

# Overview and Scrutiny Committee

## SUPPLEMENTAL AGENDA

**DATE: Wednesday 8 September 2010**

### AGENDA - PART I

**3. MINUTES** (Pages 1 - 18)

That the minutes of the special meeting held on 21 July 2010 and the meeting held on 27 July 2010 be taken as read and signed as a correct record.

**10. HARROW MAGISTRATES' COURT CHALLENGE PANEL REPORT** (Pages 19 - 44)

Report of the Divisional Director, Partnership Development and Performance.

**13. IT SERVICE DELIVERY** (Pages 45 - 72)

Report of the Divisional Director, Partnership Development and Performance.

### AGENDA - PART II - NIL

*Note: In accordance with the Local Government (Access to Information) Act 1985, the following agenda item has been admitted late to the agenda by virtue of the special circumstances and urgency detailed below:-*

Agenda item

Special Circumstances/Grounds for Urgency

3.  
Minutes

The minutes were not available at the time the agenda was printed and circulated as they were still being consulted upon. Members are requested to consider this item, as a matter of

urgency.

10.  
Harrow Magistrates' Court  
Challenge Panel Report

This report was not available at the time the agenda was printed and circulated as it was still being consulted upon. Members are requested to consider this item, as a matter of urgency.

13.  
IT Service Delivery

This report is being presented to the Committee in order to obtain its views so that these can be forwarded on to Cabinet. Members are requested to consider this item, as a matter of urgency.

# OVERVIEW AND SCRUTINY COMMITTEE MINUTES

## 21 JULY 2010

**Chairman:** \* Councillor Jerry Miles

**Councillors:**

* Sue Anderson	* Paul Osborn
* Kam Chana	* Bill Phillips
* Ann Gate	* Sachin Shah
* Barry Macleod-Cullinane	* Stephen Wright

**Voting Co-opted:**

(Voluntary Aided)	(Parent Governors)
† Mrs J Rammelt Reverend P Reece	Mrs D Speel

\* Denotes Member present  
† Denotes apologies received

### RESOLVED ITEMS

#### 12. Attendance by Reserve Members

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

#### 13. Declarations of Interest

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

#### 14. Deputations

**RESOLVED:** To note that no deputations were received.

#### 15. Question and Answer Session with the Leader and the Chief Executive

On behalf of the Committee, the Chairman welcomed the Leader of the Council and the Chief Executive to the meeting. It was explained that the purpose of the meeting was to allow consideration of the Better Deal for Residents Programme and the Council's finances. The Chairman added that as the current administration had only been in office since May 2010, it was expected that the Question and Answer session would not be as in depth as usual. However, he added that this was a valued opportunity for Members to discuss issues with the Leader and the Chief Executive and that the Committee looked forward to hearing their views.

**Q – What plans does the Council have to engage with residents on the Better Deal for Residents programme and is the Council willing to engage at ward / constituency level?**

A – The Leader stated that the Better Deal for Residents programme would significantly alter the way in which the Council operated and that engagement with residents was essential. In order to accomplish this, the Council would actively seek dialogue with various bodies, including trade unions, resident panels, the Community Cohesion Reference Group, the Disability Forum and the Harrow Strategic Partnership. The Council would also ensure residents were kept up-to-date by publicising significant developments. The Leader added that one strand of the Better Deal for Residents programme was to promote civic engagement amongst residents.

The Chief Executive stated that Ward Councillors were best placed to feed back the views and concerns of residents to the Council. He added that the Council needed to develop a new type of relationship with residents, in line with the Better Together initiative.

**Q – Following the decision of Central Government to cut public sector spending by £6.2 billion in 2010/11, can you provide details of how the Council intends make in year funding cuts of £1.3 million?**

The Chief Executive stated that the Council intended to deliver savings of £1.3 million through vacancy management and careful spending. He added that certain areas of the Business Transformation Project could be brought forward and that the Council would consider income opportunities including car parking charges, sponsorship, and adult services. The Leader stated that the Council had only recently been made aware of the in year funding cuts and no firm decisions had yet been made. However, it was accepted that there was a need to make decisions quickly. The Chief Executive stated that the Council faced an immense challenge as income was falling but demand for services was increasing.

**Q – Will the review of special needs transport result in a change to the eligibility criteria?**

The Chief Executive stated that the Council was reviewing almost every service to identify potential savings. In the case of special needs transport, the Council would be considering many possibilities including the way in which vehicles were purchased, whether they could be shared with other boroughs, the use of volunteers and improved route planning. The Leader stated that the Council would also be considering whether certain individuals could be encouraged to be more independent, although this would depend on many factors taking into account the individual circumstances of the service user. The Council would also be reviewing the way in which it assessed individuals to ensure the process was as efficient as possible.

**Q – Will the Council consider boosting apprenticeships in Harrow through local authority contracts?**

The Leader stated that the Council already supported apprenticeship schemes and had itself created work experience and graduate positions. The Housing Association had also created many new apprenticeship opportunities. The Chief Executive stated that the Council hoped to work with the National Apprenticeship scheme in the future.

**Q – How was the decision to apply pro-rata budget cuts on frontline service areas reached?**

The Leader stated that the Council had followed the same process as it had under the previous administration. He explained that all the Corporate Directors had been told to consider the proposed budget cuts and determine the potential impact on their service area. The Chief Executive added that the Council was initially looking at achieving the required savings in a uniform manner.

**Q – What are the Council's current reserves and how do these compare with the figure recommended by the Section 151 Officer?**

A – The Leader stated that £5 million to £7 million was considered a reasonable reserve level and that the Council was well within this band. The Chief Executive stated that the Council needed to strike a balance between saving money and investing in services.

**Q – Will the financial problems facing NHS Harrow impact on the Council's plans, including the Sustainable Community Plan?**

A – The Chief Executive stated that a presentation was due to be given to the Harrow Strategic Partnership at its meeting on 22 July 2010 which would provide the Council with an update on the current situation. At present it was difficult to assess the potential impact on the Council's plans as there were too many uncertainties.

**Q – Following the Governments announcement that they will increase VAT, how does the Council intend to protect those on low incomes?**

A – The Leader of the Council stated that the current administration was interested in introducing an additional Corporate Priority which would aim to help residents and businesses cope with the recession. The Council also had a dedicated team which could give advice to those facing financial hardship.

The Chief Executive added that the Council was working closely with the Citizens Advice Bureau, was in the process of establishing a Credit Union for residents and was considering the possibility of allowing individuals to spread Council Tax payments over a period of 12 months.

**Q – What help is being provided to Young People in Harrow to help them gain employment?**

A – The Leader of the Council stated that the Connexions Service was working closely with young people in Harrow by providing advice on training and employment opportunities. In addition, the Harrow Skills Centre was providing vocational learning for the 14-19 age range with courses providing an introduction to the key trades. Harrow Schools and Colleges were also providing many opportunities to students. Youth workers also undertook outreach work to ensure those not in the education system had access to information and support.

**Q – What impact has the financial situation of the Council had on staff morale?**

A – The Chief Executive stated that the Council ensured that all staff were kept informed of significant developments through regular internal communications and staff forums. In addition, staff were being asked to submit ideas that could help the Council save money. The Chief Executive added that staff recognised that the financial problems were not unique to Harrow and that all local authorities were in a similar situation. The Leader added that the Council continued to celebrate the success of staff through the CREATE Awards.

**Q – Can the Leader of the Council assure the Committee that the Council will continue to support Grant funding?**

A – The Leader stated that, as a result of NHS Harrow suspending its grants programme, the Council was expecting to see increased applications for grants. The way in which the Council operated its Grants process was currently under review.

**Q – What plans does the Council have to promote the growth of the town centre?**

A – The Council was in the process of developing its Core Strategy which would provide a clear spatial strategy for the Borough. The Core Strategy would be a forward looking document that sought to pro-actively plan for and manage growth and development in Harrow. The Council had also recently

established the Major Developments Panel which would oversee the development of the Harrow and Wealdstone Intensification Area. The Panel would also consider significant development opportunities across the borough. The Council was also looking to regenerate local centres.

**Q – The Council recently announced that Gayton Library will be open on Sunday. How much will this cost?**

A – The Leader stated that opening the Library on Sunday would cost the Council an additional £20,000 per year. The cost would be absorbed within the Community and Environment budget.

**Q – The current administration has previously stated that it will seek to reduce car parking charges across the Borough. Does the Council still plan to do this?**

A – The Leader stated that the Council would be reviewing car parking costs across the borough to ensure fairness and consistency. The Council was considering a number of options although no decisions had yet been made. The Chief Executive added that the income the Council received from parking charges, as a percentage, was lower than most other London authorities. However, raising car parking charges was just one of many options and the Council would always consider the impact that any such change would have on residents.

**Q - Is it possible to ring-fence from cuts all Children's and Adults' services that deliver care in the community, either at the expense of another service, or by a rise in Council Tax?**

A – The Chief Executive stated that the current financial environment meant that the Council had no choice but to make significant savings. However, as the Council had already made significant savings in previous years, identifying further efficiency savings was very difficult. The Council would need to look at every service it offered, including those that were a statutory requirement, in order to identify where cuts could be made without jeopardising quality of service. The Chief Executive added that the Council would continue to protect vulnerable people and had in the previous year increased the budget of Adult Services to reflect changing demographics. The Leader stated that the Council acknowledged that initial investment could sometimes result in long-term savings.

**Q – Why is the Community and Environment directorate reporting an anticipated overspend of £935,000?**

A – The Committee was informed that the Council had overestimated the revenue that would be generated through car parking charges for the first quarter of 2010/11. Action was being taken to address this miscalculation.

**Q – Will the Council continue to provide financial support for additional Police presence in the town centre?**

A – The Leader stated that the additional Police presence cost the Council £250,000 per year and that this financial support would continue.

**Q – Will the Council be signing up to the 10:10 Charter?**

A – The Leader stated that this was a long-term aspiration, although much work was still required.

**Q – Do you feel that the Capita Review has penetrated deep enough into the organisation?**

A – The Chief Executive stated that the Capita Review had been both positive and challenging. As with any organisation, some resistance to external advice had to be expected and there had been some initial frustration over the speed of progress. However, the work that had been carried out was of a high quality and had focused on areas of the Council that had the potential to produce the biggest benefits.

**Q – In light of the Council’s ambition to work increasingly closely with the Voluntary Sector, are there concerns that this may in some respects undermine its independence from the state?**

A – The Leader stated that the Council strongly supported independence of the Voluntary Sector, acknowledging the need for advocacy services such as the Citizens Advice Bureau. The Chief Executive added that the Council enjoyed a good relationship with the Voluntary Sector and was seeking to empower and build its capacity. The Council also acknowledged that it could learn from the Voluntary Sector and was actively encouraging staff to volunteer through the 1-4-1 scheme.

**Q – As part of the Core Strategy, the Council is seeking to promote development within the Harrow & Wealdstone Intensification Area. How will the Council manage the increased density in an area where there are already socio-economic inequalities?**

A – Development within the Intensification Area would not be unregulated and the Council was currently developing a comprehensive action plan to ensure a balance between new residential buildings and businesses. The newly established Major Developments Panel would also look at significant development proposals to consider the impact on the area.

**Q – How is the Council ensuring that its published Service Standards are adhered to?**

A – The Chief Executive informed the Committee that the Council had taken a number of steps to ensure residents received a good quality of service. These included the introduction of a new complaints process, mystery shopping and training programmes for staff. However, it was accepted that mistakes would sometimes occur and that it was important that residents notified the Council

when things went wrong. He stated that residents were right to expect high standards and that any failings needed to be acknowledged and acted upon.

**Q – What are the top priorities for the Council at present?**

A – The Chief Executive stated that there was a genuine desire for the Council to operate more openly and to give residents the opportunity to become more involved in the issues that affected them. This was especially important in the current financial environment as the Council needed to know which services were most valued by residents.

**Q – Why were the views of the Business Transformation Partnership Panel not sought when the I.T. strategy was being considered?**

A – The Leader stated that the process for consultation had been determined by the previous administration. The Chief Executive added that the Council was always happy to have external advice and would look into the matter.

**Q – In light of pressure on the Housing budget, is the Council considering bringing forward rent increases?**

A – The Leader stated that the Council was currently reviewing this area and no decisions would be made until the review had been completed.

**Q – When is the next Public Question Time event due to take place?**

A – The Leader stated that no decision had yet been made, although the Council was unsure whether Public Question Time events were an efficient way to engage with residents. He added that previous events had been poorly attended.

**Q – Is there a danger that the Homecare re-ablement scheme, designed to care for people in their own homes, could lead to widespread social isolation?**

A – Members were informed that the re-ablement scheme had been instigated as many individuals wanted to receive care services in a home setting. Importantly, individuals would continue to receive quality care and support.

In closing, the Chief Executive stated that he found the Question and Answer Overview and Scrutiny meetings useful and was happy to attend. He requested that, in the future, Members give notice of areas they would like to discuss. He added that this would allow a deeper and more focused discussion and debate. The Leader agreed that this would be helpful for future meetings.

(Note: The meeting, having commenced at 7.30 pm, closed at 9.32 pm).

(Signed) COUNCILLOR JERRY MILES  
Chairman

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# OVERVIEW AND SCRUTINY COMMITTEE MINUTES

## 27 JULY 2010

**Chairman:** \* Councillor Jerry Miles

<b>Councillors:</b>	* Sue Anderson	* Barry Macleod-Cullinane
	* Christine Bednell (3)	* Bill Phillips
	* Kam Chana	* Sachin Shah
	* Ann Gate	* Stephen Wright

<b>Voting Co-opted:</b>	(Voluntary Aided)	(Parent Governors)
	† Mrs J Rammelt Reverend P Reece	Mrs D Speel

\* Denotes Member present  
(3) Denote category of Reserve Members  
† Denotes apologies received

### 16. Attendance by Reserve Members

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

Ordinary Member

Councillor Paul Osborn

Reserve Member

Councillor Christine Bednell

### 17. Declarations of Interest

**RESOLVED:** To note that the following interests were declared

## Agenda Item 8 – Safeguarding Adults Annual Report 2009/10

Councillor Barry Macleod-Cullinane declared a personal interest in that he had been a Cabinet Member and the Portfolio Holder for Adults and Housing under the previous administration. He would remain in the room during discussion and decision making on this item.

## Agenda Item 13 – Neighbourhood Champions Challenge Panel

Councillor Sachin Shah declared a personal interest in that he was a neighbourhood champion. He would remain in the room during discussion and decision making on this item.

Councillor Barry Macleod-Cullinane declared a personal interest in that he had been a Cabinet Member under the previous administration and had voted in favour of the Neighbourhood Champions Scheme. As the report only concerned procedural matters, he would remain in the room during discussion and decision making on this item but would leave should his personal interest become prejudicial.

Councillor Christine Bednell declared a personal interest in that she had been a Cabinet Member under the previous administration and had voted in favour of the Neighbourhood Champions Scheme. As the report only concerned procedural matters, she would remain in the room during discussion and decision making on this item but would leave should her personal interest become prejudicial.

## **18. Minutes**

**RESOLVED:** That

- (1) the minutes of the meeting held on 8 June 2010 be taken as read and signed as a correct record, subject to the following amendments:
  - the first sentence of the declaration of interest submitted by Councillor Barry Macleod-Cullinane be changed to read: "Councillor Barry Macleod-Cullinane declared a personal interest in relation to the Neighborhood Champions Scheme in that he had been a Cabinet Member and the Portfolio Holder for Adults and Housing under the previous administration";
  - the first sentence of the declaration of interest submitted by Councillor Paul Osborn be changed to read: "Councillor Paul Osborn declared a personal interest in relation to the Neighborhood Champions Scheme in that he had been a Cabinet Member and the Portfolio Holder for Performance, Communication and Corporate Services under the previous administration";
- (2) the minutes of the meeting held on 21 July 2010 be deferred until the next meeting.

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

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

## **20. References from Council/Cabinet**

**RESOLVED:** To note that there were no references.

## **RESOLVED ITEMS**

## **21. Safeguarding Adults Annual Report 2009/10**

The Committee received a report of the Corporate Director of Adults and Housing which provided Members with a summary of the Local Safeguarding Adults Board (LSAB) Annual Report for 2009/10. The annual report summarised safeguarding activity which had been taken during 2009/10 and set out the progress that had been made against agreed priorities.

During the course of a presentation, an officer highlighted the following key points:

- significant progress had been made against national standards. In particular, the Council's training programme had been expanded, quality assurance processes had been strengthened, ratings for local care providers had improved and satisfaction amongst service users had increased;
- success had been achieved through good leadership and the development of new strategies. The Local Safeguarding Adults Board maintained a strategic overview of the service;
- the Safeguarding Adults Team had increased in size with the appointment of a new manager, two new Safeguarding Practice advisers and an assistant;
- referral numbers had increased in 2008/9 and this had continued into 2009/10. Referrals were also coming from a wider range of agencies than in previous years;
- the Council operated a robust Quality Assurance process. This included contract monitoring, internal and external audit programmes, serious case reviews and ongoing supervision and support of Care Managers and Social Workers;
- in order to raise awareness of adult safeguarding and the Council's "zero tolerance" approach, regular articles had been featured in Harrow People magazine. Work was also underway to raise awareness amongst hard to reach social groups;

- the Council was working closely with all its partners to ensure good joint working practices;
- the Council had acknowledged that good training was essential to ensure the wellbeing of vulnerable adults and a free training programme had been made available to independent and voluntary sector providers. Specialist training for more experienced staff had also been made available;
- full safeguarding services were available to self-funders and those in receipt of Direct Payments and Personal Budgets;
- the Council would be working increasingly closely with self-funders and clients with personal budgets. There was also a need to refine some of the IT systems that supported the Council's safeguarding activities.

In response to questions from Members of the Committee, officers clarified the following points:

- it was difficult to predict the impact of NHS cuts on the number of referrals. However, the work of the safeguarding team was funded almost entirely by the Council and, as such, cuts in the NHS were not expected to have any direct financial impact;
- the Council had not had any serious case reviews during 2009/10;
- whilst adult and child safeguarding shared similar principles, the underlying legislation varied. The Council was not required to publish the findings of serious case reviews relating to adult safeguarding, although the Council considered it good practice to do so;
- comparing Harrow's adult safeguarding data with that of other local authorities had not been possible in the past due to lack of a national data set. However 2010/2011 would be the first year of the new national data set which would enable comparisons to be made. In addition, the Care Quality Commission (CQC) regularly undertook inspections of adult social care services and Harrow's LSAB had benchmarked local performance against the best of the inspections;
- if concerned with the performance or number of referrals originating from a care home, the adult safeguarding team would undertake unannounced inspections to ascertain whether a problem existed;
- the Council's contract team monitored all care contracts whilst CQC undertook regular inspections of care homes. It was acknowledged that service users were not always able to report concerns themselves;
- when considering the data contained in the annual report, it was important to realise that not every referral represented a case of abuse, although all referrals were treated seriously. In many instances, the

adult safeguarding team would investigate a concern and discover that no further action was required;

- the Council was very close to achieving full compliance with the Association of Directors of Adult Social Services Standards for Safeguarding Adults, with only one area requiring additional work;
- the adult safeguarding team was trained to identify signs of 'carer burnout'. However, whilst the wellbeing of carers was very important, research had indicated that carer stress alone was not likely to lead to abuse;
- due to the way in which data was currently collected, it was not possible to see whether there had been an increase in financial abuse in recent years. However, new laws would soon require local authorities to capture more information which would allow a better and more in-depth analysis of such concerns.

**RESOLVED:** That

- (1) the work that has taken place in 2009/10 be noted;
- (2) the action plan for 2010/11 be noted;
- (3) that Members be provided with comparative data from previous years.

## **22. Harrow Strategic Partnership Annual Report**

The Committee received the Harrow Strategic Partnership Annual Report 2009/10 which set out the work, achievements and ambitions of the Partnership. Officers stated that a number of changes had taken place since the report had been written, including the abolishment of the Comprehensive Area Assessment, the publication of the Health White Paper and changes to Local Area Agreement (LAA) reward payments. The Council was expecting further policy changes in the near future and this made it difficult to decide when to progress certain projects.

Following questions from Members, officers clarified the following points:

- in line with the decision of the Partnership taken in 2005, 50% of the LAA reward grant had been made available to the 5 management groups who had been tasked with sharing the money with the organisations that had helped achieve the reward grant target. The business cases of the management groups had been approved at the meeting of the Harrow Partnership Board on 22 July 2010;
- the Council was in the process of drafting a response to the Ministry of Justice in relation to the consultation on the proposed closure of Harrow Magistrates' Court. The Council strongly opposed the proposals outlined in the consultation document;

- the Council was continuing to explore the possibility of closer partnership working through the use of shared services;
- the Council was working jointly with health organisations to identify better reablement services, which would help residents avoid hospital and therefore reduce the strain on NHS resources. Research also indicated that individuals preferred being treated in their own homes;
- LAA reward money was being used to support the Better Deal for Residents Programme;
- the Annual Report was intended to provide readers with an overview of the work of the Harrow Strategic Partnership. Officers could provide Members with additional data and information if required;
- some of the baseline data was based on assumptions although some had been drawn from previous Place Surveys;
- the Council had a good relationship with NHS Harrow who had engaged well with the Partnership.

A Member of the Committee stated that it would be useful for the Committee to organise a Challenge Panel to consider the impact of the closure of Harrow Magistrates' Court on residents, the Council and the Council's partners.

Some Members of the Committee raised concern that the report did not provide sufficient baseline data and that it was therefore difficult to determine whether the partnership was producing tangible benefits.

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

### **23. Scrutiny Work Programme**

The Committee received a report which set out proposals for the Scrutiny Work Programme for 2010/11. An officer stated that it was important that the Overview and Scrutiny Committee concentrated on areas of scrutiny that could create tangible benefits. She added that given the unpredictable environment in which the Council was operating, the Work Programme would need a degree of flexibility.

**RESOLVED:** That

- (1) the Better Deal for Residents Programme be used as a 'filter' when adding to the work programme, with related projects given priority;
- (2) the Executive be invited to suggest areas that it wished the Overview and Scrutiny Committee to consider;
- (3) the Standing Scrutiny Review of the Budget be reinstated with a view to monitoring saving proposals;

- (4) a Standing Review of the Better Deal for Residents Programme be established to ensure that the Committee maintained a general oversight of the programme and related projects;
- (5) Challenge Panels be organised to consider the following:
  - Closure of Harrow's Magistrates' Court;
  - Council's IT Strategy;
  - Council's Single Equalities Scheme;
  - Harrow Association of Voluntary Services;
  - Housing Ambition Plan.
- (6) the Committee receive a report detailing the work that had been undertaken by Capita as part of the wider Business Transformation Programme;
- (7) the Health Sub-Committee take responsibility for monitoring NHS finances.

#### **24. Pool of Advisers**

The Committee received a report of the Divisional Director of Partnership Development and Performance which set out details of a pool of advisers. An officer explained that during the previous administration the Committee had established a pool of advisers to support and strengthen its work. In response to developments in the Council's community engagement strategy, the pool would be managed jointly by the Council's scrutiny team and the policy officer for community engagement.

Following questions from Members, an officer clarified the following points:

- the scrutiny team had recently completed a role profile for those serving as advisers and would circulate the document to Members of the Committee;
- it was not intended that the pool of advisers would be used for consultation purposes. Instead, advisers would be able to inform the work of the Committee through the provision of advice;
- the pool of advisers included a wide range of individuals from different sections of the community. The Committee could select the most relevant advisers depending on the nature of the work being undertaken.

**RESOLVED:** That

- (1) the work of the pool of advisers be endorsed;

- (2) the role profile for members of the pool be circulated to all Members of the Committee.

## **25. Scrutiny Member Induction / Development Programme 2010/11 - Progress Report**

The Committee received a report of the Divisional Director of Partnership Development and Performance which outlined the progress that had been made in developing and implementing a training and development programme for Scrutiny Members. An officer outlined upcoming training, as detailed in the report, and invited comments from Members.

A Member stated that it would be sensible to bring forward financial training to ensure Scrutiny Members were able to properly consider the budget. In addition, he enquired if Members would be asked to complete a skills audit to help determine the type of training that would be most beneficial.

An officer stated that a skills audit was due to be carried out shortly. Consideration would also be given to moving certain training events to reflect the immediate needs of Members.

A Member stated that many of the training events that had been held since the elections in May 2010 had clashed with other events and Committee meetings. He requested that care be taken to avoid schedule conflicts in the future.

**RESOLVED:** That

- (1) subject to Member comments, the Committee agree the action being proposed in the report;
- (2) the committee receive further reports on proposals for the Scrutiny Member Development Programme;
- (3) Members be provided with details of the Scrutiny training events that they had already attended.

## **26. Neighbourhood Champions Challenge Panel**

The Committee received a report which outlined the findings of the Neighbourhood Champions Challenge Panel that had taken place in February 2010.

An officer explained that the report of the Challenge Panel had been considered by the Overview and Scrutiny Committee on 23 February 2010 and that Members had felt that the report did not reflect the overall views of the Panel. As a result, the Committee had requested that the Challenge Panel be reconvened to confirm its findings and that the report be resubmitted to the Committee at a later date. The officer explained that it had not been possible to reconvene the Challenge Panel. In light of the change of

administration and the membership of the Overview and Scrutiny Committee, the Committee were asked to decide what it wished to do with the report.

**RESOLVED:** That

- (1) the content of the Neighbourhood Champions Challenge Panel report be noted;
- (2) the Neighbourhood Champions Challenge Panel report be referred to Cabinet for consideration.

**27. Report from the Chair of Performance and Finance Scrutiny Sub-Committee**

The Chairman of the Performance and Finance Scrutiny Sub-Committee stated that the Sub-Committee wanted to ensure that the topics it considered benefited the wider work of the Council. She added that she was due to meet with the Vice-Chairman in August to consider the future direction of the Sub-Committee.

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

**28. Minutes of the Performance and Finance Scrutiny Sub-Committee held on 19 July 2010**

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

(Note: The meeting, having commenced at 7.30 pm, closed at 9.51 pm).

(Signed) COUNCILLOR JERRY MILES  
Chairman

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**REPORT FOR: OVERVIEW AND  
SCRUTINY COMMITTEE**

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<b>Date:</b>	8 September 2010
<b>Subject:</b>	Harrow Magistrates' Court Challenge Panel Report
<b>Responsible Officer:</b>	Alex Dewsnap, Divisional Director Partnership Development and Performance
<b>Scrutiny Lead Member area:</b>	Not applicable
<b>Exempt:</b>	No
<b>Enclosures:</b>	Report from the Harrow Magistrates' Court Challenge Panel

**Section 1 – Summary and Recommendations**

This report outlines the findings from the Harrow Magistrates' Court scrutiny challenge panel which took place on 8 September 2010

**Recommendations:**

Councillors are recommended to:

- I. Consider and agree the report from the Challenge Panel;
- II. Refer the report to Cabinet.

## **Section 2 – Report**

### **Introductory paragraph**

This report outlines the findings of the Harrow Magistrates' Court challenge panel which took place on 19 August 2010. The Overview and Scrutiny committee commissioned the Challenge Panel to consider Ministry of Justice proposals to close Harrow Magistrates' Court with the intention that its comments and observations would feed into the Council's formal response to the public consultation, due to end on 15 September 2010.

### **Financial Implications**

As detailed in the attached report, the closure of Harrow Magistrates' Court has the potential to create significant additional costs for the Council.

### **Performance Issues**

The attached report considers issues that the Council might encounter if Harrow Magistrates' Court is closed. The report specifically looks at the potential impact of the proposals on Harrow's Legal Department and the Collections & Housing Benefits Department. Consideration was also given to the performance of the Council's partners, including Harrow Police.

### **Environmental Impact**

There are no specific environmental implications associated with this report.

### **Risk Management Implications**

There are no specific risk management implications associated with this report

### **Corporate Priorities**

The Challenge Panel considered the following Corporate Priorities:

- Improve support for vulnerable people by considering the impact of the magistrates' court closure on court users, many of which are victims of crime;
- Building stronger communities by considering the impact of the court closure on Local Justice.

## **Section 3 - Statutory Officer Clearance**

Not required for this report.

## **Section 4 - Contact Details and Background Papers**

Contact: Damian Markland, Acting Senior Democratic Services Officer,  
0208 424 1785

**Background Papers:** None

# September 2010

## Overview and Scrutiny Committee

### Harro Magistrates' Court Report from the Challenge Panel

#### **Members of the Challenge Panel**

Councillor Barry Macleod-Cullinane (Chairman)

Councillor Susan Anderson

Councillor Christine Bednell

Councillor Vina Mithani

Councillor Sachin Shah

Councillor Stephen Wright

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# **1. Chairman's Introduction & Acknowledgements**

This is the report from the Harrow Magistrates' Court Challenge Panel which took place on 19 August 2010. The Overview and Scrutiny committee commissioned the Challenge Panel to consider Ministry of Justice proposals to close Harrow Magistrates' Court with the intention that its comments and observations would feed into the Council's formal response to the public consultation, due to end on 15 September 2010. The panel comprised of:

Councillor Macleod-Cullinane (Chairman)  
Councillor Anderson  
Councillor Bednell  
Councillor Mithani  
Councillor Sachin Shah  
Councillor Steve Wright

We are extremely grateful for the support we received from Harrow Police and the Bench at Harrow Magistrates' Court who very kindly attended the meeting and provided invaluable contributions. We would also like to thank officers from the Council's Legal Department and the Collections and Housing Benefits Department, who helped us to understand the potential impact of the proposals on the Council.

We are also grateful to Councillor Bill Stephenson, Leader of the Council and Councillor Susan Hall, Leader of the Conservative Group, for attending the panel and contributing to our investigation.

Finally, we would like to thank Her Majesty's Court Service for agreeing to send a representative to the Challenge Panel in order to outline the proposals in more detail.

The Challenge Panel concluded that Harrow Magistrates' Court should not be closed and that we should strive to protect local justice for local people. The Panel also heard mention of alternative arrangements for siting the Magistrates' Court in Harrow and felt that, if closure of the building was pursued, alternatives such as co-locating with the Crown Court or as part of a larger municipal re-development of the Kodak site should be explored as a matter of urgency.

It was also the conclusion of the Panel that the consultation was flawed, that it contained numerous inaccuracies and that, though being undertaken to save public money, closure of Harrow Magistrates' Court would, in fact, shunt significant costs on to other public sector bodies, such as Harrow Police and the Council, as well as on to local businesses and, above all, Harrow's residents. There was also concern expressed by the Panel that closure would result in more failed cases.

Overall, the Challenge Panel has been able to make a number of helpful observations and recommendations and, on behalf of all the Members involved, I commend this report.

**Councillor Barry Macleod-Cullinane  
Chairman of the Challenge Panel**

## 2. Background

Following the formation of the new coalition government in May 2010, Kenneth Clarke was appointed the new Justice Secretary. On 23 June 2010, the Ministry of Justice announced proposals to modernise and improve the use of courts in England and Wales in order to eliminate waste and reduce costs. The consultation paper was entitled "*Proposals on the provision of magistrates' and county court services in London*". If implemented, the proposed changes will significantly alter the way in which Magistrates' Courts and County Courts in London operate. For Harrow, this would mean closure of Harrow Magistrates' Court, with cases being relocated to courts in Brent and Hendon.

Her Majesty's Court Service (HMCS) believe that the design, number and location of many of its courthouses does not reflect changes in the population, workload and transportation infrastructure that have occurred since many of the buildings were originally opened. As a result, HMCS asserts that some courts sit infrequently, hear too few cases and fail to provide suitable facilities for those attending hearings.

By utilising courthouses more efficiently, HMCS believes it can save public money whilst improving services for court users. If the proposals are implemented as per the consultation document, HMCS anticipates running cost savings of approximately £15.3m per year and a one-off maintenance saving of £21.5m. Over 25 years, reducing and merging courts would save an estimated £260m.

HMCS currently operates Magistrates' Courts in 34 locations across London, although the services and facilities offered at these locations varies considerably. Whilst a number of locations offer relatively new purpose-built courthouses, a significant number are still reliant on old buildings, most of which were not designed with the needs of modern courthouse users in mind. HMCS has stated that whilst many of these older facilities are operating at near maximum capacity, some of the newer courthouses are only using 50% of available courtroom space. HMCS argue that, whilst previous changes to management structures and the centralisation of administrative functions have helped to reduce running costs, continuing to support the same number of sites is no longer viable. As such, HMCS is recommending the closure of 11 Magistrates' Courts in London, one of which is Harrow Magistrates' Court.

In developing the estates rationalisation proposals for its Magistrates' Courts, HMCS have adopted a number of key principles, as originally detailed in the paper *Planning for the future of the Magistrates' Courts service in London* which was issued on 13 October 2009. These are as follows:

- *the provision of a magistrates' court service that is accessible to court users (in terms of the speed of case outcome, the quality and efficiency of the service provided, courthouse environment and geographical proximity);*
- *creation of a courthouse (and Local Justice Area) structure that is sufficiently flexible to enable the work of the courts to be dealt with in a timely way;*
- *provision of an appropriate and safe environment for court users and those who work in the justice system;*
- *demonstration of cost effectiveness and efficiency in comparison to the rest of the country; and*

- *not allowing existing boundaries to inhibit the creation of a structure that best fits future requirements to better serve court users.*

In line with this final point, another element of the proposals is to reduce the number of Local Justice Areas (LJA) by merging existing areas which had historically been defined on a borough basis. HMCS is proposing to merge the 28 existing LJAs that currently exist in London into nine. Under the proposals, Barnet, Brent and Harrow would merge to become known as the North West LJA. By merging existing LJAs and closing 11 Magistrates' Courts, HMCS believes that it can make better use of the remaining estate and significantly reduce costs both to HMCS and other agencies within the criminal justice system.

Harrow Magistrates' Court is a three court centre that has general criminal jurisdiction. It also takes traffic work from neighbouring LJAs and is the only Magistrates' Court within the current Harrow LJA. Under the proposals, the court would close and its work would be dealt with by courthouses within the newly created North West London LJA, namely Hendon and Brent Magistrates' Courts.

The consultation document provides the following justification for the closure of Harrow Magistrates' Court:

- *Whilst the Court has good utilisation levels, one third of work is traffic work transferred in from other LJAs;*
- *The main entrance is not suitable for access by wheelchair;*
- *There is a fundamental security issue as the public counter is accessible prior to passing through the security check;*
- *The concourse offers limited waiting space;*
- *There is no segregation between adult and youth courts;*
- *The witness accommodation is directly off the main concourse and there is no dedicated route to the courtrooms for witnesses;*
- *External security at the building is currently compromised as a victim support office is based in a separate building at the rear of the car park meaning public visitors have to pass unfettered through the court's car park;*
- *There is no secure van bay so defendants in custody arrive in an unsecure car park in full public view;*
- *The main heating pipework is buried within the floor and is in urgent need of replacement. The work would require full building closure and is prohibitively expensive.*

HMCS have estimated that operating cost savings per year will be in the region of £227,371 (based upon 2009/10 costs) and that closure would remove the need to undertake £60,000 worth of maintenance work. The consultation document states that "*the size of the courthouse, its operational deficiencies and the availability of modern facilities and spare capacity at Brent and Hendon means that it is difficult to justify the continued retention of this building*".

At its meeting on 27 July 2010, the Overview and Scrutiny Committee acknowledged that there had been significant concern raised by the Council, its corporate partners and residents

over the closure of the courthouse. As a result, the Committee agreed to arrange a Challenge Panel to consider the matter in more detail, with the intention that its findings and observations would feed into the Council's response to the public consultation which is due to end on 15 September 2010.

In order to assist and inform the work of the Challenge Panel, the following individuals were invited to attend as witnesses:

- **Julien Vantghem**, HMCS (Justices' Clerk for the West Clerkship)
- **Nigel Orton**, Harrow Magistrates' Court (Chair of the Bench)
- **Mike Wallis**, Harrow Magistrates' Court (Deputy Chair of the Bench)
- **Steve Holland**, Metropolitan Police (Criminal Justice Unit Manager)
- **Lynn Alaker**, Harrow Council (Revenues Service Manager)
- **Paresh Mehta**, Harrow Council (Senior Litigation Lawyer)
- **Councillor Susan Hall**, Harrow Council (Leader of the Conservative Group)
- **Councillor Bill Stephenson**, Harrow Council (Leader of the Council)

The meeting took the form of a round table discussion during which Members questioned witnesses on the potential impact of the proposals on their organisation or service. Based upon these discussions, Members of the Challenge Panel have made a number of observations which are detailed in the next section.

### **3. Observations**

We accept that, in light of the current economic climate and the need to reduce the public deficit, there is a genuine need for HMCS, along with the rest of the public sector, to identify significant operational savings and that these savings will most likely require HMCS to reconsider the way in which it operates.

Whilst we do not dispute the need for HMCS to review the use of its estate, we are deeply concerned with the proposals which have been put forward for Harrow Magistrates' Court.

Our key concerns are as follows:

#### **3.1 Inadequacy of the consultation document**

##### **3.1.1 Lack of financial analysis:**

We are concerned that, despite the proposals for Harrow Magistrates' Court being financially motivated, the consultation document lacks any thorough financial analysis.

- Aside from basic travel cost calculations, no analysis has been done of the costs likely to be incurred by court users, including the Council and its partners, if the proposals are implemented;
- The operating costs referred to in the consultation document are poorly defined making it hard to properly scrutinise the proposals. Due to the lack of detail, it is also not possible to ascertain which operating costs would transfer to Brent Magistrates' Court and/or Hendon Magistrates' Court, or whether this has been factored into the figures provided by HMCS;
- No consideration has been given to the cost of maintaining Harrow Magistrates' Court should it cease to operate as a courthouse. HMCS would have a duty to maintain the building (which is listed) if it were to be closed and these costs do not appear to have been accounted for;
- No consideration has been given to whether the proposed savings could be found through alternative means, such as co-locating the Magistrates' Court at Harrow Crown Court or by making Harrow Magistrates' Court part of a wider civic services development on the Kodak site. At a time when public bodies are thinking imaginatively about how to deal with budget pressures, we were very surprised that the consultation document only considers one possible option: closure of Harrow Magistrates' Court and relocation of work to Brent and Hendon.

##### **3.1.2 Inaccuracies concerning the suitability of the courthouse:**

Having had the opportunity to speak to some of Harrow Magistrates' Court key users, including members of the Bench, the Police, and Council officers, we believe that many of the statements in the consultation document concerning the unsuitability of the courthouse are not only inaccurate but, in some instances, misleading.

- The consultation document states that the main entrance is not suitable for access by wheelchair users but it makes no mention of the fact that disabled access is available via a conveniently located alternative entrance. None of the parties that attended the Challenge Panel felt that disabled access posed a significant problem. We are also informed that the Council's surveyor recently stated that the courthouse was fit for purpose;
- Whilst maintenance costs are cited as a key justification for closing Harrow Magistrates' Court, the consultation document does not acknowledge that Brent Magistrates' Court is also an old building with its own maintenance issues, including heating and air conditioning concerns;
- The consultation document states that the court house has 'limited waiting space', implying that more space is required. However, we were informed by members of the Bench that waiting space has not been a problem in the past and that recent spot checks have revealed that there is adequate capacity. Again, none of those that attended the Challenge Panel felt that waiting space was an issue. Whilst Harrow Magistrates' Court has less waiting space than Brent or Hendon, we refute the suggestion made in the consultation document that this is an operational deficiency;
- When considering the suitability of Harrow Magistrates' Court, the consultation document fails to acknowledge that the courthouse is very well served by public transportation, including multiple bus routes and a train station.

### **3.1.3 Redefining the concept of local justice:**

HMCS appears to be redefining 'local justice' to mean 'accessible justice', and this theme runs throughout the consultation document. HMCS has informed us that it believes 90 minutes to be an acceptable journey time and therefore believes that requiring those based in Harrow to attend Brent or Hendon is reasonable. However, we feel that any decision to redefine the concept of 'local justice' requires wider consideration and is not a decision that can simply be taken by civil servants.

### **3.1.4 No consideration of the courthouse's listed status:**

We understand that HMCS would most likely attempt to sell Harrow Magistrates' Court should the proposals be implemented. Whilst the consultation document acknowledges the listed status of the courthouse<sup>1</sup>, it does not consider the difficulties that HMCS would likely face in finding a buyer. As the courthouse is listed both inside and out, it would be difficult for any future owner to make any modifications. As a result, HMCS is likely to struggle to sell the building and, as previously highlighted, would, in any case, be responsible for maintenance in the interim.

## **3.2 Cost Transference**

During discussions, it became clear that HMCS has given little consideration to the way in which the proposals will create additional costs for court users, including the Council, the police and other partners. For example, whilst HMCS has estimated that the closure

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<sup>1</sup> Appendix 2 provides detailed information concerning the courthouse's listed status.

of Harrow Magistrates' Court will produce yearly savings in the region of £220,000 (based upon 2009/10 operating costs), the Council alone is expecting additional annual costs of nearly £80,000<sup>2</sup>. We are greatly concerned that, taking into account the large number of public bodies that would be required to travel to Brent or Hendon, the overall cost to the public sector would most likely offset any organisational savings made by HMCS. Rather than making genuine savings, we believe that HMCS will simply transfer costs to other public bodies. At a time where public bodies are seeking to work closely with each other in order to reduce costs and share resources, we find it surprising that HMCS appears to be willing to significantly disadvantage other public organisations in an attempt to make relatively small savings. This outdated, "silo-thinking" is very much at odds with the current logic of the public sector which is exploring the concept of "total place" and examining all the costs and spending across the public sector in a particular area.

The proposals also mean that Harrow-based residents will face increased costs if they are required to attend court in Brent or Harrow. Whilst the specific costs involved for any individual may seem relatively small in comparison to the costs likely to be incurred by the Council and its partners, they are no less significant especially during these difficult times. When the extra costs incurred by all individuals (and their families and supporters) are included, this extra cost starts to significantly outweigh the supposed savings touted by HMCS. Moreover, for those on low incomes, the £7 additional travel costs cited by HMCS in the consultation document are a significant part of their income. If individuals travel to support friends or family members at the court, these costs start to rise further still.

### **3.3 Impact on Policing in Harrow**

#### **3.3.1 Police resources:**

We acknowledge that Harrow is fortunate to have a Crown Court and that Brent Police regularly have to travel to Harrow to attend hearings. However, we do not accept HMCS's argument that Harrow Police should therefore be expected to travel out-of-borough to attend Brent or Hendon Magistrates' Court. Harrow Police receive significantly less resources than their counterparts in Brent and therefore the relative financial impact on Harrow Police would be greater. At a time when all budgets are in danger of being cut, the proposals have the potential to place Harrow Police in a very difficult financial situation.

We are also concerned that, with police officers away from their duties for longer as they travel to and from Hendon or Brent, there could be serious repercussions for community safety in the borough. Harrow's establishment is already very low, with fewer police officers than neighbouring boroughs, such as Brent. To lose even more officers from our streets for extended periods of time would be unacceptable.

#### **3.3.2 Witness and victim attendance:**

In 2007, Harrow Magistrates' Court was closed for maintenance and work was transferred to Brent. During this period, Harrow Police noted a significant increase in the number of victims and witnesses failing to attend hearings and an increase in the number of cases collapsing. We are therefore very concerned that the permanent closure of Harrow Magistrates' Court would produce similar results but on a permanent rather than temporary basis. From our discussions

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<sup>2</sup> A more detailed analysis of costs likely to be incurred by the Council can be found under section 3.4

with the Police and the Council's Legal Department, we understand that ensuring witness attendance is difficult at the best of times and we are therefore concerned that attendance rates will suffer if the proposals are implemented. We are particularly concerned that witness attendance rates for sensitive cases, such as domestic violence, may fall dramatically, especially if victims are in a vulnerable state and therefore unable to travel. As those sensitive cases would likely require support from friends and family, travel costs would yet again be an issue.

In addition to witness and victim attendance, there is a danger that some defendants would also not attend court, resulting in increased costs as a result of the need to issue arrest warrants.

### **3.3.3. Increased crime rates**

Potentially, if cases fail and if convictions are more difficult to secure, the result will be higher crime levels in Harrow, with all the costs to residents, businesses, police and other services that this brings.

## **3.4 Impact on the Council**

In order to consider the impact of HMCS' proposals on the Council, we invited representatives from two Council departments that engage with the court service on a regular basis: the Legal Department and the Collections and Housing Benefits Department. Both these service areas stand to incur significant costs should the proposals be implemented.

### **3.4.1 Collections and Housing Benefits Department:**

At present staff attending Harrow Magistrates' Court do not incur any travel costs due to the close proximity of the courthouse and the civic centre. If staff were required to attend Brent or Hendon Magistrates' Court, it is estimated that this would cost the service, at a minimum, an additional £11,000 per year in travel costs.

In addition to travel expenses, staff time costs would increase dramatically as officers would be required to spend significantly longer attending court. It is estimated that this would cost the service just under an additional £60,000 per year. Total costs to Collections and Housing Benefits Department alone would therefore exceed £70,000 per annum. We understand that it is unlikely that the Council would be able to increase the cost of summons in order to offset these additional costs. A breakdown of estimated costs for this service can be found in Appendix 3.

We feel that the financial implications for this service alone are unacceptable, but there are further issues which staff would have to contend with and that would ultimately impact on the efficiency of the service. In particular:

- There are security implications of staff having to take large quantities of confidential paperwork between the civic centre and Brent or Hendon Magistrates' Court;
- There are also implications for staff safety with individuals returning to Harrow late if hearings took longer than anticipated;

- Staff would be unable to 'call up' additional staff to come to court at short notice which would mean that additional officers would have to attend hearings on the off-chance that they would be needed;
- At present customers wishing to make payments have to return to Harrow Civic Centre to do so as council staff are not permitted to take payments directly. This would not be easy if work was transferred to Brent or Hendon;
- If it proves too costly to send officers to Brent or Hendon, the Council might have to reduce the number of hearings and therefore debts will not be collected as promptly. This will obviously have performance and financial implications for the Council; a fall in council tax collection rate would have the following repercussions: in-year spending cuts to balance cash flow and future service cuts and council tax rises.

### **3.4.2 Legal Department**

In 2009, Harrow Council Legal Department dealt with 110 preliminary criminal hearings in Harrow Magistrates' Court, involving attendance at the Court on 57 separate occasions. In addition 8 trials were listed, 10 hearings for warrants of entry and 3 licensing appeals.

Adding 2 hours to travel time involves 110 hours for the preliminary hearings, 20 hours for the warrants for entry hearings, 18 hours for the licensing appeals (based on 3 officers attending to present and/or give evidence) and 48 hours for the trials (based on 3 officers attending to present and/or give evidence). Based on an hourly rate of £40 (which is the on-costed salary for junior lawyers, disregarding the on-costs of accommodation, IT and other support services) this would amount to an additional cost of £7,280. This is the *minimum* level as many cases will require more senior lawyers to attend for all or part of a hearing.

The Legal Department also share the same concerns noted by Collections and Housing Benefits Department, in particular the security of case files, safety of staff (particularly when finishing late at court), impact on disabled staff and defendants/witnesses needing to attend court, the increased likelihood of defendants (and some witnesses) failing to attend hearings, the extra pressure on staff left in the office to manage without their colleagues and the reduced time that staff attending court will have to deal with other important work.

### **3.4.3 Insurance for staff, equipment and documents**

With more staff having to travel further to attend court, we anticipate that the cost of Insurance will rise.

## **3.6 Summary of Observations**

In summary, our main concerns are as follows:

- The consultation document is extremely flawed and filled with numerous errors and inaccuracies, suggesting that only a cursory attempt has been made to understand the needs of Harrow residents;
- The consultation document is inadequate in that it provides insufficient financial detail, fails to consider a multitude of potential costs;

- Rather than creating real savings, HMCS is transferring costs to the Council, its partners and Harrow residents and businesses, with the total costs being transferred likely outweighing any internal savings HMCS hope to make;
- HMCS appears to be working in isolation to the rest of the public sector and the wider Harrow community: whereas the rest of the public sector is striving to save public money through increased partnership working, HMCS has given no real consideration to the costs likely to be transferred to other organisations, local businesses and residents;
- HMCS has not considered the social cost of closing Harrow Magistrates' Court and how the proposals have the potential to impact on witness attendance, victim attendance and effective local justice – which will, ultimately, result in rising crime levels in the borough of Harrow;
- HMCS is weakening and diluting the fundamental tenet of British law, of local justice for local people to the detriment of Harrow residents.

## **4. Recommendations**

We would like to make the following recommendations to HMCS:

1. That local justice should be retained for local residents by keeping open Harrow Magistrates' Court;
2. A full analysis be undertaken to properly consider the financial impact of the proposals on the Council, relevant partners, voluntary organisations and residents;
3. A full cost analysis be carried out, taking into account any costs that would transfer to Brent and Hendon should Harrow Magistrates' Court be closed. The analysis should also consider the costs of maintaining the courthouse if closed and any maintenance work required at Brent Magistrates' Court;
4. Full consideration be given the potential impact on victim, witness and defendant attendance rates;
5. Consideration to be given to alternative proposals, such as co-locating Harrow Magistrates' Court at Harrow Crown Court and, in the medium-longer term, whether Harrow Magistrates' Court might become part of a larger co-location of public services (police, council and courts) on the Kodak site.

We would like to make the following recommendations to the Council:

1. The Challenge Panel's report form part of the Council's corporate response to the consultation;
2. This report be presented at Cabinet on 14 September 2010 as another way to raise public awareness of the proposed closure of Harrow Magistrates' Court.

## **5. CONCLUSION**

After hearing from a number of key witnesses from HMCS, Harrow Magistrates Court, Harrow Police, council officers and from both the Leader of the Council and the Leader of the Conservative Group, we believe that the proposal to close Harrow Magistrates' Court is flawed on a number of levels.

Firstly, the consultation from Her Majesty's Courts' Service contains numerous factual errors and inaccuracies.

Secondly, whilst saving money forms the core of the proposals – something that the Challenge Panel supports in principle – the Challenge Panel was disappointed at the lack of exemplification of costs and savings involved, with little or no attention paid to an increase in partners' and the public's costs. The Challenge Panel heard evidence to suggest that the proposals to close Harrow Magistrates' Court would shunt significant costs on to the Council, the police, other partners, businesses and Harrow residents – a cost-shunt potentially far outweighing the internal savings to be made by HMCS.

Thirdly, the proposals do not properly address the matter of Harrow Magistrates' Court being a listed building inside and out.

Fourthly, it became clear that alternative options had not been explored, such as co-location at the Crown Court or on a civic services campus at the Kodak site.

Fifthly, and more importantly, the Challenge Panel felt that even exempting the disputed issue of costs, the flaws in the consultation document, and the lack of attention paid to its listed status, the proposals to close Harrow Magistrates' Court should be rejected. The Challenge Panel believes that closure of the court would poorly serve the people of Harrow by depriving them of a long-held and fundamental tenet of British law, namely, local justice for local people.

For all these reasons, the Challenge Panel recommends that Harrow Council should seek to champion Harrow Magistrates' Court being retained as a functioning court, to work with partners and to communicate with the borough's residents to reject closure plans.

## APPENDIX 1: HARROW MAGISTRATES' COURT CHALLENGE PANEL - SCOPE

1	<b>SUBJECT</b>	Harrow Magistrates' Court Challenge Panel
2	<b>COMMITTEE</b>	Overview and Scrutiny
3	<b>REVIEW GROUP</b>	Cllr Anderson Cllr Bednell Cllr Macleod-Cullinane Cllr Mithani Cllr Sachin Shah Cllr Steve Wright
4	<b>AIMS/ OBJECTIVES/ OUTCOMES</b>	To provide comment on HMCS proposals to close Harrow Magistrates' Court and to transfer work to courthouses within the new North West London LJA, namely Hendon and Brent. It is intended that the findings of the Challenge Panel will feed into the Council's response to the public consultation which is due to end on 15 September 2010.
5	<b>MEASURES OF SUCCESS OF REVIEW</b>	<ul style="list-style-type: none"> <li>• Project completed on time;</li> <li>• Officers welcome contribution of the Challenge Panel;</li> <li>• Add value by offering informed cross party scrutiny analysis of the proposals.</li> </ul>
6	<b>SCOPE</b>	To consider the merit and impact of HMCS proposals on Harrow, namely the closure of Harrow Magistrates' Court.
7	<b>SERVICE PRIORITIES (Corporate/Dept)</b>	<ul style="list-style-type: none"> <li>• Improve support for vulnerable people by considering the impact of the magistrates' court closure on court users, many of which are victims of crime.</li> <li>• Building stronger communities by considering the impact of the court closure on Local Justice.</li> </ul>
8	<b>REVIEW SPONSOR</b>	Andrew Trehern, Corporate Director of Place Shaping
9	<b>ACCOUNTABLE MANAGER</b>	Lynne Margetts, Service Manager Scrutiny
10	<b>SUPPORT OFFICER</b>	Damian Markland, Acting Senior Democratic Services Officer
11	<b>ADMINISTRATIVE SUPPORT</b>	N/A
12	<b>EXTERNAL / INTERNAL INPUT</b>	<ul style="list-style-type: none"> <li>• Her Majesties Court Service</li> <li>• Harrow Police</li> <li>• Harrow Magistrates' Court</li> <li>• Harrow's Legal Department</li> <li>• Harrow's Collections and Housing Benefits Department</li> <li>• Bill Stephenson, Leader of the Council</li> <li>• Susan Hall, Leader of the Conservative Group</li> </ul>

13	<b>METHODOLOGY</b>	Challenge panel - Consideration of proposals outlined in the consultation paper.
14	<b>EQUALITY IMPLICATIONS</b>	As the HMCS proposals recommend the closure of Harrow Magistrates' Court, with work being transferred to Brent and Hendon, there are access considerations that need to be taken into account, particularly the needs of those with limited mobility.
15	<b>ASSUMPTIONS/ CONSTRAINTS</b>	The Challenge Panel is a time-limited process. The consultation period is due to end on 15 September 2010. The final report of the Challenge Panel needs to be submitted to the meeting of the Overview and Scrutiny Committee on 8 September 2010 so that the report can be agreed and released.
16	<b>SECTION 17 IMPLICATIONS</b>	If the proposals are implemented, Harrow Police will have to send police officers out of borough to attend court hearings. This could potentially have an impact on police resources in Harrow.
17	<b>TIMESCALE</b>	The panel will take place in August. The final report must be available for consideration by the Overview and Scrutiny Committee on 8 September 2010.
18	<b>RESOURCE COMMITMENTS</b>	To be met within existing scrutiny resources.
19	<b>REPORT AUTHOR</b>	Damian Markland, Acting Senior Democratic Services Officer
20	<b>REPORTING ARRANGEMENTS</b>	Outline of formal reporting process: <ul style="list-style-type: none"> <li>• Challenge Panel Meeting</li> <li>• Report Produced</li> <li>• Report sent to Overview and Scrutiny Committee</li> <li>• Final report sent to Chief Executive for inclusion with Council's response to HMCS</li> <li>• Final report to be presented to September Cabinet as part of the Council's efforts to save the court.</li> </ul>
21	<b>FOLLOW UP ARRANGEMENTS (proposals)</b>	Safer and Stronger Community Leads to monitor outcome of consultation.

Contact: Damian Markland, Scrutiny team, Harrow Council

Background Papers:

**Proposal on the provision of magistrates' and country court services in London**  
<http://www.justice.gov.uk/consultations/docs/proposal-on-the-provision-of-magistrates-and-county-court-services-london-final.pdf>

(Ministry of Justice: Published 23 June 2010)

**Planning for the future of the Magistrates' Court service in London**

<http://www.justice.gov.uk/publications/docs/discussion-paper-london-magistrates-courts.pdf>

(Ministry of Justice: Published 13 October 2009)

## APPENDIX 2: Harrow Magistrates' Court Details

### Magistrates Court, Harrow

Description: Magistrates Court

Grade: II

Date Listed: 20 October 2003

**EXTERIOR:** The building is in a neo-Georgian style. The principal street (south) facade is long and low with a projecting central pavilion. An entablature with stone architrave and cornice runs along the front, continued on the east and west sides. The central pavilion is articulated by brick pilasters. The entrance breaks forward from this with paired pilasters, stone columns in antis and stone pediments with a carved cartouche. End bays are marked by smaller pedimented, pilastered breaks. East and west facades are of similar design, with projecting end bays. There are four replacement windows on the east side. The rear (north) facade is two and a half storeys above ground level, with high level basement glass brick cell windows visible. There is a single storey projecting central bay and two pedimented, pilastered entrances at east and west ends. The former is raised, with a modern metal access ramp. To its left is a round arched window. A further entrance on the northeast corner serves the basement cells. There are first floor balconies on the northeast and northwest corners, the latter reached by a projecting hexagonal stair tower. The building faces south and is largely single storey, with a second storey above the north range, with floor levels rising at the north end.

**MATERIALS:** The building is red and brown brick with stone dressings. External windows are wooden sashes. The entrance hall has semi-circular metal lunettes. The two principal court rooms have round arched clerestory metal windows, three on each of their east and west sides. External doors are timber. Each element of the plan is separately treated with largely hipped roofs, roman tiles on the four sides, plain tiles for the central court rooms and hall. There is a central stone cupola with balustrade on the front range. Chimneys are brick, including two positioned prominently at each end of the front range.

**PLAN:** The plan is rectangular, the front range projecting slightly at its east and west ends. The two principal courtrooms are positioned on the west and east sides of a central corridor, running from north to south (now partitioned at its north end), leading from the entrance lobby on the south side. An internal corridor surrounds the courtrooms, leading to offices along the four external sides of the building. A third court room on the east side occupies the space of the former magistrates' luncheon room and a portion of the east corridor. The caretakers' flat occupying the first floor of the north side is reached by a stair in the northeast corner and has been converted to offices. The basement is occupied by the cells, servicing and storage.

**INTERIOR:** walls and ceilings are painted plaster, with some modern suspended ceilings added. Floors are carpeted. Original varnished or painted timber doors survive, including a segmental pedimented doorcase and double door to central principal office in the north corridor. Original fireplaces remain. The two main court rooms are mirror images of each other. They retain original wooden fittings: seating, magistrate's bench and dock, with only minor alterations. There have high coved ceilings, decorative plaster work and painted carved wooden royal coats of arms above the magistrate's seat. Glazed screens have been added. The central lobby has an arched roof and columns, and a domed roof light at its partitioned north end.

**ADDITIONAL FEATURES:** The front boundary is marked by a low brick wall and metal railings.

**HISTORY:** The building was formerly known as Wealdstone Police Court, renamed Harrow Magistrates Court during the 1950s. One of a number of suburban police courts designed by the noted Middlesex County Council architects' department, this is a good example of the genre, designed in a dignified Neo-Georgian idiom, with an unusually intact interior.

**SOURCE:** [www.britishlistedbuildings.co.uk](http://www.britishlistedbuildings.co.uk)

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## Appendix Four

### Health & Safety Incident Report Log London

Reference	Region	Area	Court Name	Day	Date of Incident Month Year	Who?	Type of Incident	Accident Book Completed?	First Aid on Site?	Ambulance Service Called?	Investigation?	Was A Review	Full details of incident including investigation
Mar10 - 262	London	North and West (Crime)	Harrow Magistrates Court	12	March 2010	Contractor	Other	Yes	No	No	Yes	No	Serco Van reversed into the car park barrier and broke its arm; no injuries incurred.

### Security Incident Report Log London

Reference	Region	Area	Court Name	Day	Date of Incident Month Year	Who?	Type of Incident	Police Involved?	Investigation?	Was A Risk Assessment Reviewed ?	Outcome of Investigation
Mar10 - 375	London	North and West (Crime)	Harrow Magistrates Court	12	March 2010	Contractor	Damage to Property	No	No	No Response (Old Form)	SERCO vehicle reverses into and breaks car park barrier. No injuries. ECH & Estates informed. NFA.
Apr10 - 023	London	North and West (Crime)	Harrow Magistrates Court	1	April 2010	Member of Staff	Other	No	No	No Response (Old Form)	Person abuses staff after losing appeal, throws money at staff, the money is paid into outstanding fine. NFA.
Jun10 - 092	London	North and West (Crime)	Harrow Magistrates Court	3	June 2010	Member of Staff	Verbal Abuse	No	Yes	No Response (Old Form)	Defendant clearly unhappy with conclusion of case and made his dissatisfaction clear with shouting and refusing to leave court room.
Jun10 - 099	London	North and West (Crime)	Harrow Magistrates Court	3	June 2010	Member of Staff	Verbal Abuse	Yes	Yes	No Response (Old Form)	Defendant becomes unruly in court & persuaded to leave by security. No injuries.
Jun10 - 107	London	North and West (Crime)	Harrow Magistrates Court	16	June 2010	Member of Staff	Aggressive Contact/Assault	No	No	No Response (Old Form)	Defendant rude in court - removed until calmed down, returns and apologies, not an accident. NFA.

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**REPORT FOR: OVERVIEW AND  
SCRUTINY COMMITTEE**

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<b>Date of Meeting:</b>	8 <sup>th</sup> September 2010
<b>Subject:</b>	IT Service Delivery
<b>Responsible Officer:</b>	Alex Dewsnap – Divisional Director, Partnership Development and Performance.
<b>Scrutiny Lead Member area:</b>	Cllr Jerry Miles, Chairman Overview and Scrutiny Committee
<b>Exempt:</b>	No
<b>Enclosures:</b>	Cabinet Report – 15 July 2010

**Section 1 – Summary and Recommendations**

Recommendation:

- I. That the committee consider and comment on the reports to Cabinet dated 15th July and 14<sup>th</sup> September 2010 and after consideration submit comments/observations and any recommendations to Cabinet on 14<sup>th</sup> September 2010.

## **Section 2 – Report**

As part of the Better Deal For Residents Programme the Council is considering future options for the delivery of a more modern and reliable IT platform.

Scrutiny councillors have expressed an interest in examining this issue before a final decision is taken by Cabinet. Initially this was to be by way of a challenge panel but in view of the tight timescales involved the chairman has agreed to bring this to Overview and Scrutiny Committee as an item of urgent business, to enable scrutiny opinion to be available for the Cabinet meeting on 14<sup>th</sup> September 2010.

The Cabinet report dated 15<sup>th</sup> July is attached. The Cabinet report for 14<sup>th</sup> September 2010 is enclosed within the Cabinet agenda which has been circulated to all Members. Members are requested to bring this agenda with them to the meeting.

### **Financial Implications**

There are no financial implications associated with the delivery of this report.

### **Performance Issues**

There are no performance issues associated with this report.

### **Environmental Impact**

There is no environmental impact associated with this report.

### **Risk Management Implications**

There are no risk management implications associated with this report.

### **Corporate Priorities**

Build stronger communities.

## **Section 3 - Statutory Officer Clearance**

Not necessary for this report.

## **Section 4 - Contact Details and Background Papers**

Contact:

Paul Morrison  
Senior Professional Scrutiny  
020 8420 9204

**Background Papers:**

There are no background papers

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## REPORT FOR:

## CABINET

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<b>Date of Meeting:</b>	15 July 2010
<b>Subject:</b>	IT Service Delivery
<b>Key Decision:</b>	Yes
<b>Responsible Officer:</b>	Myfanwy Barrett, Corporate Director Of Finance Carol Cutler, Director of Business Transformation and Customer Services Mahesh Patel, Divisional Director, IT
<b>Portfolio Holder:</b>	Councillor Bill Stephenson, Leader and Portfolio Holder for Finance and Business Transformation Councillor Graham Henson, Portfolio Leader for Corporate Services
<b>Exempt:</b>	No except for appendix 1 which is exempt by virtue of paragraph 3 of Schedule 12A of the Local Government Act 1972 (as amended) on the grounds that it contains information relating to the financial or business affairs of a particular person
<b>Decision subject to Call-in:</b>	Yes
<b>Enclosures:</b>	Appendix 1 – Part II Appendix 2:- Benefits to the (Internal) Customer Appendix 3:- Governance Appendix 4:- Client Team Structure

## **Section 1 – Summary and Recommendations**

The Council has embarked on an ambitious transformation programme – Better Deal For Residents – that must be supported by a modern and reliable IT platform.

Following an options appraisal early in 2009, which included the option of an ‘in house’ solution, a Request for Proposal for IT service delivery was prepared and submitted to Capita; their response was received on 8 March and has now been evaluated.

The Proposal is more costly than expected. This reflects a lack of previous investment in the service and the need to deliver an integrated solution incorporating a wide range of benefits to the organisation. It is essential that the IT capability to underpin transformation is provisioned.

### **Recommendations:**

- Agree ‘in principle’ that the IT service should be transferred to Capita, subject to further consultation with staff and trade unions.
- Delegate authority to the Corporate Director of Finance to agree the terms of the contract, in consultation with the appropriate portfolio holders, provided they are consistent with this report.
- To agree that the contract can be negotiated for up to a 10 year term, with an option to break the contract after 5 years to be coterminous with the end of the wider partnership with Capita in 2015, if the view is taken that it would be unwise to continue the IT service in isolation.
- Delegate authority to the Corporate Director of Finance to enter into the contract.

### **Reason: (For recommendation)**

- Investment in IT is essential to underpin the Council’s transformation programme.
- There is a strong case for investment in technology.
- The level of investment required must be sufficient to enable future transformation and the investment needs to be made sooner rather than later.
- Investment is required to achieve the Council’s aim to have fewer buildings, fully supported by remote and mobile working.
- Modernised IT services will enable members and staff to be better supported and more productive.

- The Capita proposal is the preferred delivery model – the in-house solution is expected to have a similar cost, but carries significantly more risk and is likely to take longer to transition.
- There are substantial cashable benefits from investment in IT in terms of wider transformation, accommodation etc.
- There are substantial non cashable benefits for Members, staff and customers.
- If we proceed with Capita, they have demonstrated that every effort will be made to mitigate the impact on staff directly affected by the transfer of services
- An open tender would be costly to run, take a long time and delay service improvement, and the result would very probably be the same.

## **Section 2 – Report**

### **The Case for Investment**

1. There has been a history of under-investment in technology in Harrow. In addition the revenue spend (staffing etc) is very low when viewed against other comparable boroughs.
2. This lack of investment has resulted in:
  - IT being a constraint, not an enabler, to future transformation.
  - A fragmented infrastructure that affects reliability and is difficult to adapt to new technology.
  - Inconsistent levels of system performance on different floors in Civic 1 and across the Council.
  - An email system (Groupwise) that is difficult to support and integrate with other key systems.
  - No strategic disaster recovery planning which has led to the Data Centre in Civic 1 being a single point of failure.
  - A server estate in which 95% of the hardware has reached the end of its life and therefore operates at an increased risk of failure.
  - Limited capacity to support remote and mobile working.
  - Extremely limited support for hand held devices (eg Blackberrys).
3. This lack of investment, coupled with the fragmented organisational structure, means that IT has a poor reputation in the organisation, despite the fact that the actual performance of the HITS team and some of the systems we use on a day to day basis (eg, helpdesk response and system up time) are good.

4. We have now reached a point where this lack of investment is hampering our transformation plans – the plans include further rolling out remote and mobile working, significantly reducing the office footprint, and centralising and streamlining functions such as customer contact and administration.
5. The investment needs to happen in the near future in order to allow other transformation business cases to proceed to timetable. Capita have advised us that they will prioritise implementation of their solution to align with wider transformation projects, most notably remote and mobile working.
6. The investment in IT will enable transformation and should be seen as an “invest to save” opportunity.
7. The investment will bring savings to a number of proposed transformation projects, including:
  - An estimated reduction in the cost of the Flexible and Remote working transformation project by £858k by investing in core technologies that are integral to the success of this project.
  - The current e-mail system, which if not replaced, will continue to prove costly to integrate. Investment in a more mainstream e-mail product (Microsoft Exchange) will reduce the cost of integration by as much as £45k per year.
8. Other benefits from investment include:
  - Significant savings in office accommodation enabled through flexible working in the short term by maximising the occupancy of the Civic Centre and in the longer term by moving to new premises. A move to a building which is half the footprint of the current Civic Centre will save some £1.2 Million.
  - Moving the current data centre off site will avoid the cost of rebuilding a new computer room in any new Civic Complex in the future. Capita has advised that the cost of building a Tier 2 data centre is typically in the region of £2.5m to £3m, however it is likely that the Council would opt for a more cost effective hosted data-centre at that time and investment for this and associated Disaster Recovery arrangements will need to be made by the authority at the time.
9. Immediately realisable benefits include:
  - Investment in refreshed hardware; refreshed network; extended hours of availability; self service password reset; and single system sign on, will all generate productivity savings throughout the Council. Capita believe it is reasonable to expect that productivity would increase by 15 to 30 minutes per user per day. Across 2,500 users (average cost £90 per day) and 180 working days a year this productivity gain can be valued at £1.3m per annum.  
It should be noted that productivity gains realised will not be a cashable benefit.
  - Currently people are allocated to a specific desk where “hard wired” IT services are provided. As a result there is a cost for any inserts, moves, additions or changes (IMACs) to desktops or laptops, and for updating information when people move to a different organisational department. This cost is c£100,000 per annum and is not in the baseline figure. With the flexibility that Capita’s solution brings there will be fewer additional charges for IMACs.

- External provision would provide a service that is ITIL compliant and is best practice for service management within the IT industry. Currently the Council's operation does not conform to ITIL best practices - if an in-house model was adopted the Council would have to seek to achieve ITIL standards. Following ITIL brings downstream operational benefits.
10. The other non-cashable benefits are:
- Improved staff motivation and performance through access to modern technology and remote and mobile working.
  - New staff will find it easier to use the systems such as email as they are more likely to have used Microsoft products with previous employers.
  - IT will become an enabler for business improvement in the future
11. Councillors will have full remote and mobile working capability.
12. The value to residents in outsourcing the service, and with particular regard to the Capita proposal, are:
- Operating systems on which they depend for delivery of services will be faster, more reliable and up to date. In addition the location of IT servers off the current Civic Centre site will immediately result in greater security in terms of Disaster Recovery and Business Continuity for all users of Council services;
  - The mobile and flexible working project is underpinned by the infrastructure and capacity that will be delivered by this new service. It will allow officers to work at partner, residents and business premises. This will ensure that services are delivered more at the convenience of residents rather than as determined by Council buildings and office locations;
  - Systems will become more integrated, minimising the need for multiple entry of details for different Council services, and ultimately offering the prospect of a single view of a customer's interaction with the Council. This will support future developments for a single assessment of circumstances for all services, and avoid the need for residents to tell multiple parts of the Council of a change in their situation;
  - Proposals to improve the telephony within Access Harrow will support the expansion and performance of the Council's main channel of contact with residents.

## **The Preferred Delivery Model**

13. There are two options to address this lack of investment – the Capita proposal or development of an in-house solution to the full specification (set out in the request for proposal).
14. The options appraisal carried out by PWC in 2009 clearly showed that an outsourcing arrangement was the best option.

15. The Capita proposal and the in-house solution both offer a comprehensive and integrated solution which includes:

Deliverable (LBH-Anywhere in blue)	Baseline	In-House	Capita
IT Structure	Existing	Restructured	Outsourced
Supports Transformation / BD4R	✓ (limited)	✓	✓
Facilitates the Council's BC Plan	✓	✓	✓
Facilitates IT Disaster Recovery	✓	✓	✓
Civic Data Centre Decommissioned	x	x	✓
Remote Data Centre	✓	✓	✓
Microsoft Exchange Email (Groupwise Replacement)	x	✓	✓
BlackBerry/Smartphone Integration	x	✓	✓
Microsoft Active Directory (Novell Replacement)	x	✓	✓
Flexible Working Facilitated	✓	✓	✓
Mobile Working Facilitated	✓	✓	✓
Server Refresh	✓ (limited)	✓	✓
Desktop/Thin Client Refresh	✓ (limited)	✓	✓
Laptop Refresh	x	✓	✓
Enhanced Backup/Archiving	x	✓	✓
Full GC Compliance in price	x	x	x
ITIL Service Management	x	✓ (limited)	✓
Test Environment	x	✓	✓
Access Harrow Contract Centre Upgrade	x	✓	✓
Improved Resilience	x	✓	✓

The main differences between the in-house solution and Capita's proposal are:

- Fully off-site data centre that will enable a seamless transfer to a new Civic building.
  - Subject to evaluation, a new contact centre solution from a market-leading vendor that will enable Access Harrow to enhance its back office processes.
16. The Council project team have explored with Capita the opportunity to scale back this solution to reduce the cost but have concluded that the package is the best solution and that to extract elements would damage its integrity. Furthermore, Capita will guarantee this integrated package but do not consider that a scaled back model would be viable.
17. Analysis of the proposal versus an in-house solution shows that both options will cost a similar amount and that the solution represents value for money.
18. The significant difference between the two models is risk transfer. If the service is delivered by Capita they will bear the full risk for:
- Fixed price certainty – transition, service and performance are underwritten.
  - Delivering the IT service in line with the performance standards in the contract
  - Delivering investment and improvements in line with the timetable agreed in the contract
  - Providing the necessary staffing – in terms of quantity and quality
  - Ensuring that the IT change programme aligns with wider transformation
  - Ensuring that the necessary IT support for business cases (eg, HARP3) is available

- Ensuring that, once business cases are complete, the day to day support for new systems is provided appropriately
  - Providing relationship management as per the contract
19. Whilst the in-house team have done their best to estimate the cost and timeframe to develop a solution that delivers the full scope of the RfP, there are significant risks in terms of:
- Inability to underwrite the solution design.
  - Capability to deliver and meet the timetable for transformation – lack of experience in delivering large complex projects.
  - The reliance on third-parties – including Capita – to assist with the transition and deliver elements of the overall solution.
  - The time needed to find the right people to redress the balance away from agency staff and the ability to retain key individuals.
  - Recruiting and retaining the right staff will be difficult as the IT market is moving at a greater pace out of the recession than other professions.
  - Significant training and re-development will be required to transition staff who have worked in the same environment for many years to adopt a new mode of IT service delivery.
  - Time taken to mobilise an internal service may delay the transformation programme.
  - Flexibility to respond to changes in size of the organisation.
  - The team is resourced for steady state IT service operation so it is difficult to scale up to cope with peak demand of projects / programmes.
  - The in-house team can only draw upon short term resources from the commercial contract market, whereas Capita can draw upon other delivery teams / accounts.
  - There is not the same level of relationships with key suppliers and so the in-house team are less able to exploit any supplier benefits.
  - There is less ready access to innovation to improve the service than with Capita.
20. Benefits delivered to the organisation from a contracted arrangement are conditional upon a controlled, formalised engagement with the IT service. As a consequence, unplanned requests will be difficult to accommodate or come at additional cost.
21. Capita have been on site for 5 years already, and will work in partnership with the Council to make sure they are aware of critical issues. They will be well placed to minimise disruption in the organisation due to their experience with other clients, and will support the policy changes required in Harrow to work in a modern and efficiency way.
22. Capita currently support some of our core business applications (such as SAP and Civica) and as they continue to transform the business through technology led solutions, the use of Capita as a single provider results in a joined approach to service delivery.
23. The Capita proposal is based on a flexible pricing model which means that if the council changes its staffing levels and the number of sites during transformation, the cost of the

IT service will reduce. It also means that the service can be readily scaled up if we integrate with partner organisations.

24. Capita bring fresh ideas and innovation. If we proceed with Capita we will ensure that during the negotiation period and the contract term itself, benefits that can be derived from system and application rationalisation will be captured and accrue to the Council or at least be shared with the Council.
25. Investing with Capita will transform IT operations through the use of a more future proofed service which will be cheaper than if investment is completed on an incremental basis.
26. Directorates will incur reduced costs for new user set up, moves etc (subject to negotiation of a rate card).
27. Capita's service delivery model requires less staff to be located at Harrow and will see a reduction in the number of on-site permanent staff from 30 to 12 in the first two years, and to 7 after transition is complete. This will deliver cashable savings of up to £115k per year [based on the current £5k per person overhead cost].
28. The Capita proposal delivers a solution that enables transformation to be delivered in a shorter period of time.
29. There are benefits from accessing Capita's extensive experience of IT service delivery and development across a range of sectors.
30. Environmental benefits from using Capita are:
  - The move of the Data Centre to a shared environment and the consolidation of equipment into a modern virtual technology will reduce the power and energy requirements the authority needs for operating its IT infrastructure.
  - Within Capita's proposal they have calculated a potential carbon footprint reduction of 30.9%. and this will positively contribute to the Council's "Use of Resources" target
31. Capita have stated that transformation projects will benefit by outsourcing to them through:
  - A more joined-up approach to delivering complex technical solutions required to under-write the key flexible and remote working project.
  - Improvements to the Assess and Decide transformation project in a number of ways; The current end of life contact centre telephony system used by Access Harrow is complex and would require a great deal of configuration work which has a high level of risk attached to it. Running this project in parallel with the live system might also prove to be difficult.
  - An indication that in its experience the 149 different software applications or modules currently in use could be reduced through de-duplication, rationalisation / aggregation etc, to around 100 business applications. This would generate effort and cost savings. Capita have stated that this exercise would be completed within 18 months. Capita believes that savings in effort terms of 1-2 FTEs could be realised saving potentially £425,000 during the lifetime of a 10yr contract. [£50,000 saving per annum \* 8.5 years].

- An already ITIL conformant service model that is included in the solution that would cost the existing HITS team in the region of £150,000 to implement.
- The impact of Capita's proposal provides an opportunity to avoid significant accommodation costs through the use of the area currently occupied by HITS. This area is currently under consideration to provide space for Access Harrow as proposed under the Customer Contact/Assess and Decide Project. This would avoid the construction of an extension to Civic 1, or a reduction in the numbers of staff migrating into Civic 1 from other buildings.

32. The mobile and flexible working business case that Capita are developing will ensure that the benefits from this new technology are fully realised, particularly in the rationalisation of buildings. Cashable savings will be measured and monitored through the established Programme Management methodology and Governance within the Business Transformation Partnership.
33. In conclusion, the Capita proposal is the preferred delivery model.

### **Applications Support**

34. It has been agreed that the devolved application support function will be delivered by Capita as an option to their core proposal. The budget (or in some cases a percentage of the budget) associated with the devolved application support roles will transfer to Capita. This principle has been agreed by all of the Directorates.
35. The impact of managing this element of the service on Capita's proposal is still being clarified but they have indicated that the cost of the core proposal may increase and this additional budget will need to be factored in the overall cost/benefit analysis.
36. The table below shows the areas that are affected and the discussions to date:

Area	% of Role	FTE	Comments
Shared Services	40%	0.4	Agreed Budget Transfer
Place Shaping	50%	1	Where a significant proportion of an individual's work activity is identified as transferring, that person has the right to transfer under TUPE. How the individual is affected In this instant this can only be determined at the detailed discussion stage. In the case of a TUPE transfer, Capita may need to assume 100% of the role's activity
Parking	20%	0.2	Agreed Budget Transfer
Libraries	50%	1	Where a significant proportion of an individual's work activity is identified as transferring, that person has the right to transfer under TUPE. How the individual is affected In this instant this can only be determined at the detailed discussion stage. In the case of a TUPE transfer, Capita may need to assume 100% of the role's activity
Housing	30%	0.3	Agreed Budget Transfer, subject to further clarification on the detail of which activities transfer
Adults (& Housing)	0%	0	Further assessment identified to no activity or members of the HOST team are in scope for transfer
Web-GIS (Access Harrow)	100%	1	Agreed TUPE Transfer
Children's Services	50%	0.5	Agreed Budget Transfer

37. It should be noted that applications support relates to supporting the Technical Infrastructure that delivers the councils business applications. It does not go to the extent of fixing functionality issues with current business systems (e.g. Framework-i, Anite SAP integration). This responsibility will remain with the business support teams and super users within the Directorates to continue working with their preferred suppliers and Capita.
38. The owner of each business system within the individual Directorates will continue to hold responsibility for the strategic direction of the application (e.g. Myfanwy Barrett for SAP), but this will be supported by a Capita Relationship Manager who will be able to bring specific experience and thought leadership from the wider Capita group. There will also be a new internal team who will provide support for local IT strategies and the development of service specifications. They will also provide assurance on any proposals put forward by a third party to ensure they are technically robust, are in line with the councils ICT strategy and provide good value for money.

### **Value for Money Assessment (Appendix 1)**

39. The detailed VFM assessment is attached at Appendix 1. The assessment compares the current plans with the Capita bid and in house delivery of the RFP (in other words an enhanced in house service).
40. A full tender, based on the RFP, has been ruled out as an option because:
  - A tender would be costly to run and take a long time
  - The result would very probably be the same (ie we would still have to invest significantly more in IT to get the solutions and service we want)
  - Despite the soft market testing results, providers may well be reluctant to bid in practice given that they would not be able to secure the transformation aspects of the work and would have to jostle with Capita for position once appointed
  - It would be onerous for the Council to manage two different external providers and would inevitably result in disputes (although of course there could be some aspects of health competition)
  - It would be extremely demoralising for staff to go through a further protracted process
  - It would be too destabilising for the wider transformation programme

41. The VFM assessment shows that the Capita option is the best solution and that, at net present value, the cost of delivering the RFP in house would be more than the cost of the bid, given the additional risk.
42. The project team have considered whether there is a realistic 4th option, namely to deliver only part of the RFP, or to defer some elements until they are absolutely necessary, for instance to fit in with the likely date of a new civic centre being completed. This could mean building an extended remote working environment (Citrix) but retaining the existing computer room on site, and bearing the DR risk for longer.
43. To date Capita have indicated that this is the optimum solution for Harrow and any scaling back is not viable. A detailed in-house solution delivering the services specified in the RfP has been developed and this is a possible fallback position.

## **5 Years or 10 Years?**

44. The VFM assessment (Appendix 1) suggest that a 10 year deal is better than a 5 year deal. However, this needs to be considered alongside the potential risk of committing to a longer term agreement:
  - Technology develops extremely rapidly and things will be very different in 5 years time
  - The wider Capita contract has a break, with an option to extend for a further 5 years, in 2015
  - By outsourcing to Capita, we move to a rental model for all core IT infrastructure and these assets will no longer be owned by the council. This effectively means that we have strategically chosen to externalise the IT operation and if in 5 years we want to move to a new provider then tender process will have to be conducted. It is unlikely that the rebuilding a new internal infrastructure will be cost beneficial
  - We should seek to agree that the contract can be negotiated up to a 10 year term, with an option to break the contract after 5 years.

## **FAQs – Benefits to the Customer (Appendix 2)**

45. A schedule of FAQs is attached at Appendix 2. The questions are based on the survey conducted in 2009, plus more recent CSB/CLG comments/questions.
46. As well as a fundamental change in back office IT infrastructure, the service model will be delivered using an approved best practice ITIL model. This will ensure that systems are proactively managed and maintained and will culminate into a reliable and consistent level of service for all customers.
47. The Helpdesk will be transferred to Capita's call centre in Derby. This service desk will own the management of any incident from the initial call right through to resolution and therefore eliminate the customer from being re-directed from team to team to manage their problem, and ultimately delivering a professional customer experience.
48. The role of Members requires them to work in a flexible manner. The ability to provide each of the Members with a blackberry type device will significantly enhance their ability to send and receive corporate e-mail throughout the day.

## **Governance and Client Side Arrangements (Appendices 3 and 4)**

49. The existing partnership with Capita is governed through a series of regular meetings designed to monitor ongoing service delivery, project progress and requests for change. Capita's existing SAP and Civica IT service delivery is already represented in a number of these meetings. We do not envisage any major change to these meetings other than to widen the scope, where necessary, to include input from all the relevant IT delivery teams. Capita believes that the following partnership governance meetings will require a widened scope:
  - Programme board (monthly – chaired by LBH Director or Business Transformation) This takes input from a number of other board meetings and will in future include from Capita on proposed transformation projects; projects in progress; IT service delivery; and requests for change. The Programme Board will also discuss any service credits that may have been calculated by the Finance board.
  - Operational review board (monthly) This reviews the performance of Capita's service delivery including IT delivery linked to SAP, Civica, CRM and BW. This meeting will in future review all the IT services provided to Harrow by Capita under the proposed outsource. Service quality will be measured quality through a formal scorecard completed by Harrow.
  - ERP board (monthly – chaired by Divisional Direct Finance & Procurement and Divisional Director Partnership and Performance): Capita already provides input to this board related to projects and SAP IT service delivery. In future this input will be widened to include on all aspects of IT service delivery.
  - Change board (fortnightly): this currently reviews/discusses proposed changes for projects and will in future require input on those changes that will have an IT impact.
  - Request for Change Board (weekly): this currently reviews/discusses proposed changes that impact Harrow's SAP solution. Again this will require reflect all IT provision not just SAP.

- IT CAB (weekly): This meeting is currently chaired by HITS to assess and approve technical changes within the IT infrastructure. Capita already attends this meeting in relation to its existing IT service provision. In future this meeting would become an internal Capita meeting covering all aspects of IT service delivery. The Service Delivery Manager would feed back to Harrow any issues arising from this meeting that would impact the council or its service.
50. Overall responsibility for the IT outsourcing relationship (Capita side) will be with Ian Kirby, Capita Partnership Director. Capita's Programme Director will continue to be responsible for reporting on all programme and project activities. This includes all transition projects linked to the proposed IT outsource. Capita's Operational Director will continue to be responsible for reporting all service delivery activities, including IT business as usual activities
  51. Diagrams showing the structures are attached at Appendix 3.
  52. There will be a new small strategic internal team created who will be responsible for the planning and implementation of initiatives and procedures to ensure that IT services used by the organisation, and the technology which support them, deliver value, are efficient in the use of resources, and are compliant with all relevant legislation and regulations. This team will have overall responsibility for the development of the organisation's IT strategy, technology architecture and information management and will ensure that effective controls are in place for internal and external audit
  53. The existing information management function will be bought together with the strategic IT function, subject to formal consultation and 2 additional senior professional / management posts will be created, which we envisage will be graded at SPM3/4, subject to job evaluation. At high level these posts will be responsible for:
    - IT Security & Compliance:- Responsible for the management of, and provision of expert advice on the selection, design, justification, implementation and operation of security controls and management strategies to maintain the confidentiality, availability, accountability and relevant compliance of IT systems.
    - Enterprise Architecture:- Responsible for the creation and review of technology architecture and systems capability strategy which meets the strategic requirements of the business and identifies the business benefits of alternative strategies.
  54. The proposed client team structure is attached at Appendix 4.
  55. The relationship between the Divisional Director Technology, the nominated lead within Capita for IT delivery, and the contract/performance manager will be critical for this structure to work effectively. They will meet weekly to review progress and issues. In addition the Divisional Director Technology will join the boards outlined above as appropriate to ensure that he has full visibility of the service.

## Financial Implications

56. A detailed value for money assessment carried out with support from PWC, which compared the current plans with the Capita bid and in house delivery of the specification (in other words an enhanced in house service), supported the conclusion that an outsource to Capita is the best solution, largely due to the benefits of risk transfer. See Appendix 1.
57. CSB members are acutely aware of the scale of the financial challenges that the Council faces in the medium to long term and the current status of the transformation programme.
58. The total Harrow budget (revenue and capital) over 5 years is £24.5m and the bid price is £27m. There is a gap of £2.5m, before allowing for the client team, contingency/change control budget, and redundancy costs. To offset this, there are reduced capital financing costs to take into account, as the Capita proposal involves more revenue spend and less capital expenditure than the Harrow plan.
59. The tables below show the Harrow current budget and the Capita bid over 5 years, split between revenue and capital expenditure.

### Harrow Budget

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Revenue	£3.4m	£3.4m	£3.4m	£3.5m	£3.5m	£17.2m
Capital	£3.0m	£1.0m	£1.2m	£1.1m	£1.0m	£7.3m
Total						£24.5m

### Capita Bid

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Revenue	£4.0m	£4.5m	£4.6m	£4.5m	£4.4m	£22.0m
Capital	£4.2m	£0.3m	£0.5m			£5.0m
Total						£27.0m

60. The table below analyses the difference between the Harrow revenue budget and the bid over the same 5 year period, taking into account the cost of the client team and redundancies, and the impact on capital financing costs.

## Net Position

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Revenue difference	£0.6m	£1.1m	£1.2m	£1.0m	£0.9m	£4.8m
Client Team	£0.3m	£0.3m	£0.3m	£0.3m	£0.3m	£1.5m
Redundancy costs	£0.5m					£0.5m
Cost/saving on capital financing costs	nil	£0.3m	£0.1m	(£0.1m)	(£0.4m)	(£0.1m)
<b>Net additional cost</b>	<b>£1.4m</b>	<b>£1.7m</b>	<b>£1.6m</b>	<b>£1.2m</b>	<b>£0.8m</b>	<b>£6.7m</b>
Saving on financing years 6-10						(£2.7m)
Final additional cost						£4.0m

### Notes:

- a) Years will probably run from 1 October to 30 September.
  - b) It is assumed that the contingency/change control budget will be capital, but in practice it may need to be split between capital and revenue.
  - c) The total saving on capital financing costs is £2.8m over 10 years as they have a long tail.
61. If we proceed with Capita's 5 year proposal, the revenue spend on IT services will increase by £1.4m in year 1. Thereafter the figures vary year to year, and the full benefit of reduced capital financing costs is not secured until year 10. The net additional cost over 5 years is £6.7m. The benefit of lower capital spend accrues mainly in years 6-10 and equates to £2.7m, giving a final additional cost of £4m.
  62. A longer term deal would secure an improved price. It should also be noted that the Capita bid involves flexible pricing – this means that if staff numbers of the number of sites reduce over the term of the contract the price will reduce accordingly. It would be difficult to mirror this approach internally.
  63. This is a very significant issue as it adds to future funding gaps and increases the pressure to find savings elsewhere. However, as noted earlier in the report, there are significant benefits to the wider transformation programme which cannot be ignored and this should be regarded as an invest to save proposal.
  64. Directorates may see some reductions in charges for things like new user set up and moves and changes, but these will be subject to the rate card negotiated with Capita in due course.

65. It should be noted that the 2010-11 budget for the Finance Directorate included an assumed saving of £100k from this project which will not now be delivered. Alternative savings are being sought to try and fill this gap in the current year.
66. If we proceed with the Capita proposal, the total additional cost in 2010-11 will be £0.95m. Any severance or redundancy costs that arise will be met from the employment provision held on the balance sheet. The additional service costs of £450k will be met from the earmarked reserve for Building Schools for the Future which is no longer required.
67. The total additional cost in 2011-12 will be £1.3m and this will be incorporated into the MTFS and will directly increase the funding gap.

## **Legal Implications**

68. The Capita Agreement is designed to allow service to build incrementally through the provision by Capita of a range of Future Projects within the scope and objectives of the Partnership.
69. The Partnership objectives are wide and include business transformation and process re-engineering. The OJEU notice covers a wide range of services and clearly includes IT and related services. The Council can therefore use Capita to provide IT delivery services as a Future Project under the Capita Agreement.
70. The Partnership scope is related to the services that can be provided and to the size of the procurement and so the Council must take account of the value of the IT service delivery as against the value of the Initial Services and total estimated value set out in the OJEU of £100 million. The aggregation of the Initial Services and Future Projects should not materially exceed the £100 million as stated in the OJEU notice.
71. Any Future Projects (whether by way of a transfer of service or one-off implementation) can be brought within the partnership using the governance structures set out in the Agreement. So it's important that the council has followed and continues to follow these procedures in procuring the IT delivery services from Capita.
72. The Partnership contract with Capita is for an initial period of 10 years from October 2005 and includes an option to extend the contract for up to 5 years from the end of the initial period in October 2015, so a 10 year contract with a 5 year break option is permissible.

## **Environmental Impact**

73. The move of the Data Centre to a shared environment and the consolidation of equipment into a modern virtual technology will reduce power and energy requirements that the authority will have for operating its IT infrastructure.
74. In addition to this, we will be looking to ensure that our technology strategy is underpinned by low energy hardware and infrastructure solutions and that these are directly linked to the carbon reduction targets of the council.

75. Within Capita's proposal they have calculated a potential carbon footprint reduction of 30.9%. This is delivered through the use of their data centres and a refresh to more efficient computer hardware. This will contribute to the overall carbon reduction target for the Council of 4% per year, as set out in the Climate Change Strategy..

## **Risk Management Implications**

Risk included on Directorate risk register?	Yes
Separate risk register in place?	No

### **Mitigating the Impact on Staff**

76. Capita will develop an internal communication's plan to keep service users up to date and informed as we effect the changes and improvements delivered through the transformation journey.
77. Capita's proposal involves a TUPE transfer of Council employees to Capita. HITS has an establishment of 50 posts and there are currently 30 permanent employees who would be transferred to Capita. Capita have indicated that they will not require all the transferred staff to work at Harrow, consequently potentially up to 19 of the transferred staff would be at risk of redundancy.
78. Capita have advised that over 70% of its current 36,000 staff have been transferred into the business through TUPE or acquisition. Retention of staff and their well being is a key focus for the company. In 2009 Capita's Local Government Services business had a staff retention rate of 93%. In 2009 the average staff turnover rate within Capita's IT Services was below 1%. This low level of turnover has been maintained to date in 2010. Capita has confirmed that its HR policies are intended to provide the assistance that each employee requires to ensure that the process is smooth and straightforward and sensitive to the needs of the individual.
79. Capita have indicated that they will be looking to retain 12 of the transferred staff in the first year and 7 in subsequent years on site at Harrow. It is Capita's intention that the application support team will remain on site in Harrow in order to maintain the close working relationship between them and the Council users. Over time Capita are keen to see how the application support team might be able to offer support services to other Capita customers; taking the same approach that Capita Learning and Development have adopted at Southampton.
80. It should be noted that Capita's staffing model is factored into the proposal price and Harrow would not make a saving after the first year of operation.
81. There will potentially also be 3 roles transferred from devolved applications support teams within the Council, but these can only be confirmed at the detailed stage if Capita can demonstrate to the business that they will take over 100% of the activity of the identified roles.
82. The Council will work with Capita to take all reasonable measures to avoid redundancies, which will be seen as the last resort.
83. The potential for redundancies will be mitigated by:

- Offering all affected staff a voluntary severance scheme in the run up to the transfer
- Actively seeking redeployment opportunities for affected staff within the Council and through partner organisations running up to the transfer
- Providing support to staff who are searching for jobs elsewhere in advance of the transfer
- Supporting early retirement requests
- Ensuring that Capita seek redeployment opportunities across their IT division wherever possible:

Capita operates a redeployment policy and process to minimise any potential loss of staff. Should redeployment of staff be necessary Capita has confirmed that it would look at redeployment opportunities within its IT Services division wherever possible. Capita have advised that it is already business planning to fill 180 new vacancies in the next 12 months. Based on data this year between 20% and 25% of these vacancies are likely to be the London area. Typically in excess of 50% of these vacancies require technical skills in the infrastructure, network and desktop services domains

- Working with Capita to offer relocation and retraining support package as appropriate
- Facilitating access to outplacement support for employees at risk of redundancy.

## Equalities implications

Was an Equality Impact Assessment carried out? Yes

If yes, summarise findings, any adverse impact and proposed actions to mitigate / remove these below:

84. An initial equalities impact assessment has been completed in order to establish if there is a potential or real differential impact resulting from outsourcing IT. It shows that whilst outsourcing would result in individual redundancies, and therefore a detrimental effect to individuals in the workforce, no single group would suffer particular loss or bear any disproportionate impact. It can be concluded from analysis of the workforce profile that the impact of IT outsourcing will be minimal, and that this is justified on the basis of the improvement to services.

An update of the equalities impact assessment will be carried out to establish the impact of the inclusion of staff engaged in support of Applications which are considered to come within the scope of the Project.

## Corporate Priorities

85. The Council has embarked on an ambitious transformation programme – Better Deal For Residents – that must be supported by a modern and reliable IT platform.
86. Investment in IT is essential to underpin the Council's transformation programme.

### **Section 3 - Statutory Officer Clearance**

Name: Myfanwy Barrett



Chief Financial Officer

Date: 6 July 2010

Name: Hugh Peart



Monitoring Officer

Date: 8 July 2010

### **Section 4 – Performance Officer Clearance**

Name: Tom Whiting



Assistant Chief Executive

Date: 8 July 2010

### **Section 5 – Environmental Impact Officer Clearance**

Name: John Edwards



Divisional Director  
(Environmental Services)

Date: 8 July 2010

### **Section 6 - Contact Details and Background Papers**

**Contact:** Myfanwy Barrett, Corporate Director of Finance 020 8420 9269

**Background Papers:** None

**Call-In Waived by the  
Chairman of Overview and  
Scrutiny Committee**

*(for completion by Democratic Services  
staff only)*

**NOT APPLICABLE**

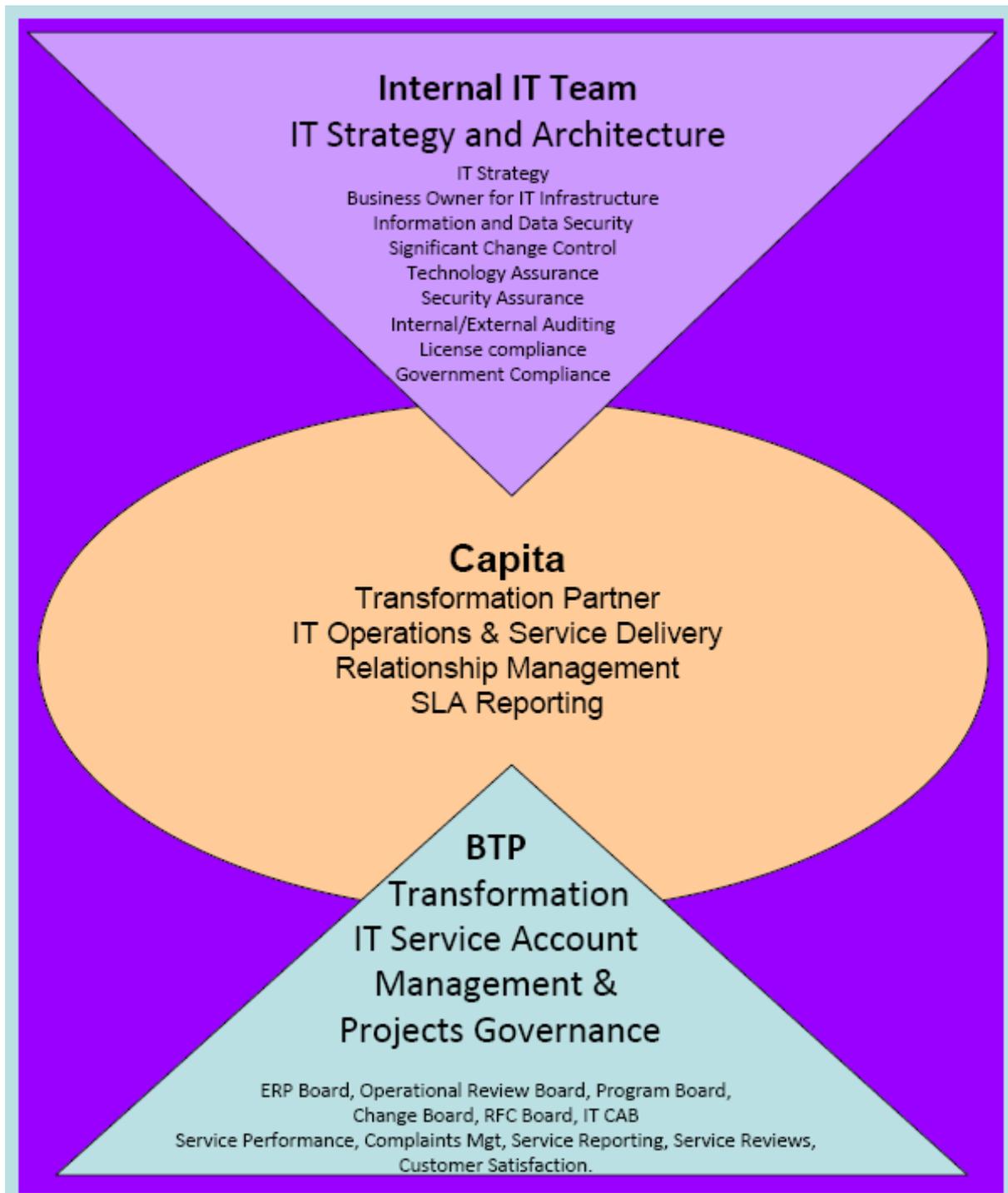
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## **Appendix 2 – Benefits to the Customer**

A questionnaire was issued to CLG members to complete at the meeting held on 31 March 2010. The questions generated, plus those raised by CSB have been summarised into 5 themes as detailed below:

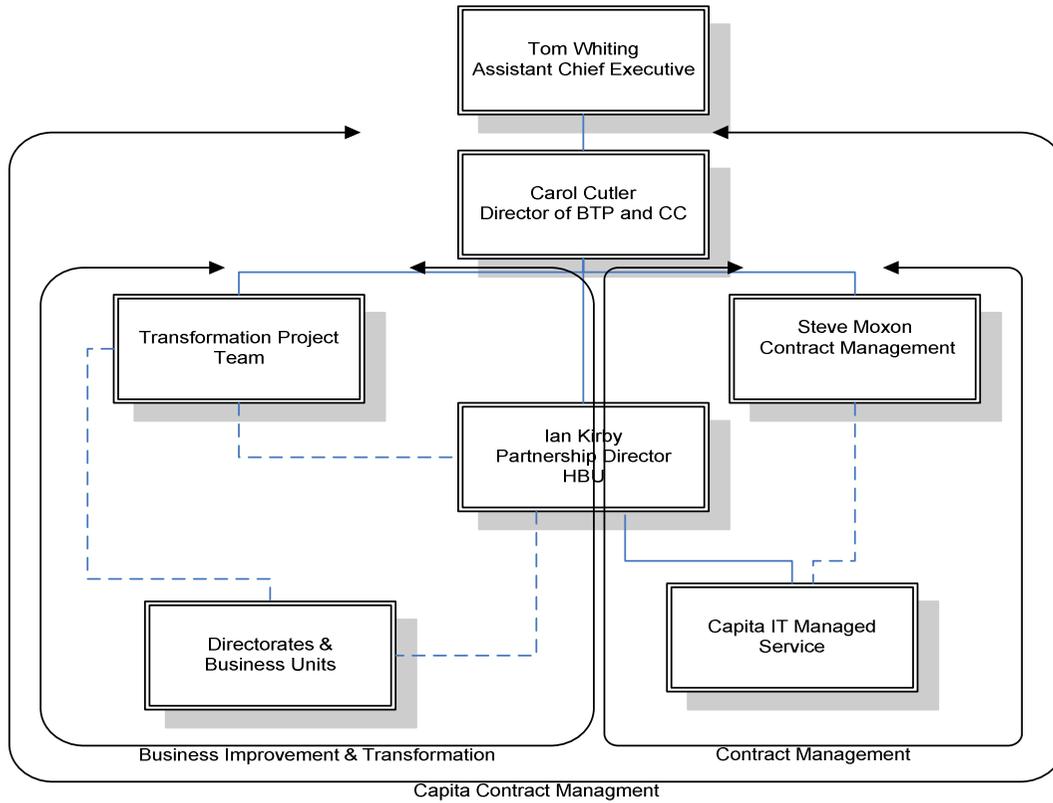
<p><b>Theme 1</b> Ability to work remotely using a variety of mobile devices</p>	<ul style="list-style-type: none"> <li>• The new technology platform is fully designed around mobility. This architecture will allow employees to work from home, other council office locations, partner offices and remotely out in the field.</li> <li>• All staff who have an e-mail account will have the ability to log into there e-mail from any internet browser.</li> <li>• As a minimum e-mail and a calendar functionality will be delivered to handheld devices but the new infrastructure provides a foundation for other applications to delivered smart phones in the future.</li> <li>• The network environment will be upgraded and provide a solid foundation to deliver video conferencing effectively at a later date.</li> <li>• A Service Catalogue will be developed that will offer a number to allow staff to personalise their IT requirements to their service need.</li> <li>• The new environment will be a key enabler to the remote and flexible working project.</li> </ul>
<p><b>Theme 2</b> Performance of the network and e-mail in particular</p>	<ul style="list-style-type: none"> <li>• The existing Novell Groupwise solution will be replaced with a Capita Managed Email service that will provide the mainstream Microsoft Exchange and Outlook email system.</li> <li>• Capita will pro-actively provide end-to-end monitoring of the network and network connected devices to understand where the problem lies and will work to remove issues and prevent problems occurring.</li> <li>• Capita will be replacing all of the servers that are currently in our Data Centre and moving them to a new virtualised infrastructure within a Tier 2 data centre in West Malling.</li> <li>• A number of service level agreements were specified in the RfP and many of these are improvements on what is delivered today.</li> <li>• Capita will provide a Customer Relationship function which means each directorate will have access to a named person with whom they will be able to discuss matters where the current service level does not meet their business needs or where the current service level does not apparently have a high enough business priority associated with it.</li> </ul>
<p><b>Theme 3</b> IT Security</p>	<ul style="list-style-type: none"> <li>• Capita will be standardising Harrow onto a thin client solution where all the information is protected in physically secure Capita data centres that are managed to higher than ISO27001 standards (operating above the more strict credit card payment standard of PCI-DSS standard).</li> <li>• Harrow mobile devices such as laptops and smartphones will also be encrypted to protect Harrow information should a device be misplaced.</li> <li>• A new ICT Security Management function will be created as part of the retained team within the council and they will introduce policies such as ISO27001 and BS25999-1 frameworks. This function will also work with the business to improve the business security in line with increasing ICT security.</li> </ul>
<p><b>Theme 4</b> IT Advise and Relationship Management</p>	<ul style="list-style-type: none"> <li>• The existing Capita HBU function already provides an IT advisory function and it has a number people, technical and business orientated, who are able to provide IT advice.</li> <li>• In addition to this a new Customer Relationship function will be created within HBU and there will be a named Relationship Manager who will get to know each of the Directorates and provide further strategic advice through his\her access to 2500+ IT professionals who work across the Capita group. The Relationship Manager will be able to bring them into Harrow to share experiences and outline potential innovations but it should be noted that the Authority will not be able to use them on projects or programmes without additional charge using the standard rate card that was agreed as part of the original Incremental Partnership Agreement.</li> <li>• There will be a small retained internal team who will own corporate ICT strategy and provide support to local ICT strategies. A consultancy budget will also be retained to ensure that specialist independent advice can be bought in when it is needed.</li> </ul>
<p><b>Theme 5</b> Performance of Business Applications</p>	<ul style="list-style-type: none"> <li>• The technology refresh will replace all servers every 5 years. If the performance is not due to lack of computing power in the servers but the business application the business support teams will be made aware of the performance issues.</li> <li>• Where these applications are owned by Harrow (e.g Framework-i. MVM, Anite,) and outside of the Capita contact, Capita intend to engage with each business application owner to ask what level of application monitoring &amp; performance tuning is needed to ensure that the configuration is optimal for the usage patterns in Harrow. This may involve database, application server or web server tuning.</li> </ul>

**Appendix 3 – Governance**

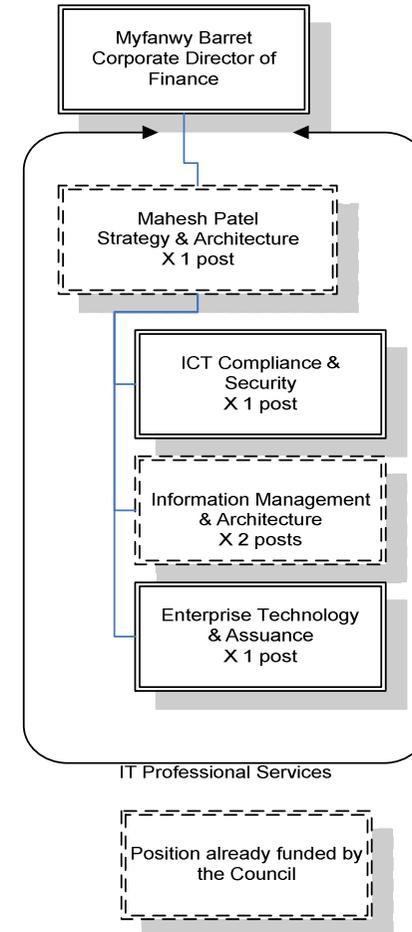


**Appendix 4 – Client Team Structure**

**Business Transformation & Contract Management**



**IT Strategy, Architecture & Assurance**



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