

# PERFORMANCE AND FINANCE SCRUTINY SUB-COMMITTEE MINUTES

## 26 JULY 2011

**Chair:** \* Councillor Sue Anderson

**Councillors:** \* Tony Ferrari \* Jerry Miles  
\* Barry Macleod-Cullinane \* Varsha Parmar

\* Denotes Member present

### 40. Attendance by Reserve Members

**RESOLVED:** To note that there were no Reserve Members in attendance at this meeting.

### 41. Declarations of Interest

**RESOLVED:** To note that there were no declarations of interests made by Members.

### 42. Appointment of Vice-Chairman

**RESOLVED:** To appoint Councillor Macleod-Cullinane as Vice-Chairman of the Performance and Finance Scrutiny Sub-Committee for the 2011/2012 Municipal Year.

### 43. Minutes

**RESOLVED:** That the minutes of the meeting held on 6 April 2011, be taken as read and signed as a correct record.

#### **44. Public Questions, Petitions and Deputations**

**RESOLVED:** To note that no public questions were put, or petitions or deputations received at this meeting.

#### **45. References from Council and Other Committees/Panels**

None received.

### **RESOLVED ITEMS**

#### **46. Chair's Report**

The Sub-Committee received a report that set out issues considered by the Chair since the last meeting of the Performance and Finance Scrutiny Sub-Committee. Members noted that:

- the NI 64 indicator that reported on the duration that looked after children were on the Child Protection Register had increased from 3.64% to 16.67%. This would be monitored by officers and the Chair and Vice-Chair would receive an update at their next briefing meeting;
- The Best Value (BV) 8 Indicator relating to the payment of invoices on time had fallen over the past three financial years. An Internal Audit review of invoice processes was underway and the Corporate Strategy Board (CSB) would review current policies and procedures.

In relation to the Community Cohesion Action Plan 2011/12, officers advised that they would investigate and report back on the following matters:

- how successful Under One Sky 2011 was in promoting community cohesion;
- delivery of the Harrow Youth Parliament programme;
- progress on establishing the Tamil Forum;
- the progress of promoting universal access to Children's Centre's within the Borough".

**RESOLVED:** That the report be noted.

#### **47. INFORMATION REPORT: Capital Governance and Monitoring**

A report previously considered at the Governance, Audit and Risk Management (GARM) Committee meeting on 28 June 2011 was presented at the request of the Chair and Vice-Chairman. An officer reported that:

- the investigation into the overspend in the capital programme had made a series of detailed recommendations for implementation across all Directorates that would strengthen existing governance arrangements;

- the GARM Committee were responsible for overseeing the implementation of the recommendations with Internal Audit to verify whether actions had been implemented. The Committee would take a holistic approach by proposing robust governance principles and monitor the progress of implementation and take action where necessary;

An officer reported that:

- a number of key actions had been implemented to mitigate all immediate risks to the Council. These included:
- developing a clear and comprehensive approvals process for schemes in the 2011/12 Capital Programme;
- enhancing the role of the Capital Forum in relation to compliance/governance. The Forum robustly considered all business cases presented;
- Internal Audit would monitor all decisions to ensure that they were financially viable and in accordance with the governance framework;
- The appointment of an Interim Capital Project Manager to oversee and progress the capital monitoring process and implement agreed capital recommendations within Finance;
- Test checking capital invoices within each Directorate on a monthly basis throughout the year. Internal Audit were reviewing the test checking process to demonstrate to the External Auditor that robust procedures had been implemented and followed;

The officer advised that a number of actions were being developed, and included:

- monitoring of monthly expenditure on all approved capital schemes against the agreed budgets and progress against the project plan by the Capital Forum;
- developing a capital strategy for 2012/13 that would provide an objective framework for decision making and robustly manage the delivery of the Council's capital programme;
- introducing a single mandatory process for project management across the Council in the future;
- the continued monitoring of the progress of the implementation of the planned actions by Internal Audit.

In response to questions from Members, the officer advised that:

- the capital overspend was related to projects in the Children's Services Directorate. An Interim School Capital Programme Team Manager had been appointed to manage projects within Children's Services;
- a Quarter 1 budget monitoring report, including capital monitoring information, would be presented at the Cabinet meeting on 8 September 2011. An update on the progress of recommendations arising from the capital investigation would be provided at future

briefing meetings for the Chair and Vice-Chairman of the Sub-Committee;

- the Capital Programme was closely monitored. The Leader of the Council received regular updates on capital programme expenditure and CSB meetings received update reports regularly;
- two recommendations that were due for completion, had not been implemented at this stage but, there were no issues relating to control measures going forward. The Interim Director of Finance undertook to update the committee on the latest progress against these. The GARM Committee would continue to receive regular updates on the actions taken to implement the recommendations made;
- officers would consider including some recommendations made by Members in the criteria for future capital projects, such as the carbon footprint of the programme and the environmental impact and risk management implications. The Sub-Committee would receive an update on their implementation;
- training on the processing of invoices and payments had taken place to ensure that all Directorates were complying with the required procedures and protocols. Finance Business Partners would conduct monthly test-checking to ensure that all invoices received were processed in accordance with Council protocols. Alternative options for processing payments and invoices in the future would be considered.

**RESOLVED:** That the report be noted.

#### **48. Revenue & Capital Outturn 2010/11**

The Sub-Committee considered a report presented at the Cabinet meeting on 22 June 2011 which set out the Council's revenue and capital outturn position for 2010-11. The Interim Director of Finance responded to questions relating to the Housing Revenue Account (HRA). She reported that external redecoration works had been programmed to commence and that she would advise Members of the timetable in due course. In addition, she agreed to provide Members with details of adjustments that were made and at what stage to result in the revised budgeted deficit of £1.526m against the HRA.

**RESOLVED:** That the report be noted.

#### **49. Progress against the Economic Development Strategy Action Plan 2010/11**

An officer presented a report that provided an update on progress against the Enterprising Harrow strategy. He reported that:

- Officers had met with Lead Members of Scrutiny to discuss the implementation action plan on economic strategy. The action plan guided the work of the Council and its partners. The implementation

was monitored by the Enterprising Harrow Steering Group who met every quarter. The Group included representatives from Harrow Council, Harrow in Business, Jobcentreplus and Harrow College. One of the main objectives of the group was to monitor progress against the economic development of the place shaping service plan. The steering group reported progress of the action plan to the Harrow Chief Executives Group;

- Highlights of the programme included, working to get residents in employment, supporting local businesses and supporting and protecting people in need. Officers had successfully met the objectives outlined on the 2010/11 action plan, which included publication of the first Local Economic Assessment and the delivery of employment and training initiatives, such as the Xcite project and vocational programmes in some Harrow colleges.
- The current percentage of working age people in Harrow that were not in employment was 30%, and 40% of these had children. Two new programmes to tackle worklessness had been introduced. A mandatory work programme was introduced for residents over 25 (who had been claiming Job Seekers Allowance for over 12 months) and 18-24 year olds who had been out of work for 9 months or more. Residents who were out of work would be placed on a work programme or activity or be encouraged to volunteer and possibly become part of a work club;
- Harrow Council were seeking to develop strategic links with large project providers (Ingeus, Maximus/CDG and Reed) to integrate some services, such as Housing and Children's Services, with the work programme. In addition, an employment focussed provision for families with multiple problems had been commissioned by the Department of Work and Pensions (DWP) with the support of the European Social Fund (ESF). It was hoped that Harrow would identify families that could benefit from the programme with additional support from the Police, NHS and other services;
- Business support available at a national and regional level would be affected by the abolition of Regional Development Agencies and the rationalisation of Business Link. Harrow Council was supporting businesses through a range of initiatives to help them access new markets and facilities and reduce costs. This included, Gateway Asia which encouraged businesses to access Chinese and Indian markets. Forty-five Harrow businesses had signed up to this initiative. Local procurement measures were also introduced to stimulate business growth and create "apprenticeship" opportunities for young people;
- Officers anticipated that the proposed Intensification Area would address growth in the town centre and worklessness issues. It was hoped that businesses would be encouraged to invest in the area and create jobs. There were growth opportunities in Accountancy, Finance and IT at present, and it was hoped growth in the retail and hospitality sector would be sought in order to provide entry-level opportunities.

In response to questions raised, the officer reported that:

- Business growth was important for small businesses and was a way of increasing revenue within the borough. Officers hoped that the implementation of the area action plan for the Intensification Plan would increase the amount of business rates collected by encouraging large businesses to migrate into the borough;
- A bid had been submitted to the Mayor's Outer London Fund to deliver initiatives to encourage foot fall in Harrow town centre and local shopping areas such as Rayners Lane and North Harrow. This would include a food festival, seasonal activities and community events. It was hoped that this would increase spending in the town centre. In addition, the bid seeks to develop the capacity of local traders to promote shopping centres. Officers would inform and update local Ward Councillors of consultations and on the local programme;
- Officers would work with Visit London to publicise and advertise local events to promote tourism.

**RESOLVED:** That the report be noted.

(Note: The meeting, having commenced at 7.32 pm, closed at 9.45 pm).

(Signed) COUNCILLOR SUE ANDERSON  
Chair