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**REPORT OF CABINET**


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**MEETING HELD ON 16 DECEMBER 2003**


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Chair: \* Councillor Foulds

Councillors: \* D Ashton † C Mote  
 \* Burchell \* O'Dell  
 \* Margaret Davine \* N Shah  
 \* Dighé \* Stephenson  
 \* Miss Lyne

\* Denotes Member present  
 † Denotes apologies received

**PART I - RECOMMENDATIONS TO COUNCIL**
**RECOMMENDATION I - Budget 2004/5 and Medium Term Budget Strategy for Consultation - General Fund Reserves**

The Executive Director (Business Connections) introduced his report and drew Members' attention to the tabled revised Appendix A, officer amendments to the report and responses received from the Council's partners.

The Chair tabled an amendment to Appendix C of the report of Executive Director (Business Connections) on behalf of the major minority Group. This amendment proposing £1.2m additional schools funding would form part of the consultation process in the New Year.

Following consideration of the report of the Executive Director (Business Connections) and questions from Members, Cabinet approved the revised Appendix A, officer and major minority Group's amendments and

**Resolved to RECOMMEND:**

- (1) That the Council maintain a minimum level of unallocated General Fund Reserve of £4m at the end of each financial year;
- (2) that the optimal level of unallocated General Fund Reserves was £7m; and
- (3) that the Council aims to achieve the optimal level of reserves over the medium to long term by taking opportunities to increase reserves in its in year financial management.

**Reason for Recommendation:** To secure prudent discharge of the Council's financial arrangements.

**RECOMMENDATION II - Proposed Conferment of Honorary Freedom of the London Borough of Harrow (Section 249: Local Government Act 1972)**

Cabinet considered a report of the Chief Executive in relation to the proposed conferment of honorary Freedom of the London Borough of Harrow.

Members noted that to mark the 50<sup>th</sup> Anniversary in 2004 of Harrow Urban District Council receiving its Charter of Incorporation as a Borough it was proposed to confer the honour of Freedom of the Borough on persons of distinction who had rendered eminent services and were connected to the London Borough of Harrow.

Members noted that the power to award the honour of Freedom of the Borough was contained in Section 249 of the Local Government Act 1972. To invoke the provisions of Section 249 it was required that a special meeting of the full Council be convened for the purpose.

Cabinet, having agreed that the Mayor be invited to call a special meeting of the Council to confer the honour of Freedom of the Borough, as required by Section 249(5) of the Local Government Act 1972, which it was proposed to be held at 7.30 pm on Thursday 22 January 2004, prior to the scheduled Council meeting on that date

**Resolved to RECOMMEND:**

That (1) the Council be requested to invoke the provisions of Section 249 of the Local Government Act 1972 to confer the honour of Freedom of the Borough of Harrow on persons to be notified in the Council Summons, to mark the 50<sup>th</sup> Anniversary in 2004 of the Borough's incorporation;

(2) that subject to (1) above, the granting of the Freedom be recorded in an illuminated Scroll and presented to the recipient(s) in an appropriate Casket and the commissioning and the associated costs be now approved, further to provisions of Section 249(6) of the Local Government Act 1972.

**Reason for Recommendation:** To enhance the 50<sup>th</sup> Anniversary celebration of the Borough's incorporation with a formal civic honour of appropriate status.

(See also Minute 387).

**RECOMMENDATION III - Council Tax Discounts**

Cabinet received the Director of Business Services' report explaining the new discretions in Section 75 of the Local Government Act 2003 and regulations thereunder enabling the Council as billing authority to vary the level of Council Tax discount in respect of second homes and to reduce the level of Council Tax discount in respect of long term empty properties.

The Director of Business Services also reported that the Office of the Deputy Prime Minister had advised that the Council would be required to make a further Council Taxbase return as at 20 December 2003 and therefore the Taxbase would be reported to Cabinet in January 2004.

The Director of Business Services confirmed that there were no proposals to alter the exemption categories for any properties.

Following questions and consideration of the Director of Business Services' report it was

**RESOLVED:** That (1) the level of Council Tax discount in respect of second homes be varied from 50% to 10%;

(2) that the level of Council Tax discount in respect of long-term empty properties be reduced from 50% to zero.

**Reason for Recommendation:** These decisions are required in order to set the Council Taxbase for 2004-2005. The Taxbase was to be based upon information held at 20 December 2003.

## PART II - MINUTES

377. **Audit Commission Report:**

The Chair announced that in their Comprehensive Performance Assessment the Audit Commission had improved the Council's overall rating from weak to fair. This indicated that the Council was moving in the right direction. The Chair expressed his thanks to all staff for their work in helping the Council to achieve this improved performance ranking of services.

378. **Top Team Award:**

The Chair announced that the Council had received the Top Team award for its Clean and Green Team working in South Harrow. He reported that the front line workers involved in the project were unique in that they had presented their own case. He offered congratulations on their achievement.

379. **Declarations of Interest:**

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

<u>Agenda Item</u>	<u>Member</u>	<u>Nature of Interest</u>
11. Budget 2004/5 and Medium Term Revenue Budget Strategy for Consultation	Miss Lyne	The Member indicated a personal interest in that she was a Member of the Shadow Board for the ALMO. The Member would remain in the room whilst the matter was considered and voted upon.
13. Key Decision – Proposed Schools Budget 2004/5	Dighé	The Member indicated a personal interest in that his children attended Harrow schools. The Member would remain in the room whilst the matter was considered and voted upon.
	Burchell	The Member indicated a personal interest in that his spouse was employed in a Local Authority maintained school. The Member would remain in the room whilst the matter was considered and voted upon.
	N Shah	The Member indicated a personal interest in that his child attended a Harrow school. The Member would remain in the room whilst the matter was considered and voted upon.
16. Mental Health Best Value – Follow Up Report	Dighé	The Member indicated a personal interest in that he was a Non Executive Director of the Mental Health Trust. He would remain in the room whilst the matter was considered and voted upon.
17. Pinner War Memorial Fund Annual Report	Burchell	The Member indicated a personal interest in that he was a trustee of West House Trust. He would remain in the room whilst the matter was considered and voted upon.

380. **Minutes:**

**RESOLVED:** That the minutes of the meeting held on 11 November 2003, having been circulated, be taken as read and signed as a correct record.

381. **Arrangement of Agenda:**

The Chair indicated that he was prepared to consider the following urgent items on the grounds set out on the third and fourth Supplemental Agendas:-

- 13a Statement from the Schools Forum held on 10 December 2003
- 13b Recommendation from the Education Consultative Forum held on 10 December 2003
- 13c Reference from the Lifelong Learning Scrutiny Sub-Committee held on 11 December 2003
- 18a Membership of the Publications Advisory Panel.

The Chair indicated that item 11 – Budget 2004/5 and Medium Term Revenue Budget Strategy for consultation would be considered after item 5 – Public Question Time.

A motion to suspend the Executive Procedure Rules to enable a statement to be made by the Harrow Council Tax Campaign was moved by Councillor D Ashton, was duly seconded, put to the vote and was lost. In response, the Chair stated that he had had a useful meeting with representatives of the Campaign, which he considered to be more beneficial than a deputation at Cabinet.

The Chair indicated that he was prepared to suspend Executive Procedure Rule 15 to allow public question time to continue until all the questions had been put and responded to.

**RESOLVED:** That all business be considered with the press and public present.

382. **Petitions:**

Councillor D Ashton presented a petition containing 98 signatures from the traders and customers in Wealdstone Shopping Centre. Councillor Ashton read the terms of the petition to the meeting which were as follows:-

“Following the failure of the “Rising Bollard” system in Wealdstone High Street, traffic has been passing through the zone on a short term basis with only positive effects on business activity.

We the undersigned, being traders and customers in Wealdstone Shopping Centre, request the Council to formulate a plan to allow this to continue on a legal basis”.

**RESOLVED:** That the petition be received.

383. **Public Questions:**

The Chair explained the procedure for public question time to the meeting.

**RESOLVED:** To note the following public questions had been received:-

1.

**Questioner:** Mr Pravin Seedher

**Asked of:** Councillor Archie Foulds (The Leader of the Council and Chair of Cabinet)

**Question:** “The last Budget Consultation gave Harrow residents a choice of selecting a 17% increase or a 23% increase. Was this a genuine consultation or a rubber stamp exercise at the taxpayers expense to endorse a Budget that the Labour Group had already decided upon?”

2.

**Questioner:** Mr John Mitchell

**Asked of:** Councillor Archie Foulds (The Leader of the Council and Chair of Cabinet)

**Question:** "Please will you give me the total cost of using consultants for 2002/3. Will you also give the individual cost of consultants and their purpose.

Will you please give me the same information for 2003/4 extrapolated to the end of this financial year."

3.

**Questioner:** Mr Berjis Daver

**Asked of:** Councillor Archie Foulds (The Leader of the Council and Chair of Cabinet)

**Question:** "Please itemise under individual headings and provide totals for all money capital or revenue spent or planned to be spent on maintenance-refurbishment incl provision of any new office areas-updating such as air conditioning for 2002/3- 2003/4 to date and full year projection -2004/5 -2005/6."

4.

**Questioner:** Mr Stanley Sheinwald

**Asked of:** Councillor Archie Foulds (The Leader of the Council and Chair of Cabinet)

**Question:** "Last year in the absence of a people's campaign you levied an excessive and unjustified increase of 20% on Council Tax. This year the residents have demanded that any increase be kept to the rate of inflation and whilst you have not yet reached that level your proposed increase is around 6%. In both years you received a similar above average increase in Govt grant.

What plans have you got to give rebates to residents particularly those who were forced to pay more than the increases they received in wages and pensions?"

5.

**Questioner:** Mr Ron Porter

**Asked of:** Councillor Archie Foulds (The Leader of the Council and Chair of Cabinet)

**Question:** "The Government has increased its grant by 7.4% to Harrow which is 30% higher than the average increase for London.

Please justify your current proposals which will mean an overall increase of 9-10% for Harrow."

[Note: Oral answers were provided to the above questions and, under the provisions of Executive Procedure Rule 15.4, each questioner asked one supplementary question which was additionally answered. The Chair undertook to provide a written response to certain aspects of questions 2 and 3.]

384. **Budget 2004/5 and Medium Term Revenue Budget Strategy for consultation:**  
(See also Recommendation I).

The Executive Director (Business Connections) introduced his report and drew Members' attention to the tabled revised Appendix A, officer amendments to the report and responses received from the Council's partners.

The Executive Director (Business Connections) advised Members that the figures for 2006/7 had now been revised since the original report. He reminded Members that there was still a possibility of the Council being capped due to the cumulative effect of the Council Tax increases.

The Chair tabled an amendment to Appendix C of the report of the Executive Director (Business Connections) on behalf of the major minority Group. This amendment proposing £1.2m additional schools' funding would form part of the consultation process in the New

Year. He hoped that residents would consider the increased funding for schools sympathetically.

In response to a question about the saving in relation to the New Harrow Project restructuring, the Chief Executive advised that a review of middle management within the Council was under way. This review was reviewing middle managers in terms of their competencies and skills. She added that figures in relation to possible redundancies and the pensions implications of the review were not yet available but that the General Purposes and Licensing Committee would continue to monitor issues around the retirement of staff.

In response to a question in relation to the procurement savings detailed in the report and associated concerns about their achievability, the Chair advised that the Overview and Scrutiny Committee would have the opportunity to consider the figures in detail.

The Executive Director (Business Connections) reported that the savings likely to arise from the outsourcing of the Print Unit were based on the differential to pay an external party to carry out the printing function. It was noted that this tentative figure was based on indications of the likely cost of purchasing printing services compared to the current costs of running the Print Unit.

In response to a question in relation to the New Harrow Project costs in 2006/7, the Executive Director (Business Connections) reported that this figure was now included in the tabled revised Appendix A and related to Clean and Green issues.

The Executive Director (Business Connections) confirmed that £300,000 ongoing revenue funding had been allocated for Change Management purposes within the budget along with an earmarked reserve of £500,000 and that some of the reserve had been committed for additional staff for the Procurement Team.

The Executive Director (Business Connections) undertook to provide Cabinet Members with information in relation to the current pension fund surplus/deficit.

The Executive Director (Business Connections) advised that it was proposed to increase the price of the meals on wheels service in excess of the inflationary rate.

The Chair advised that the Publications Advisory Panel had considered the wording and layout on the consultation document but that all Group Leaders would be consulted on the final version.

Two Members expressed concern about the large savings identified within the report and questioned whether they were achievable.

The Chair indicated that a paper addressing a Member's suggestion that officers give consideration to a twelve months option for payment of Council Tax would be submitted to a future meeting of Cabinet.

The Chair moved the tabled amendments and Cabinet, having made recommendations to Council in February 2004 in respect of the General Fund Reserves

**RESOLVED:** (1) That the Base Budget shown at revised Appendix A of £242.907m for 2004-2005 for consultation be approved;

(2) that the budget options set out in Appendix C as tabled by the major minority Group be approved as variants to the Base Budget for consultation;

(3) that the revised initial Medium Term Budget Strategy set out in revised Appendix A be approved;

(4) that the preparation of Budget Consultation document be delegated to the Chief Executive in consultation with the Group Leaders;

(5) that the implications of the proposed budget of the Greater London Authority on the Harrow Council Tax payers be noted.

**Reason for Decision:** To meet the agreed budget timetable to prepare a 2004-2005 budget for consultation.

385. **Forward Plan 1 December 2003 - 31 March 2004:**  
 In response to a question from a Member, the Executive Director (Urban Living) reported that it was envisaged that the item on the procurement of the housing responsive repairs partnering contracts would be submitted to the January meeting of Cabinet.
- RESOLVED:** To note the Forward Plan for the period 1 December 2003 – 31 March 2004.
386. **Reports from the Overview and Scrutiny Committee or Sub-Committees:**
- RESOLVED:** To note that no reports had been received.
387. **Proposed Conferment of Honorary Freedom of the London Borough of Harrow (Section 249:Local Government Act 1972):**  
 (See also Recommendation II).
- Cabinet, having made recommendations to Council in relation to invoking the provisions of Section 249 of the Local Government Act 1972 and the associated arrangements with the conferment,
- RESOLVED:** That the Mayor be invited to call a Special meeting of the Council to confer the Honour of Freedom of the Borough on the persons to be notified in the Council Summons to mark the 50<sup>th</sup> Anniversary in 2004 of the Borough's Incorporation which it was proposed to be held at 7.30 pm on Thursday 22 January 2004 prior to the scheduled Council meeting on that date.
- Reason for Decision:** To enhance the 50<sup>th</sup> Anniversary Celebration of the Borough's Incorporation with a formal civic honour of appropriate status.
388. **Council Tax Discounts:**  
 (See Recommendation III).
389. **Estimated Collection Fund Deficit as at 31 March 2004:**
- RESOLVED:** (1) That an estimated deficit of £21,330 on the Collection Fund as at 31 March 2004 be approved and;
- (2) to note that an amount of £17,424 will be transferred from the General Fund in 2004-2005.
- Reason for Decision:** To fulfil the Council's statutory obligation to make the estimate by 15 January 2004.
390. **Key Decision - London Boroughs' Grants Scheme - 2004/5 Expenditure:**  
 The Executive Director (Business Connections) introduced the report, which discussed the future of the London Boroughs' Grants Scheme and the proposed budget for 2004/5. The report also detailed the recommended level of contributions from each constituent Council.
- The Portfolio Holder for Finance and Human Resources and Performance Management reported that he had been involved in discussions about the continuation of the scheme. The Association of London Government (ALG) had accepted a review was necessary as outer London Boroughs were unhappy with the agreement.
- An amendment in the name of Councillor Foulds was moved and it was
- RESOLVED:** (1) That continuation of the Scheme and the draft variation to the Association of London Government (ALG) agreement dated 13 December 2001 be accepted;
- (2) that the budget of £28,028,788, a reduction in the overall level of expenditure of £894,582, which would require a total contribution of £760,344 from Harrow to be met from the proposed budgetary provision 2004/5, be supported;
- (3) that the saving to Harrow of £37,561 resulting from this reduction be supported;
- (4) that the fact that the ALG has accepted Harrow Council's call for a root and branch review of the Scheme be welcomed;
- (5) that the saving be allocated to Harrow Council's local Grants budget.
- Reason for Decision:** To inform the ALG Grants Committee of Harrow's response to the proposed variation to the Agreement and the London Boroughs Grants Scheme Budget for 2004/5.

391. **Key Decision - Proposed Schools Budget 2004/2005:**

The Executive Director (People First) introduced the report and highlighted the requirement to submit the proposed Schools Budget for 2004/5 to the Secretary of State by 31 December 2003. Members noted that full Council would determine the Schools Budget in February 2004.

The Executive Director (People First) drew Members attention to the tabled fourth supplemental agenda, which included a statement from the Schools Forum, recommendations from Education Consultative Committee and a reference from the Lifelong Learning Scrutiny Sub-Committee in relation to the proposed Schools Budget and which should be considered in conjunction with his report.

The Portfolio Holder for Education and Lifelong Learning reported on the issues which had faced schools during the financial year 2003/4. He reminded Cabinet that the draft budget for consultation included an increase in schools budgets consistent with the passporting expectations of Government and in addition, the Council intended to consult on the inclusion of a further £1.2m for schools which would represent a 1.53% council tax change.

Cabinet agreed that the relevant Director and Portfolio Holder respond to the issues raised by the Lifelong Learning Scrutiny Sub-Committee. In response to an issue raised by the Schools Forum, the Chair indicated that, in consultation with the Portfolio Holder for Education and Lifelong Learning, he would write to the Secretary of State and local MPs to request an increase in funding nationally to adequately address the level of funding schools received in 2003/4 so the cuts which had had to made could be restored.

Cabinet, having considered the statement from the Schools Forum and the comments made by the Education Consultative Committee and the Lifelong Learning Scrutiny Sub-Committee

**RESOLVED:** To set the level of the proposed Schools Budget for 2004/5 consistent with passporting requirements in accordance with Appendix 1 of the report of the Executive Director (People First).

**Reason for Decision:** To meet the Education Act 2002 requirement to notify the proposed Schools Budget to the Secretary of State by 31 December 2003.

392. **Key Decision - Use of Section 31 Health Act 1999 Flexibilities:**

The Head of Community Care Services introduced the report and advised Members that, following the Board meeting of the Primary Care Trust (PCT) earlier that day, he now wished to amend the recommendation set out at paragraph 2.1 of the report. He reported that the PCT Board had not agreed to the proposals within the report as the financial arrangements in the Section 31 proposals were based on spend level and, in view of the PCT's financial position, the Board had not felt that it could make a commitment above the current budget for next year. The Head of Community Care Services advised that he was therefore seeking an in principle decision in respect of recommendation 2.1.

Cabinet considered the option of not proceeding with the arrangements and the resulting implications. The Head of Community Care Services stated that he hoped to submit an update report to Members in the New Year following further detailed discussion with the PCT.

**RESOLVED:** (1) To agree, in principle, the use of Section 31 of the Health Act Flexibilities effective from April 2004 for the service areas set out in Section 6.1 of the report of the Executive Director (People First) subject to further negotiation with the Primary Care Trust;

(2) to agree, in principle, the service integration and management of the services set out in Section 6.2 of the report of the Executive Director (People First) by April 2005 at the earliest;

(3) that, subject to (1) above, the Joint Commissioning Partnership Board be established and suggested appointments to the JCPB be agreed;

(4) that a further report on the implementation of further Section 31 Flexibilities necessary to achieve the integration as outlined in Section 6.2 of the report of the Executive Director (People First) in 2005 be submitted to Cabinet.

**Reason for Decision:** To improve the delivery of Council and Primary Care Trust services to local residents through mutual cooperation and joint arrangements.



393. **Compact between Harrow LEA and the DfES:**

The Executive Director (People First) reported that, following the printing of the report, the Department for Education and Skills (DfES) had advised that they may wish to make non-substantive changes to the Compact. Cabinet agreed that any final changes to the Compact be agreed by the Portfolio Holder for Education and Lifelong Learning.

**RESOLVED:** (1) That the Compact be submitted to the Department for Education and Skills;

(2) that the Portfolio Holder for Education and Lifelong Learning be authorised to agree amendments.

**Reason for Decision:** The Department for Education and Skills (DfES) had introduced a new opportunity for local authorities to set out the priorities that mattered most locally in order to inform the areas for DfES support.

394. **Mental Health Best Value - Follow up report:**

The Head of Community Care Services introduced the report which would complete the Mental Health Best Value Review.

**RESOLVED:** That the three revised recommendations set out in paragraph 6.3 of the report of the Executive Director (People First) and Service Improvement Plan arising from the Best Value Advisory Panel of 11 September 2003 be approved.

**Reason for Decision:** To finalise approval of the Best Value report and enable implementation of service improvements to progress.

395. **Pinner War Memorial Fund Annual Report:**

The Borough Solicitor undertook to provide Councillor D Ashton with a copy of the letter recently received from the Charity Commission in relation to the Fund.

**RESOLVED:** That the Annual Report of the Pinner War Memorial Fund for the year ending 31 March 2003 be approved.

**Reason for Decision:** To fulfil the Council's statutory obligation.

396. **Reduction of Parking Charges in North Harrow:**

The Portfolio Holder for Environment and Transport reported that there had been a productive meeting with residents and traders of North Harrow on 4 December 2003. He reported that although there were some reservations, based around a similar situation which had arisen in Stanmore following the closure of Safeway, he was happy to recommend that the first hour of off street parking in the 149 spaces be free of charge.

**RESOLVED:** That (1) the petition submitted by a deputation of traders and residents of North Harrow be noted;

(2) that the first hour of off street parking in the 149 spaces detailed in the report of the Director of Professional Services (Urban Living) be free of charge;

(3) to note the arrangements that are in hand to provide additional car park direction signs and to investigate traffic management issues.

**Reason for Decision:** To address the concerns raised by the petitioners.

397. **Budget Review Working Group - Membership:**

**RESOLVED:** That the changes proposed by the Labour Group in relation to its membership of the Budget Review Working Group, as set out below, be agreed.

Member: Idaikkadar (to replace Councillor Lent)

and as a result of this change

Reserve Member: 1. Ray

