
REPORT OF CABINET

MEETING HELD ON 16 FEBRUARY 2006

Chair: * Councillor N Shah

Councillors: * D Ashton * Marie-Louise Nolan
 * Burchell * O'Dell
 * Margaret Davine * Bill Stephenson
 * Dighé * Thornton
 * C Mote

* Denotes Member present

[Note: The following Councillors also attended this meeting to speak on the items indicated: Councillor Miss Bednell - Minute No. 909, Councillors Mitzi Green and Janet Mote - Minute No. 913 and Councillor Jean Lammiman - Minute No. 911].

PART I - RECOMMENDATIONS
RECOMMENDATION I - Key Decision - 2006-07 Revenue Budget and Medium Term Budget Strategy 2006-07 to 2008-09

The Director of Financial and Business Strategy introduced the report which advised that, in considering its budget and Council Tax proposals for 2006-07, that Cabinet and Council would need to strike a balance between the interests of the service users, the community in general and those of the Council Tax payers. She advised that the budget process had been particularly complex for a number of reasons, which were detailed in her report, and explained that, in overall terms, the Council was facing considerable financial pressure and had a low level of reserves. She added that further efficiencies and savings would need to be found so as to avoid the risk of capping.

The Director of Financial and Business Strategy reported that the proposed Council Tax increase was 2.97%. She advised that the financial settlement from Government had been lower than expected and that officers were making representations on this matter. Amendments to the housing subsidy had also had an adverse effect on Harrow. The Director of Financial and Business Strategy confirmed the Greater London Authority precept figures as a Band D figure of £288.61 for 2006-07, an increase of 13%. This resulted in a combined Harrow Council Tax of £1,360.77 and a combined increase of 5.01%.

In reporting the proposed budget, the Director of Financial and Business Strategy reported amendments in relation to fees and charges in that the first hour of parking would be free at Cambridge House and Peel Road car parks and that, from 1 April 2006, the threshold for savings for home care charges would be £21,000. She reported that in terms of Members' Allowances, a new Special Responsibility Allowance at level 3 was proposed for the Chair of the Audit Committee.

A Member asked a series of questions in relation to inflation, procurement, benefit cards, Business Transformation Partnership savings and the anticipated Council Tax figures in 2007/08 and 2008/09. Officers advised that there was full provision within the budget for salary inflation and pension contributions and an additional provision for concessionary fares and utility costs but that the provision for general inflation was 0.6% compared with the consolidated performance index of 2%. The remaining corporate savings required in relation to procurement totalled £1.2 million, which had not been identified within Directorates' specific savings. The development of the benefits cards was part of the Business Transformation Partnership (BTP) but that the expected savings of £432,000 were unlikely to be realised. However, Capita was considering how the shortfall could be addressed.

A Member advised of an amendment in relation to the Housing Revenue Account in that the additional 70p for energy costs would apply to all those liable to charges, not just leaseholders, and would include sheltered housing residents.

Having approved the Medium Term Revenue Budget Strategy, a number of proposals in relation to fees and charges, and the Medium Term Budget Strategy for the Housing Revenue Account, it was

Resolved to RECOMMEND:

That (1) the 2006/07 Revenue Budget be approved to enable the Council Tax for 2006-07 to be set;

(2) the model Council Tax resolution set out at Appendix 1 be approved;

(3) the new reserves policy be approved;

(4) the Housing Revenue Account for 2006-2007 be approved to enable rents for 2006-07 to be set;

(5) subject to the inclusion of a new Special Responsibility Allowance at level 3 for the Chair of the Audit Committee, the Members' Allowances Scheme attached as Appendix 2 be approved.

Reason for Recommendation: 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 abstained from voting on the draft Revenue Budget for 2006/07].

(See also Minutes 902 and 912).

RECOMMENDATION II - Treasury Management Strategy 2006/07 and Prudential Indicators 2006/07 to 2008/09

The Director of Financial and Business Strategy introduced the report, which advised that the Council was required to approve a Treasury Management Strategy each year and was based on a number of principles. The Council was also required to approve a number of prudential indicators to 2006-07 to 2008-09. She indicated that a low risk approach had been taken.

A Member expressed concern at the level of total debt and indicated the need to take a longer-term view.

Resolved to RECOMMEND:

That (1) the Treasury Management Strategy for 2006-07, as set out in paragraphs 1-16 of the report of the Director of Financial and Business Strategy, be approved;

(2) the Council's spending list, as set out in Appendix 2 to the report of the Director of Financial and Business Strategy, be approved;

(3) the Prudential Indicators for 2007-08 to 2008-09, set out in paragraphs 17-38 of the report of the Director of Financial and Business Strategy, be approved.

Reason for Recommendation: To promote effective financial management and to comply with the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 and other relevant guidance. The Council's lending and borrowing policies and performance underpinned the Revenue Budget and the achievement of the Capital Programme and therefore indirectly contributed to all the Council's corporate priorities. The Prudential Indicators provided the framework for investment and borrowing decisions.

APPENDIX 1**Council Tax Resolution 2006-2007**

Cabinet to approve as part of the Summons for Council, the model budget and Council Tax resolutions reflecting the recommendations of Cabinet and the GLA precept.

Council is requested to determine the level of the Council Tax for 2006-2007 in the light of the information on the precept and make the calculations set out in the resolution shown below.

- (1) To note that at its meeting on 12 January 2006 the Council calculated the amount of 84,326 as its Council Tax Base for the year 2006-2007 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.
- (2) That the following amounts be now calculated by the Council for the year 2006-2007, 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)** £366,814,915
 - (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)** £217,810,540
 - (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.** £149,004,375
 - (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) £58,593,305
 - (v) Being **the amount to be raised from Council Taxes** calculated as the amount at 2 (iii) above less the amount at 2 (iv.) above. £90,411,070
 - (vi) Being the amount at (v) divided by the Council Tax Base, calculated by the Council at its meeting on 12 January 2006 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)** £1,072.16
 - (vii) Valuation Bands

	A	B	C	D	E	F	G	H
£	714.77	833.90	953.03	1,072.16	1,310.42	1,548.68	1,786.93	2,144.32

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.

- (3) That it be noted that for 2006-2007 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
£	198.00	231.00	264.00	297.00	363.00	429.00	495.00	594.00

- (4) That, having calculated the aggregate in each case of the amounts at (2)(vii) and (3) 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 2006-2007 for each of the categories of dwellings shown below

Valuation Bands

	A	B	C	D	E	F	G	H
£	912.77	1,064.90	1,217.03	1,369.16	1,673.42	1,977.68	2,281.93	2,738.32

**HARROW COUNCIL
REVENUE BUDGET SUMMARY 2006-2007**

	2005-2006 Original Budget £000	2006-2007 Original Budget £000
Local Demand - Borough Services		
Corporate	-2,195	590
Business Development	12,452	11,046
Chief Executive's Office	3,807	4,158
People First	213,393	105,688
Urban Living	60,134	53,718
LPSA Grant	0	-500
Pay & Prices Inflation	0	4,340
Total Directorate Budgets	287,591	179,040
Capital Financing adjustments	-26,785	-25,130
Interest on Balances	-5,188	-4,688
Total – Baseline	255,618	149,222
Capitalisation	-1,240	-1,440
Adjustment to Balances	-670	1,014
RSG Amending report	-205	208
Total Net Expenditure	253,503	149,004
Contribution re Collection Fund Deficit b/f	670	364
National Non-Domestic rate (NNDR)	-70,229	-49,418
Revenue Support Grant (RSG)	-96,154	-9,539
Local Demand on Collection Fund	87,790	90,411
Funds / Balances		
Balances Brought Forward	7,958	5,100
Adjustment to Balances	-670	-1,014
Balances carried forward	7,288	4,086
<u>Council Tax for Band D equivalent</u>		
Harrow (£)	1,041.28	1,072.16
<u>Increase</u>		
Harrow (%)	0.72%	2.97%
Taxbase	84,309	84,326

APPENDIX 2LONDON BOROUGH OF HARROW
MEMBERS' ALLOWANCES SCHEME

1. This scheme shall have effect until 31st March 2007. It replaces all former schemes.

Basic Allowance

2. A basic allowance of £5,538 per annum shall be paid to each Councillor.

Special Responsibility Allowance

3. (1) A special responsibility allowance shall be paid to those Councillors who have the special responsibilities in relation to the posts specified in Schedule 1 to this scheme. No Member may receive special responsibility allowances in respect of more than one post.
(2) The amount of each such allowance shall be the amount specified against that special responsibility in that schedule.

Upating the Basic and Special Responsibility Allowances

4. The basic allowance and special responsibility allowances will be uprated annually in line with an index approved by the ALG Independent Panel. The index to be used will be the level of the Local Government Pay Settlement. When making the scheme for 2007/2008, the indexing arrangements will be reviewed.

Travel and Subsistence Allowances

5. The reimbursement of travel and subsistence expenses incurred in respect of **approved duties** (as set out in Schedule 2) **undertaken outside the Borough boundaries** can be claimed by Members, co-optees to formal Council committees and Independent Members of the Standards Committee at the rates paid and on the conditions specified in the officer scheme for travel and subsistence allowances.

Carers' Allowance

6. (1) The allowance shall only be paid for attendance at approved duties as listed in Appendix (i).
(2) The maximum basic rate of pay is £2.78 per half hour for the duration of the meeting together with the Member's travel time between home and the place of the meeting and the carer's reasonable travelling time.
(3) The allowance is claimable in respect of children aged 15 or under or where a professional carer is required to meet a specialist need (eg a nurse for an elderly person).
(4) Actual costs will be paid **on production of an invoice or receipt**.
(5) Where the length of the meeting cannot be predicted and payment to the carer is necessarily contractually committed then a payment of up to 4 hours will be made. (For day time quasi-judicial meetings, payment of up to 8 hours may be made if the estimated length of the meeting is for the whole day).
(6) In addition, the reasonable travelling expenses of the person taking care of the dependent shall be reimbursed either at the appropriate public transport rate, or in cases of urgency or where no public transport is available, the amount of any taxi fare actually paid.
(7) The allowance is not to be paid where the carer is a member of the Member's household.

- (8) Any dispute as to the entitlement and any allegation of abuse should be referred to the Standards Committee for adjudication.

Co-optees' Allowance

7. A basic allowance of £423 per annum shall be paid to co-optees to formal Council committees and Independent Members of the Standards Committee.

Claims and Payments

8. (1) A claim for allowances or expenses under this scheme shall be made in writing within two months of the date of undertaking the duty in respect of which the entitlement to the allowance or expense relates.
- (2) Payment shall be made
- (a) in respect of basic and special responsibility allowances, in instalments of one-twelfth of the amount specified in this scheme each month;
- (b) in respect of out-borough travel and subsistence expenses and Carers' Allowance, each month in respect of claims received up to one month before that date.

Backdating

9. Any changes made to this scheme during the year may be backdated to 1st April 2006 by resolution of the Council when approving the amendment.

Pensions

10. Allowances paid under the Harrow Members' Allowances Scheme will **not** be pensionable for the purposes of the Superannuation Act.

Renunciation

11. A person may, by notice in writing given to the Chief Executive, elect to forgo any part of his/her entitlement to an allowance under this scheme.

Withholding Allowances

12. (1) In the event that a Member is suspended from duties, that Member's basic allowance and special responsibility allowance (if any) will be withheld for the whole period of the Member's suspension.
- (2) In the event that a Member is partially suspended from duties, that Member's basic allowance will be paid but their SRA, if any, will be withdrawn for the period of the partial suspension.

Appendix i**Approved duties for Carers' Allowance**

- A meeting of the Executive.
- A meeting of a committee of the executive.
- A meeting of the Authority.
- A meeting of a committee or sub-committee of the Authority.
- A meeting of some other body to which the Authority make appointments or nominations, or
- A meeting of a committee or sub-committee of a body to which the Authority make appointments or nominations.
- A meeting which has both been authorised by the Authority, a committee, or sub-committee of the Authority or a joint committee of the Authority and one or more other authorities, or a sub-committee of a joint committee and to which representatives of more than one political group have been invited (if the Authority is divided into several political groups) or to which two or more councillors have been invited (if the authority is not divided into political groups).
- A meeting of a Local Authority association of which the Authority is a member.
- Duties undertaken on behalf of the Authority in pursuance of any Procedural Rule of the Constitution requiring a member or members to be present while tender documents are opened.
- Duties undertaken on behalf of the Authority in connection with the discharge of any function of the Authority conferred by or under any enactment and empowering or requiring the Authority to inspect or authorise the inspection of premises.
- Duties undertaken on behalf of the Authority in connection with arrangements made by the authority for the attendance of pupils at a school approved for the purposes of section 342 of the Education Act 1996.

SCHEDULE 1
SPECIAL RESPONSIBILITY ALLOWANCES (SRAs)

There are nine bands of SRAs:-

Band	Post	SRA £/annum
1	Members/Chairs of Licensing Panels (See Note (3) below)	258/411
2	Members of the following Quasi-Judicial Panels: Education Awards Appeals Panel NNDR Discretionary Rate Relief Appeal Panel Personnel Appeals Panel Social Services Appeals Panel	267
3	Deputy Leaders of the Second and Third Minority Groups Chief Whips of all Political Parties One Assistant to each Cabinet Member Chair of the Licensing and General Purposes Committee Chair of the Standards Committee	1,053
4	Deputy Mayor	2,118
5	Members of Cabinet who are not Portfolio Holders Vice-Chairs of the Scrutiny Sub-Committees (excluding Call-in): Environment and Economy Scrutiny Sub-Committee Health and Social Care Scrutiny Sub-Committee Lifelong Learning Scrutiny Sub-Committee Strengthening Communities Scrutiny Sub-Committee	3,156
6	Chair of the Overview and Scrutiny Committee Nominated Member of the largest party not holding the Chair of the Overview and Scrutiny Committee Chairs of the Scrutiny Sub-Committees (excluding Call-in): Environment and Economy Scrutiny Sub-Committee Health and Social Care Scrutiny Sub-Committee Lifelong Learning Scrutiny Sub-Committee Strengthening Communities Scrutiny Sub-Committee Chair of the Traffic Advisory Panel Nominated Member of the largest party not holding the Chair of the Development Control Committee Leader of the Second Minority Group Leader of the Third Minority Group	6,810
7	The Mayor	10,068
8	Chair of the Development Control Committee Cabinet Portfolio Holders (excluding the Leader and Deputy Leader): Planning, Development and Housing Education and Lifelong Learning Environment and Transport Social Care and Health Communications, Partnership and Human Resources Deputy Leader	13,623
9	Leader	20,433

NOTES

- (1) In the Council elected on 2 May 2002, the Groups are as follows:-
 Largest Minority Group = Labour Group
 Second Minority Group = Conservative Group
 Third Minority Group = Liberal Democrat Group
- (2) Only one SRA is payable per Member, with the exception of Band 1 SRA, which can be paid in addition to another SRA (see Note (3) below).
- (3) Members of the Licensing and General Purposes Committee are paid an SRA of £258 for their responsibilities in relation to Licensing Panels. Licensing Panel Chairs are paid an SRA of £411. Panel Members and Chairs also receive additional payment if they attend a certain number of meetings as shown below:-

Number of Meetings Attended	Panel Member's Allowance	Chair's Allowance
0-4	£258	£411
5-8	£516	£669
9-12	£771	£927
13-16	£1,029	£1,185
17-20	£1,287	£1,440
21-24	£1,545	£1,698
25-28	£1,803	£1,956
29 and above	£2,058	£2,214

Each meeting will consider a number of applications.

The allowance will be paid in 12 monthly instalments, starting at the basic rate, and will be adjusted depending on the number of meetings attended.

The SRA for licensing can be paid in addition to another SRA.

SCHEDULE 2

CLAIMS FOR OUT-OF-BOROUGH TRAVEL AND SUBSISTENCE EXPENSES

Duties Undertaken Out-of-Borough

Claims for travel and subsistence expenses incurred can normally only be paid in respect of approved duties undertaken at venues out of the Borough. Expenses will be reimbursed at the rates paid and on the conditions specified in the officer scheme for travel and subsistence allowances.

1. Members may claim travel and subsistence expenses in respect of the following **out-of-Borough** duties:-
 - (a) Attendance at any meeting which may be convened by the Authority provided that Members of at least two groups are invited and the meeting is not convened by officers.
 - (b) Attendance at a meeting of an outside body to which the Member has been appointed or nominated as a representative of the Council, where the Outside Body does not itself operate a scheme to reimburse travel and subsistence expenses.
 - (c)
 - (i) attendance at an appropriate out-of-Borough conference, seminar, meeting or other appropriate non-political event as a representative of an Outside Body to which that Member has been either nominated or appointed by Council to serve in a role with a specific pan-Authority remit;
 - (ii) attendance at meetings in the capacity of a direct appointee of a Local Authority Association, joint or statutory body or other London-wide or national body subject to the following proviso:

that the Member serves on the appointing body by virtue of an appointment made by Council to an authorised Outside Body;

subject in either case to the Outside Body/Bodies concerned themselves not making provision for any travel and subsistence expenses necessarily incurred.
 - (d) Attendance at a meeting of any association of local authorities of which the Authority is a member and to which the Member has been appointed as a representative.
 - (e) Attendance at a training session, conference, seminar or other non-political event, the attendance fees for which are being funded by the Council through a Departmental or a corporate budget.
 - (f) Attendance at any training session, conference, seminar or other non-political event for which there is either no attendance fee or any attendance fee is being met by the Member him/herself (or from the relevant political group secretariat budget) subject to the relevant Director confirming that the content of the training, conference, seminar or event is relevant to the Member's responsibilities in respect of the services provided by the Authority or to the management of the Authority.
2. Duties for which out-of-Borough travel and subsistence expenses may not be claimed include:-
 - (a) Political meetings or events.
 - (b) Any meetings of 'Outside Bodies' to which the Member has not been appointed or nominated by the Council as its representative.
 - (c) Meetings of the Governing Bodies of Schools.

PART II - MINUTES902. **Declarations of Interest:**

The Director of Corporate Governance circulated details of Cabinet Members' declared personal interests in the Revenue Budget, attached as an Appendix to these minutes.

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

<u>Agenda Item</u>	<u>Member</u>	<u>Nature of Interest</u>
7a. Adult and Community Learning Scrutiny Review	Councillor Dighé	The Member declared a personal interest in that his wife delivered accredited Adult Community Learning. He would remain in the room whilst this matter was considered and voted upon.

[Note: The following Members, also in attendance in the public gallery, indicated that they had interests in the Revenue Budget which had been submitted to the Director of Corporate Governance:-

Councillors Marilyn Ashton, Miss Bednell, Choudhury, Mitzi Green, Jean Lammiman, Janet Mote, Anjana Patel and Toms].

903. **Minutes:**

RESOLVED: That the minutes of the meeting held on 12 January 2006, having been circulated, be taken as read and signed as a correct record.

904. **Arrangement of Agenda:**

The Chair indicated that, with the agreement of Cabinet, he would be varying the order of business to take item 8, Annual Audit and Inspection Letter, item 17, Internal Audit, and item 21, DfES White Paper, after public question time.

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

<u>Item</u>	<u>Reason</u>
25. Delegated Powers to award Contracts for Banking Services and Delegated Powers to award Debit and Credit Card Payment Authorised Contract.	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 information in relation to terms proposed by or to the Authority in the course of negotiations for a contract for the supply of goods or services.

[Note: During the course of the meeting, the Chair varied the order of Business to take item 9, 2006-07 Revenue Budget after item 7a, Scrutiny Review of Community Engagement.]

905. **Petitions:**

Councillor D Ashton presented a petition containing 110 signatures from Wealdstone traders. He read the terms of the petition to the meeting, which were as follows:-

"We the undersigned being Traders in Wealdstone are preparing to withhold our rates if action is not taken by this Council to provide on street parking, enabling our customers easier access to our businesses."

RESOLVED: That the petition be received and noted.

906. **Public Questions:**

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

1.

Questioner: Mr Jeremy Zeid

Asked of: Councillor Sanjay Dighé, Portfolio Holder for Business Connections and Performance

Question: "Could the portfolio holder for finance please provide figures for the last year on sums spent by the London Borough of Harrow on:- Unified Business Rates, Non-residential Rates, Climate-change Levy (if applicable), Building Leasing costs, Office rental and removal and relocation costs for all buildings used by the London Borough of Harrow, together with the total cost of any consultants engaged/employed by the Local Authority?"

2.

Questioner: Mr Pravin Seedher

Asked of: Councillor Sanjay Dighé, Portfolio Holder for Business Connections and Performance

Question: "This Labour council has had a poor track record when it comes to public consultations. Previous attempts have been largely ignored or deemed to represent too small a sample to be of use. Despite all attempts to breath life into this years Budget Consultation exercise, it shows all the signs of being another failure - could you comment on this years consultation exercise and confirm whether the Open Budget is also destined for the dustbin of history?"

3.

Questioner: Mr Barry Macleod-Cullinane

Asked of: Councillor Keith Burchell, Portfolio Holder for Planning, Development and Housing

Question: "Would the Portfolio Holder for the Environment please outline what measures are being implemented (or have been implemented) to make the London Borough of Harrow more attractive to business, with special emphasis on the steps that the council is taking to improve the built-environment, to make the borough more welcoming to shoppers, and to support employees?"

[Notes: (i) In accordance with Executive Procedure Rule 15.7, another Portfolio Holder was nominated to answer questions 2 and 3 in variation to the Portfolio Holder identified by the questioners. An oral answer was provided to each of the above questions. Under the provisions of Executive Procedure Rule 15.4 each questioner asked a supplementary question which was additionally answered. The Chair indicated that a written response would also be provided to each questioner and, in accordance with Executive Procedure Rule 15.2, allowed public question time to continue until all the public questions had been asked and answered;

(ii) the Chair indicated that two additional public questions had been received but had not been submitted in accordance with Executive Procedure Rules 15.3 and 15.4. He advised that the public questioner would, however, be provided with a written response].

907.

Annual Audit and Inspection Letter:

The Council's Relationship Manager from the Audit Commission, and the External Auditor from Deloitte, introduced the Annual Audit and Inspection Letter.

The Relationship Manager reported that each year, the Audit Commission made an assessment of each Council's performance and that there had been improvement in Harrow, although less so in the areas of Adult and Social Care. She drew attention to the Authority's scorecard, which judged the Council's direction of travel as 3 and improving well.

The External Auditor drew Members' attention to those paragraphs of the letter relating to accounts and governance aspects. He reported that he was pleased to see the establishment of the Council's Audit Committee and that a clean opinion had been

given on the Best Value Performance Indicators, Best Value Performance Plan and Annual Accounts to 2005.

In response to a question in relation to the level of reserves, the External Auditor advised the Council would not wish to let the level of reserves drop below its current level and that some would suggest a level of 2-3% of the gross revenue budget. In response to a question in relation to the shortfalls in the medium term process, the External Auditor undertook to provide a written response.

A Member questioned why the need to allocate savings to service areas, in particular procurement, was not listed as a key action and sought clarification on the phrase 'fully scoped'. The External Auditor indicated that the allocation of savings was included in the action required to improve value for money.

A Member questioned whether the External Auditor envisaged any conflict of interest in that Deloitte were also the auditor for the Primary Care Trust (PCT). In reassuring the Member, the External Auditor advised that he did not see a conflict and should circumstance require, a second auditor from Deloitte would step in.

The External Auditor confirmed that in relation to schools' balances, £1 million uncommitted balances could be a concern given the number of schools in Harrow. He commended the Council for its advice that schools should spend their budget.

In response to a Member's question, the Relationship Manager advised that there were two elements to the Council's overall score of 2, the Direction of Travel statement and the Corporate Assessment. She advised that the Council was due to have a Corporate Assessment in November. However, the Corporate Assessment was just one aspect of the Comprehensive Performance Assessment scorecard.

RESOLVED: That (1) the recommendations of the Annual Audit and Inspection Letter be noted;

(2) officers incorporate responses to the letter in their current work plans and next year's Corporate and Service Plans as appropriate.

Reasons for Decision: The Council was required to report the Annual Audit and Inspection Letter to Cabinet, Overview and Scrutiny Committee and the Audit Committee. It allowed Members to review the feedback received from external regulators and ensured officers were taking adequate action in response.

908. **Internal Audit:**

The Director of Financial and Business Strategy introduced the report, which had been prepared as a result of a reference from the Audit Committee meeting held on 26 January 2006. She advised that a number of measures were being put in place to ensure an improved response to recommendations from the Audit Committee.

RESOLVED: (1) That the reference from the Audit Committee be noted.

Reason for Decision: To note the issues raised by the Audit Committee in its monitoring role.

909. **DfES White Paper- Higher Standards, Better Schools For All:**

The Executive Director (People First) introduced the report and advised that a summary of the White Paper had been considered by the Education Consultative Forum (EdCF). The proposed response drew on views shared at the EdCF meeting and a Pan-London response from the Association of London Chief Education Officers put into a Harrow context.

The Portfolio Holder for Education and Lifelong Learning reported that there had been a full discussion on the White Paper summary at EdCF. In accordance with Executive Procedure Rule 18, Councillor Miss Bednell addressed the meeting and indicated that there was cross party support for the proposed response to the consultation. Both Members indicated that the White Paper proposal did not lend itself to Harrow's situation.

RESOLVED (unanimously): That (1) the views of the Education Consultative Forum on the Education White Paper be noted;

(2) the views set out in the summary of the Education White Paper, attached at Appendix 1 to the report of the Director of Learning and Community Development, be endorsed and forwarded to the Secretary of State for Education and Harrow's MPs.

Reason for Decision: To submit a formal response to the Education White Paper to central Government.

910. **Forward Plan 1 February - 31 May 2006:**

RESOLVED: To note the contents of the Forward Plan for the period 1 February – 31 May 2006.

911. **Scrutiny Review of Community Engagement:**

In accordance with Executive Procedure Rule 18, Councillor Jean Lammiman addressed the meeting. Julia Smith, Chief Executive of Harrow Association of Voluntary Service and the joint lead on the review, was also in attendance to present the findings of the review.

Cabinet received a presentation from the Joint Leads of the Scrutiny Review Group.

The joint leads expressed their thanks to all those who had participated in the review and made particular mention of Media4Life.

A Member commented that the review group might wish to speak to the Chair of the Federation of Tenants' and Residents' Association and suggested that an action plan would be useful to assist in taking the agenda for engagement forward.

Cabinet welcomed the report and

RESOLVED: That (1) those recommendations of the Scrutiny Review of Community Engagement consistent with the Council's Corporate Community Engagement Strategy be endorsed;

(2) after next May 2006, a report be submitted to Cabinet indicating how the remaining Scrutiny Review recommendations not addressed in the Strategy might be implemented.

Reason for Decision: Community engagement was at the heart of both central Government and Local Government's agenda. The Scrutiny Review identified areas where the Council might be able to improve its practice and therefore be in a position to engage with Harrow's communities in a more effective and efficient way. Good quality engagement was also likely to have a positive impact on customer satisfaction with the Council's services.

912. **2006/07 Revenue Budget and Medium Term Budget Strategy 2006-07 to 2008-09:**
(See also Recommendation I).

Having recommended the Revenue Budget 2006/07, the model Council Tax resolution, the new reserves policy, the Housing Revenue Account for 2006/2007 and the Members' Allowances Scheme to Council for approval, it was

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

(2) in relation to Fees and Charges:

- (i) non-statutory fees and charges be raised by an average of 2.5% from 1 April 2006;
- (ii) service directorates maintain an annual benchmark review of fees and charges against other local authorities; and
- (iii) service directorates continue to review additional areas of discretionary income generation;

(3) 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. The approved budget provided the framework for effective financial management throughout the year and supported service delivery.

(See also Minute 902).

913. **Adult and Community Learning Scrutiny Review:**
In accordance with Executive Procedure Rule 18, Councillors Mitzi Green and Janet Mote addressed the meeting and introduced the report. The Members highlighted their findings, in particular in relation to funding, communication and encouraging learners. The Members expressed their thanks to the co-optees on the review group and others who had participated.
- Cabinet welcomed the report and
- RESOLVED:** That the report and recommendations of the Scrutiny Review Group be approved.
- Reason for Decision:** The provision of an Adult and Community Learning Service impacted across all of the Council's priorities and particularly Strengthening Harrow's Communities. The review had contributed to the achievement of these priorities by considering the future shape of the service and by ensuring the services provided reflected local needs.
- [Note: During the course of the discussion on this item, Councillor Dighé declared a personal interest in that his wife delivered accredited Adult Community Learning. See Minute 902.]
914. **Key Decision - Final Capital Programme 2006-07 to 2008-09:**
The Director of Financial and Business Strategy introduced the report which sought approval to the Capital Programme for 2006-07 to 2008-09. The value of the programme in 2005-06 was £76 million and the report set out how the programme would be financed.
- The Director of Financial and Business Strategy outlined two amendments to the programme, firstly, that in People First, £300,000 for school amalgamation support should appear in each of the three years of the programme. Secondly, in Urban Living, £200,000 would be transferred from Public Realm Highways to Transportation and Traffic Management provision for cycle networks.
- RESOLVED:** That, subject to the amendments outlined in the preamble above, the Capital Programme for 2006-07 to 2008-09 be approved.
- Reason for Decision:** An agreed programme of works for 2006-07 would provide the necessary authority for projects to be carried out.
915. **Treasury Management Strategy 2006/07 and Prudential Indicators 2006/07 to 2008/09:**
(See Recommendation II).
916. **Key Decision - LMS Formula Changes and Schools Budget 2006/07 and 2007/08:**
The Director of Financial and Business Strategy introduced the report which sought approval to the LMS Formula Changes and Schools Budget for 2006-07 and 2007-08.
- Members noted that the Schools Forum had considered the report and that consensus between the High School and Primary School sectors, in relation to the proposed formula for the Teachers' Pay Grant, had not been reached.
- RESOLVED:** That (1) with the exception of the Teachers' Pay Grant, the LMS Formula Changes and Schools Budget for 2006-07 and 2007-08, as outlined in the report of the Director of Financial and Business Strategy and Executive Director (People First), be approved;
- (2) the Portfolio Holder for Education and Lifelong Learning be requested to meet with the High School and Primary School sectors, with a view to reaching a consensus on the method for allocating the Teachers' Pay Grant through the formula, and be delegated authority to approve the formula, in consultation with the other Group Leaders.
- Reason for Decision:** It was a requirement of the School Finance Regulations 2006 that all local authorities were required to make an initial determination of their schools' budget for 2006-07 and 2007-08 by 31 March 2006.

917. **Key Decision - Grants to Voluntary Organisations 2006/7:**
The Director of Financial and Business Strategy introduced the report and drew attention to the recommendations of the Grants Advisory Panel on the Grants Applications received for 2006-07. She advised that the grants were dependent upon the final approval of the Revenue Budget 2006/07 at Council on 23 February 2006.
- RESOLVED:** That (1) the 2006-07 Grants Budget be approved ;
- (2) the recommendations from the Grants Advisory Panel meetings held on 5 December 2005 and 23 January 2006, in relation to Grants Funding in 2006-07, be approved.
- Reason for Decision:** To approve the allocation of funding to voluntary organisations in 2006-07 which would enable the relevant community organisations to continue delivering services to their members, users and the wider community; improve their infrastructure and services in response to suggestions from users; and improve the quality of life for people in Harrow.
- [Note: Councillors D Ashton and C Mote wished to be recorded as voting against Resolution (2)].
918. **Revenue and Capital Budget Monitoring to 31 December 2005:**
The Director of Financial and Business Strategy introduced the report, which outlined the current Revenue and Capital Budget position. She advised that an overspend of £2.9 million was currently forecast.
- The Director of Financial and Business Strategy reported a proposed amendment to the printed recommendation and it was
- RESOLVED:** That (1) the current Revenue and Capital Budget position be noted;
- (2) the virements set out in the report of the Director of Financial and Business Strategy be approved.
- Reason for Decision:** To effectively monitor the Council's Revenue and Capital Budget.
919. **Retrospective Waiver of Contract Procedure Rules in relation to Contracts with Allpay.Net Limited and Phoenix Commercial Collections Limited:**
The Executive Director (Business Development) introduced the report, which outlined the background to the need for a waiver of contract procedure rules.
- Members expressed concern at the failure to comply with the Contract Procedure Rules.
- RESOLVED:** That (1) retrospective waivers of paragraph 3.2 of the Council's Contract Procedure Rules be granted for two contractors, Allpay.net Limited and Phoenix Commercial Collections Limited, including the authority to pay all invoices relevant to the contracts and incurred from the commencement dates set out in paragraph 2.1 of the report of the Executive Director (Business Development);
- (2) authority to novate the contract from Phoenix Commercial Collections Limited to Phocol Limited be granted with effect from 1 December 2004 to 30 November 2005, including the authority for payment of all invoices relevant to all Phocol Limited and incurred from the date of Novation;
- (3) authority to novate the contract from Phocol Limited back to Phoenix Commercial Collections Limited be granted with effect from 1 December 2005, including the authority for payment of all invoices relevant to Phoenix Commercial Collections Limited incurred from the date of Novation.
- Reason for Decision:** To regularise the position in relation to the two named contracts.
920. **Extending Formal Collective Consultation and Trade Union Recognition Arrangements:**
The Executive Director (Business Development) introduced the report and drew Members' attention to the comments submitted by Unison.

RESOLVED: That (1) the Council's current consultation arrangements be extended to include the General Municipal and Boiler Makers Union (GMB) and that the constitution and terms of reference of the Employees' Consultative Forum, Corporate Joint Committee and other relevant consultative and negotiating forums be amended accordingly;

(2) officers be instructed to:

- (i) draft a protocol to respond to requests for formal recognition by independent trade unions in accordance with the Information and Consultation Regulations
- (ii) commence negotiations with the GMB with a view to entering into a formal recognition agreement, including the arrangements for trade union facilities;
- (iii) report the outcome of the negotiations to a future meeting of Cabinet, including any financial implications of funding trade union facilities.

Reason for Decision: Developing a protocol for trade union recognition would clearly define the basis of responding to requests for recognition by independent trade unions and facilitate compliance with the Information and Consultation Regulations. Recognising GMB would give a greater proportion of staff a "voice" in the Council's collective bargaining arrangements, be in accordance with the principles and objectives of the Information and Consultation Regulations, and assist the Council to meet the Health and Safety Executive Inspector's recommendations by extending consultation arrangements.

921. **The Realignment of the People First Senior Management Structure:**

The Executive Director (People First) introduced the report and advised that the establishment of the two Statutory Officer posts of Director of Children's Services and Director of Adult Community Services, which came into effect on 1 January 2006, necessitated the reconsideration of the People First Directorate Senior Structure.

RESOLVED: That (1) the proposal to realign the departments within the People First Directorate be approved;

(2) the timetable and proposals for populating the structure of the Directorate be approved;

(3) the proposals in relation to the statutory and non-statutory Director posts be approved;

(4) the transfer of some sections of Urban Living to People First be approved.

Reason for Decision: The establishment of the statutory officer posts of Director of Children's Services and Director of Adult Community Services (which came into effect on 1 January 2006) necessitated the reconsideration of the People First senior structure.

922. **Amalgamation of Pinner Wood First and Middle Schools:**

The Executive Director (People First) introduced the report and advised that the governing bodies of Pinner Wood First School and Pinner Wood Middle School had decided to seek the approval of Cabinet for the necessary statutory notices to be issued. This followed a feasibility study and consultations into the possibility of amalgamating the two schools.

RESOLVED: That (1) the Statutory Notices be published for the proposed amalgamation of Pinner Wood First and Middle Schools;

(2) if no objections were received during the representation period, the decision on the amalgamation of the two schools be delegated to the Portfolio Holder for Education and Lifelong Learning.

Reason for Decision: The Council's amalgamation policy required the governing bodies of all separate first and middle schools to consider combining the two schools when specified circumstances arose. Two of the circumstances specified in the policy applied to Pinner Wood First School. Amalgamation and a move to two forms of entry were expected to ensure each class was full and to provide resilience to fluctuations in pupil numbers.

923. **Harrow Sixth Form Collegiate - Statutory Process:**
The Executive Director (People First) introduced the report, which outlined the statutory process that would be followed in relation to the bid for post 16 capital development of high school sites.
- RESOLVED:** (1) That the informal consultation taking place with stakeholders, on the change in age range, during February 2006 be noted;
- (2) that the Portfolio Holder for Education and Lifelong Learning, following consideration of the outcome of the consultation, be authorised to issue statutory notices if appropriate;
- (3) to note that any such notices would need to be published before 28 February 2006.
- Reason for Decision:** Harrow was committed to increasing choice and raising attainment and participation levels for post 16 learners.
924. **Affordable Housing Supplementary Planning Document:**
The Executive Director (Urban Living) introduced the report and drew Members' attention to the recommendation from the Strategic Planning Advisory Panel meeting held on 14 February 2006.
- RESOLVED:** (1) To note the content of the report;
- (2) that the draft Affordable Housing Supplementary Planning Document be placed on four week formal statutory public consultation from 24 February 2006.
- Reason for Decision:** To ensure that the Council's objectives in applying affordable housing policies H5 and H6 in the adopted Harrow Unitary Development Plan (HUDP) were achieved.
- [Note: Councillors D Ashton and C Mote wished to be recorded as having voted against Resolution (2)].
925. **Membership of the Business Transformation Partnership Sub-Committee:**
- RESOLVED:** That (1) the membership of the Executive Sub-Committee be as follows:-
- | <u>Labour</u> | <u>Conservative</u> | <u>Liberal Democrat</u> |
|---------------|---------------------|-------------------------|
| Burchell | D Ashton | Thornton |
| Digné | C Mote | |
- (2) Councillor Digné be appointed as Chair of the Sub-Committee for the remainder of the Municipal Year 2005/06;
- (3) Members of the former IT Forum be invited to attend and participate at the Sub-Committee but not vote.
926. **Key Decision - Banking Services Tender, Debit and Credit Card Payment Authorisation Service Contract:**
Members considered a confidential report of the Executive Director (Business Development).
- RESOLVED:** That (1) delegated powers be assigned to the Leader of the Council to authorise the award of the contract for banking services with effect from 1 April 2006 in consultation with the other Group Leaders;
- (2) delegated powers be assigned to the Leader of the Council to authorise the award of the contract for debit and credit card services with effect from 1 April 2006 in consultation with the other Group Leaders.
- Reason for Decision:** The Council's existing banking service contract was scheduled to expire on 31 March 2006.

927. **Termination of Meeting:**
In accordance with the provisions of Executive Procedure Rule 22.2 (Part 4D of the Council's Constitution), it was

RESOLVED: (1) At 9.52 pm to continue until 10.30 pm;

(2) at 10.28 pm to continue until 10.45 pm.

(Note: The meeting, having commenced at 7.30 pm, closed at 10.38 pm).

(Signed) COUNCILLOR NAVIN SHAH
Chair

APPENDIX 3DECLARATIONS OF INTEREST BY MEMBERS OF CABINET

MEMBER	<u>INTEREST</u>
Councillor D Ashton	<p><u>Personal Interests</u></p> <p>Harrow East and West Conservative Associations Middlesex Guildhall Collection and Trust Fund Council Member – Hampstead Garden Suburb Institute Member – National Trust United Synagogue Automobile Association, Royal Lifeboat Institution and Petroleum Institute Member – Conservative Party Parliamentary Candidate for Conservative Party – Harrow East (2005) Fellow – Institute of Chartered Accountants in England and Wales Fellow – Academy of Experts Fellow – Institute of Arbitrators Governor of Stag Lane First and Middle Schools and Chair of Resources Committee Member Conservative Councillors' Association Member CAPRA (non-executive) Member of Stanmore Society (non-executive) Member of LERA, (Laing Estate Residents' Association) (non-executive) Member of Pakistan Society of Harrow (non-executive) Member of MENSA</p>
Councillor Burchell	<p><u>Personal Interests</u></p> <p>Tenant of London Borough of Harrow allotment plot Member of Harrow East Labour Party ALG – Economic Development Panel and Housing Panel Greater London Enterprise Ltd Harrow Town Centre Forum Local Government Association – Urban Commission Sir Lancelot Lake Charity Wealdstone Task Force London Housing Unit Committee – Deputy London Housing Unit Executive Sub-Committee - Representative Professional Association – Chartered Public Finance Accountant West House and Heath Robinson Museum Trust Spouse employed in a LEA maintained school ALG Leaders' Committee (s101 Joint Committee) – Deputy Governor of Cedars First and Middle School Harrow East Labour Party</p>
Councillor Margaret Davine	<p><u>Personal Interests</u></p> <p>Association of Local Government: - Health and Social Care Panel - Housing Panel (Deputy) Harrow Unified Mental Health Service Partnership Board Stanmore College Board of Governors Newton Farm School Women's Centre, Harrow Fabian Society UNISON Labour Party City University Advisory Panel for Local History Publications Mother in receipt of Meals on Wheels Relate Board of Trustees Wish Centre Harrow</p>

MEMBER	<u>INTEREST</u>
Councillor Dighé	<p><u>Personal Interests</u></p> <p>Member of Labour Party ALG – Leader’s Committee (s101 Joint Committee) – (Deputy) ALG – Economic Development Panel (Deputy) ALG – ALG Lead Member for Equalities Village Development Council Fellow of the Royal Society of Arts Amnesty International Soil Association AMICUS Union Strategic Planning Society Association of MBAs Global Association of Risk Professionals Professional Risk Managers International Association Governor of LEA school Parent with children at LEA School Spouse employed by LEA School West London Alliance (Deputy)</p>
Councillor C Mote	<p><u>Personal Interests</u></p> <p>Reserve Forces and Cadets Association for Greater London Deputy Lord Lieutenants Committee Harrow Community Trust – Deputy Harrow Police and Community Consultative Group Harrow Sports Council (Executive Committee) Local Government Association – General Assembly Meetings – Deputy Justice of the Peace, Hillingdon Branch Member of General Osteopathic Council Member of Back Care Fellow of Royal Society of Health SSAFA Forces Help, NW London Chairman Pinner Association Member Wife (Councillor) – Teacher in Independent School in Harrow Siblings who are:- Trustee of St Luke’s Hospice; Teacher in LEA School; in receipt of Housing Benefit</p>
Councillor Marie-Louise Nolan	<p><u>Personal Interests</u></p> <p>Member of ACTSA, Fawcett Society Environmental Forum (Agenda 21)(Reserve) Chair, Harrow East Constituency Labour Party Member of AMICUS Member of NUT (Retired Teachers Section) Trustee of Property owned by Wealdstone Labour Hall Ltd Chair of Governors at Whitefriars First and Middle School Governor of Salvatorian College Greater London Provincial Council Crime and Public Protection Panel</p>
Councillor O’Dell	<p><u>Personal Interests</u></p> <p>ALG – Transport and Environment Committee - Deputy Harrow Heritage Trust Executive Committee National Local Government Forum Against Poverty: Regional Meetings Environmental Forum (Local Agenda 21) – Executive Committee Harrow East Constituency Labour Party LEA representative on Elmgrove First and Middle School Governing Bodies Amicus</p>

MEMBER	<u>INTEREST</u>
Councillor N Shah	<p><u>Personal Interests</u></p> <p>Association of London Government Committees and Panels (i) Leaders Committee (S101 Joint Committee) – Deputy (ii) Greater London Provincial Council – Deputy (iii) Associated Joint Committee (ALG Grants Committee)-Deputy LGA – General Assembly Meetings – Deputy West London Alliance Appointee Trustee: Harrow Anti-Racist Alliance Trustee: Wealdstone (Labour) Hall Ltd President: Confederation of Jain Organisations (? defunct) Member: Covent Garden Community Association The Labour Party MSF (AMICUS) Union Member: Co-op Party Member: Architects Registration Board Trustee/Director of Property owned by Wealdstone Labour Hall Ltd Governor of Weald School Deputy of London Caribbean Partnership Group (ALG)</p>
Councillor Stephenson	<p><u>Personal Interests</u></p> <p>Governor of Marlborough First and Middle Schools, Hatch End High School and Harrow College Deputy – ALG Culture and Tourism Panel Executive Committee Harrow Heritage Trust Bentley Priory Management Committee Court of City University London Mathematical Society Crabtree Foundation Friends of Harrow Museum Which Labour Party Harrow Fabians Liberty Headstone Residents Association Harrow Recreation Users Association Co-operative Party Harrow Amnesty Association of University Teachers Member of ALG Children, Young People and Families Forum Wife - Chair of Harrow Art Society</p>
Councillor Thornton	<p><u>Personal Interests</u></p> <p>Deputy Lord Lieutenant's Committee Harrow Weald Common Board of Conservators Local Government Association – General Assembly Meetings RAF Northolt Community Consultative Group (Reserve Member) Wealdstone Task Force (Reserve Member) Liberal Democrat Party</p>