

Performance and Finance Scrutiny Sub-Committee SUPPLEMENTAL AGENDA

DATE: Tuesday 29 January 2013

AGENDA - PART I

10. DRAFT ANNUAL REPORT (Pages 1 - 6)

Report of the Divisional Director, Strategic Commissioning.

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

10. Draft Annual Report

This report had not received the necessary clearances at the time the main agenda was printed and circulated. Members are requested to consider this report as a matter of urgency in order to meet the Overview and Scrutiny Annual Report publication deadline.

AGENDA - PART II - NIL

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

Date of Meeting:	29 January 2013
Subject:	Draft Annual Report
Responsible Officer:	Alex Dewsnap, Divisional Director, Strategic Commissioning
Scrutiny Lead Member area:	All areas
Exempt:	No
Enclosures:	None

Section 1 – Summary and Recommendations

This report provides a draft contribution for Members to consider.

Recommendations:

The sub-committee comment on the provided draft.

Section 2 – Report

Scrutiny Annual Report – 2012/13

Performance and Finance scrutiny sub-committee

Our sub-committee

The Performance and Finance scrutiny sub-committee looks in detail at how the council's services are performing in-year.

We monitor service and financial performance by analysing data and then requesting briefings or details of action plans in place where necessary. The sub-committee can make recommendations for improvement and if necessary make referrals to the Overview and Scrutiny committee if further work is needed.

This work includes, for example, regular review of the Cabinet's Revenue and Capital Monitoring report and quarterly Corporate Scorecard.

We have slightly amended our terms of reference this year to reflect that we can consider and monitor the performance of the council's partners.

Our meetings

Our regular Chair and Vice-Chairman's briefings drive the work programme of the sub-committee. Our main areas of interest in 2012/13 have been:

- **Payment of invoices and application of contract procedure rules** – this is the third year in which we have been following progress in this area. We have monitored the implementation of the recommendations arising from the internal audit review on the application of contract procedure rules (CPRs), which focused on purchase orders raised after the date of invoice. Four of the recommendations made to procurement were postponed owing to delay to upgrades to the SAP system. We requested a briefing on current issues with SAP and planned future improvements and were told in November that a series of changes are being implemented that will be completed in time for the first quarter of 2013. These will include forecasts of process compliance & accuracy as well as new monthly budget forecasts and simplified 'front-end' for managers intended to make easier to comply with the CPRs. We remain concerned at the length of time being taken for the organisation to address these issues and about how effective the SAP changes will be in tackling the serious problems repeatedly identified since 2006. Indicative of these delays is how our request for information on SAP has been responded to: we have asked to see all the reports produced about SAP since 2006 but, at the time of writing are still waiting for these reports. There needs to be clear accountability to Member level, and we will continue to monitor this area carefully.
- **Chartered Institute of Public Finance and Accountancy (CIPFA) Review of Financial Management** – having had a number of concerns over the past few years about some aspects of the council's financial management, we were keen to be briefed on the finding of CIPFA's review. The review

identified some areas for improvement including financial management strategy, culture, financial management competence for finance and non-finance staff and financial information systems. The findings reflected some of our ongoing concerns (for example budget holder forecasting compliance), which have related to both systems and processes noted above.

- **Complaints** – this is the first year that we have received the annual complaints reports for children and families’ services and adults’ services rather than O&S. We were pleased to have the relevant portfolio holders in attendance for these items. We think that this is a sensible development in that it provides us with further intelligence in our consideration of the performance of services. There were no major issues for either area relating to complaints; however, safeguarding was identified as a target area for improvement. We note that most of the complaints related to customer service issues such as delays in service provision or lack of adequate communication rather than more serious risks related to safeguarding decisions, for example. Given that scrutiny intends to follow up its interim report on safeguarding, complaints intelligence may be a line of enquiry worthy of further exploration.
- **Householder planning applications – *Processing of householder planning applications within 6 weeks*** – Having monitored this measure at our briefing for a number of quarters (from quarter 2 2011/12) and not having received the further information that we requested on underperformance, the matter was escalated to the sub-committee. A formal report from the Divisional Director for Planning was considered at the sub-committee in July 2012. We were advised that the statutory target for decision-making is eight weeks rather than six and that the six week target had been introduced with the purpose of providing an improvement of service to residents. The target was stretching and served to highlight operational and capability issues that needed to be addressed within the service to achieve both improvements in service delivery as well as targets in the medium term financial strategy. The next stage is that the sub-committee has requested report into the Lean review which has established to drive out inefficiencies within the system. [To include summary of 29 January session.]
- **Major contracts and procurement savings** – Given the increasing importance of delivering the council’s procurement savings and delivering services with even greater efficiency, this item has become a regular six-monthly report to the sub-committee. As the council moves towards greater levels of commissioning, we too will need to ensure that scrutiny helps to provide proper oversight of such an approach. [To include summary of 29 January session.]
- **Children looked after (CLA) – education and attendance**
This continues to be an area of significant concern for us, along with the children’s lead members. The Virtual Headteacher’s action plan was considered at O&S and a meeting to examine progress made since that meeting is to be scheduled in 2013/14. It is clear that insufficient improvement in outcomes for these children has been made to date and the sub-committee continues to press for greater progress.

- **Child Protection Plans (CPPs)**

We were concerned that Harrow has had too many CPPs lasting for more than two years as good practice is that a CPP should be progressed within two years or other options should be considered such as taking the child into care. We were told a new protocol and other changes had helped to reduce these to a more reasonable level CPPs lasting over two years that had peaked at 30 in 2011 were down to 12 at the end of 2011-12 and are expected shortly to be in single figures, the average level for a borough like Harrow being around eight. We were encouraged by this report but also urged continuing efforts to improve local NHS, GPs and police engagement.

- **Homelessness Prevention**

We were concerned about the recession's impact on homelessness. We were told benchmarking continues to show Harrow has an effective service compared to other West London boroughs as well as below-median overall costs due to Harrow's relatively high spending on prevention. Bed & Breakfast numbers are rising again however. Although the number of people coming into the borough seeking housing has risen there was no evidence other boroughs are pushing people in Harrow's direction, and the new benefit cap will mean Harrow is just as affordable as Kensington & Chelsea for poorer people.

- **Past reviews** – we have continued to monitor progress on past reviews, including:

- Measuring up: council's use of performance information – phase 2 [To include summary of 29 January session.]
- Snow clearance
- Debt recovery: update planned for 23 April meeting
- Engaging young people: a special meeting is planned for 4 March held in a local youth centre which will also look at progress in academies. [Include summary if publication timetable permits.]

- **Member development** – in October we trailed a session on *Finding out what you need to know: how to get the best out of performance information*.

This session covered:

- Key principles – stressing the power of the basic question and no need for specialist technical skills.
- Background to the council's performance management cycle and P&F.
- Some health warnings about data and some information on quartiles, value for money and data presentation.
- Understanding scorecards – information on how to read a Harrow scorecard, explaining the columns and terms such as status, thresholds and polarity.
- Understanding scorecards – an exercise where data was revealed quarter by quarter and Members discussed areas of concern.
- Practical examples – some real examples of how P&F has used and challenged performance information.

The session was well received and we plan to offer it to new councillors after the next election.

Next steps

This year has been productive for the sub-committee. In 2013/14 we hope to build on our experience and expertise and to continue to provide both support and constructive challenge to the council's service and financial performance.



Councillor Sue Anderson
Chair, Performance and Finance
Scrutiny Sub-Committee



Councillor Barry Macleod-Cullinane
Vice-Chairman, Performance and
Finance Scrutiny Sub-Committee

Committee meetings	5 ordinary 1 special
Attendance by Portfolio Holders	Cllr Brian Gate , Portfolio Holder for Children, Schools and Families (one meeting) Cllr Margaret Davine , Portfolio Holder for Adult Social Care, Health and Wellbeing (one meeting) [To add other PHs following the P&F meeting on 29 January 2013]

Financial Implications

None

Performance Issues

None

Environmental Impact

None

Risk Management Implications

None

Equalities implications

Not required for this document

Corporate Priorities

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

Section 3 - Statutory Officer Clearance

Not required for this report.

Section 4 - Contact Details and Background Papers

Contact: Guy Fiegehen, Scrutiny Officer, 020 8429 9389

Background Papers: None