
REPORT OF CABINET

MEETING HELD ON 17 FEBRUARY 2005

Chair: * Councillor N Shah

Councillors: * D Ashton * C Mote
 * Burchell * Marie-Louise Nolan
 * Margaret Davine * O'Dell
 * Dighé * Stephenson
 † Miss Lyne

* Denotes Member present
 † Denotes apologies received

[Note: Councillors Mitzi Green and Janet Mote also attended this meeting to speak on the item indicated at Minute 696 below].

PART I - RECOMMENDATIONS
RECOMMENDATION I - Corporate Priorities 2005/2006

The Executive Director (Organisational Development) introduced the report, which proposed a refresh of the Corporate Priorities for 2005/2006 and outlined the corporate and service planning process for 2005/2006.

The Executive Director (Organisational Development) reported that the Council was looking to reduce the number of plans it produced and that, in considering those plans, it was necessary to refine them to reflect the corporate priorities. She outlined the additional priorities, including the emphasis on Harrow becoming a more business like organisation and putting Harrow on the map.

The Executive Director (Organisational Development) advised that the approval of the corporate priorities would enable officers to complete the corporate planning process. Following approval, the Corporate Plan would be prepared and submitted to Cabinet in April 2005 with a further revision being presented in May 2005.

Resolved to RECOMMEND:

(1) That the refreshed Corporate Priorities 2005/2006, as detailed in the report of the Director of Organisational Performance and set out in summary below, be approved;

- Strengthening Harrow's communities
- Putting Harrow on the map
- Valuing Harrow's customers
- Impact through Harrow's partnerships
- Harrow – a true learning community

(2) that the Corporate and Service Planning process for 2005/2006 be endorsed.

Reason for Recommendation: The refreshed corporate priorities built on the work done so far as part of the New Harrow Project and were outward facing to address both local and national issues. An integrated approach to Corporate and Service Planning Models best practice would support the Council's efforts in improving its Comprehensive Performance Assessment rating.

RECOMMENDATION II - Key Decision Revenue Budget 2005-06 and Medium Term Budget Strategy 2005-06 to 2007-08 (including Housing Revenue Account)

The Director of Financial and Business Strategy introduced her report, which detailed the proposed revenue budget for 2005-06 and the Medium Term Budget Strategy for 2005-06 to 2007-08 (including the Housing Revenue Account). She drew Members' attention to the tabled papers setting out the Greater London Authority precept and the resulting revised Council Tax resolution.

The Director of Financial and Business Strategy reported that the MORI poll and various consultation minutes, references and recommendations were set out in Appendix E to her report which had been circulated in the supporting documents pack.

She advised that, in relation to Fees and Charges, a general increase of 2.5% was proposed.

The Director of Financial and Business Strategy reported that there were no proposals to alter the Housing Revenue Account (HRA) from the draft budget considered by Cabinet in December 2004. A model was set out for rent increases that showed a nil increase in 2005-06 and 2006-07 and a 4.73% increase each year thereafter. The draft medium term HRA allowed for additional capital expenditure to achieve the decent homes standard by 2010, partly financed through prudential borrowing. She advised that the general policy for local authority rents was that they converge with Registered Social Landlord (RSL) rents. If the rent limit was exceeded, the Council would lose Government subsidy.

The Director of Financial and Business Strategy reported that, in her opinion, the budget was robust and that risks could be managed within the total level of resources available.

Cabinet, having noted the responses to the consultation, approved the Revenue Medium Term Budget Strategy and the Medium Term Budget Strategy for the HRA

Resolved to RECOMMEND:

- (1) That the budget be approved to enable the Council Tax for 2005-06 to be set;
- (2) that the model Council Tax resolution set out below be approved:

Council Tax Resolution

- (A) To note that at its meeting on 20 January 2005 the Council calculated the amount of 84,309 as its Council Tax Base for the year 2005-2006 in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 made under Section 33 (5) of the Local Government Finance Act 1992.
- (B) That the following amounts be now calculated by the Council for the year 2005-2006, in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:
 - (i) Being the aggregate of the amounts which the Council estimates for the items set out in Section 32 (2) (a) to (e) of the Act. **(Gross expenditure)** £473,198,570
 - (ii) Being the aggregate of the amounts which the Council estimates for the items set out in Section 32 (3)(a) to (c) of the Act. **(Gross income including use of reserves)** £219,037,841
 - (iii) Being the amount by which the aggregate at (i) above exceeds the aggregate at (ii) above, calculated by the Council, in accordance with Section 32(4) of the Act, **as its budget requirement for the year.** £254,160,729
 - (iv) Being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of redistributed non-domestic rates, revenue support grant, reduced by the amount of the sums which the Council estimates will be transferred in the year from its General Fund to its Collection Fund in accordance with Section 97(4) of the Local Government Finance Act 1988 (Collection Fund Deficit). £165,713,000
 - (v) Being **the amount to be raised from Council Taxes** calculated as the amount at B(iii) above less the amount at B(iv) above. £88,447,729
 - (vi) Being the amount at (v) divided by the Council Tax Base, calculated by the Council at its meeting on 20 January 2005 in accordance with Section 33 (1) of the Act, as the basic amount of its council tax for the year. **(The average Band D Council Tax)** £1,049.09

(vii) Valuation Bands

	A	B	C	D	E	F	G	H
£	699.39	815.96	932.52	1,049.09	1,282.22	1,515.35	1,748.48	2,098.18

Being the amounts given by multiplying the amount at (vi) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

- (C) That it be noted that for 2005-2006 the Greater London Authority stated the following amount in precept issued to the Council, in accordance with section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below.

Valuation Bands

	A	B	C	D	E	F	G	H
£	169.75	198.04	226.33	254.62	311.20	367.78	424.37	509.24

- (D) That, having calculated the aggregate in each case of the amounts at (B)(vii) and (C) above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2005-2006 for each of the categories of dwellings shown below.

Valuation Bands

	A	B	C	D	E	F	G	H
£	869.14	1,014.00	1,158.85	1,303.71	1,593.42	1,883.13	2,172.85	2,607.42

- (3) that the Housing Revenue Account for 2005-06 be approved to enable rents for 2005-06 to be set.

Reason for Recommendation: To ensure that the Council was planning the use of resources effectively and complied with statutory requirements and because the approved budget provided the framework for effective financial management throughout the year and supported service delivery.

[Note: Councillors D Ashton and C Mote wished to be recorded as having voted against recommendations (1) and (2) above, as their Group would be submitting an alternative budget to Council].

(See also Minutes 691 and 703).

RECOMMENDATION III - Key Decision - Treasury Management Strategy 2005-06 and Prudential Indicators 2005-06 to 2007-08

The Director of Financial and Business Strategy introduced her report which set out the Treasury Management Strategy, the Council's lending list and the Council's Prudential Indicators for 2005-06 to 2007-08.

Resolved to RECOMMEND:

- (1) That the Treasury Management Strategy for 2005-06, as set out in paragraphs 2.5 to 2.18 of the report of the Director of Financial and Business Strategy, be approved;
- (2) that the Council's lending list, as set out in Appendix 2 to the report of the Director of Financial and Business Strategy, be approved;
- (3) that the Prudential Indicators for 2005-06 to 2007-08, as set out in paragraphs 2.19 to 2.40 of the report of the Director of Financial and Business Strategy, be approved.

Reason for Recommendation: To promote effective and financial management and to comply with Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 and other relevant guidance.

PART II - MINUTES

691.

Declarations of Interest:

The Director of Corporate Governance circulated details of Cabinet Members' declared personal interests in the Budget.

RESOLVED: To note that in relation to the interests declared and circulated, that Members would remain in the room whilst all matters considered and voted upon, and that the following interests were also declared:-

<u>Agenda Item</u>	<u>Member</u>	<u>Nature of Interest</u>
10. Key Decision - Revenue Budget 2005-06 and Medium Term Budget Strategy 2005-06 to 2007-08 (including Housing Revenue Account)	Councillor D Ashton	The Member indicated, in addition to those interests detailed on the circulated list, a personal interest in that he was a Governor of Stag Lane School. The Member would remain in the room whilst the matter was considered and voted upon.
	Councillor Margaret Davine	The Member indicated, in addition to those interests detailed on the circulated list, a personal interest in that her mother was in receipt of Meals on Wheels. The Member would remain in the room whilst the matter was considered and voted upon.
	Councillor Marie-Louise Nolan	The Member indicated, in addition to those interests detailed on the circulated list, a personal interest in that she was the Chair of Governors at Whitefriars First and Middle Schools, a Governor of Salvatorian College and a Trustee of property owned by Wealdstone Labour Hall Ltd. The Member would remain in the room whilst the matter was considered and voted upon.
	Councillor N Shah	The Member indicated a personal interest in that he was a Governor of Weald School. The Member would remain in the room whilst the matter was considered and voted upon.
11. Key Decision - Changes to the Schools Funding Formula	Councillor Burchell	The Member indicated a personal interest in that his spouse was employed in a local authority maintained school. He would remain in the room whilst the matter was considered and voted upon.
11(a) Lifelong Learning Scrutiny Sub-Committee Review of Phase 3 Delegated Funding for Pupils with SEN Statements in Mainstream Schools	Councillor Burchell	The Member indicated a personal interest in that his spouse was employed in a local authority maintained school. He would remain in the room whilst the matter was considered and voted upon.
15. Shaping Schools for the Future Strategy	Councillor Burchell	The Member indicated a personal interest in that his spouse was employed in a local authority maintained school. He would remain in the room whilst the matter

was considered and voted upon.

692. **Minutes:**

RESOLVED: That the minutes of the meeting held on 13 January 2005, having been circulated, be taken as read and signed as a correct record.

693. **Arrangement of Agenda:**

During the course of the meeting the Chair varied the order of business to consider items 11, 11(a) and 14 prior to the policy/corporate items listed on the agenda.

RESOLVED: That all business be considered with the press and public present with the exception of the following item for the reasons set out below:-

<u>Item</u>	<u>Reason</u>
17. Disposal of Breakspear House	The report contained exempt information under Paragraph 9 of Part I of Schedule 12A to the Local Government Act 1972 (as amended) in that it contained confidential information and advice in connection with a sale on a commercial basis of land and buildings held by the Authority.

694. **Petitions:**

RESOLVED: To note that no petitions had been received.

695. **Public Questions:**

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

1.

Questioner: Ms Serwah

Asked of: Councillor Navin Shah (The Leader of the Council and Chair of Cabinet)

Question: "How does one ensure that an Independent Review of Black History Month 2004 takes place in order to inform planning for Black History Month 2005?"

2.

Questioner: Mr Pravin Seedher

Asked of: Councillor Navin Shah (The Leader of the Council and Chair of Cabinet)

Question: "Could Cllr Shah summarise the public consultation on council tax this year apart from the two poorly attended public meetings. What has been the cost of the consultation process this year, who has been consulted and what has been the feedback?"

3.

Questioner: Mr Neville A Davis

Asked of: Councillor Navin Shah (The Leader of the Council and Chair of Cabinet)

Question: "It is understood that the average income for wage-earners in Harrow is about £29,000 pa. Presumably, for Band 'D' Council Taxpayers the average income will be less than that.

"What percentage of their average earnings is currently paid by Band 'D' taxpayers, what is the projected percentage for the year

2005/6, and what limit (if any) do you envisage setting on this percentage in forthcoming years?"

4.

Questioner: Mr Stanley Sheinwald

Asked of: Councillor Navin Shah (The Leader of the Council and Chair of Cabinet)

Question: "After you had a meeting with HCTC and heard from the Residents of Harrow that they want a 0% increase in Council Tax what is your excuse for not listening to this request?"

5.

Questioner: Mr Michael Horam

Asked of: Councillor Navin Shah (The Leader of the Council and Chair of Cabinet)

Question: Last year Councillor Foulds stated that he would be making efforts to reduce the amount Harrow pays towards projects out of our borough the figure quoted was £1,000,000 what progress has been made?

6.

Questioner: Mr Berjis Daver

Asked of: Councillor Navin Shah (The Leader of the Council and Chair of Cabinet)

Question: "In your recent MORI poll you asked which services residents wanted Harrow Council to spend less on. By some distance the majority were prepared to see a reduction in the £4.1 million spent on Democratic costs (e.g. councillors allowances etc). Has the council taken this on board and taken steps to reduce this budget in 2005/6? If so what savings are planned?"

[Notes: (1) Public question time was permitted to continue until all the questions had been dealt with (waiver of Executive Procedure Rule 15.2);

(2) questioner 1 was not in attendance at the meeting and therefore an oral answer was not provided to the question;

(3) an oral answer was provided to questions 2-6. Under the provisions of Executive Procedure Rule 15.4, questioners 2-4 and 6 each asked a supplementary question which was additionally answered].

696. **Lifelong Learning Scrutiny Sub-Committee Review of Phase 3 Delegated Funding for Pupils with SEN Statements in Mainstream Schools:**

In accordance with paragraph 18 of the Council's Executive Procedure Rules, the Chair invited Councillors Mitzi Green and Janet Mote, the Chair and Vice-Chair of the Scrutiny Sub-Committee, to introduce the report which detailed the recommendations made by the Lifelong Learning Scrutiny Sub-Committee Review Group relating to the proposed changes to SEN funding in schools to be considered alongside the LMS formula changes report appearing elsewhere on the agenda. Members noted the supplemental report which detailed 3 options with regard to the implementation of Phase 3 SEN delegation.

The Chair and Vice-Chair of the Scrutiny Sub-Committee emphasised the importance of the Review Group's recommendations and indicated that, should Cabinet decide to proceed with increased delegation of funding, there were a number of areas where the review group had felt that further work could be done to ensure that the best interests of children with special educational needs were safeguarded. These areas were detailed in their report.

Councillor Stephenson tabled an amendment to the recommendations detailed in the supplemental report and it was

RESOLVED: (1) That the Lifelong Learning Scrutiny Sub-Committee be thanked for its thorough and helpful report on Phase 3 delegation of SEN and the comments set out in the supplemental report of the Director of Children's Services be noted;

(2) that the recommendations of the Lifelong Learning Scrutiny Sub-Committee on Phase 3 delegation of SEN be accepted in full;

(3) that the Portfolio Holder for Education and Lifelong Learning, in consultation with the Chair and Vice-Chair of the Lifelong Learning Scrutiny Sub-Committee, and with support from the relevant officers, oversees the implementation of Phase 3 delegation of SEN;

(4) to aim for the implementation, if at all possible, of Phase 3 delegation from September 2005 and for an action plan to be presented to the next meeting of the Cabinet;

(5) to look at the scheme of delegation of SEN, taking into account the report of the Lifelong Learning Scrutiny Sub-Committee and the concerns of the Portfolio Holder for Education and Lifelong Learning, whilst agreeing that the scheme for delegation for SEN proposed by the Schools' Forum should operate for this year;

(6) that a new proposed scheme of delegation should be available by early June for consultation in the second half term and first half term of the summer and autumn terms respectively;

(7) to receive a full legal report on Phase 3 delegation.

Reason for Decision: The Review Group's recommendations would assist the introduction and implementation of the proposed changes to SEN funding and provide necessary safeguards for pupils with special educational needs.

(See also Minute 691).

697. **Key Decision - Changes to the Schools Funding Formula:**

The Area Director (People First) introduced the report, which detailed the changes proposed to the Schools Funding Formula for 2005/06. The changes had been considered by the Schools' Forum, as part of its statutory role, and all schools had been consulted on the changes proposed. The outcome of the consultation had been considered by the Schools' Forum in January 2005.

RESOLVED: That the proposed changes to the Schools Funding Formula, as outlined in paragraphs 2.3 and 2.4 of the report of the Executive Director (Business Connections) and Executive Director (People First), and the minor change proposed by the Schools Forum following consultation and detailed in paragraph 2.9 of the report, be approved.

Reason for Decision: To meet the statutory requirement to distribute school budget shares by 31 March 2005.

(See also Minute 691).

698. **Key Decision - The HCU - Harrow Corporate University Business Plan:**

The Area Director (People First) introduced the report which set out a proposed Business Plan for HCU in response to the previous report to Cabinet on 29 July 2004. The report provided the details of a new corporate training initiative, the first of its kind in local government.

In response to Members' concerns in relation to cost implications of the HCU, an officer advised that there were already budgets in place for training but that the aim was to use these budgets more effectively and coherently. The Chair added that the proposal for the HCU had been well received by Partners at the Harrow Strategic Partnership Board on 27 January 2005.

Members noted that there would be a visit to Unipart, which had a similar arrangement to the proposed HCU, on 4 March 2005.

RESOLVED: (1) That the proposed Business Plan for the HCU be agreed as the basis for establishing a new corporate university for Harrow;

(2) that the financial proposals set out in the report of the Director of Learning and Community Development be agreed;

(3) that there be a public launch of the HCU in 2005.

Reason for Decision: A corporate university was an internal structure designed to improve individual and business performance by ensuring that the learning and knowledge of an organisation was directly connected to its business strategy. The HCU would work for local businesses as well as the key public sector agencies, working to pool resources, expertise and premises, supporting the delivery of shared ambitions. The HCU would support the Council's strategic community leadership roles.

699. **Forward Plan 1 February - 31 May 2005:**

RESOLVED: To note the contents of the Forward Plan for the period 1 February – 31 May 2005.

700. **Reports from the Overview and Scrutiny Committee or Sub-Committees:**

RESOLVED: To note that no reports had been received.

701. **Corporate Priorities 2005/2006:**
(See Recommendation I).

702. **Key Decision - Capital Programme 2005-06 to 2007-08:**

The Director of Financial and Business Strategy introduced the report, which outlined the Capital Programme for 2005-06 to 2007-08, and drew Members' attention to the detail of the Programme set out in Appendix 1. She advised that there had been a small number of changes to the Programme since December 2004, including £300,000 for the work on school organisation and additional funding for sports facilities in the borough.

In response to a Member's comment about detailed queries on items within the Programme, the Portfolio Holder for Business Connections and Performance indicated that officer contact details could be included in the notes so that Members could be advised as to where to direct their detailed queries. The updated Appendix would be circulated to Members for information.

RESOLVED: That the Capital Programme for 2005-06 to 2007-08 be approved.

Reason for Decision: An agreed programme of works for 2005-06 would provide the necessary authority for projects to be carried out.

703. **Key Decision - Revenue Budget 2005-06 and Medium Term Budget Strategy 2005-06 to 2007-08 (including Housing Revenue Account):**
(See also Recommendation II).

The Director of Financial and Business Strategy introduced the report, which set out the Revenue Budget 2005-06 and Medium Term Budget Strategy 2005-06 to 2007-08 as well as the Housing Revenue Account 2005-06.

The Director of Financial and Business Strategy drew Members' attention to the tabled papers detailing the Greater London Authority's (GLA) precept and Council Tax resolution for recommendation to Council, which had been revised in light of the precept announcement.

Cabinet, having recommended that Council approve the budget to enable the Council Tax for 2005-06 to be set, the model Council Tax resolution, and the Housing Revenue Account for 2005-06

RESOLVED: (1) That the Revenue Medium Term Budget Strategy be approved;

(2) that the Medium Term Budget Strategy for the Housing Revenue Account be approved.

Reason for Decision: To ensure that the Council was planning the use of resources effectively and complied with statutory requirements. The approved Budget provided the framework for effective financial management throughout the year and supported service delivery.

(Note: Councillors D Ashton and C Mote wished to be recorded as having voted against the above resolutions, as their Group was preparing an alternative budget for submission to Council.)

(See also Minute 691).

704. **Key Decision - Treasury Management Strategy 2005-06 and Prudential Indicators 2005-06 to 2007-08:**

(See Recommendation III).

705. **Revenue and Capital Budget Monitoring to 31 December 2004:**

The Director of Financial and Business Strategy introduced the report, which set out the Revenue, Housing Revenue Account and Capital Budget position to 31 December 2004. She advised that steps were continuously being taken to improve budget monitoring.

In response to a Member's comment in relation to the status of reporting on procurement, the Portfolio Holder for Business Connections and Performance indicated that it was necessary to be clear where procurement information was to be reported.

RESOLVED: That the Revenue, Housing Revenue Account and Capital Budget position to 31 December 2004 be noted.

Reason for Decision: To effectively monitor the Council's Revenue and Capital Budget. The budget represented the financial resources approved to implement the Council's corporate priorities.

706. **Shaping Schools for the Future Strategy:**

The Area Director (People First) introduced the report, which outlined the Council's Strategy for Shaping Schools for the Future. The focus of the Strategy was on First and Middle Schools and had been developed by the Shaping Schools for the Future Working Group. The report also set out the changes, following consultation, to the amalgamation policy.

RESOLVED: (1) That the work of the Shaping Schools for the Future Working Group be noted;

(2) that the Strategy and the amendments to the Amalgamation Policy be approved;

(3) that the Shaping Primary Schools for the Future Group be re-established;

(4) that a provisional figure of £300,000 annually be included in the Capital Programme to support school amalgamations with effect from 2005-06;

(5) that the transitional revenue support available for school amalgamations be reviewed.

Reason for Decision: The proposed Strategy would enable the Council to meet its statutory responsibility to manage the supply of school places and to maintain school places across the primary sector at a level which would enable the Council to deliver its target of 10% surplus capacity across all sectors.

(See also Minute 691).

707. **Disposal of Breakspear House:**

Members considered a confidential report from the Executive Director (Urban Living) in relation to the disposal of Breakspear House.

RESOLVED: That the revised terms for the disposal of Breakspear House be approved.

Reason for Decision: To allow the disposal of a surplus property on revised terms to proceed.

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

(Signed) COUNCILLOR NAVIN SHAH
Chair