

Harrow Business Consultative Panel

AGENDA

DATE: Monday 25 January 2010

TIME: 7.30 pm

VENUE: Committee Room 5,
Harrow Civic Centre

MEMBERSHIP (Quorum 3)

Chairman: Councillor Manji Kara

Councillors:

Susan Hall

Mrinal Choudhury
Keith Ferry

Reserve Members:

- | | |
|---------------------|---------------------|
| 1. Yogesh Teli | 1. Thaya Idaikkadar |
| 2. Mrs Vina Mithani | 2. Mrs Sasi Suresh |
| 3. Mrs Myra Michael | 3. - |

Contact: Vishal Seegoolam, Acting Senior Professional - Democratic Services
Tel: 020 8424 1883 E-mail: vishal.seegoolam@harrow.gov.uk

AGENDA - PART I

1. ATTENDANCE BY RESERVE MEMBERS

To note the attendance at this meeting of any duly appointed Reserve Members.

Reserve Members may attend meetings:-

- (i) to take the place of an ordinary Member for whom they are a reserve;
- (ii) where the ordinary Member will be absent for the whole of the meeting; and
- (iii) the meeting notes at the start of the meeting at the item 'Reserves' that the Reserve Member is or will be attending as a reserve;
- (iv) if a Reserve Member whose intention to attend has been noted arrives after the commencement of the meeting, then that Reserve Member can only act as a Member from the start of the next item of business on the agenda after his/her arrival.

2. DECLARATIONS OF INTEREST

To receive declarations of personal or prejudicial interests, arising from business to be transacted at this meeting, from:

- (a) all Members of the Committee, Sub Committee, Panel or Forum;
- (b) all other Members present in any part of the room or chamber.

3. APPOINTMENT OF VICE CHAIRMAN

To appoint a Vice-Chairman for the remainder of the Municipal Year 2009/10.

4. MINUTES (Pages 1 - 2)

That the minutes of the meeting held on 29 January 2009 be taken as read and signed as a correct record.

5. PUBLIC QUESTIONS

To receive questions (if any) from local residents or organisations under the provisions of Advisory Panel and Consultative Forum Procedure Rule 16 (Part 4E of the Constitution).

6. PETITIONS

To receive petitions (if any) submitted by members of the public/Councillors under the provisions of Advisory Panel and Consultative Forum Procedure Rule 14 (Part 4E of the Constitution).

7. DEPUTATIONS

To receive deputations (if any) under the provisions of Advisory Panel and Consultative Forum Procedure Rule 15 (Part 4E of the Constitution).

8. INFORMATION REPORT - STAKEHOLDER MEETINGS ON BUDGET (Pages 3 - 22)

Report of the Corporate Director Finance.

9. ANY OTHER URGENT BUSINESS

Which cannot otherwise be dealt with.

AGENDA - PART II - NIL

This page is intentionally left blank

HARROW BUSINESS CONSULTATIVE PANEL

29 JANUARY 2009

Chairman: * Councillor Manji Kara

Councillors: * Keith Ferry * Mrs Sasi Suresh (2)
* Susan Hall (Vice-Chairman)
(in the Chair)

* Denotes Member present
(2) Denotes category of Reserve Member

PART I - RECOMMENDATIONS - NIL

PART II - MINUTES

48. **Attendance by Reserve Members:**

RESOLVED: To note the attendance at this meeting of the following duly appointed Reserve Member:-

<u>Ordinary Member</u>	<u>Reserve Member</u>
Councillor Mrinal Choudhury	Councillor Sasi Suresh

49. **Declarations of Interest:**

RESOLVED: To note that there were no declarations of interests made by Members in relation to the business transacted at this meeting.

50. **Appointment of Vice-Chairman:**

Due to illness, the Chairman stated that he would be unable to Chair the meeting and requested that an item for the election of a Vice-Chairman be included on the agenda as a matter of urgency. He informed the Forum that he would remain at the meeting and take part in the discussion and decision making.

Upon Councillor Susan Hall being nominated and seconded, it was put to the vote and it was

RESOLVED: To appoint Councillor Susan Hall as Vice-Chairman of the Harrow Business Consultative Panel for the remainder of the Municipal Year 2008/09.

51. **Minutes:**

RESOLVED: That the minutes of the meeting held on 7 February 2008 be taken as read and signed as a correct record.

52. **Public Questions, Petitions and Deputations:**

RESOLVED: To note that no public questions were put, or petitions or deputations received at this meeting under the provisions of Advisory Panel and Consultative Forum Procedure Rules 16, 14 and 15 respectively.

53. **Draft Revenue Budget and Capital Programme 2009-10 to 2011-12:**

This item was withdrawn from the agenda at the meeting.

54. **INFORMATION REPORT - Feedback from Consultation on Council Tax and Business Rates:**

The Panel received a report from the Corporate Director of Place Shaping which outlined the consultation that had taken place with local businesses, business intermediaries and Councillors on 13 January 2009. It was explained that, in order to comply with the requirements of the Local Government Finance Act 1992, the Council was required to consult with non-domestic ratepayers regarding proposals for expenditure for each financial year. For auditing purposes, the Harrow Business Consultative Panel was required to formally note the outcome of the consultative event and refer the report to Cabinet.

The Chairman expressed disappointment at the confusion that had arisen as to the purpose of the reports on the agenda. A Member suggested that, for future meetings, the purpose and function of the Panel be clearly stated on the agenda.

RESOLVED: That the report be referred to Cabinet for noting.

(Note: The meeting having commenced at 7.30 pm, closed at 7.50 pm)

(Signed) COUNCILLOR SUSAN HALL
Chairman

**REPORT FOR: HARROW BUSINESS
CONSULTATIVE FORUM**

Date of Meeting: 25 January 2010

Subject: **INFORMATION REPORT –
Stakeholder Meetings on
Budget**

Responsible Officer: Corporate Director Finance

Exempt: No

Enclosures: Presentation – Stakeholder Meetings
on Budget

Section 1 – Summary

The Forum is requested to note the presentation relating to Stakeholder meetings on the Budget.

FOR INFORMATION

Section 2 – Report

Please see the attached presentation.

Section 3 – Further Information

None.

Section 4 – Financial Implications

This report addresses issues relating to the budget for the Council in 2010/11.

Section 5 – Corporate Priorities

This report relates to each corporate priority set out below:

- Deliver cleaner and safer streets
- Improve support for vulnerable people
- Build stronger communities

Name: Jennifer Hydari	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 13 January 2010		

Section 6 - Contact Details and Background Papers

Contact: Jennifer Hydari, Divisional Director Finance and Procurement, ext 2393

Background Papers: None.



Stakeholder Meetings on Budget

December 2009/
January 2010

- The Council's vision is to be recognised as one of the best London Councils by 2012
- Agreed corporate priorities for 2010-11
 - Deliver cleaner and safer streets
 - Improve support for vulnerable people
 - Build stronger communities

- Harrow is already a relatively low spending council
- Large parts of the budget are outside the Council's control
- Considerable savings have been made in previous years and this makes it increasingly difficult to identify new areas for efficiencies and reductions (£45m saved in last 4 years)
- The demand for services and expectations from central government are growing all the time

- The provisional local government settlement is poor for 2010-11 and the outlook for the next spending review is worse
- The settlement for concessionary fares for London for 2010-11 has been revisited very late in the day (cost to Harrow is £1m)
- The UK is currently in recession
- There is more work to do to strengthen the Council's balance sheet

- Reports on the budget process went to cabinet in July and October.
- Draft budget for 2010-11 to 2012-13 reported to Cabinet in December
- Funding Gaps (ie difference between planned spending and anticipated income) as follows:
 - 2010-11, £1.0m
 - 2011-12, £15.4m
 - 2012-13, £13.8m

- Inflation, £1.0m
- Investment in services, £4.5m
- Efficiencies/Savings identified, -£7.3m
- Capital Financing Costs, £2.7m
- Technical changes, £2.9m

Net Pressure = £3.8m

- General Grant Increase, £1.0m
- Council Tax Increase, nil
- Collection fund and tax base, £1.8m

Balance to Find = £1.0m

- Three year settlement announced in 2007
- General Grant increases of 2% in 2008-09, 1.75% in 2009-10, 1.5% in 2010-11
- In cash terms around £1m a year
- Does not address the pressures the Council is facing
- Due to economic climate, very poor outlook for next settlement, so assuming grant reductions from 2011-12 of 3% a year in cash terms (4.5% in real terms)

- At December Cabinet, the draft budget was based on Council Tax increases of 0% in 2010-11, and 2.5% in 2011-12 and 2012-13
- Councillors are striving to achieve reasonable council tax increases but recognise the constraints
- Particularly challenging this year due to economy
- Need to achieve right balance between tax levels, service levels and risk

Investment in Services

- Investment of £4.5m in services in draft budget
- Key areas are:
 - Social Care for Children and Adults (£3m)
 - Waste disposal (£1m)

In total efficiencies/savings of £7.3m identified for 2010-11 including:

- Detailed review of spending last year
- Benefits of new technology
- Better procurement
- Service reviews
- West London and pan-London initiatives
- Range of small savings across services

Emphasis on efficiency, trying to minimise impact on front line services

Strategy for Closing Funding Gap



- Further efficiency savings
- Wider transformation programme
- Review of technical assumptions, particularly given rapidly changing economic position

GLA Precept



GLA Precept

Figures at Band D	2008-09	2009-10	2010-11	Increase	Increase
	£	£	£	£	%
Harrow Council services	1,152.55	1,186.55	1,186.55	-	-
GLA Precept	309.82	309.82	309.82	-	-
Combined Council Tax	1,462.37	1,496.37	1,496.37	-	-

NB, Based on draft Harrow budget and Mayor's consultation budget

Reserves are forecast to exceed £6m at the end of this year.

Revised policy as follows:

From 2010-11, the first call on any underspend at the end of the year will be a contribution to general balances. The value of the contribution will be up to £0.5m and will be determined with regard to the size of the underspend, the underlying strength of the balance sheet, and other priorities.

- Estimated per pupil funding increase of 4.1% in 2010-11
- Key issues include
 - Change in age of transfer
 - Pressure from special educational needs
 - personalisation of learning in line with ministerial priorities
 - School improvement initiatives
 - Managing the finances such that we can deal with changes in pupil numbers or needs during the year
- Schools Forum will consider allocation of funds to individual schools

- Draft budget reflects agreed strategy and 30 year business plan
- Investment to achieve decent homes standard by 2010
- Proposed average rent increase of 5.6% or £4.67 per week (in line with government policy on rent levels)
- Proposed service charge increase of 3.6% for tenants and 8.9% leaseholders
- Aiming to reduce expenditure on responsive repairs as condition of stock improves and repairs service becomes more efficient

NB, awaiting announcements from government on rent policy and subsidy, so figures could change significantly

Investment in the order of £46m in 2010-11 including:

- Housing improvement programme
 - Improvements to schools and social care establishments
 - New technology to improve services
 - Highways, lighting, transportation, parks and public conveniences
-
- The capital programme is funded from a number of sources. These include:
 - External Funding in the order of £11m, primarily from the DCSF and Transport for London
 - Major Repairs Allowance (Housing Revenue Account)
 - Capital receipts (£5m anticipated next year)
 - Borrowing

- Consultation on priorities via Resident's Panel and "Have your say" campaign
- Standing scrutiny review of the budget
- Stakeholder information meetings in January
- HSP summit on 28 January to look at total place and medium term options

- Final budget reported to Cabinet on 11 February and Council on 18 February 2010
- Final decision will include council tax level, rents and service charges for 2010-11