifer Hydari Divisional Director Finance and Procurement	<p>Finance training on fees and charges – early June</p> <p>Draft Policy 25 June</p> <p>Finalise Policy 16 June</p> <p>Training from 2 Aug to 6</p>	<p>The Policy Was Updated In June and agreed by Cabinet at 28 October meeting. Launched at Manager's Conference in September.. There will be a</p>

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	<p>to all relevant services;</p> <ul style="list-style-type: none"> the framework be made easily accessible to managers, via the hub that consideration be given to Scrutiny supporting the annual review of charging policy. 	<p>framework. Planning workshops are offered to managers as part of the integrated planning process – and this will include review and challenge of fees and charges in light of the charging framework review. Timetable is being finalised. All directors will be asked to confirm that their directorate has fully implemented the charging framework.</p>		September	three year rolling programme to ensure all income is set in line with policy
8	<p>We recommend that the 'Better Deal for Residents' proposals are considered further by our successor body should that be agreed</p>	<p>We expect the Better Deal for Residents Programme to identify a number of proposals that will be of strategic importance to the Council, that will constitute major policy, and that will transform the relationship between the Council and the residents of Harrow. The Council will welcome Scrutiny's input to these</p>	<p>Tom Whiting Assistant Chief Executive</p>	<p>Better Deal for Residents is a medium to long term programme. There are no specific dates at this stage for reports or</p>	<p>Agreed regular reports to Overview and Scrutiny and Cabinet where necessary.</p>

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		proposals and will look to seek a range of Scrutiny inputs whether it is through committee, review or through challenge panels.		decisions.	
9	We recommend that further work is undertaken to investigate the viability of the establishment of an 'Invest to Save' fund.	The Service Efficiency Board considers invest to save proposals as they arise. The Council's Transformation Programme is intended to include all of this type of activity, with the intention of delivering both service	Myfanwy Barrett Corporate Director of Finance	Ongoing	The Transformation Programme is a major part of the Budget and MTFS and is

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		improvements and significant savings. There is provision within the approved Capital Programme for the capital elements of the Transformation Programme of £4.6m in 2010-11. It is intended that the first call on any revenue underspend in 2009-2010 will be funding to support the Transformation Programme. At period 11 this was anticipated to be £0.8m.			intended to deliver the savings required to close the funding gaps in future years. There is £18m for Business Transformation in the 2011-12 Programme subject to approved business cases.
10	We recommend to the next Overview and Scrutiny committee that a body similar to the Standing Review of the Budget be established in the next administration	Noted	N/A	N/A	This has been included in the Scrutiny work programme but has not yet started.