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LONDON BOROUGH OF HARROW

OVERVIEW AND SCRUTINY COMMITTEE – 27 JANUARY 2011

REFERENCE FROM CABINET – 13 JANUARY 2011

Budget

Due to the proximity of meetings, a reference from the Overview and Scrutiny Committee meeting held on 12 January 2011 on the Question and Answer Session with the Leader of the Council and the Chief Executive was tabled at Cabinet to allow its consideration in conjunction with a presentation from the Chairman and Vice-Chairman of the Overview and Scrutiny Committee.

The Leader welcomed the Chairman and Vice-Chairman of the Overview and Scrutiny Committee to Cabinet. In their presentation they stated:

Chairman of Overview and Scrutiny Committee

- that due to the lack of clarity on the budget, the Q&A Session had been delayed from December 2010 to January 2011 and he thanked the Leader of the Council, Chief Executive and Corporate Director Finance for attending the Overview and Scrutiny Committee;
- it was important that Scrutiny was given an opportunity to challenge the Executive and act as a 'critical' friend, particularly at a time when difficult decisions lay ahead;
- it was acknowledged that Cabinet was well advanced in delivering the necessary savings. Scrutiny, as a 'critical' friend, was seeking clarity on the services that would be affected and areas where efficiencies were expected to be delivered;
- Scrutiny recognised that difficult decisions would be required and that many of these would be beyond the control of the Council;
- Scrutiny believes that the Council should be robust in its negotiations with its partners and ensure that it did not become a victim of cost shunting and inherit costs and joint projects were not jeopardized by reduced funding in areas which require partnership commitment. Reduced short term funding would have negative long term implications for the Council and its partners.

Vice-Chairman of Overview and Scrutiny Committee

- Scrutiny had a key role to play in the challenge of the budget process and that it was disappointed with the information made available on the budget;

- it was critical that the budget was based on correct assumptions. Scrutiny considered the inflation figure over optimistic, as recent economic forecasts indicated that inflation was likely to be in the region of 4%;
- Scrutiny was seeking assurances that all the savings in the budget were accounted for, that proper impact assessments had been undertaken and the proposals would not impact disproportionately on particular communities, such as the elderly as pressures in costs as a result of an ageing population were likely to increase;
- Scrutiny wished to be involved in the issue over the need to bring Trading Standards service in-house, as indications were that significant savings could be achieved as a result.

The Leader of the Council thanked the Chairman and Vice-Chairman for their presentation.

RESOLVED: That

- (1) the comments made by the Overview and Scrutiny Committee, set out in the reference tabled at the meeting, be noted;
- (2) the presentation by the Chairman and the Vice-Chairman be noted.

Reason for Decision: To ensure veracity of budget.

FOR INFORMATION

Background Documents:

Reference from Overview and Scrutiny Committee held on 12 December 2010.

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