

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

Date of Meeting: 24 July 2012

Subject: Chair's report

Responsible Officer: Alex Dewsnap, Divisional Director,
Partnership, Development and
Performance

**Scrutiny Lead
Member area:** All areas

Exempt: No

Enclosures: *Appendix A: Note of Chair's briefing
held on 27 February 2012*

*Appendix B: Note of Chair's
briefing held on 28 May 2012*

*Appendix C: Summary of issues
selected for further monitoring at
Q3 2011/12 and Q4 2011/12*

Section 1 – Summary and Recommendations

This report sets out issues considered by the Chair since the last meeting of the Performance and Finance scrutiny sub-committee.

RECOMMENDATIONS:

The sub-committee is requested to:

- Note the report.

Section 2 – Report

Introductory paragraph

This report outlines the work of the Chair and Vice-Chairman since the last meeting of the sub-committee, held on 2 February 2012.

Background

1. Chair's briefing – 27 February 2012

A briefing for the Chair and Vice-Chairman was held on 27 February. A note of the briefing is available at Appendix A. The meeting covered:

- Performance update – residential burglary and serious acquisitive crime
- Update – payment of invoices
- Budget forecasting compliance, as at period 9, 2011/12
- Revenue and Capital Monitoring for Q3 as at 31 December 2011
- Update on indicators selected for further monitoring at the previous meeting (see Appendix C)
- Update – Council's Use of Performance Information – Phase 2

As detailed in the note of the meeting, the Chair and Vice-Chairman agreed to postpone the sub-committee meeting scheduled for 27 March 2012 due to lack of substantive business. The meeting had been expected to receive progress on a number of scrutiny reviews but these were deferred because of the original reports reaching Cabinet later than anticipated.

2. Chair's briefing – 28 May 2012

The next briefing was held on 28 May. A note of the briefing is available at Appendix B. The meeting covered:

- Update – payment of invoices
- Budget outturn 2011/12
- Budget holder forecasting compliance
- Update on indicators selected for further monitoring at the previous meeting (see Appendix C).

It was agreed that the Annual Scorecard for 2011/12 be reviewed at the next Chair's briefing (likely to take place in mid-August).

3. Agenda items for 24 July 2012

Items were agreed as follows:

- P&F chair's report
- Revenue and Capital outturn 2011/12
- Contracts and procurement savings – year-end report
- Exception report: householder planning application performance
- Report on progress – council's use of performance information scrutiny review

4. Future chair's briefings

The next Chair's briefing is likely to be held in mid-August 2012.

Financial Implications

This report deals with matters of financial and service performance throughout.

Performance Issues

This report deals with matters of financial and service performance throughout.

Environmental Impact

Not applicable.

Risk Management Implications

Not applicable.

Corporate Priorities

The work of the sub-committee addresses all of the council's corporate priorities.

Section 3 - Statutory Officer Clearance

Not required for this report.

Section 4 - Contact Details and Background Papers

Contact: Heather Smith, Scrutiny Officer, 020 8420 9203,
heather.smith@harrow.gov.uk

Background Papers:

Strategic Performance Report for Q3 – available at:

<http://www.harrow.gov.uk/www2/documents/s96520/StrategicPerformanceReport-%20Q3.pdf> (Cabinet, 8 March 2012)

Strategic Performance report for Q4 – available at:

<http://www.harrow.gov.uk/www2/ieListDocuments.aspx?CId=249&MId=61070&Ver=4> (Cabinet, 19 July 2012)

Revenue and Capital Monitoring for Q3 (as at 31 December 2011) – available at:

<http://www.harrow.gov.uk/www2/documents/s95678/Revenue%20and%20Capital%20Monitoring%20Qtr3.pdf> (Cabinet, 9 February 2012)

Revenue and Capital Outturn 2011/12 – available at:

<http://www.harrow.gov.uk/www2/documents/s98576/Cabinet%20Revenue%20and%20Capital%20Outturn.pdf> (Cabinet, 20 June 2012)

APPENDIX A

PERFORMANCE AND FINANCE SCRUTINY SUB-COMMITTEE

Chair's briefing – notes

Monday 27 February 2012

Attendees:

- Councillor Sue Anderson, Chair
- Councillor Barry Macleod-Cullinane, Vice-Chairman
- Julie Alderson, Interim Corporate Director of Resources (items 1-5 (part))
- Susan Dixson, Service Manager - Internal Audit (items 1-2)
- Mike Howes, Service Manager - Policy & Partnership (item 1)
- Jennifer Hydari, Divisional Director, Corporate Finance and Procurement (items 1-3)
- Martin Randall, Senior Professional, Corporate Performance and Planning
- Heather Smith, Scrutiny Officer

NOTES

1. Performance update – residential burglary and serious acquisitive crime

The Service Manager – Policy and Partnership attended to provide an update on partnership activity in place to tackle the rates of serious acquisitive crime and residential burglary.

The Police have a number of initiatives including Operation Vegas (burglary), a trap house and Operation Colorado Springs (robbery). Intelligence-led high visibility patrols are also used to deter robbery. Police officers visit burglary offenders on release from prison.

A preliminary assessment of the Smartwater programme has been made but indicated that it is too early to ascertain its impact on burglary rates. This is because of the short length of time that the scheme has been in place coupled with the low probability of an individual property being burgled. So far 27,000 kits have been deployed; up to 40,000 kits are available.

The Council has an agreement with the Police whereby the Council will provide funds and the Safer Neighbourhood Teams will promote the scheme and install it; each team has adopted its own approach. Kits have been provided to burgled homes and surrounding homes. Kits have not, therefore, been distributed randomly and there are more kits in more susceptible properties.

The Vice-Chairman commented that there needed to be greater publicity of areas that were protected with Smartwater to improve deterrence.

Following screening in second hand shops, so far two items have been found with Smartwater markings.

Olympics

While security for the Olympics itself has been outsourced, there will be a call on Harrow to provide officers for policing the games. The armed forces will also be involved and Police from elsewhere are likely to be deployed to Harrow to back fill officers abstracted to police the games.

The Vice-Chairman commented that it would be beneficial to compare crime rates during the period of the games with the same period in previous years. It would also be helpful if council staff fulfilling roles around the Borough such as street cleaning could be given high visibility clothing, to increase uniformed presence.

It was agreed that the Chair and Vice-Chairman be provided with an update on policing for the Games after the next Safer Harrow Management Group where policing for the games would be discussed.

2. Update – payment of invoices

The Service Manager - Internal Audit provided an update on the Internal Audit report which examined the Application of Contract Procedure Rules. The objective of the review was to establish reasons why Contract Procedure Rules (CPR) are not being followed using a list of orders identified by Corporate Accounts Payable Receivable (CAP/CAR) as being raised after the invoice date. A red report was issued and seven recommendations made to improve control.

Internal Audit will be reviewing action taken on the recommendations in April and will be in a position to provide an update on implementation at that stage. It was agreed that an update be provided to a future briefing.

3. Budget holder forecasting compliance

The Chair and Vice-Chairman were provided with information detailing forecasting compliance as at period 9.

The Divisional Director Corporate Finance and Procurement advised that comprehensive, mandatory training had been provided to all managers in 2009, followed by a refresh in 2010. No training had been offered in 2011 but it was intended that a further mandatory session be run in 2012. It was likely that this would be built into the action plan arising from the forthcoming CIPFA review of the financial management of the council.

Members reviewed the information. The Vice-Chairman commented that he was most concerned where it appeared that the same manager was not forecasting from one period to the next, rather than where the KP06 forecast was missed on a one-off basis. The Divisional Director responded that in some areas this had been the result of setting up a totally new budget; the emphasis had been on setting a good budget rather than pushing managers to comply with forecasting against an incorrect budget. When the budget was agreed, appropriate training could then be provided.

The Interim Corporate Director of Resources added that KP06 was the first look, highlighting areas in need of further investigation. The Cabinet report provided detail of the position across all directorates with regard to forecast variation. The methodology was not systematic but did ensure that all areas were examined by the finance teams.

4. Revenue and Capital Monitoring for Q3 as at 31 December 2011

This item had been discussed at the recent sub-committee meeting. Overall an underspend is forecast at year-end. There has been an increase in the forecast underspend in Children's Services; pressures in Community and Environment are continuing.

5. Update on indicators selected for further monitoring at previous meeting

Please see Appendix C. The following additional information was discussed:

NI 32 repeat incidents of domestic violence

The assessment is for the period between Q3 2010/11 and Q3 2011/12 as the indicator is a count of repeat referrals to the Multi Agency Risk Assessment Conference (MARAC). There were 44 referrals in total in Q3 2010/11, and 15 repeat referrals back to MARAC in the subsequent 12 months. The repeat referrals included one victim who was referred back four times and four re-referrals who were referred back on two occasions. The recently appointed Violence Against Women and Girls Coordinator is currently undertaking a review of the MARAC, including its data recording practices and its case management procedures.

BV 8 - % of undisputed invoices paid within 30 working days

Information from SAP that populates this indicator relates to all invoices, not those that are undisputed. Officers have removed the indicator from the authority's submission to the LAPS (London Authority Performance Solution) benchmarking tool.

6. Council's Use of Performance Information – Phase 2

The Scrutiny Officer provided an update on implementation of the recommendations. Headway has been made in discussions with the Executive with regard to securing the earlier sight of the Corporate Scorecard by the P&F Chair and Vice-Chairman, which should enable more timely agenda planning along with the opportunity to submit comments to the CSB performance morning on areas of focus for scrutiny.

This adjustment may mean that the Chair's briefings will need to be de-coupled from the agenda planning process for committee. As such, the scrutiny team have also reviewed the scheduling of committees to try to facilitate a better fit and this has been discussed with the Scrutiny Leadership Group.

The Senior Professional, Corporate Performance and Planning advised that a review of the current Improvement Board and performance review process is being undertaken. Any changes arising from this could potentially impact upon the scrutiny process.

7. Agenda – Performance and Finance scrutiny sub-committee – 27 March 2012

The following items have been deferred due to the original scrutiny reports reaching Cabinet later than had been originally anticipated:

- Report on progress – snow clearance review
- Report on progress – engaging young people review
- Report on progress – debt recovery review
- Report on progress – Council's use of performance information – phase 2

The Chair and Vice-Chairman therefore agreed to postpone the meeting.

The P&F section of the draft annual report will be reviewed by the Chair and Vice-Chairman before being finalised by the Overview and Scrutiny Committee.

Heather Smith
Scrutiny Officer
March 2012

APPENDIX B

PERFORMANCE AND FINANCE SCRUTINY SUB-COMMITTEE

Chair's briefing – notes

Monday 28 May 2012

Attendees:

- Councillor Sue Anderson, Chair
- Councillor Barry Macleod-Cullinane, Vice-Chairman (items 4-5)
- Julie Alderson, Corporate Director of Resources (items 1-3)
- Liz Defries, Service Manager – Performance & Data Services
- Adam Rogers, Xcite Graduate Scheme (observer)
- Heather Smith, Scrutiny Officer

NOTES

1. Update – payment of invoices

The Service Manager – Internal Audit provided a written update on the Internal Audit report which examined the Application of Contract Procedure Rules.

She reported that she was unable to provide a complete update on the implementation of the recommendations from this review as her team is still awaiting responses from two officers. They had both been chased and made aware that P&F had requested an update at the briefing. Of the five recommendations for which a response had been received, only one had been implemented in CAP/CAR. Four recommendations within Procurement had not been implemented (owing to the delay in the SAP project) and an extended deadline has been requested for the end of August.

Internal Audit will continue to chase the outstanding follow-up information and will undertake further follow-up until the assurance rating can be re-assessed to at least Amber.

It was agreed that an update be provided to a future briefing.

2. Budget Outturn 2011/12

The Corporate Director of Resources advised that the council was likely to use the expected underspend in 2011/12 to cover costs of redundancy and costs of change. She reported that she would also be proposing a contribution from the underspend to general reserves. The outturn report is currently scheduled for Cabinet in June so will be available for the July meeting of P&F, where an update will be provided.

3. Budget holder forecasting compliance

The Corporate Director of Resources reported that she had considered examining forecasting against budget position for the last financial year, but this analysis had not been prioritised as it was considered better to focus on the present rather than the historic position.

The report of the CIPFA review of the financial management of the council was currently being finalised for discussion with the Chief Executive and Portfolio Holder. From this review, a financial transformation programme and action plan will be developed, and will include actions on budget control and management.

The Chair commented that it was the accuracy of forecasting that had originally drawn this area to the sub-committee's attention, in particular how actuals mirrored forecasts that had been provided. The officer responded that the action plan was likely to include improving budget monitoring by including year to date (YTD) actuals against the YTD phased budget as well as the year-end forecast.

4. Update on indicators selected for further monitoring at previous meeting

Please see Appendix 1. The following additional information was discussed:

Quarterly Scorecard – Q4, 2011-12

- *Residential burglary and serious acquisitive crime rate (NI16)*
While Harrow is a low crime area across all crime types, for burglary the rate is relatively high. Looking at *serious acquisitive crime* (which includes residential burglary) Harrow is in the top quartile for London, but the council is *High Red* against its own target. These indicators use Metropolitan Police data.

Members requested sight of analysis of the Metropolitan Police data for these indicators (including hotspot mapping) and details of the target for 2012/13.

With regard to Smartwater, new analysis up to May 2012 will enable two years' worth of data to be analysed. Analysis up to November 2011 was not able to demonstrate whether the deployment of kits has had a statistically measurable impact on burglary. This analysis was likely to be available in the autumn. In addition, the vice-chairman also requested an update on the take-up of kits.

The chair and vice-chairman agreed that these indicators should be referred to the Scrutiny Lead Members for further investigation.

- *Percentage of household waste sent for re-use, recycling and composting (NI 192)*
Further to the information provided in the appendix, 6,000 flats have now been offered opportunities to recycle, including organic waste. There has also been a shift in approach to encourage residents not to generate waste in the first place. The vice-chairman expressed concern that he had not received any information at his flat in Harrow on the Hill.

Annual Scorecard – 2011/12

- It was agreed that this be discussed at the next Chair's briefing.

5. Agenda – Performance and Finance scrutiny sub-committee – 24 July 2012

Items will be confirmed with the chair and vice-chairman by email.

NB – Members should note that there will be a new Corporate Scorecard for 2012/13, which may or may not include all of the indicators monitored in 2011/12. Indicators may still be able to be monitored if they remain on directorate scorecards but this would not be possible if the indicator is removed entirely.

Heather Smith
Scrutiny Officer
June 2012