

COUNCIL MINUTES

3 NOVEMBER 2011

Present:

- * Councillor Mrinal Choudhury (The Worshipful the Mayor)
- * Councillor Nizam Ismail (The Deputy Mayor)

Councillors:

* Husain Akhtar	* Amir Moshenson
* Sue Anderson	* Chris Mote
* Nana Asante	* Janet Mote
* Marilyn Ashton	* John Nickolay
* Mrs Camilla Bath	* Joyce Nickolay
* Christine Bednell	* Christopher Noyce
* James Bond	* Phillip O'Dell
* Mrs Lurline Champagnie OBE	* Asad Omar
* Kam Chana	* Paul Osborn
* Ramji Chauhan	* Varsha Parmar
* Bob Currie	* David Perry
* Margaret Davine	* Bill Phillips
* Mano Dharmarajah	* Raj Ray
* Tony Ferrari	† Richard Romain
* Keith Ferry	* Anthony Seymour
* Ann Gate	* Lynda Seymour
* Brian Gate	* Navin Shah
* David Gawn	* Mrs Rekha Shah
* Stephen Greek	* Sachin Shah
* Mitzi Green	* Zarina Sheikh
* Susan Hall	* Stanley Sheinwald
* Graham Henson	* Victoria Silver
* Thaya Idaikkadar	* Bill Stephenson
* Krishna James	* William Stoodley
* Manji Kara	* Krishna Suresh
* Jean Lammiman	* Sasi Suresh
* Barry Macleod-Cullinane	* Yogesh Teli
* Kairul Kareema Marikar	* Ben Wealthy
* Ajay Maru	* Simon Williams
* Jerry Miles	* Stephen Wright
* Mrs Vina Mithani	

* Denotes Member present

† Denotes apologies received

PRAYERS

The meeting opened with Prayers offered by Sri Srutidharma Das.

149. COUNCIL MINUTES

RESOLVED: That the minutes of the extraordinary and ordinary meetings held on 7 July 2011 be taken as read and signed as a correct record.

150. DECLARATIONS OF INTEREST

- (i) The Mayor invited appropriate declarations of interest. Members declaring the following interests considered these to be personal and that they could speak and vote thereon.

Item 12(2) – Motion – Pensions

Councillor Christine Bednell declared that she was in receipt of a pension from the Council.

Councillor Bob Currie declared that he received a pension from the Council. His son and wife were also members of the Local Government Pension Scheme.

Councillor Ann Gate declared that she would be in receipt of a pension from the National Health Service (NHS) and was an employee of the NHS.

Councillor Brian Gate declared that he was married to an employee of National Health Service, who was contributing to the NHS pension scheme.

Councillor William Stoodley declared that he had previously been a civil servant and was due to receive a pension in the future.

Item 12(3) – Motion – Fair Public Transport Fares (Affordable Bus and Tube Fares)

Councillor James Bond declared that he was an employee of Transport for London.

Councillor Thaya Idaikkadar declared that his wife worked for Transport for London.

Item 12(4) – Motion – NHS

Councillor Husain Akhtar declared that his son worked for the NHS.

Councillor Ann Gate declared that she was an employee of the NHS.

Councillor Brian Gate declared that he was married to an employee of National Health Service.

Councillor Krishna James declared that she was a registered nurse and that several of her relatives worked for the NHS.

Councillors Chris and Janet Mote declared that their daughter worked at Northwick Park Hospital.

Councillor Bill Phillips declared that he was the Chair of the Headstone North Safer Neighbourhood Panel.

- (ii) Members declaring the following interests considered these to be prejudicial and left the room during the discussion and decision making thereon.

Item 12(2) – Motion – Pensions

Councillor Lurline Champagnie declared that she was in receipt of a pension from the NHS.

Councillors Tony Ferrari, Barry Macleod-Cullinane and Lynda Seymour declared that they were members of the Local Government Pension Scheme (LGPS).

Councillor Stephen Greek declared that he and his sister were members of the LGPS.

Councillor Mrs Vina Mithani declared that he worked for the Health Protection Agency and was part of the NHS Pension Scheme.

Councillor Amir Moshenson declared that his wife was a teacher in the London Borough of Haringey.

Councillor Chris Mote declared that his wife, worked in private education and her pension scheme was linked to the state education pension scheme.

Councillor Asad Omar declared that his son was a member of the LGPS.

Councillor Bill Phillips declared that he was in receipt of a pension from the LGPS.

Councillor Anthony Seymour declared that his wife was a member of the LGPS.

Councillor Navin Shah declared that he was a member of the Greater London Authority's pension scheme.

Councillor Mrs Rekha Shah declared that she worked in local government and was a Unison member.

Item 12(4) – Motion – NHS

Councillor Sue Anderson declared that she worked for NHS Harrow.

151. MAYOR'S ANNOUNCEMENTS

The Mayor requested that Council note the engagements he had undertaken. The Mayor reported that he had been in office for approximately 6 months and had attended approximately 250 engagements. The Mayor paid particular attention to the following:

- he had conferred the Honorary Freedom of the Borough on Sir Paul Nurse, as agreed by Council;
- he had judged a competition amongst primary schools relating to Remembrance Sunday;
- he had placed wreaths ahead of Remembrance Sunday in approximately 10 locations across the borough;
- he had invited the Harrow Youth Cricket Team to his parlour as a result of its significant achievements.

RESOLVED: That the report of the Worshipful the Mayor, as tabled, be received.

152. PROCEDURAL MOTIONS

- (i) In accordance with Rules 14.6 and 14.7, the Mayor advised that the Leader of the Opposition, Councillor Susan Hall, had exercised her right that the referral of the North Harrow Parking Motion to Cabinet be disapplied. This allowed Council to debate the Motion and offer comments or recommendations to Cabinet.
- (ii) The Mayor announced that he had received notice, within the tabled papers, of an alteration to Motion 12(10) – Council Tax Freeze from the proposer and seconder of the original Motion. This would be dealt with at the item concerned.
- (iii) The Mayor announced that he had received notice, within the tabled papers, of 9 further amendments in respect of Motions on the Summons. These would be dealt with individually at the items concerned.

- (iv) The Mayor announced that Motions 12(7) "Servicemen Housing" and 12(8) "Employed Housing" fell within the remit of the Executive and stood referred to Cabinet.
- (v) The Leader of the Council, Councillor Bill Stephenson, rose to move a Procedural Motion that Rule 16.6.1 be suspended for Motion 12(6) "North Harrow Parking" as he believed there were factual inaccuracies in the original Motion and any proposed amendment to rectify this would potentially negate it. Upon a vote, the Procedural Motion was carried.
- (vi) Councillor Barry Macleod-Cullinane rose to move a Procedural Motion that Motion 12(6) be debated prior to Motion 12(1). Upon a vote, the Procedural Motion was not carried.

RESOLVED: That

- (1) it be agreed that the North Harrow Parking Motion be the final Motion debated by the Council;**
- (2) the alteration to Motion 12(10) Council Tax Freeze by the proposer and seconder to the Motion, be dealt with at the Motion concerned;**
- (3) the 9 further amendments tabled in respect of Motions on the Summons, be dealt with individually at the Motions concerned;**
- (4) Rule 16.6.1 be suspended for the consideration of Item 12(6) (Motion - North Harrow Parking);**
- (5) the procedural Motion under Rule 15.6, seeking the consideration of Motion 12(6) (North Harrow Parking) before Motion 12(1) (Riots), be not agreed.**

153. PETITIONS

In accordance with Rule 10, the following petitions were presented:

- (i) Petition submitted by Councillor Nana Asante, containing 63 signatures of residents and users of Harrow Shopping Centres, encouraging each of the 21 Wards in the borough to become a Fair-Trade Ward.

[The petition stood referred to the Deputy Leader of the Council and Portfolio Holder for Environment and Community Safety].

- (ii) Petition submitted by Councillor Susan Hall, containing 38 signatures of Members and residents, expressing their concern that "Harrow Council's administration has slashed the funding for the Council-funded Police Team by over £100,000, thereby reducing the total number of officers from seven to five; failed to take full advantage of the offer of 2 for 1 officers from the MPA which, under the previous funding

allowance, would have delivered an increase of two additional officers – totaling nine – while still saving money; not given due regard to the consequences of this decision, given that Council itself reports that personal robbery and residential burglary have shown substantial increases in recent months”.

[The petition stood referred to the Deputy Leader of the Council and Portfolio Holder for Environment and Community Safety].

- (iii) Petition submitted by Councillors Krishna Suresh and Chris Noyce, containing 61 signatures of residents, requesting a security gate in the alley way for Lucas Avenue and Clitheroe Avenue residents.

[The petition stood referred to the Deputy Leader of the Council and Portfolio Holder for Environment and Community Safety].

- (iv) Petition submitted by Councillor Krishna Suresh, containing 182 signatures, requesting assistance and advice to help find the Moola Manthiram registered charity to find a permanent venue.

[The petition stood referred to the Portfolio Holder for Community and Cultural Services].

- (v) Petition submitted by Councillor James Bond, containing 133 signatures of residents, requesting the Council clean up and secure the derelict site that was once used as changing rooms and is located on Headstone Manor at the edge of the open space beside Headstone Lane opposite Pinner Park School.

[The petition stood referred to the Deputy Leader of the Council and Portfolio Holder for Environment and Community Safety].

- (vi) Petition submitted by Councillor James Bond, containing over 2,000 signatures of residents, requesting the Council to reinstate the Admiral Nursing Service in Harrow.

[In accordance with the Council’s petition scheme, the petition stood referred to the next Full Council meeting].

- (vii) Petition submitted by Mr Jeremy Zeid, containing 652 signatures, requesting the Council take into account the views of customers, shoppers, residents and tax payers before serving an Enforcement Notice on 27-28 Kenton Park Parade.

[The petition stood referred to the Portfolio Holder for Planning, Development and Enterprise].

154. PUBLIC QUESTIONS

In accordance with Rule 11, the question submitted by a member of the public and responded to by a Portfolio Holder is contained at Appendix I.

155. LEADER'S ANNOUNCEMENTS

The Leader of the Council introduced his report highlighting achievements and proposals since the last ordinary meeting.

At the conclusion of his report, the Leader responded to questions from Members of the Council.

RESOLVED: That the report of the Leader of the Council be received and noted.

156. RECOMMENDED CONSTITUTIONAL CHANGES

Further to Item 8 on the Supplemental Summons, the Council considered the recommendations from the Constitution Review Working Group.

The recommendations were formally moved by Councillor Bill Stephenson (Chairman of the Working Group).

RESOLVED: That the proposed Constitutional changes be approved, as set out in Appendix II to these minutes.

157. RESIDENTS' ENGAGEMENT STRATEGY AND REVIEW OF THE TENANTS' AND LEASEHOLDERS' CONSULTATIVE FORUM

Further to Item 9 on the Summons, the Council received a Recommendation from the meeting of Cabinet held on 8 September 2011.

The Recommendation was formally moved by the Leader of the Council, Councillor Bill Stephenson.

RESOLVED: That

- (1) the amended terms of reference at appendix III to the minutes and the new name for the body, Tenants', Leaseholders' and Residents' Consultative Forum, be noted;**
- (2) the changes to the Executive Procedure Rules at appendix IV to the minutes, to take account of the new terms of reference for the Tenants', Leaseholders' and Residents' Consultative Forum be approved.**

158. CABINET DECISION MAKING PROTOCOL AND AMENDMENTS TO THE FINANCIAL REGULATIONS

Further to Item 10 on the Summons, the Council received a Recommendation from the meeting of Cabinet held on 18 October 2011.

The Recommendation was formally moved by the Leader of the Council, Councillor Bill Stephenson.

RESOLVED: That

- (1) the Cabinet Decision Making Protocol, at appendix V to the minutes, amending the Key Decision thresholds be agreed and included in the Council's Constitution;**
- (2) the amended Financial Regulations, at appendix VI to the minutes, be agreed and adopted into the Council's Constitution.**

159. QUESTIONS WITH NOTICE

- (i) In accordance with Rule 12, the questions submitted by Councillors and responded to by Portfolio Holders, are contained at Appendix VII. Responses to those questions which were not reached during the period allowed for questions are also included and were circulated to all Members in written form.
- (ii) At the conclusion of the time allowed for this item, Councillor Paul Osborn rose to move a Motion that Rule 12.2.2 be suspended to allow the time to be extended for Council to receive and hear the remaining Questions with Notice. Upon a vote, this Motion was not carried.

160. MOTION - RIOTS

- (i) At item 12(1) the Council received a Motion in the names of Councillors Nana Asante and Mitzi Green in the following terms:

"This Council wishes to place on record its thanks to all those staff in Children's Services for all that they did to ensure that Harrow remained unaffected during the unrest in August. This includes those Youth Workers who went out on patrols with police and those who worked with the young people themselves. This was building on a bedrock of work that is carried out throughout the year by working with and engaging young people. We thank them for all that they did and continue to do in spite of the challenging financial times we find ourselves in.

This Council wishes to acknowledge the positive way in which Harrow Police works closely with the Council. This Council notes that close partnership working through the Harrow Partnership was a factor in preventing riots in Harrow. This Council wishes to place on record its thanks to Harrow Police for effective preventative work which saved the borough's businesses from potential destructive loss and disruption and helped confirm Harrow's place as a safe borough.

This Council notes that the challenges created by the riots will not be tackled by moralising, but by sustained investment in jobs supported by an economy whose recovery is not hamstrung by the steepest spending cuts since World War 2.

This Council instructs the Chief Executive to write to:

- The Borough Commander and thank him and his officers for their safety they provided to Harrow residents and businesses.
- The Secretary of State for Communities and Local Government and urge him to make available more funds to buttress Cross Sector Partnership and for the exceptional work in Education and Youth Services that takes place in Harrow .
- The Treasury citing the commendable work of Harrow Police and Harrow's Youth Workers and urge that specific funding should be set aside to fund the exemplary youth and partnership work going on in Harrow."

- (ii) There was an amendment in the names of Councillors Susan Hall and Barry Macleod-Cullinane, which sought to amend the Motion as follows:

"This Council wishes to place on record its thanks to all those staff in Children's Services for all that they did to ensure that Harrow remained unaffected during the unrest in August. This includes those Youth Workers who went out on patrols with police and those who worked with the young people themselves. This was building on a bedrock of work that is carried out throughout the year by working with and engaging young people. We thank them for all that they did and continue to do in spite of the challenging financial times we find ourselves in.

This Council wishes to acknowledge the positive way in which Harrow Police works closely with the Council. This Council notes that close partnership working through the Harrow Partnership was a factor in preventing riots in Harrow. This Council wishes to place on record its thanks to Harrow Police for effective preventative work which saved the borough's businesses from potential destructive loss and disruption and helped confirm Harrow's place as a safe borough.

This Council notes that the challenges created by the riots will not be tackled by moralising, but by sustained investment in jobs supported by an economy whose recovery is not hamstrung by the steepest spending cuts since World War 2.

This Council therefore pledges to do its part in tackling the challenges created by the riots by:

- Recognising that it cannot be right that those who have so blatantly evaded their responsibilities towards society remain entitled to money from taxpayers. Therefore, with hundreds of people involved in the August riots still at large, this Council will follow the lead of Wandsworth and Southwark Councils in evicting any council tenants who are convicted of offences during these riots.
- Restoring the previous funding for the Council-funded police team, allowing for the recruitment of two additional officers.
- Re-examining the £94,000 that was cut from the Council's Youth Offending Team budget, as well as the £400,000 cut from youth worker and targeted youth services which, according to the Council's own documents, will lead to 'reduced support for vulnerable young people and young people at risk of offending and exclusion.'

This Council instructs the Chief Executive to write to:

- The Borough Commander and thank him and his officers for their safety they provided to Harrow residents and businesses.
 - The Secretary of State for Communities and Local Government and urge him to make available more funds to buttress Cross Sector Partnership and for the exceptional work in Education and Youth Services that takes place in Harrow .
 - The Treasury citing the commendable work of Harrow Police and Harrow's Youth Workers and urge that specific funding should be set aside to fund the exemplary youth and partnership work going on in Harrow."
- (iii) Councillor Bill Stephenson rose to request the Mayor to rule concerning the admission of the proposed amendment to the Motion at (ii) in that he believed it introduced new proposals to the substantive Motion, contrary to Rule 16.6.1. The Mayor ruled that the Motion was not in order and would not be considered by Council.
- (iv) During the debate on this item, Councillor Anthony Seymour moved a Motion that the question now be put. Upon a vote this Motion was not carried.
- (v) At the conclusion of the debate and upon a vote, the substantive Motion at (i) was agreed.

RESOLVED: That

- (1) the ruling, by the Mayor, of the amendment to Motion 12(1) "Riots" as being not in order, be noted.**
- (2) the substantive Motion, as set out at (i) above, be adopted.**

161. MOTION - PENSIONS

- (i) At item 12(2) the Council received a Motion in the names of Councillors Graham Henson and Krishna Suresh in the following terms:

“This Council notes that the LGPS is a sustainable, good quality pension scheme that benefits from being funded and locally managed. It is valuable to employers and employees alike.

This Council is concerned by proposals announced by the Chancellor in the last CSR to impose an extra 3.2% contribution tax on scheme members, increasing scheme average member contributions from 6.6% to 9.8% and notes that none of the additional revenue will go towards improving the financial security of the scheme and that in addition, research indicates that 40-50 per cent of affected members may opt out of the scheme as a result of this policy, thereby undermining the viability of the largest pension scheme in the UK.

Current Government proposals are not a genuine attempt to make the schemes more sustainable, they are a cash grab by the Treasury, imposing an additional tax on workers.

This Council notes that public service workers have suffered an ongoing pay freeze, widespread redundancies and cuts and closures of many vital services on which our communities rely.

This Council further notes that the LGA wrote to the Chancellor on 16 February 2011 to express concerns that mass opt-outs would be both undesirable and damaging to the scheme – Council shares these concerns.

This Council is disappointed that the Government has failed to negotiate fully and openly with the Trade Unions and regrets that the Government’s intransigence has increased the possibility of industrial action.

This Council notes that the trade unions and community groups have agreed to organise local and national protests in support of public services, jobs and pensions.

This Council agrees to support the work of the Trade Unions in raising awareness of this issue and local government employees in defending their pension scheme.

This Council resolves to ask the Chief Executive to write to the Chief Secretary to the Treasury and the Secretary of State for Local Government to express Council’s concerns and urge the Government to rethink their proposals.”

- (ii) There was an amendment in the names of Councillors Paul Osborn and John Nickolay, which sought to amend the Motion as follows:

“This Council notes that:

- the Local Government Pension Scheme (LGPS) is one of the most generous of all public sector pensions in the UK;
- public sector pensions are much more generous than those in the private sector, and that the National Association of Pension Funds has stated the chances of new private employees getting enrolled into pension schemes equivalent to those in the public sector are “nil”;
- a full-time Harrow Council employee earning the Council’s average salary, who has spent their life working in local government, would receive a £43,626 lump sum and an annual pension of £16,433 under the LGPS;
- Aon Consulting estimate that the average private sector pension pot of £56,000 would result in an annual pension of just £1,200. Even a pension pot nearly double the average (of £100,000) would result in an annual pension of £6,288;
- in 2001-02, Harrow Council paid £6.8 million in employer contributions to the LGPS, with this figure increasing to £16.9 million in 2010-11;
- with the Council receiving £102 million in council tax payments in 2010-11, the LGPS contribution represents 16% of total funds the Council received from Harrow taxpayers;
- nationally, the amount paid into the LGPS by all councils increased from £2.6 billion in 2001-2 to £5.9 billion in 2010-11. With £26.3 billion raised by council tax nationally, LGPS contributions represent 22% of all money raised through council tax;
- 51% of the income of the LGPS is employers’ contributions, with 24% coming from investments and only 18% from employees’ contributions;
- under the Government’s proposals, only LGPS members who earned over £60,000 p/a would be paying an increased contribution tariff of over 2% in any year. This represents less than 1.5% of the LGPS’s total membership;
- the Government has recently made a most generous offer, stating that the proposals will not affect any LGPS members due to retire within the next 10 years. However, trade unions have stated that strike action at the end of November will still go ahead.

Given the generosity of the LGPS, the savings to taxpayers that could be achieved through reducing the Council's contributions, and the unreasonable behaviour of the unions, this Council resolves to ask the Chief Executive to write to the Chief Secretary to the Treasury and the Secretary of State for Local Government to express Council's concerns and urge the Government to rethink their proposals."

- (iii) Councillor Bill Stephenson rose to request the Mayor to rule concerning the admission of the proposed amendment to the Motion at (ii) above in that he believed it negated substantive Motion. The Mayor ruled that the Motion was not in order and would not be considered by Council.
- (iv) Following the rising in their places of 10 Councillors making the request a Roll Call Vote was held with regard to the Motion at (i):

FOR: Councillors Anderson, Asante Bond, Davine, Dharmarajah, Keith Ferry, Brian Gate, Gawn, Green, Henson, Idaikkadar, James, Marikar, Maru, Miles, O'Dell, Parmar, Perry, Ray, Sachin Shah, Silver, Stephenson, Stoodley, Krishna Suresh, Sasikala Suresh and Wealthy.

AGAINST: Councillors Akhtar, Ashton, Bath, Bednell, Chana, Chauhan, Hall, Kara, Lammiman, John Nickolay, Joyce Nickolay, Osborn, Sheinwald, Teli and Williams.

ABSTAIN: The Mayor (Councillor Choudhury), the Deputy Mayor (Councillor Ismail), Councillors Currie and Noyce.

- (v) The substantive Motion at (i) was agreed.

RESOLVED: That

- (1) **the ruling, by the Mayor, of the amendment to Motion 12(1) "Pensions" as being not in order, be noted;**
- (2) **the substantive Motion, as set out at (i) above, be adopted.**

162. MOTION - FAIR PUBLIC TRANSPORT FARES (AFFORDABLE BUS AND TUBE FARES)

- (i) At item 12(3) the Council received a Motion in the names of Councillors Jerry Miles and Sue Anderson in the following terms:

"This Council condemns the Mayor of London for allowing London Bus & Underground fares to rise sharply over the past four years.

This Council notes that since Boris Johnson was elected in 2008, the cost:

- a single bus ticket is up by 56%, costing Londoners £260 a year more;

- a weekly bus and tram pass is up 47%, costing Londoners £317 a year more;
- a weekly zone 1-4 travelcard up by 23%, costing Londoners £416 a year more;
- a weekly zone 1-6 travelcard is up 22%, costing Londoners £509 a year more.

This Council notes that with the cost of living rising in London, the decision made by Boris Johnson to increase fares again was ill-judged and unfair to Londoners who need the Mayor to be on their side. The Council further notes that under the Tories, Londoners are less well off with every day that passes.

This Council welcomes the proposal from the Mayoral Labour Party candidate to initially reduce fares by 5%, and then to freeze fares in the following year.

This Council instructs the Chief Executive to write to the Mayor of London urging him to put Londoners first and reconsider the year on year increase which has a serious financial impact on families who are battered by lower wages, a high cost of living and the inability of this Government to promote policies which get the Economy growing.”

- (ii) There was an amendment in the names of Councillors Paul Osborn and Barry Macleod-Cullinane, which sought to amend the Motion as follows:

“This Council condemns the Mayor of London for allowing London Bus & Underground fares to rise sharply over the past four years.

This Council notes that since Boris Johnson was elected in 2008, the cost:

- a single bus ticket is up by 56%, costing Londoners £260 a year more;
- a weekly bus and tram pass is up 47%, costing Londoners £317 a year more;
- a weekly zone 1-4 travelcard up by 23%, costing Londoners £416 a year more;
- a weekly zone 1-6 travelcard is up 22%, costing Londoners £509 a year more.

This Council notes that with the cost of living rising in London, the decision made by Boris Johnson to increase fares again was ill-judged and unfair to Londoners who need the Mayor to be on their side. The

Council further notes that under the Tories, Londoners are less well off with every day that passes.

This Council welcomes the proposal to initially reduce fares by 5%, and then to freeze fares in the following year.

This Council instructs the Chief Executive to write to the Mayor of London urging him to put Londoners first and reconsider the year on year increase which has a serious financial impact on families who are battered by lower wages, a high cost of living and the inability of this Government to promote policies which get the Economy growing.”

- (iii) Upon a vote, the amendment at (ii) was lost.
- (iv) There was a further amendment in the names of Councillors John Nickolay and Susan Hall, which sought to amend the Motion as follows:

“This Council condemns the Mayor of London for allowing London Bus & Underground fares to rise sharply over the past four years.

This Council notes that since Boris Johnson was elected in 2008, the cost:

- a single bus ticket is up by 56%, costing Londoners £260 a year more;
- a weekly bus and tram pass is up 47%, costing Londoners £317 a year more;
- a weekly zone 1-4 travelcard up by 23%, costing Londoners £416 a year more;
- a weekly zone 1-6 travelcard is up 22%, costing Londoners £509 a year more.

This Council also notes that:

- The current Mayor of London inherited a £1.3 billion funding gap in TfL’s finances from the previous Mayor, and has managed to make £7.6 billion in savings;
- the previous Mayor increased London’s fares at 2% above the rate of RPI inflation;
- the current Mayor extended the availability of Freedom Passes to 24 hours and has increased the number of people entitled to concessionary bus travel, to the benefit some of our most vulnerable residents;
- the pledge mentioned below would leave a TfL budget shortfall of over £850 million by 2015/16;

- renowned local government expert Tony Travers has stated in relation to the proposal that "every pound cut from fares is a pound lost from investment";
- the pledge below is part of a package of £3.5 billion in unfunded promises, including the construction of a Cross River Tram costing £1.3 billion;

This Council notes that with the cost of living rising in London, the decision made by Boris Johnson to increase fares again was ill-judged and unfair to Londoners who need the Mayor to be on their side. The Council further notes that under the Tories, Londoners are less well off with every day that passes.

This Council welcomes the proposal from the Mayoral Labour Party candidate to initially reduce fares by 5%, and then to freeze fares in the following year.

This Council pledges that, in order to protect and assist some of Harrow's most vulnerable people from the uncertainty and vagaries of fare prices changes, and to show it is on the side of Harrow residents, no resident who currently receives a discretionary disabled Freedom Pass will cease to do so as the result of any action taken or decision made by this Council.

This Council instructs the Chief Executive to write to the Mayor of London urging him to put Londoners first and reconsider the year on year increase which has a serious financial impact on families who are battered by lower wages, a high cost of living and the inability of this Government to promote policies which get the Economy growing."

- (v) Upon a vote, the amendment at (iv) was lost.
- (vi) Upon a further and final vote the substantive Motion at (i) was agreed.

RESOLVED: That the substantive Motion, as set out at (i) above, be adopted.

163. MOTION - NHS

- (i) At item 12(4) the Council received a Motion in the names of Councillors Krishna James and Margaret Davine in the following terms:

"This Council notes with concern that:

- serious issues confront the NHS: reducing the cost base of the NHS by £20bn, whilst forcing through top-down reorganisation carries a high risk of destabilising patient care and the capacity of the NHS to respond to events.

- the changes being proposed accelerate the replacement of a publicly owned and integrated National Health Service by a privatised and fragmented market system. This Council believes that extensive use of markets is inconsistent with our free at the point of need model of health service.
- evidence from attempts at market led reform shows that use of financial competition has not brought about the reforms that were claimed.
- considerable progress was made within the health service over the previous 13 years due to increased investment and targets, not the market system. This Council wishes to point out that the country with the greatest market usage has the highest administrative costs and scores poorly on almost every international comparison of outcomes.

This Council welcomes the responsibility for Public Health being vested in the Local Authority but urges that funding of public health should be increased year on year as a share of total health spending to enable a welcome shift to preventative care and education.

The Council instructs the Chief Executive to write to the Secretary of State for Health and point out that the scale of reform proposed at a time when £20 billion of cuts are being made will lead to disorganisation, chaos and poorer patient outcomes.

- (ii) There was an amendment in the names of Councillors Barry Macleod-Cullinane and Simon Williams, which sought to amend the Motion as follows:

“This Council notes with concern that:

- serious issues confront the NHS: reducing the cost base of the NHS by £20bn, whilst forcing through top-down reorganisation carries a high risk of destabilising patient care and the capacity of the NHS to respond to events.
- the changes being proposed accelerate the replacement of a publicly owned and integrated National Health Service by a privatised and fragmented market system. This Council believes that extensive use of markets is inconsistent with our free at the point of need model of health service.
- evidence from attempts at market led reform shows that use of financial competition has not brought about the reforms that were claimed.
- considerable progress was made within the health service over the previous 13 years due to increased investment and targets, not

the market system. This Council wishes to point out that the country with the greatest market usage has the highest administrative costs and scores poorly on almost every international comparison of outcomes.

This Council also notes that, under the existing organisational structure:

1. Harrow Primary Care Trust (PCT) was rated as the sixth worst PCT in the country in 2010 (138th out of 144) by the Health Service Journal, with the second worst competency rating.
2. Despite receiving 5% extra funding from the previous government, Harrow PCT is making up to £57 million of cuts during this year to tackle its own financial mismanagement. Harrow PCT's former chief executive said that its financial problems were "probably bigger than any other PCT in London".
3. Harrow PCT has already cut £2 million out of mental health services, vital to some of Harrow's most vulnerable residents, and is now looking to cut IVF and other services.
4. Harrow PCT ranks in the bottom third for England and the bottom 15% for London for recovery rates for depression and anxiety, with just 35% of patients given psychological therapy for depression and anxiety returning to full health. Harrow PCT ranks 25th out of 29 in London, and 111th out of 152 nationwide.
5. Harrow PCT abruptly closed the Pinner Village Surgery in 2010 without proper consultation and weak justification, inconveniencing thousands of Harrow residents.'

This Council welcomes the responsibility for Public Health being vested in the Local Authority but urges that funding of public health should be increased year on year as a share of total health spending to enable a welcome shift to preventative care and education.

This Council instructs the Chief Executive to write to the Secretary of State for Health and point out that the scale of reform proposed at a time when £20 billion of cuts are being made will lead to disorganisation, chaos and poorer patient outcomes.

- (iii) Upon a vote, the amendment at (ii) was lost.
- (iv) Upon a further vote the substantive Motion at (i) was agreed.

RESOLVED: That the substantive Motion, as set out at (i) above, be adopted.

164. MOTION - POLICE CUTS - PUTTING SAFETY AT RISK

- (i) At item 12(5) the Council received a Motion in the names of Councillors Navin Shah and Bill Stephenson in the following terms:

“Harrow Council deplores the Mayor of London’s policy and actions which attack frontline policing. This Council is particularly concerned about the Mayor’s policy of cutting police numbers which puts Harrow at serious risk of increase in crime and hampers the success of Safer Neighbourhood Teams introduced by Ken Livingstone. The Council notes:

- The Mayor’s hypocrisy in asking the Prime Minister, after the August riots, not to cut police budgets when he himself continues unabatedly to implement cuts in London police numbers;
- That according to the Metropolitan Police Authority, London will lose 1800 police officers by 2013/14;
- The reduction of Safer Neighbourhood Team sergeants in London by 150 this year and 150 next year reducing from 630 to 330;
- The depletion and serious weakening of Safer Neighbourhood teams in Harrow arising from the reduction of 5 sergeants this year and with further reductions next year;
- Harrow’s ability to tackle crime will be seriously reduced by the loss of 34 police officers this year;
- The 18.4% increase in residential burglaries and the 56.3% increase in personal robberies, the rise in snatches and other crime in Harrow.

Harrow Council congratulates Ken Livingstone on his pledge to London and Harrow’s residents to restore police numbers including saving Safer Neighbourhood Teams.

This Council instructs the Chief Executive to write to the Mayor of London informing him of this motion and asking him to rescind the cuts in policing, in particular, to the sergeants in Safer Neighbourhood Teams.”

- (ii) There was an amendment in the names of Councillors Paul Osborn and Barry Macleod-Cullinane, which sought to amend the Motion as follows:

“Harrow Council deplores the Mayor of London’s policy and actions which attack frontline policing. This Council is particularly concerned about the Mayor’s policy of cutting police numbers which puts Harrow at serious risk of increase in crime and hampers the success of Safer Neighbourhood Teams. The Council notes:

- The Mayor's hypocrisy in asking the Prime Minister, after the August riots, not to cut police budgets when he himself continues unabatedly to implement cuts in London police numbers;
- That according to the Metropolitan Police Authority, London will lose 1800 police officers by 2013/14;
- The reduction of Safer Neighbourhood Team sergeants in London by 150 this year and 150 next year reducing from 630 to 330;
- The depletion and serious weakening of Safer Neighbourhood teams in Harrow arising from the reduction of 5 sergeants this year and with further reductions next year;
- Harrow's ability to tackle crime will be seriously reduced by the loss of 34 police officers this year;
- The 18.4% increase in residential burglaries and the 56.3% increase in personal robberies, the rise in snatches and other crime in Harrow.

Harrow Council welcomes the pledge to London and Harrow's residents to restore police numbers including saving Safer Neighbourhood Teams.

This Council instructs the Chief Executive to write to the Mayor of London informing him of this motion and asking him to rescind the cuts in policing, in particular, to the sergeants in Safer Neighbourhood Teams."

- (iii) Upon a vote, the amendment at (ii) was lost.
- (iv) There was a further amendment in the names of Councillors Susan Hall and Barry Macleod-Cullinane, which sought to amend the Motion as follows:

"Harrow Council deplores the Mayor of London's policy and actions which attack frontline policing. This Council is particularly concerned about the Mayor's policy of cutting police numbers which puts Harrow at serious risk of increase in crime and hampers the success of Safer Neighbourhood Teams introduced by Ken Livingstone. The Council notes:

- The Mayor's hypocrisy in asking the Prime Minister, after the August riots, not to cut police budgets when he himself continues unabatedly to implement cuts in London police numbers;
- That according to the Metropolitan Police Authority, London will lose 1800 police officers by 2013/14;

- The reduction of Safer Neighbourhood Team sergeants in London by 150 this year and 150 next year reducing from 630 to 330;
- The depletion and serious weakening of Safer Neighbourhood teams in Harrow arising from the reduction of 5 sergeants this year and with further reductions next year;
- Harrow's ability to tackle crime will be seriously reduced by the loss of 34 police officers this year;
- The 18.4% increase in residential burglaries and the 56.3% increase in personal robberies, the rise in snatches and other crime in Harrow.
- That at the end of the Mayor of London's current term, London will have over 32,500 police – over a thousand more than at the beginning of his term – and that the number of special constables will have doubled to over 4,600.
- The Brent and Harrow GLA Member's hypocrisy in criticising the Mayor of London over police numbers and crime – often employing statistics and information in a misleading fashion – while simultaneously remaining part of Harrow Council's administration which has cut the size of its own police team by over a quarter.
- That since the current Mayor of London was elected, Harrow has seen a 4% reduction in total notifiable offences, as well as falls of 27% in robbery and 15% in youth violence.

Harrow Council congratulates Ken Livingstone on his pledge to London and Harrow's residents to restore police numbers including saving Safer Neighbourhood Teams.

In keeping with the desire for the restoration of police numbers, this Council pledges to restore over £100,000 cut from the funding of the Council's police team. This will allow the Council to take full advantage of a special 2-for-1 offer from the Metropolitan Police Authority and increase the size of the team from the planned five officers to nine.

This Council instructs the Chief Executive to write to the Mayor of London informing him of this motion and asking him to rescind the cuts in policing, in particular, to the sergeants in Safer Neighbourhood Teams.”

- (v) Upon a vote, the amendment at (iv) was lost.
- (vi) Upon a further and final vote the substantive Motion at (i) was agreed.

RESOLVED: That the substantive Motion, as set out at (i) above, be adopted.

165. MOTION - NORTH HARROW PARKING

- (i) At item 12(6) the Council received a Motion in the names of Councillors Anthony Seymour and Janet Mote in the following terms:

“This Council welcomes the £860,000 received from the Mayor of London’s Outer London Fund to regenerate Harrow’s shopping centres, and extends its thanks to the staff responsible for the successful bid.

This Council further notes that:

- North Harrow has been allocated £360,000 of the Outer London Fund to, among other things, improve parking in the area and install more on street parking spaces, and that this proposal is considered the highest priority for local traders.
- As a result of a decision made by Cabinet on 18th October 2011, the remaining free parking in Harrow is set to be abolished.
- When the North Harrow Safeway closed in 2004, assurances were given that the first hour of parking would be free until a new supermarket was up and running on the site.

This Council therefore urges Cllr. Phillip O’Dell, Deputy Leader and Portfolio Holder for Environment and Community Safety, to exempt North Harrow from the Council’s plans to abolish free parking across the Borough. Not to do as such would damage business in the area and dishonour the assurances made.

This Council additionally calls on the Chief Executive, Harrow’s three MPs and its GLA Member, to write to the Mayor of London to convey thanks and gratitude for the Outer London Fund money.”

- (ii) Further to the agreement at Minute 152 to suspend Rule 16.6.1 an amendment in the names of Councillors Bill Stephenson and Keith Ferry, was submitted which sought to amend the Motion as follows:

“This Council welcomes the £860,000 received from the Mayor of London’s Outer London Fund to regenerate Harrow’s shopping centres and congratulates all the staff involved in this successful bid noting that Harrow received the second largest amount awarded from the Fund.

This Council notes

- the events which have already taken place in the Town Centre - the illuminated tulips, and in North Harrow - the wonderful late night shopping festival, and further events to come;

- that the Council has made a further bid for funding from the remaining £40 million in the Outer London Fund;
- that North Harrow has already been allocated £360,000 from the first bid.

This Council fully supports the further bid for funding including money to regenerate the North Harrow District Shopping Centre, in particular, to install more on-street parking spaces;

This Council further instructs the Chief Executive to bring this motion to the attention of the Mayor of London and to Harrow's three MPs."

- (iii) Upon a vote, the amendment at (ii) was carried;
- (iv) Upon a further vote, the substantive Motion, as amended, was agreed for submission to the executive.

RESOLVED: That the substantive Motion as amended and set out at (ii) above, be referred to the Executive.

166. MOTION - SERVICEMEN HOUSING

In accordance with Rule 14.7, this Motion stood referred to the Executive.

167. MOTION - EMPLOYED HOUSING

In accordance with Rule 14.7, this Motion stood referred to the Executive.

168. MOTION - CRIME IN HARROW

At item 12(9) the Council received a Motion in the names of Councillors Susan Hall and Barry Macleod-Cullinane in the following terms:

"This Council offers its thanks and gratitude to Harrow Police, Council staff, youth workers and all emergency services members who contributed to ensuring that Harrow remained free of rioting and disorder during the London-wide riots in August this year.

This Council further applauds the efforts of our police in keeping Harrow as one of the safest boroughs in London, with some of the lowest crime levels and an 11% drop in overall crime over the past year.

The Chief Executive is instructed to write to Harrow Police to express the gratitude of the Council for their continuing hard work."

RESOLVED: That the substantive Motion be unanimously adopted.

169. MOTION - COUNCIL TAX FREEZE

- (i) At Item 12(10) the Council received a Motion in the names of Councillors Barry Macleod-Cullinane and Susan Hall in the following terms:

“This Council welcomes the announcement by the Government that, for the second year running, Councils will be provided with financial support to allow them to freeze their council tax rates. This Council confirms it will incorporate this funding and a council tax freeze into its budget for 2012/13, which will help Harrow’s hard-pressed residents in these troubling financial times.

This Council also supports the decision of the Mayor of London, over the last three years, to freeze the Mayoral precept that is collected by councils on behalf of City Hall. This Council encourages the Mayor to do so again this year.

The Leader of the Council is instructed to write to the Chancellor of the Exchequer, the Secretary of State for Communities and Local Government and the Mayor of London to express the Council’s support for these policies.”

- (ii) There was an amendment in the names of Councillors Bill Stephenson and Phillip O’Dell, which sought to amend the Motion as follows:

“This Council notes that for the financial year 2011/12 the Government provided financial support allowing the Council to freeze council tax and that this funding was written into the base budget for four years. This Council welcomes this much needed help for Local Government.

This Council notes the announcement by the Government to provide financial support allowing the Council to freeze Council Tax for the financial year 2012/13 but notes that this has not been written into the base budget for subsequent years, hence causing severe financial difficulties for the financial year 2013/14 and subsequent years.

With this in mind Council instructs the Chief Executive to write to the Chancellor, Secretary of State for Communities and Local Government, and their shadows and the 3 Harrow MPs advising them of this motion and expressing the Council’s support for any help offered to local government.”

- (iii) Upon a vote, the amendment at (ii) was carried.
- (iv) Upon a further vote the substantive Motion, as amended, was agreed.

RESOLVED: That the substantive Motion, as amended and set out at (ii) above, be adopted.

170. DECISIONS TAKEN UNDER URGENCY PROCEDURE BY PORTFOLIO HOLDERS, LEADER AND DEPUTY LEADER, AND USE OF SPECIAL URGENCY PROCEDURE

The Council received a report of the Director of Legal and Governance Services providing a summary of the urgent decisions taken by Cabinet, the Leader and Portfolio Holders, and the use of the special urgency procedure since the last meeting.

RESOLVED: That the report be noted.

171. DECISION TAKEN UNDER THE URGENCY PROCEDURE - COUNCIL

The Director of Legal and Governance Services advised of an urgent decision taken in respect of a matter reserved to Council since the last meeting.

RESOLVED: That the decision taken under delegation by the Director of Legal & Governance Services, on behalf of Council, be noted.

172. PROCEDURE FOR TERMINATION OF MEETING

- (i) At 10.28 pm, during the debate on the Item 12(3) (Motion: Fair Public Transport Fares [Affordable Bus and Tube Fares]), the Mayor put to the vote a procedural motion under Rule 9.2 that the closure of time for the Council meeting be extended until the completion of all remaining business on the Summons. Upon a vote, this proposal was not agreed;
- (ii) At 10.30 pm, in the course of the consideration of Item 12(3) (Motion: Fair Public Transport Fares [Affordable Bus and Tube Fares]), the Mayor advised that the 'guillotine' procedure had come into operation for the determination of the remaining business on the summons and was applied to Items 12(3) (Motion: Fair Public Transport Fares [Affordable Bus and Tube Fares]), 12(4) (Motion: NHS), 12(5) (Motion: Police Cuts – Putting Safety at Risk), 12(6) (Motion: North Harrow Parking), 12(9) (Motion: Crime in Harrow), 12(10) (Motion: Council Tax Freeze), 13 (Decisions Taken Under the Urgency Procedure by Portfolio Holders, Leader and Deputy Leader and Use of Special Urgency Procedures) and 14 (Decision Taken Under the Urgency Procedure – Council).

RESOLVED: That the provisions of Rules 9.2 and 9.3 be applied as set out at (i) and (ii) above.

(CLOSE OF MEETING: All business having been completed, the Mayor declared the meeting closed at 10.40 pm).

COUNCIL

3 NOVEMBER 2011

PUBLIC QUESTIONS (ITEM 6)

A period of up to 15 minutes is allowed for the asking of written questions by members of the public of a Member of the Executive or the Chairman of any Committee.

1. Questioner: Matthew Lloyd

Asked of: Councillor Bill Stephenson (Leader of the Council and Portfolio Holder for Finance and Business Transformation)

Question: "Does the portfolio holder agree with me that Harrow's community should be supported, by supporting Harrow's services, by supporting Harrow's economy and most importantly, supporting the people of Harrow?"

Answer: The answer is most certainly yes. Supporting the local community and the people of Harrow is the driving force of this administration and the basis for our Corporate Priorities and Action Plans, which are built upon the long term spatial plan for the borough that will deliver economic growth and prosperity to residents and businesses for the next 15 years and beyond.

(answered by Cllr Keith Ferry)

We will soon adopt the Local Development Framework (LDF) Core Strategy and are well advanced in our plans for the Heart of Harrow Area Action Plan (AAP). These important documents reflect the feedback from our partners, local businesses and the wider community, in response to active and continuous community engagement.

Through the LDF and the AAP, Harrow residents will benefit from

- in excess of £1bn of inward investment;
- access to more than 6,000 new homes offering a greater mix of housing and more housing choice;
- the creation of at least 3,000 new job opportunities;

- rejuvenated town centres, especially Harrow town centre and Wealdstone;
- a vibrant new community in central Harrow;
- new social and community infrastructure, including a new school, health care, leisure and cultural facilities;
- more sustainable transport options and better access to transport facilities;
- greater protection for the Green Belt, Metropolitan Open Land and open spaces;
- and to safeguard the suburban character of Harrow's residential areas.

We will continue to work with our strategic partners to support Harrow's residents and businesses. This includes the Enterprising Harrow Group, responsible for delivering the council's Enterprising Harrow Action Plan and including Harrow College, Stanmore College, Brent and Harrow Education Business Services, Harrow in Business, West London Business, North West London Chamber of Commerce and Jobcentreplus. In addition, we have maintained and promoted the cross directorate Recession Busting Group, co-ordinating activity across our services. We are working with business support agencies and major developers because we believe that supporting local businesses will safeguard existing jobs and help create new jobs.

In the last two years we have supported over 1,000 residents into training and employment. In this financial year the following has been delivered by the Council and its partners.

- the Xcite Work Club has held 24 workshops and supported 35 residents into work;
- we have co-hosted the Construction Futures Fair on 21 September (which was my 65th birthday, by the way) with Brent and Harrow Education Business Services, promoting construction to young people and adults;
- we have hosted a Job Fair on 11 October 2011 at the Civic Centre, attended by a number of notable employers including McVities, Debenhams, Wickes, Wenzels, Wilkinsons, Harrisons, Gentle Care, Care UK, Cross Roads and Gentle Mark.

550 people attended the Job Fair. Of the 403 who completed an evaluation form, 401 were very positive about the event;

- Harrow and Stanmore colleges are running courses on volunteering including for Bridging the Gap, a project which trains people for work at the Olympic Games;
- Harrow Council is working with Stanmore College to promote its new apprenticeships for healthcare organisations and administration:
 - its vocational courses for adult learners including Childcare, social care, information technology, accounting, beauty therapy and computer maintenance;
 - to promote its courses for jobseekers referred to them by Jobcentreplus, including Sage accounting, IT, web design, security, and childcare, which will also include care, retail, hospitality, IT/admin, financial services, ESOL and volunteering in Quarter 3;
- Harrow Council is working with Harrow College to promote its pre-apprenticeship programme and apprenticeships programmes and Teaching for Adults, Business IT, and English for Speakers of Other Languages;
- District Centre investment profiles have been prepared for North Harrow and Rayners Lane. The vacancy rate for shops in North Harrow has decreased in the last 12 months;
- Harrow was successful in its bid for the Outer London Fund (totalling almost £860,000) in Round One for Harrow Town Centre and North Harrow;
- proposals for Round Two are currently being developed. They will be sent in on 14 November for three areas – Harrow Town Centre, Wealdstone Centre and North Harrow Shopping Centre.

As far as Business Support development goes:

- in October the Sustainable Procurement policy went to Cabinet, and this will support local businesses to access tender opportunities and

create employment and training opportunities for residents;

- we produced the second edition of the Harrow Business Directory, promoting over 1,000 Harrow businesses through the Directory, which is now hosted on the Council website;
- we have supported local businesses to access the growing Indian and Chinese markets through Gateway Asia: Four events have been held in Harrow, generating participation from about 65 local Harrow businesses;
- we organised an event called “Countdown to 2012: Wider Business Opportunities” supporting local companies seeking opportunities through Competefor at the 2012 Games;
- and Harrow Council has promoted the extension for one year of the Business Rate Relief for businesses in Harrow;
- Harrow Council is match funding the access to finance programme Investing for Success which is delivered by Harrow in Business.

Supplemental Question: Does the Portfolio Holder also agree with me that we should defend our services from the ideology of cuts to services today and tax cuts to rich Conservative backers tomorrow?

Supplemental Answer: I believe I am supported by my Party in saying a very certain yes to that.

(A) Overview and Scrutiny Committee and Scrutiny Sub-Committees – Changes to numbers of meetings

The Scrutiny Leadership Group to the Committee requested that Constitution Review Working Group consider changes to the numbers of scrutiny meetings, in order to ensure that Performance and Finance scrutiny sub-committee and Health and Social Care scrutiny sub-committee had sufficient committee time to consider the increasing number of issues being presented.

The Leadership Group proposed that, rather than significantly increase the number of committees overall, it would make sense for the overall number of committees to be redistributed to accommodate the additional demand for Performance and Finance and Health and Social Care time.

The proposals put forward will result in changes to the number of meetings as follows:-

Current number of meetings	Proposed number of meetings
Overview and Scrutiny = 15 (3 sp)	Overview and Scrutiny = 13 (3 sp)
Health and Social Care Scrutiny Sub = 4	Health and Social Care Scrutiny Sub = 6
Performance and Finance Scrutiny Sub-Committee = 4	Performance and Finance Scrutiny Sub-Committee = 5
Total = 23	Total = 24

Overall, there will be an increase of one meeting. The schedule of changes is attached for Members information.

Set out below, is Committee Procedure Rule 35, Part 4B of the Council's Constitution:-

35. Meetings of the Overview and Scrutiny Committee and its Sub-Committees

35.1 There shall be ~~fifteen~~ **thirteen** scheduled meetings of the Overview and Scrutiny Committee, ~~four~~ **five** scheduled meetings of Performance and Finance sub-committee, **and six scheduled meetings of Health and Social Care sub-committee** in each municipal year. The Call-In sub-committees shall be convened as and when required.

35.2 Following consultation with the nominated members of each of the political groups (and in the case of the Overview and Scrutiny Committee, with the four voting co-opted members) the relevant Chair shall have the power to alter the venue, day and time of the meeting or to cancel a meeting if he or she believes it to be appropriate for the conduct of the business of the Committee or sub-committee. The Access to Information Procedure Rules must still be adhered to.

35.3 The dates of meetings of the Overview and Scrutiny Committee and Scrutiny sub-committee will be as determined in the annual calendar of meetings or determined by the Monitoring Officer and notified in the agenda of all meetings.

RECOMMENDATION TO COUNCIL: The Group agreed the amendment of the number of meetings of the Overview and Scrutiny Committee, Health and Social Care Sub-Committee and Performance and Finance Sub-Committee .

(B) Council Questions Without Notice

Currently at Council Rule 12 of the Constitution there is laid out a procedure for addressing Questions Without Notice. The Group considered an amendment to the current operating arrangements to enable such questions to be dealt with prior to the commencement of debate to ensure all queries are as fully responded to enable a rounded debate and decision making on matters under consideration by Council.

The Group discussed the implications of introducing the proposed amendment that would respond to the principle of dealing with Questions Without Notice prior to the commencement of debate and the suggested amendment is detailed below for Council's consideration.

RECOMMENDATION TO COUNCIL: the Group proposed the adoption of the following amendment to the Constitution:

12. Questions Without Notice

12.1 Questions Without Notice

12.1.1 A Member of the Council may ask a Member of the Executive, or Chair of a Committee any question without notice upon an item in a report of the Executive or a Committee when that item is ~~being received or is under consideration~~ **initially proposed and prior to the commencement of formal debate** by the Council.

- 12.1.2 Questions asked under this Rule shall be asked and answered at the time the matter relating to the question is under consideration.

(C) Cabinet Questions

Currently at Executive Rule 16 and 17 of the Constitution there is laid out a procedure for submission of questions for consideration by Cabinet. The increase and complexity of questions has resulted in a potential need to make a minor alteration to the timing of the current deadline to allow Portfolio Holders a proper opportunity to address a full response to questions. A proposed rewording to reflect a deadline time of 3.00 pm (to replace the current 5.00 pm) is proposed below.

In considering the amendment the Group further recommended that the proposals be reflected within the Committee and Council Procedure Rules and apply to all council, committee, panel etc meetings.

RECOMMENDATION TO COUNCIL: the Group proposed the adoption of the following amendments to the Constitution and that this be applied across Council, Executive and Committee Procedure Rules:

16. Public Questions

16.3 Order and notice of questions

16.3.1 Questions will be asked in the order notice of them was received, except that the Chair may group together similar questions.

16.3.2 A question may only be asked if notice has been given in writing, by fax or by electronic mail to the Monitoring Officer at publicquestions@harrow.gov.uk no later than ~~5.00 pm~~ **3.00 pm** two clear working days before the day of the meeting. Each question must be **emailed submitted by the questioner, identifying their name, address, and where appropriate email address,** ~~give the name and address of the questioner~~ and **give the** name of the Member of the Executive ~~or Chair of the Committee~~ to whom it is to be put.

16.3.3 **Without prejudicing 16.3.2 above, where a report is circulated after the normal Cabinet agenda despatch by supplemental agenda a question may be asked, if notice has been given in writing, by fax or by electronic mail to the Monitoring Officer at publicquestions@harrow.gov.uk no later than 3.00 pm ONE clear working day before the day of the meeting. Each question must be emailed from the questioner's email address, give the name and**

address of the questioner and name of the Member of the Executive to whom it is to be put.

16.3.4 The Member of the Executive to whom any question is put may arrange for another Member of the Executive to answer on his or her behalf.

The Council takes no responsibility for questions which are sent and fail to reach the correct e-mail address, postal address or fax number.

17. Questions by Members

17.2 Notice of Questions

17.2.1 A Councillor may only ask a question under Rule 17.1 if either:

1. they have ~~given at least~~ **submitted such question by 3.00pm**, two clear working days ~~notice~~ **before the day of the meeting** in writing, by fax or e-mail, of the question to the Monitoring Officer; or
2. **Without prejudicing 17.1.1.1 above, where a report is circulated after the normal Cabinet agenda despatch by supplemental agenda a question may be asked, if notice has been given in writing, by fax or by e-mail to the Monitoring Officer no later than 3.00 pm ONE clear working day before the day of the meeting; or**
3. the question relates to urgent matters, and they have the consent of the Portfolio Holder to whom the question is to be put and the content of the question is given to the Monitoring Officer by 12 noon on the day of the meeting.

17.2.2 ~~Questions will be answered strictly in accordance with the order in which they are received by the Monitoring Officer. **Questions will be asked in the order agreed with the relevant Group Leader by the deadline for submission of such to the Monitoring Officer.**~~

(D) Personnel Appeals Panel – Change to Terms of Reference

The Constitution refers to the Personnel Appeals Panel having the following powers and duties:

- (a) To consider and decide upon appeals against disciplinary action;
- (b) To hear and determine locally, appeals against the outcome of Job Evaluation;
- (c) To hear and determine locally, appeals under the Council's Grievance Procedure.

RECOMMENDATION TO COUNCIL: The Group agreed the removal of (c) to reflect these have now moved to officer level delivery (Dignity at Work Procedure) and also the removal of (b) job evaluation appeals as this also no longer required Panel approval.

(E) Education Admissions & Awards Advisory Panel – Proposed Changes

The Constitution refers to the Education Admissions & Awards Advisory Panel as having the following powers:

1. To make recommendations in respect of granting a place (in a County Primary or High School) in accordance with expressed parental preference where, in the Panel's judgement an appeal under Section 423, Schedule 33, of the Education Act 1996 would be likely to be successful.
2. In respect of 1 above, to make recommendations with respect to determining the allocation of school places including, where appropriate, authority to exceed a published admissions limit or standard number.

Currently the Quorum for all meetings is the full membership of 3 Councillors. This has caused difficulty where a councillor is a governor and must then withdraw resulting in the need to suspend Standing Orders in relation to the Quorum.

The title of the Panel is also misleading as it presumes a responsibility to make Awards which the Panel no longer undertakes as a function and it suggested the Panel be renamed to reflect this.

RECOMMENDATION TO COUNCIL: the Group proposed the adoption of the following amendments to the operating arrangements and subsequent amendment of the Constitution:

- (a) *the quorum of the Panel be reduced to 2 Councillors.*
- (b) *The Panel be renamed "School Placement Admissions Panel".*

Tenants', Leaseholders' and Residents' Consultative Forum

Proposed New Terms of Reference

Functions and Objectives

1. To be the overarching Residents Consultation mechanism for the Council on all policy, strategy and financial decisions affecting the management and ownership of the Council's housing stock and its estates
2. To discuss items of major significance to all, or a number of, tenant and resident associations and forums concerning the management and ownership of the Council's housing stock.
3. To provide a forum to critically challenge the performance of the Housing Department in all aspects of service delivery and to make recommendations to Cabinet or the relevant Portfolio Holder regarding improvements.
4. To receive reports and updates from other Resident Involvement activities, particularly in relation to the setting and monitoring of service standards, resident scrutiny and inspection activities, but for all other areas of work as required. Any tenant, leaseholder or resident of a Council managed housing estate may request an item relevant to the work of the TLCF to be placed on the agenda, but the final agenda will be at the discretion of the Chair of the Forum. Reports may be presented by either officers or residents, or in partnership as appropriate. Requested items must be received in writing to Democratic Services.
5. To request reports on specific areas of work in particular where they are perceived as not meeting agreed service standards/timescales etc. Requests for future reports or information on specific areas may be made at TLCF meetings by any residents in attendance. Requested items will only be considered with the agreement of the Chair.

Meetings and Membership

6. The Forum shall meet at least six times in the Municipal Year, more often if the workload requires it. One meeting each year shall include discussion of the revenue budget proposals.
7. Recognised Tenants and Residents Associations, HFTRA and the Leaseholder Support Group shall be entitled to send two representatives each to the meetings. With the exception of the Leaseholder Support Group, where two representatives attend every effort should be made to send at least one Council tenant. In the event that a vote is taken in order

to gauge residents' opinions on a particular issue, recognised groups shall be entitled to one vote each.

8. Residents who are recognised by HFTRA as representing an estate where there is currently no Tenant and Resident Association are eligible to attend TLCF and have one vote each. Only one individual can represent each estate in this way. The Chair of the Forum has the final decision on which resident is entitled to vote.
9. Voting rights may be restricted in certain areas of the work. For example where an item only directly affects tenants voting may be restricted to tenants that are present only, and a similar restriction where the item only directly affects leaseholders. The final decision on entitlement to vote lies with the Chair of the Forum.

Consultation and recommendations

10. All resident members of TLCF have a responsibility to feed back to the group they represent the discussions that take place and decisions made at TLCF in a timely way. Resident Participation Officers can support representatives in providing feedback and may from time to time ask to see meeting minutes and undertake surveys of TRA members to review the effectiveness of the feedback process.
11. The Chair of the Forum shall be appointed annually by the Cabinet.
12. Wherever possible all reports to Cabinet, on any proposed new policies or changes to policies that directly impact on tenants and leaseholders will first be considered by TLCF so that resident views can be incorporated into the Cabinet report. However where an issue is either too urgent to wait for a TLCF meeting, or is confidential the reasons why residents' views have not been incorporated must be clearly stated in the Cabinet report.
13. TLCF was established as a forum to consult with residents and this is its primary purpose. Elected members and officers must bear in mind that residents should always have priority in contributing to discussion and debates.

Proposed Changes to Executive Procedure Rules

47.2 The Education Consultative Forum, Employee Consultative Forum *and Tenant and Leaseholder Consultative Forum* all include non-Councillor members. The quorum on these bodies shall be one quarter (or a minimum of 3) of the whole number of Councillors and one quarter (and a minimum of 3) of the whole number of non-councillor members of the Forum.

52.2.1 The Education Consultative Forum, Employees Consultative Forum *and Tenant and Leaseholder Consultative Forum* all include non-councillors. Voting on any matter shall be by simple majority *of those entitled to vote on the item* on these Forums, except that no recommendation or reference may be made by the Executive or another Committee or a Portfolio Holder unless it is agreed by a majority of the elected Councillors on the Forum.

Cabinet Decisions Protocol

Corporate Directors have delegated authority to take and implement decisions required to run their services and to authorise expenditure within approved limits.

This delegation should not be exercised where:

- The issue is not covered by an approved policy
- There are unusual features
- There are political or other significant issues
- Specific terms of the officer delegation require it or
- Members are specifically charged with making the decision (e.g. certain licensing or planning matters).

Where it is not appropriate to exercise officer delegated powers, the matter should be referred to members to determine. For an executive function the decision should go to Cabinet or portfolio holder, for a non-executive function to the appropriate council side body or Council, for example, planning and licensing decisions.

In determining who should determine the matter, early discussion with the portfolio holder, and where appropriate the Leader, is essential. Significant decisions relating to executive functions will normally be considered by the Corporate Strategy Board, where the issue of who should determine the matter will also be considered.

If it is decided that the matter should be determined by Cabinet, consideration should be given the responsibilities of Cabinet in the Constitution at page 3-19 and whether the matter might be a Key Decision.

A Key Decision is an executive decision which:

- (i) is likely to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates; or**
- (ii) is likely to be significant in terms of its effects on communities living or working in an area of two or more wards of the Borough.**

A decision is significant for the purposes of (i) above if it involves expenditure or the making of savings of an amount in excess of £1m for capital expenditure or £500,000 for revenue expenditure or, where expenditure or savings are less than the amounts specified above, they constitute more than 50% of the budget attributable to the service in question.

The rationale behind having a key decision threshold is to ensure that residents and Overview and Scrutiny are aware in good time of significant matters under consideration, via the published Forward Plan.

In determining whether an effect is significant under paragraph (ii) above, the following factors should be taken into account:

- the extent of the impact (i.e. how many wards may be affected?);
- the likely views of those affected (i.e. is the decision likely to result in substantial public interest?);
- whether the decision is likely to be a matter of political controversy; and
- whether the decision may involve a significant social, economic or environmental risk.

Where there is any doubt, Corporate Directors should err on the side of caution and include the matter in the Forward Plan.

If a Corporate Director decides to exercise their delegated powers then they are accountable to the Council or Cabinet or the Committee from which those delegated powers derive, and they must comply with the Contract Procedure Rules and Financial Regulations in force at the time.

Whoever makes a decision must comply with following principles:

- proportionality;
- appropriate consultation;
- consideration of professional advice;
- respect for human rights;
- due regard to the public sector Equality Duty;
- a presumption in favour of openness;
- clarity of aims and desired outcomes;
- a recording of options considered and rejected.

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Appendix 1

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LONDON BOROUGH OF HARROW

FINANCIAL REGULATIONS

SECTION 1. INTRODUCTION

- 1.1. Status
- 1.2. Roles and Responsibilities

SECTION 2. RISK MANAGEMENT AND INTERNAL CONTROL

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- 3.2. Preparation of the Capital Programme
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- 6.4. Work for Third Parties
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- 6.6. Catastrophic Incident in Greater London: Delegation of Functions

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Section 1 Introduction

Status

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Financial regulations provide the framework for managing the authority's financial affairs. They apply to every member and officer of the authority and anyone acting on its behalf. They are an integral part of the Council's Constitution and should be read in conjunction with those sections of the Constitution that cover Budget and Policy Framework Procedure Rules, Contract Procedure Rules and Officer Delegations. The role of the Chief Finance Officer is defined in detail in the Council's Constitution.

Compliance with Financial Regulations is mandatory. Failure to comply with these financial regulations could result in disciplinary action.

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Roles and Responsibilities

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Corporate Director of Finance

The Corporate Director of Finance is the Council's Chief Finance Officer under Section 151 of the Local Government Act 1972. The Chief Finance Officer is responsible for the promotion of good financial management throughout the organization, so that public money is safeguarded at all times, and used appropriately, economically, efficiently and effectively.

The Corporate Director of Finance is a key member of the leadership team, helping it to develop and implement strategy and to resource and deliver the organization's objectives for the long term and in the public interest. He/she is actively involved in, and able to bring influence to bear on all material business decisions, to ensure that the immediate and longer term implications, opportunities and risks are fully considered, and consistent with the overall financial strategy.

The particular areas of responsibility are:

- The proper administration of the Council's financial affairs;
- Ensuring that the Council, the Cabinet, Members, and Directors are advised of the financial implications of all proposals as appropriate;
- Setting and monitoring compliance with financial management standards;
- Advising on the Council's financial position and on the key financial controls necessary to secure sound financial management;
- Preparing the Revenue Budget, Medium Term Financial Strategy and Capital Programme;
- Treasury management;
- The Preparation of the Annual Statement of Accounts and the Annual Governance Statement (AGS) in accordance with proper practices ; The AGS is prepared in consultation with the Monitoring Officer;
- Signing contracts on behalf of the Council within the approved Officers Scheme of Delegation and Contract Procedure rules;
- The approval and issuance of the financial scheme of delegation;

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Section 114 of the Local Government Finance Act 1988 requires the Chief Finance Officer to report to the Council, the Cabinet and the external auditor after consulting with the Chief Executive and the Monitoring Officer, if it appears that the Council, Cabinet or one of its Officers:

- has made or is about to make a decision which involves or would involve incurring unlawful expenditure; or
- has taken or is about to take a course of action which [if pursued to its conclusion](#) would be unlawful and likely to cause a loss or deficiency to the Council; or
- is about to make an unlawful entry in the Council's accounts; or
- the expenditure of the authority incurred in a financial year is likely to exceed the resources available to meet that expenditure.

The Corporate Director of Finance is also required to nominate a properly qualified member of staff to deputise for them should they be personally unable to perform their duties under Section 114, and the Council must provide the Corporate Director of Finance with sufficient staff, accommodation and other resources – including legal advice where this is necessary – to carry out their duties under Section 114.

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In relation to the budget, under Section 25 of the Local Government Act 2003 the Chief Finance Officer must report to the Authority on the robustness of the estimates and the adequacy of the proposed reserves.

The Corporate Director of Finance is responsible for maintaining a continuous review of financial regulations and submitting any material additions or changes necessary to the full Council for approval. The Corporate Director of Finance will also issue and maintain more detailed notes of guidance and practice notes from time to time, as required to supplement these Financial Regulations, with which all Members and staff of the Council shall comply.

The Financial Regulations are also supported by a scheme of delegation which sets out limits for authorising financial transactions.

The Corporate Director of Finance is responsible for reporting, where appropriate, breaches of the financial regulations to the Council and/or to the Cabinet. Responsibility for corporate governance is shared between the Corporate Director of Finance and the Director of Legal and Governance Services (the Council's monitoring officer).

Corporate Directors, Directors and Divisional Directors are responsible for:

- ensuring that all staff in their departments including anyone employed as a consultant/external contractor are aware of the existence and content of the authority's financial regulations and other internal regulatory documents and that they comply with them;
- ensuring that the Council, the Cabinet, Members, and Directors are advised of the financial implications of all service related proposals as appropriate and that the financial implications have been agreed by the Corporate Director of Finance;
- consulting with the Corporate Director of Finance and seeking approval on any matter liable to affect the Council's finances materially for both income and expenditure, before any commitments are entered into;
- notifying the Corporate Director of Finance of any situation that may create a contingent liability, potential claim or litigation; [\(in practice legal do this\)](#)

- signing contracts on behalf of the Council within the approved Officers' Scheme of Delegation and Contract Procedure rules.
- complying with any Council wide spending restriction protocol determined by the Corporate Director of Finance.

Corporate Directors, Directors and Divisional Directors may delegate responsibilities set out in these regulations, but remain accountable for their operation. Delegations must be in writing and maintained in line with the corporate standard.

Finance Business Partners

The Director of Corporate Finance shall appoint a Finance Business Partner to each directorate to represent her/him. The Finance Business Partner will advise the Corporate Director on all financial matters, ensure compliance with financial regulations, and that financial controls are in place.

Budget Holders

Budget holders are assigned their budget at cost centre level. They must accept responsibility for the budget and the level of service/performance required to be delivered. The budget must be signed for at the beginning of each financial year and monitored and reported monthly. Budget holders must be informed of and agree to all changes to their budget by finance – these will normally occur as part of the budget process and will only occur in year when absolutely necessary. Roles and Responsibilities for budget holders and finance staff are set out in the supporting guidance notes. It is the responsibility of the Divisional Director of Finance and Procurement to ensure that all budget holders have received training to manage their budget on SAP. It is the responsibility of the Corporate Directors and Directors to ensure that there is an effective management hierarchy which reflects the budget management and that every budget holder is reporting into the management hierarchy. He/she must be able to provide assurance that the management structure ensures that all budget holders are carrying out their budget responsibilities.

Capital budgets are approved as part of the capital programme. Where the budget approved is at overall service level, rather than project level, it will only be assigned to the budget holder once a business case for the specific capital project has been approved. Business cases should be approved (as per the the associated procedure note) before the commencement of the financial year wherever possible. The budget holder becomes responsible for delivery of the capital scheme once the approved budget becomes operational on SAP. The budget holder must monitor and report the performance of the project and the budget on a monthly basis to the capital forum and to their Departmental Management Team (DMT).

Individual's responsibilities

All employees involved with finance should be aware of these rules and must clearly understand those that affect their work area. If an officer is unclear about some aspect of these rules they should seek advice before acting. This may be from their line manager, Finance Business Partner or Head of Internal Audit or Risk Management.

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All members and staff have a general responsibility for taking reasonable action to provide for the security of the assets under their control, and for ensuring that the use of these resources is legal, is properly authorised, provides value for money and achieves best value.

Section 2 Risk Management and Internal Control

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Risk Management

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All organisations face risks to their people, property, finances, services, reputation and continued operations. Risk management is about systematically identifying and actively managing these risks. It is an integral part of good business practice and is essential to securing the Council's assets and to ensuring continued financial and organisational well being.

Risk can be mitigated by:

- transferring the risk to a third party, e.g. through insurance;
- implementing additional controls to minimise the likelihood of the risk occurring and/or minimising its potential impact (e.g. through regular inspection and continuous monitoring of identified key risk areas);
- establishing and regularly testing business continuity and disaster recovery procedures to deal with the consequences of events and minimise potential disruption;

The Assistant Chief Executive is responsible in conjunction with the Monitoring Officer for preparing and promoting the authority's risk management policy and strategy, securing the endorsement of the Council, and maintaining the strategic risk register; Corporate Directors, Directors and Divisional Directors are responsible for ensuring that there is a continuous review of exposure to risk within their departments, maintaining detailed risk registers and action plans, and maintaining business continuity plans. It is essential that risk management is incorporated into business processes in line with corporate guidelines. These processes include budget preparation and integrated service and financial planning, budget monitoring and performance management, programme and project management, procurement and contract management.

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Internal Control

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Internal control refers to the systems devised by management to guard against risk and promote achievement of objectives. More specifically, internal controls promote:

- achievement of business objectives and performance standards;
- compliance with plans, policies, procedures, codes of conduct, laws and regulations;
- the reliability, integrity, timeliness and usefulness of information;
- the legality of transactions and compliance with approved budgets and procedures; and
- the safeguarding of people, property, finances, services, continued operations and reputation.

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Internal controls are an essential part of the Council's risk management arrangements and should be reviewed on a regular basis. Control systems should provide for clarity of policies, objectives, targets, responsibilities and accountabilities, and appropriate authorisations and approvals, separation of duties, level of internal check, management information and physical safeguards.

The Corporate Director of Finance in conjunction with the Monitoring Officer is responsible for assisting the authority in putting in place an appropriate control environment and effective internal controls which provide reasonable assurance of effective and efficient operations, financial stewardship, probity and compliance with all applicable statutes, regulations and codes of practice.

The Account and Audit (England) Regulations 2011, require the publication of an Annual Governance Statement. The statement represents the end result of a review of internal control and risk management, and includes a description and evaluation of the internal control environment, the review process, and any significant issues. The Committee responsible for internal control should seek to satisfy itself that it has obtained sufficient, relevant and reliable evidence to support the disclosures made. Following approval the statement is signed by the Chief Executive and the Leader of the Council.

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Corporate Directors, Directors and Divisional Directors are responsible for establishing, maintaining, monitoring and reporting on systems of internal control which guard against risk and promote the achievement of objectives. On an annual basis they are required to complete a management assurance statement for each Directorate and Department of the Council and for each division. The statements and supporting evidence will be "reality checked" by Internal Audit, evaluated by the Corporate Governance Group and results fed into the Council's Annual Governance Statement.

Internal Audit

In accordance with the CIPFA/SOLACE framework and the CIPFA statement on the Role of the Chief Finance Officer in Local Government, the Corporate Director of Finance must support the authority's internal audit arrangements and ensure that the Audit Committee receives the necessary advice and information, so that both functions can operate effectively.

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Internal audit is an independent appraisal function that advises management on the effectiveness of their systems of internal control. The Divisional Director (Risk, Audit and Fraud) is the Council's Chief Internal Auditor and reports jointly to the Corporate Director of Finance and to the Assistant Chief Executive.

The Chief Internal Auditor:

- is responsible for reviewing financial and management systems and controls throughout the Council in accordance with professional standards prescribed by the CIPFA Code of Audit Practice and the Auditing Practices Board and its operating procedures as set out in its Internal Audit Manual;
- has a duty to act if fraud or corrupt practices are suspected or detected;
- Must report to the Audit Committee on any relevant matter relating to the Council's financial controls.

The key features of internal audit are:

- it is independent of service operations in its planning and operation;
- it has sufficient organisational status to facilitate effective discussion and negotiation of the results of its work;
- it utilises risk based methodologies in planning and delivering its work and does not have undue limitations placed on its scope;
- the Divisional Director (Risk, Audit and Fraud) has direct access to senior managers, elected members and the external auditor as appropriate; and
- Internal auditors comply with guidance issued by professional bodies.

Internal auditors have the authority to:

- access authority premises at reasonable times;
- access all assets, records, documents, correspondence and control systems;
- receive any information and explanation considered necessary concerning any matter under consideration;
- require any employee of the authority to account for cash, stores or any other authority asset under his or her control;
- access records belonging to third parties, such as contractors, when required (note that contracts should specify access rights); and
- directly access the senior managers and elected members where appropriate.

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The Corporate Director of Finance provides professional advice on the strategic and annual audit plans prepared by the Divisional Director (Risk, Audit and Fraud), which take account of the characteristics and relative risks of the activities involved. [The Divisional Director \(Risk, Audit and Fraud\) must consult the Corporate Director of Finance and the Assistant Chief Executive on the Internal Audit Plan and the Internal Audit Reports.](#)

Corporate Directors, Directors and Divisional Directors are required to notify the Divisional Director (Risk, Audit and Fraud) of new areas of risk which may need to be subject to audit review and ensure that internal auditors are given access at all reasonable times to premises, personnel, documents and assets and provided with information and explanations that the auditors consider necessary for the purposes of their work.

Corporate Directors, Directors and Divisional Directors are also required to consider and respond promptly to recommendations in audit reports, ensure that agreed actions arising from audit recommendations are carried out in a timely and efficient fashion and in line with the timescale agreed with the Divisional Director (Risk, Audit and Fraud), and report on progress.

External Audit

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The Audit Commission appoints the Council's external auditor.

The basic duties of the external auditor are defined in the Audit Commission Act 1998 and the Local Government Act 1999. Duties are carried out in accordance with the code of audit practice [2011](#) issued by the Audit Commission (the Code). This requires the auditor to review and report upon:

- the Council's Accounts;

- whether the Council has made proper arrangements for securing financial resilience and
- whether the Council has proper arrangements for challenging how it secures economy, efficiency and effectiveness.

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The Corporate Director of Finance in conjunction with the Assistant Chief Executive advises on the development of the annual audit plan, leads on any negotiations related to the annual audit fee and advises the Cabinet, Corporate Directors, Directors and Divisional Directors on their responsibilities in relation to external audit and issues arising from the Annual Audit and Inspection Letter.

Corporate Directors, Directors and Divisional Directors are required to ensure that external auditors are given access at all reasonable times to premises, personnel, documents, and assets, and provided with information and explanations which the external auditors consider necessary for the purposes of their work.

Corporate Directors, Directors and Divisional Directors are also required to consider and respond promptly to recommendations in audit reports, ensure that agreed actions arising from audit recommendations are carried out in a timely and efficient fashion and in line with the timescale agreed with the external auditor, and report on progress.

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Preventing Fraud and Corruption

The Council is responsible for substantial public funds and other assets and has a duty to demonstrate the highest standards of probity and stewardship in the day to day management of its affairs. It is therefore essential to develop and maintain an anti-fraud culture and to create a working climate in which all staff and elected members remain alert to the potential for fraudulent or corrupt behaviour against the Council from outside or inside the organisation and are aware of the mechanisms available for the confidential reporting and investigation of any reported instances.

The key controls regarding the prevention of financial irregularities are that:

- the authority has an effective anti-fraud and corruption policy and maintains a culture that will not tolerate fraud or corruption;
- internal control systems exist which minimise the risk of fraud and corruption occurring;
- all members and staff act with integrity and lead by example;
- senior managers are required to deal swiftly and firmly with those who defraud or attempt to defraud the authority or who are found to be corrupt;
- high standards of conduct are promoted amongst members by the standards committee;
- a formal code of conduct is established and widely publicised and, as part of this, a register of interests is maintained;
- whistle blowing procedures are in place and operate effectively; and
- Legislation including the Bribery Act 2010, the Public Interest Disclosure Act 1998 and the Freedom of Information Act is adhered to.

The Council's whistle blowing policy can be found on the intranet.

The Divisional Director (Risk, Audit and Fraud) is responsible for developing and maintaining an anti-fraud and corruption policy and ensuring that effective internal controls are in place to minimise the risk of fraud, corruption and financial irregularities.

The Divisional Director (Risk, Audit and Fraud) is responsible for the corporate fraud team and ensuring that effective procedures are in place to identify fraud and investigate promptly any suspected fraud. The team investigates cases of both internal fraud and external fraud.

Corporate Directors, Directors and Divisional Directors must ensure that where financial impropriety is discovered or suspected, the Corporate Director of Finance and the Divisional Director (Risk, Audit and Fraud) is informed immediately and take all necessary steps to prevent further loss and to secure records and documents against removal or alteration. Corporate Directors, Directors and Divisional Directors must ensure the full co-operation of senior management in any investigation and instigate the authority's disciplinary procedures where the outcome of an audit investigation indicates improper behaviour.

The Bribery Act

- The Bribery Act 2010 officers need to ensure that they comply with all of the councils codes , protocols and procedures particularly the officers code of conduct.

There are implications for the Council's corporate governance including the Councils Codes of Conduct (for members and officers), its procurement practices and its anti-fraud and corruption policies. The most relevant offences for local authorities are Section 2 (receiving a bribe) and Section 7 (failure of the organisation to prevent a bribe).

The Act's penalties are severe for individuals and it introduces a corporate offence for commercial organisations who fail to prevent one of its employees bribing or receiving a bribe. The penalty is an unlimited fine.

The council is required to ensure that all of its policies comply with the act, and that staff are trained where appropriate and adopt suitable compliance and disciplinary measures.

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The act aims to:

provide a more effective legal framework to combat bribery in the public and private sectors.

replace fragmented and complex offences at common law and in the Prevention of Corruption Acts 1889-1916.

create two general offences covering offering, promising or giving of an advantage, and requesting, agreeing or accepting of an advantage.

create an offence of bribery of a foreign public official.

create a new offence of failure by a commercial organisation to prevent a bribe being paid (it will be a defence if the organisation has adequate procedures in place to prevent bribery).

require the Secretary of State to publish guidance about procedures that relevant commercial organisations can put in place to prevent bribery on their behalf.

help tackle the threat that bribery poses to economic progress and development around the world.

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Section 3 Money Laundering

- 3.1 Money laundering involves the 'cleaning' of illegal proceeds in order to disguise their criminal origin. The proceeds of criminal activity, usually cash, are introduced into the financial system where they are laundered enabling them to leave the system appearing to come from a legitimate source.
- 3.2 The Council enters into thousands of transactions every day and could be subject to money laundering attempts when accepting payments by cash, cheque or credit/debit cards for instance in relation to the purchase of a council house or payment of substantial bills.
- 3.3 The Corporate Director of Finance is required to have a robust process in place and a programme of awareness raising and training for the detection of money laundering and the reporting of any suspicious related activity. An Anti- Money Laundering Policy is available as a detailed procedure note supporting the Financial Regulations.
- 3.4 All staff have a duty to report any suspicions to the Money Laundering Reporting Officer (currently the Corporate Director of Finance) or their deputy. There is a template for reports attached to the policy. It is very important that in the process of reporting nothing is done to tip off anyone connected with the transaction.
- 3.5 Staff that regularly accept payments, or administer payments or the Council's bank accounts, as appropriate and the legal team will receive training on money laundering. It is the responsibility of the Divisional Director of Risk, Audit and Fraud to ensure that these staff are identified and trained.

Section 4 Medium Term Financial Strategy (MTFS) and Capital Programme

Financial Planning

Harrow Council is a complex organisation responsible for delivering a wide variety of services. The budget is the financial expression of the Council's plans and policies. The Council has adopted an integrated planning framework to ensure that the corporate plan and MTFS are developed in tandem. The corporate priorities provide the framework for the corporate plan. The development of the corporate plan, directorate service plans and MTFS is an iterative process which occurs over 6-9 months during the year. It enables scarce resources to be allocated in accordance with priorities.

The Budget and MTFS, capital programme and Housing Revenue Account are agreed by the Cabinet for consultation with stakeholders in December and, following consultation with all stakeholders, approved by Council in February when council tax and rents are set.

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. In broad terms the timetable is as follows:

Activity	Date
Review of vision and priorities Budget guidance is issued	May
Consultation on priorities and specific policy/service decisions. Draft service and financial plans. Update Capital Strategy and Asset Management Plans.	September/October
Commissioning Panels to review and challenge draft service and financial plans, including revenue and capital over the period of the MTFS	October/November
Draft Corporate Plan, Capital Strategy, Corporate Asset Management Plan , MTFS, HRA and capital programme approved by Cabinet	December
Council Tax base approved by Cabinet	December
Collection Fund surplus/deficit approved by Cabinet Consultation with Stakeholders on budget proposals	January
Information meetings with Stakeholders	January
Final Corporate Plan, Capital Strategy and Asset Management Plan , MTFS, HRA and capital programme approved by Cabinet and Council. Council tax and rent levels set.	February
Final Service Plans	March

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The general format of the Budget will be approved by the Council on the advice of the Corporate Director of Finance. The proposed budget will include allocations to directorates at service level, proposed taxation levels, contingency funds and allocations to reserves and balances.

Budget and MTFS Preparation

The Corporate Director of Finance is responsible for issuing financial planning guidance to corporate directors, co-ordinating the MTFS process, ensuring that it is integrated with service planning and that there is effective consultation with members, officers and other stakeholders. He/she is ultimately responsible for ensuring that a lawful budget is approved by Council.

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Corporate Directors, Directors and Divisional Directors are responsible for responding to the guidance, meeting deadlines, drafting integrated service and financial plans, and identifying issues and risks which have an impact on the budget over the medium term. They should have regard to the integrated planning framework, spending patterns and pressures revealed through the budget monitoring process, and should ensure that the revenue costs of proposed capital schemes and any capital costs relating to revenue decisions are identified. They must ensure that the guidelines and associated instructions

are fully cascaded through their service managers so that all budget managers understand and are involved in the budget setting process from bottom up.

Corporate Directors have overall responsibility for ensuring that their proposals are robust and that they have identified all of the issues and for giving this assurance to the Corporate Director of Finance.

It is unlawful for an authority to set a deficit budget. Under section 25 of the Local Government Act 2003 the Corporate Director of Finance is responsible for advising the Cabinet and the Council on the robustness of the budget and on the adequacy of the levels of reserves.

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The Corporate Director of Finance is responsible for ensuring that detailed controls are established for the creation of new reserves and any disbursements there from.

The Corporate Director of Finance is responsible for providing advice on the available funding options for the budget. This includes advice on central government funding, general grant, area based grant and other grants, options for borrowing and any other opportunities including income generation.

Preparation of the Capital Programme

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Capital expenditure involves acquiring or enhancing fixed assets with a long-term value to the authority, such as land, buildings, major items of plant and equipment, vehicles or new technology. Capital assets shape the way services are delivered for the long term and create financial commitments for the future in the form of financing costs and revenue running costs.

The Corporate Director of Finance is responsible for:

- producing an annual capital strategy for approval by Cabinet and Council
- setting up procedures under which capital expenditure proposals are evaluated and appraised to ensure that value for money is being achieved.
- ensuring that a Medium-Term Capital Programme is prepared annually which is derived from the Capital Strategy, the Asset Management Plan, and the evaluation process ;
- that the capital programme is consistent with corporate ,service and asset management objectives and priorities;
- that there is a robust process for scrutinizing the capital schemes to be added to the capital programme;
- that the programme is fully funded and is affordable and sustainable in accordance with the Prudential Code;
- setting up procedures for corporate monitoring of all sources of capital funding.

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The inclusion of a scheme in the approved Capital Programme does not imply automatic approval to spend. These can be intentions to spend subject to meeting further criteria relating to the objectives, cost or funding confirmed through the governance process. Corporate Directors must ensure that all necessary levels of approval in accordance with the associated financial procedure note, have been obtained for projects to proceed.

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Where a project is dependant on external funding, it must not proceed until there is confirmation that this has been secured and the grant conditions can be met.

In all cases the Procurement Contract Procedure Rules must be followed before expenditure is incurred.

Projects and Programmes

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The Director for Customer Service and Business Transformation Programme (BTP) is responsible for issuing guidance on the preparation of business cases and programme management.

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Corporate Directors, Directors and Divisional Directors are responsible for ensuring that programmes are conducted using the Council's mandatory project and programme management approach. The degree to which the approach will be applied will be determined according to the limits defined in the procedure guidance notes.

Formal levels of approval

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A business case is required for all schemes included in the capital programme. There is a detailed financial procedure note for gaining approval and sign off for capital schemes. Corporate Directors must obtain the agreement of the Corporate Director of Finance as to the expenditure and funding for all new schemes not included in the approved capital programme and submit to Cabinet for approval.

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Deleted: The Service Efficiency Board (SEB) which is chaired by the Corporate Director of Finance can approve detailed schemes up to and including £250,000 (providing they are included within the approved capital programme). Schemes over £250,000 require approval by the Portfolio Holder for Partnership, Strategy and Finance.¶

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<u>Approval Required for schemes in the approved capital programme</u>	<u>Amount £000</u>
<u>Corporate Director of Finance</u>	<u>< 500</u>
<u>Corporate Director of Finance, Leader and Portfolio Holder for Finance</u>	<u>> 500 < £1000</u>
<u>CSB and Cabinet</u>	<u>> £1000</u>

Leasing arrangements

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Corporate Directors, Directors and Divisional Directors must not enter into credit arrangements, such as leasing agreements without the prior approval of the Corporate Director of Finance and, if applicable, approval of the scheme should be included as part of the capital programme.

Budget Amendment

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Approved revenue budgets may be amended during a financial year in the following circumstances:

a) virements in accordance with the rules set out in the virement section, which have been approved by Council, including transfers from Directorate contingencies unless otherwise specified by the Corporate Director of Finance;

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b) underspendings approved for carry forward from previous years in accordance with approval guidelines;

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c) supplementary requests from General Fund reserves or the Council Contingency Funds with the approval of the Cabinet Member for Finance or full Cabinet;

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d) grants; Corporate Directors may only make changes to revenue budgets resulting from additional ring – fenced grant, or external income receivable, with the approval of the relevant Cabinet Member in conjunction with the Corporate Director of Finance and in accordance with virement rules;

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e) a proposal to spend additional non ring – fenced revenue grant requires the approval of the relevant Cabinet Member in conjunction with the Corporate Director of Finance and in accordance with virement rules;

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f) capital grants received in year for which projects are added to the capital programme, must go to Cabinet for approval.

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A schedule of revenue grants is included as part of the overall budget proposals to Council. Capital grants are shown in relation to the capital programme. All grants including new grants received in year will be reported to the Cabinet via the quarterly financial monitoring.

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Maintenance of Reserves

The Corporate Director of Finance is responsible for advising on prudent levels of reserves for the Council when the annual budget is being considered, having regard to assessment of the financial risks facing the authority.

All contributions to, and appropriations from, General Fund reserves must be approved by the Cabinet member for Finance, subject to any limitations set by the Council in the approved budget framework.

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Setting Charges

Corporate Directors are responsible for ensuring that there is as a minimum an annual review of fees and charges, and that proposals for the level of fees and charges are legal and in line with the 2010 updated charging framework, approved by the relevant Portfolio Holder and presented to the Cabinet as part of the Budget and MTFs proposals. It is required that an in depth review of each service area's fees and charges is conducted on a rolling three year basis.

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A schedule of revenue grants is included as part of the overall budget proposals to Council. Capital grants are shown in relation to the capital programme. All grants including new grants received in year will be reported to the Cabinet via the quarterly financial monitoring.¶

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Budget Monitoring and Control

The revenue budget will be presented and approved at service level by full Council following the recommendation by the Cabinet and having considered the advice of the Corporate Director of Finance. The capital programme will be approved by Council based on an individual scheme by scheme breakdown (where available) including the assigned funding source.

A Corporate Budget Book will be published at the start of each financial year. The format of the budget book will be based upon the format agreed by full Council i.e. at service level and determines the level of detail to which financial control and management will be exercised.

Corporate Directors, Directors and Divisional Directors must ensure that there is a clear allocation of responsibility for revenue budgets at cost centre level and capital schemes within their areas. Budget responsibility should be aligned as closely as possible to the decision making that commits expenditure.

Corporate Directors, Directors and Divisional Directors have authority to incur expenditure on the approved policies and activities of the Council where financial provision exists in the approved budget for the year. The scheme of delegation is included at Appendix A. It sets out the limits for authorising financial transactions. Corporate Directors should ensure that they properly record any local delegations specific to their service area.

The Corporate Director of Finance is responsible for reporting the financial position relative to the revenue budget and capital programme to the Corporate Strategy Board (CSB) and the Cabinet on a regular basis. However, budgetary control is a continuous process that holds designated managers accountable for defined elements of the budget and enables ongoing review and adjustment of budget targets (where appropriate and in accordance with the virement rules) during the course of the financial year.

Corporate Directors, Directors and Divisional Directors are responsible for ensuring that they manage expenditure within the budget available. Over spends and under spends relative to the approved budget may occur for a variety of reasons but should be closely monitored and corrective action taken by managers as soon as a potential problem is identified. Where an over spend in one area can be offset by an under spend in another area a virement is required. They must follow month end procedures and the monitoring process as per the detailed month end and forecasting protocol, and review performance/service levels in conjunction with the budget spend. Budget monitoring should reflect the level of risk associated with particular budgets.

Grant expenditure and income in year

Grant expenditure and income is monitored and reported as part of the monthly monitoring process. All expenditure incurred must be in accordance with the terms and conditions attached to the grant and with Financial Regulations and Contract Standing Orders.

Proper records of expenditure must be kept to allow verification of amounts claimed by the grant giving body and the external auditor.

Wherever possible and appropriate staff employed to meet the grant criteria for spending should be on fixed contracts intended to be terminated when funding ceases.

Capital Monitoring

The delivery of the capital programme is managed through the Capital Forum which is chaired by the Corporate Director of Finance or his/her nominee, and includes the Head of Property and representatives from each service area and from Corporate Finance. This

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group is responsible for ensuring the annual review and update of the Capital Strategy, ensuring that directorates have annually updated asset management plans; and submits the proposed annual and medium term capital programme to CSB based on the Capital Strategy.. It is also responsible for ensuring that all capital proposals are supported by option appraisals; robust costed business cases including whole life costing which are prepared and signed off in accordance with proper governance arrangements as set out in the financial procedures. The size and substance of a capital scheme will determine the degree to which the Council's mandatory project management approach will be applied.

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It monitors project and financial progress on current schemes, and recommends action where slippage or potential overspending is identified. Changes to the approved programme are reported to the Cabinet for approval.

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External Funding

The Corporate Directors and Divisional Directors should consult the Corporate Director of Finance on proposals to bid for external funding to support expenditure that has not already been included in the approved revenue budget or capital programme.

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The Financial Implications of Reports

The Corporate Director of Finance is responsible for monitoring the quality of the financial implications information included in the reports by Corporate Directors and providing financial comments where there are implications such as corporate revenue or capital resources requirements. This is delegated to the Divisional Director of Finance and the Finance Business Partners as required.

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Corporate Directors are responsible for ensuring:

- that an options appraisal is carried out in relation to all significant policy issues;
- that financial implications in the current and future years are identified in all relevant reports and that such financial implications are agreed by or on behalf of the Finance Business Partner and are in accordance with virement rules;
- that where reports impact on other directorates or have implications for corporate resources, financial implications comments are requested from them and/or the Corporate Director of Finance sufficiently in advance of reporting deadlines;
- the financial implications in reports are reflected in current budgetary provisions and in the agreed Budget and MTFS.

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Virement Rules

4.1.1 Under the Constitution the Council is required to specify the extent of virement within the approved budget which may be undertaken by the Cabinet (Ref 4C-2m). Any other changes to the budget are reserved to the Council, other than any changes necessary to ensure compliance with the law, ministerial direction or government guidance.

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4.1.2 Virement for these purposes is taken to include not only the transfer of budget provision between budget heads (including reserves or contingency provisions if such exist) but also the transfer of funds from general balances by way of a supplementary estimate. Virement rules apply equally to expenditure financed by increased income including grants.

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4.1.3 A temporary virement relates solely to the current year – the changes are only made in the current year and the budget reverts back to its original state in the following financial year. A permanent virement is a permanent change to the budget.

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Virements requiring Council approval

4.1.4 The approval of Council is required for any virement which:

- Is a permanent virement, which creates an ongoing financial commitment over and above the approved budget, and/or involves a major change in policy as described by the Budget and Policy Framework
- Involves the transfer of funds between revenue and capital budgets;
- Is a temporary virement that is greater than £500,000 and represents a major change in policy as described by the Budget and Policy Framework.

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4.1.5 These provisions are subject to annual review as part of the budget setting process.

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Virements for which the Cabinet is responsible

4.1.6 The approval of the Cabinet is required for any temporary virement greater than £100,000;

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4.1.7 The Cabinet may only approve temporary virements which are greater than £500,000 if they have been demonstrated not to represent a major change in policy as described.

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4.1.8 The Cabinet may only approve permanent virements that have been demonstrated not to create an ongoing financial commitment over and above the approved budget or imply a major change in policy.

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4.1.9 The Cabinet delegates approval of temporary virements below £100,000.

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Virements delegated by the Cabinet to officers

4.1.10 For temporary virements less than or equal to £100,000 and greater than £50,000, the relevant Corporate Director and the Director of Finance (or his/her nominated officer) may effect virements, subject to consultation with the relevant Portfolio Holder in each case.

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4.1.11 Temporary virements less than or equal to £50,000 may be approved by the relevant Divisional Director and reported to their Corporate Director as part of the monthly monitoring process. Virements above the specified limits or about which the relevant Portfolio Holder has concerns, must be referred to the Cabinet for approval.

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4.1.12 Budgets may only be transferred between revenue or between capital budget heads provided that they:

- do not involve new policy or policy change;
- do not involve an increasing commitment in current or future years that cannot be contained within existing approved budget allocations; and
- do not conflict with any prior decision made or policy or plan or strategy adopted by the Cabinet.

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Recognition of virements

4.1.13 As part of monthly monitoring procedures directorates should be forecasting the full year outturn position. Where action plans to address potential overspends do not reduce the forecast overspend, temporary virements should be made from underspendings elsewhere to reflect the forecast overspend that is not covered by measures in the action plan. Action plans that address overspends of £100,000 or more should be approved by the Cabinet.

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4.1.14 If directorates do not effect virements in accordance with the virement rules the Corporate Director of Finance has the power to require virements to be effected.

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4.1.15 When virements are reported they will be assumed to be temporary virements unless it is specifically stated that they are permanent virements.

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4.1.16 Where a virement is moving funds from one directorate to another, both Corporate Directors must approve the transfer.

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4.1.17 Where a new capital scheme is to be added to the capital programme or an existing capital scheme is to be deleted from the capital programme Cabinet approval must be sought.

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Cumulative virements

4.1.18 Where successive virements to or from the same budget head result in the cumulative virement reaching the above thresholds, approval should be sought as set out above.

Carry Forward Policy

4.1.19 In general a revenue or capital budget is available for the year in question and unspent balances will not be carried forward. However, the Cabinet may agree to carry forward an unspent balance from one year to the next dependent upon the merits of the case put forward. Unspent balances will only be considered for carry forward where:

- the Council's revenue/capital budget is not overspent in total;
- reserves and balances are at an appropriate level; or
- the item is fully funded from grant and the grant will be lost if the item is not carried forward.
- all other commitments will have to be accommodated within the new year budget.

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¶ Under the Constitution, the Council is required to specify the extent of virements within the approved budget which may be undertaken by the Cabinet (Ref 4C-2 m). Any other changes to the budget are reserved to the Council, other than any changes necessary to ensure compliance with the law, ministerial direction or government guidance.¶

¶ Virements for these purposes is taken to include not only the transfer of budget provision between budget heads (including contingency provisions if such exist) but also the transfer of funds from general balances by way of a supplementary estimate. Virement rules apply equally to expenditure financed by increased income including specific grants.¶

¶ Virements for which the Cabinet is responsible¶

¶ The approval of the Cabinet is required for any virement greater than £100,000.¶

¶ The Cabinet may only approve permanent virements that have been demonstrated not to imply a major change in policy.¶

¶ The Cabinet delegates the approval of temporary virements below £100,000. These virements may subsequently be made permanent through the next budget approval process.¶

¶ Virements delegated by the Cabinet¶

¶ For temporary virements ... [2]

The Annual Statement of Accounts

The Corporate Director of Finance is responsible for the preparation of the authority's statement of accounts, in accordance with proper practices as set out in the *Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice (CIPFA/LASAAC)*, for each financial year ending 31 March. Detailed guidance is issued to Corporate Directors, Directors and Divisional Directors each year to ensure that the relevant information is collected and that the statutory deadline is achieved.

The accounts are subject to external audit, the objective of which is to provide assurance that the accounts have been prepared properly, that proper accounting practices have been followed and that high quality arrangements have been made for securing economy, efficiency and effectiveness in the use of the authority's resources.

The Governance, Audit and Risk Management Committee has specific responsibility for approving the statutory annual statement of accounts.

The Corporate Director of Finance is responsible for implementing appropriate accounting policies which comply with statutory requirements and codes of practice and ensuring that they are applied consistently. The accounting policies are set out in the statement of accounts which is prepared as at 31st March each year.

Section 5 Financial Systems and Business Processes

Financial & Accounting Policies, Records & Returns

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Sound systems and procedures are essential to an effective framework of accountability and control. The Corporate Director of Finance as the 151 officer is responsible for ensuring there are effective financial systems and controls, although the operations may be carried out in another directorate than Corporate Finance.

The Corporate Director of Finance is responsible for:

- the operation of the Council's General Ledger and its accounting systems, the form of accounts and the supporting financial records. All the authority's transactions, material commitments and contracts and other essential accounting information must be recorded completely, accurately and on a timely basis. All prime documents must be retained in accordance with legislative and other requirements;
- determining the accounting procedures and records for the authority. Where these are maintained outside the finance department, or outside the Authority, the Corporate Director of Finance must approve the controls to be applied in consultation with the Corporate Director concerned; and
- ensuring there is adequate separation of duties in evidence in the accounting procedures.

Corporate Directors, Directors and Divisional Directors must

- adhere to the accounting policies and guidelines approved by the Corporate Director of Finance, supply information as and when required, and ensure that the advice of the Corporate Director of Finance is sought on the development and implementation of any localised systems of costing, accounting and financial control;
- ensure all local systems are integrated with the central accounting system as far as possible and reconciled to the central accounting system on a regular basis;
- ensure that the organisational structure reflects an appropriate segregation of duties to provide adequate internal controls and to minimise the risk of fraud or other malpractice;
- maintain adequate records to provide an audit trail leading from the source of income/expenditure through to the accounting statements and ensure the secure retention of all documents and vouchers with financial implications for the periods stipulated by the Corporate Director of Finance, usually a minimum 6 years;
- ensure that their staff receive relevant financial training;
- ensure that use of computer and other information systems are registered in accordance with data protection legislation and government connects where relevant; and
- ensure that staff are aware of and comply with freedom of information legislation.

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Trading Accounts and charges

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In some areas the Council may operate a trading account. This means that the costs and income from charges relating to the service are ring-fenced in the accounts. Any surplus or deficit is added to a reserve each year.

The Corporate Director of Finance is responsible for ensuring that trading accounts are treated properly in the Council's accounts.

Corporate Directors, Directors and Divisional Directors are responsible for ensuring that, in line with the Local Government Act 2003, charges are set to recover costs without building up significant surpluses, and that any changes in take up of the service which could result in a deficit are reported at an early stage. All charges must be reviewed on a regular basis and annually as a minimum as part of integrated service and financial planning.

Insurance

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The Council maintains insurance cover to deal with the financial consequences of any incident which may give rise to a claim being made by/against the Council or result in financial cost or loss which may not otherwise be provided for. The extent to which the council "self insures" is informed by the perceived risk and the Council's claims history.

The Corporate Director of Finance is responsible for effecting corporate insurance cover, through external insurance and internal funding, and negotiating all claims in consultation with other officers, where necessary.

Corporate Directors, Directors and Divisional Directors should notify the Divisional Director of Risk, Audit and Fraud immediately of:

- Any loss, liability or damage that may lead to a claim being made by/against the Council. Corporate Directors, Directors and Divisional Directors should ensure that employees, or anyone covered by the authority's insurances, do not admit liability or make any offer to pay compensation that may prejudice the assessment of liability in respect of any insurance claim. It is imperative that officers comply with the timescales for investigating claims and the insurer's conditions. Failure could directly affect the authority's ability to make or defend a claim or could result in financial penalties being imposed on the authority; and
- All new risks, properties or vehicles that may require insurance, and of any alterations or disposals affecting existing insurances.

Corporate Directors, Directors and Divisional Directors should consult the Divisional Director of Risk, Audit and Fraud and seek legal advice on the terms of any indemnity that the authority is requested to give.

Income Collection

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Responsibility for the [financial systems relating to the](#) collection of all income due to the Council lies with the Corporate Director of Finance. [They are](#) responsible for approving

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procedures for collecting and writing off debts as part of the overall control framework of accountability and control.

The Council collects substantial amounts of income (council tax, business rates, rents , service charges and fees and charges) and effective income collection systems are necessary to ensure that all income due is identified, collected, receipted and banked properly, and that VAT is correctly accounted for. There is an overarching debt management policy which sets out how debt will be collected where a resident may have multiple debts, for example council tax and housing rent. There is also a credit policy for sundry debtors

Wherever possible and appropriate income should be obtained in advance or at the point of supplying goods or services as this improves the authority's cash flow and also avoids the time and cost of administering debts.

Corporate Directors, Directors and Divisional Directors are responsible for:

- ensuring that all income due is identified and that either the invoice details are input into the system or a request to raise a Sundry Debtors Invoice is submitted to the Corporate Accounts Receivable team in a timely manner; and
- ensuring that any cash or cheques received by their staff are stored securely whilst in their possession and passed as soon as possible to the Corporate Director of Finance, or as he or she directs, to the authority's bank or National Giro account, and properly recorded.

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The Corporate Director of Finance is responsible for writing off bad debts up to £10,000 where necessary. All requests for write off must be accompanied by a brief report giving the reasons for the request and supporting documentation.

Write offs are subject to approval as follows:

Category	Limit (£)
Corporate Director of Finance	0 - 10,000
Portfolio Holder with responsibility for Strategy, Partnership and Finance	10,001 – 25,000
Cabinet	>25,000

A quarterly report will be submitted to Cabinet summarising write offs below £25,000.

Ordering and Paying For Work, Goods and Services

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The authority's procedures are designed to ensure that services obtain value for money from their purchasing arrangements. These procedures should be read in conjunction with the authority's procurement policy and contract procedure rules.

Every officer and member of the authority must declare any links or personal interests that they may have with suppliers and/or contractors if they are engaged in contractual or purchasing decisions on behalf of the authority, in accordance with appropriate codes of conduct.

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Purchase Orders

Purchase Orders must be raised on the Corporate Financial System for all works, goods and services to be supplied to the authority, except for supplies of utilities, periodic payments such as rent or rates and petty cash purchases and where specifically otherwise agreed.

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Commitments will be automatically recorded onto the Corporate Financial System through the approval of the purchase order. This ensures that the finance system gives a true picture of the amount of expenditure incurred and the balance remaining against each budget head.

Official orders must not be raised for any personal or private purchases, nor must personal or private use be made of authority contracts.

It is mandatory to raise Purchase Orders prior to procuring goods and services, unless an exemption is approved by the Director of Finance.

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Goods Receipting

Budget Managers are responsible for ensuring that:

- all works, goods or services received are “goods receipted” onto the Corporate Financial System;
- any mismatches between the order and the goods receipt are resolved in a timely fashion in accordance with the procedures;
- any mismatches between the goods receipt and the actual invoices are cleared on the system in a timely fashion in accordance with the procedures; and
- Any blocked invoices notified are dealt with in a timely manner.

Purchasing Cards

Purchasing cards are available for use by council staff for buying small (petty cash) value items and for travel and subsistence expenses.

Each Directorate has a number of card holders and authorisers. Key controls are built into the system through card limits, merchant categories, defined suppliers, and other measures.

The Corporate Director of Finance is responsible for issuing guidance on the use of purchasing cards.

Misuse of a purchasing card would normally constitute gross misconduct and could result in dismissal.

Corporate Directors, Directors and Divisional Directors are responsible for ensuring the cards are operated in a responsible manner and that they are only used where there is sufficient budget available to cover the cost of the transaction.

All lost or stolen cards must be reported to the Service Manager Corporate Accounts payable and receivable in Shared Services immediately.

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The purchasing card accounts are settled through the bank on a monthly basis. Detailed statements are provided to enable cardholders to check transactions and coding.

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Payments to Suppliers

As noted above the purchase card accounts are settled directly with the bank.

Where a purchase order has been raised, the supplier will normally send an invoice to the Corporate Accounts Payable Department. Any invoices received elsewhere in error should be forwarded to the Corporate Accounts Payable Department.

For large Corporate contracts, the supplier sends a spreadsheet listing all transactions in place of individual invoices. The spreadsheet is forwarded to the Payments team and uploaded into the creditors system.

Payment of all invoices and corporate contracts is made by the Corporate Accounts Payable Team. The preferred method of payment for invoices is BACS and all suppliers/contractors are asked to complete a BACS form.

The Direct Debit payment method is not allowed under normal circumstances. However, this method of payment will be allowed under exceptional circumstances and will have to be authorised by Corporate Director of Finance.

Payment will not be made unless a proper VAT invoice quoting the appropriate purchase order (or spreadsheet in an approved format) has been received, Corporate Accounts Payable will be responsible for entering all invoices into the Corporate Finance System and matching against purchase orders raised and the Goods Received Note. Any blocked invoices will be automatically notified to the relevant manager responsible for the purchase order.

Corporate Directors, Directors and Divisional Directors are responsible for ensuring that any blocked invoices notified to managers are dealt with in a timely manner. The Corporate Director of Finance is responsible for ensuring that there is a separation of duties between the person authorising the Purchase Order and the person authorising the payment.

Corporate Directors, Directors and Divisional Directors are responsible for ensuring that suppliers are requested to provide invoices for goods, services and works in a timely manner quoting the purchase order number. With regards to contracts for works, Corporate Directors, Directors and Divisional Directors should document and agree with the Corporate Director of Finance the systems and procedures to be adopted in relation to certification of interim and final payments. Where a payment under a contract varies from the value specified in the contract, documentation must be obtained to explain the variation, approved as necessary, and retained on file to provide a full audit trail.

Taxation (CIS and VAT)

The Corporate Director of Finance is responsible for providing information to HMRC in relation to the Construction Industry Tax Deduction Scheme as required and advising Corporate Directors, Directors and Divisional Directors of their responsibilities under the scheme.

Corporate Directors, Directors, Divisional Directors and Budget Managers are responsible for ensuring that the appropriate controls and procedures are operated within the Department or relevant service area in relation to taxation issues.

The Corporate Director of Finance is responsible for completing the monthly return of VAT (inputs and outputs) to HMRC.

Payments to Employees and Members

Staff costs are the largest item of expenditure for most services. It is therefore important that payments are accurate, timely, and made only where they are due for services to the authority, and that payments accord with an individual's conditions of employment. It is also important that all payments are accurately and completely recorded and accounted for and that members' allowances are authorised in accordance with the scheme adopted by the full Council.

The Corporate Director of Finance is responsible for all payments of salaries and wages and expenses to staff, including payments for overtime, honoraria etc and submission of tax returns to HM Revenue and Customs by their due date for the above. The Corporate Director of Finance is also responsible for the timely provision of information, and the maintenance of sound financial controls to meet the responsibilities in connection with taxation issues arising from payments to employees.

Imprest and Petty Cash Accounts

An imprest or petty cash account must only be used where it is not appropriate to use a purchase order or purchasing card for the goods or services in question. It is the responsibility of Corporate Directors, Directors and Divisional Directors to ensure that systems are in place to monitor and control this.

Imprest and petty cash accounts can facilitate very minor items of expenditure where it would not be cost effective to use a purchasing card or purchase order. Imprest and petty cash accounts must not be used to reimburse employee expenses which will be made through Payroll where it is not possible to use a purchase order or purchasing card.

The council has a single petty cash account operated by Cashiers. There are a number of imprest holders across the Council, where the total held should not exceed £500, except where agreed and authorised by the Corporate Director of Finance. The establishment of and procedures for the operation of imprest accounts is approved by the Divisional Director of Finance and Procurement.

Officers must complete an official petty cash voucher to draw cash or a cheque from petty cash or an imprest account. Supporting documentation must be attached including VAT

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receipts and the voucher should be authorised to confirm that the expenditure is reasonable and there is sufficient budget provision to cover the expenditure.

Where the sum required exceeds £100 in cash or £250 by cheque the voucher is countersigned by a Divisional Director. The maximum sum withdrawn at any one time must not exceed £500.

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Imprest holders must reconcile their accounts on a monthly basis or prior to seeking reimbursement. Imprest holders should seek reimbursement from the main petty cash account through Cashiers using the standard documentation and attaching supporting information. A certificate of value must be completed once a year and the cash/receipts must be produced on demand.

Imprest accounts must never be used to cash personal cheques or to make personal loans and the only payments into the account should be the reimbursement of the float and change relating to purchases where an advance may have been made on an exceptional basis.

Bank Accounts

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The Corporate Director of Finance is responsible for opening all bank accounts and agreeing the associated mandates.

The Divisional Director of Finance and Procurement is responsible for managing the banking contract and the day to day administration and reconciliation of accounts.

Staff must not open accounts in the name of the Council, Members or officers unless they are acting on the instructions of the Corporate Director of Finance. Opening an unauthorized bank account is a disciplinary offence.

Retention of Documents

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Corporate Directors, Directors, Divisional Directors and Head teachers of Schools shall be responsible for ensuring that records are carefully and systematically filed and retained for inspection by the Corporate Director of Finance or agencies (e.g. HM Revenue and Customs).

The advised minimum periods for the retention of financial records are set out below:

- mortgages, bonds, stocks and other holdings, insurance, contracts, pension information and transfer values should be held indefinitely;
- PFI contracts should be retained for the period of the contract plus 12 years;
- other contract documents including the final account where the contract is under seal should be retained for 12 years; and
- The majority of accounting records should be retained for a period of 6 years following audit.

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Section 6 Property and Resources

Asset Management

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The Corporate Director of Community and Environment is responsible for corporate asset management. Corporate Directors, Directors and Divisional Directors must ensure that records and assets are properly maintained and securely held. They should also ensure that contingency plans for the security of assets and continuity of service in the event of disaster or system failure are in place.

Budget holders are responsible for ensuring that all assets in their control are appropriately maintained.

All Council assets should be clearly identified and marked as property of the Council where appropriate. No Council asset should be subject to personal use by an employee without prior authorisation.

Each year the Council produces asset management plans (AMPs) for Schools, Housing and Corporate assets. These plans show the number and value of the assets held, how assets are used and whether they are operational or non-operational, running costs, the condition of assets and the maintenance required. The plans inform the Council's capital and revenue budget strategy and disposals policy.

The Asset Management Plans are supported by detailed asset registers. The registers are used as a day to day management tool and to provide information for the Council's accounts and insurance purposes.

The Corporate Director of Place Shaping is responsible for all disposals of land and property [in conjunction with the portfolio holder for Property and Major Contracts](#) and for identifying any revenue implications arising from the sale of assets. [The Corporate Director of Place Shaping in conjunction with the portfolio holder has delegated authority for disposals up to £0.250m. Anything above £0.250m must be reported to the Cabinet for approval.](#)

Budget holders may [seek the authority of their Corporate Director, Director or Divisional Director to](#) dispose of revenue assets through sale, donation or scrapping. They must assure themselves that the assets concerned are the property of the council (rather than a leasing company) before disposing of them. Budget holders must [be able to demonstrate](#) that value for money is obtained for every disposal and maintain adequate records demonstrating value for money, the reasons for the disposal, and that the assets are obsolete or surplus to requirements. All assets to be disposed of, over the value of £10,000 must [additionally](#) be cleared with the Director of Corporate Finance [or his/her nominated representative](#) before they can be disposed of.

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Budget Holders must ensure that legal and environmental issues are addressed when disposing of any assets.

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Leasing

The Corporate Director of Finance shall be responsible for the evaluation and arrangement of all Capital financing facilities. This excludes the short term hiring of equipment for periods of less than 12 months.

The Budget Holders must take appropriate advice from Finance and Legal before entering into an operating lease agreement. A finance lease must never be entered into other than through Corporate Finance.

Stocks and Stores

Corporate Directors, Directors and Divisional Directors are responsible for:

- ensuring that stocks of goods and materials are held at a level appropriate to the business needs of the Council, and that stock levels are checked regularly and as a minimum as part of year end annual stock take procedures;
- ensuring that adequate arrangements are in place for their care and custody; and
- writing off the value of obsolete stock in their Departments in accordance with the procedures.

Treasury Management

The Council has adopted CIPFA's Code of Practice for Treasury Management in Public Services.

The Corporate Director of Finance is responsible for reporting to the Cabinet at least twice in each financial year on the activities of the treasury management operation and on the exercise of his or her delegated treasury management powers. He/she is required to produce:

- a proposed treasury management strategy for the coming financial year before the start of each financial year;
- an annual report on the treasury management activity for presentation by 30th September of the succeeding financial year; and
- a mid year report to the December Cabinet.

The Council has delegated responsibility for the implementation and monitoring of its Treasury Management Policies and Practices to the Corporate Director of Finance and for the execution and administration of Treasury Management decisions to the Treasury and Investments Manager, who will act in accordance with the Council's Treasury Policy Statement and CIPFA's 'Standard of Professional Practice on Treasury Management'.

6.3 Staffing

Corporate Directors, Directors and Divisional Directors are responsible for controlling total staff numbers within their approved establishment. The appointment of staff must be made within budgetary provision and should not create a commitment which cannot be met in future years. Where the existing approved establishment cannot be fully funded from available budget – then an appropriate level of vacancy management in line with operational need should be exercised during the year. Where posts have been vacant for

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periods in excess of 12 months and are deemed not to be required, they should be deleted.

Accurate and effective systems must be in place and the following procedures and regulations must be followed:

- appointments are made in accordance with HR and payroll regulations;
- appointments are in accordance with the approved establishment and grade for the post;
- [the organisational structure on SAP must be kept up to date;](#)
- all appointments, terminations or variations which may affect the pay or pension of an employee or former employee, are notified promptly and in accordance with required forms, timescale and authorization;
- payments are only authorized to bona fide employees;
- payments are only made where there is a valid entitlement;
- conditions and contracts of employment are correctly applied; and
- employee's names listed on the payroll are checked at regular intervals to verify accuracy and completeness.

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Use of Consultants

Corporate Directors, Directors and Divisional Directors must ensure that their staff are familiar with the Council's guidelines on use of consultants and understand the distinction between employment and a contract for consultancy services.

[Consultants supplied to the Council indirectly via an agency are unlikely to be employees.](#) ~~However, if a consultant is brought in, [not as agency staff](#) to cover a vacant post or carry out a role similar to that of a member of staff then it is likely that the Council will be required to treat them as employed for tax purposes and pay them via the payroll. In these circumstances the Council's recruitment policies should be applied.~~

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Where a [non – agency](#) consultant is required to carry out a project which has a clear start and end date and is described in a brief or specification, and where the consultant will be taking on the risk and providing their own premises, equipment and insurance etc, then it is likely that the work will be governed by a contract [for services with the Council](#) and the consultant will be paid via the Corporate Accounts Payable system through the raising of an official order and goods receipt. In these circumstances the Council's contract procedure rules should be applied. The insurance requirements must be clear in the documentation supporting the contract and evidence that the policy is in place should be obtained from the consultant.

Corporate Directors, Directors and Divisional Directors must ensure that where payments are to be made to consultants other than through the Council's payroll system, that there is a clear justification for this and that there are no tax implications that may arise. Corporate Directors, Directors and Divisional Directors should give careful consideration to the employment status of individuals employed on a self-employed consultant or subcontract basis. HMRC applies a tight definition for employee status, and in cases of doubt, advice should be sought from the Payroll Manager [and/or Legal](#) (see section on use of consultants below).

Pension Fund Investment

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The Corporate Director of Finance is responsible for pension fund investment and makes recommendations to the Pension Fund Investment Panel about the appointment of the actuary, investment adviser, and external fund managers. The Corporate Director of Finance provides regular reports to the Pension Fund Investment Panel on the performance of the fund and any regulatory matters.

Trust Funds, Funds Held For Third Parties and Other Voluntary Funds

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The Corporate Director of Finance is responsible for trust funds and ensures that funds are only drawn down for the purposes intended by the Trustees and that accounts are prepared and audited each year.

All trust funds, funds held for third parties and other voluntary (unofficial) funds excluding schools must be approved by the Corporate Director of Finance. A voluntary fund is defined as any fund, other than an official fund for the Council, which is controlled wholly or in part by an officer by reason of his or her employment by the Council. Such funds should be separately identified but managed in line with the Council's financial regulations.

Section 7 Projects, Partnerships and External Funding

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Projects and Partnerships

The Council provides a distinctive leadership role for the community and brings together the contributions of the various stakeholders. It must also act to achieve the promotion or improvement of the economic, social or environmental well-being of the Borough.

The Cabinet is responsible for approving delegations, including frameworks for partnerships.

The Corporate Director of Finance must ensure that the accounting arrangements to be adopted relating to partnerships and joint ventures are proper. He or she must also consider the overall corporate governance arrangements and legal issues when arranging contracts with external bodies. He or she must ensure that the risks have been fully appraised before agreements are entered into with external bodies.

Corporate Directors, Directors and Divisional Directors must ensure that the full implications of any partnership are explored and that Finance and Legal officers are consulted at an early stage. The following issues should be addressed:

- Is a partnership the best vehicle for achieving the desired outcome?
- What are the objectives of the partnership and are they consistent with the Council's priorities?
- What is the legal status of the partnership and how will it be governed?
- What is the liability of the Council and the other partners?
- Are the roles and responsibilities clear?

- What are the risks and how will they be managed and monitored?
- How will the performance of the partnership be monitored and how will success be measured?
- Who employs and manages the staff?
- How will the partnership be funded and who is responsible for the financial management, accounts and audit arrangements?
- Are there any taxation issues?
- Is there a robust business case?
- How will goods and services required by the partnership be procured?
- What are the resource implications in terms of staff, premises etc?

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Corporate Directors, Directors and Divisional Directors are responsible for appropriate approvals before any commitment or agreement is entered into.

A partnership arrangement must not be used as a means of avoiding the procurement rules.

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Public Finance Initiative (PFI) and Local Improvement Finance Trust (LIFT)

A PFI scheme is one where the local authority is purchasing a capital intensive service from the private sector over the period of a long term contract, normally between 25 to 30 years. The authority pays for the service as and when it is received in accordance with the contract. Payments will vary depending on the contractor's performance and or the usage/delivery of the service. The contractor takes responsibility for investing in the capital asset, financing that investment and then managing the facility. The balance of risk between the provider and the local authority is determined such that the risk lies with the party that can best control it, but there should be sufficient risk transfer to the provider to ensure that the asset should not be included on the balance sheet of the local authority. The Government provides revenue support through PFI credits for the funding of the capital element of the project through an annual grant.

A LIFT scheme involves the establishment of a company by local authorities and health authorities. The aim of LIFT is to replace old and inadequate buildings with new and refurbished health related services. LIFT is specifically designed to encourage greater integration of service delivery within the primary and community care sector. LIFT is fundamentally about engaging a partner to deliver a stream of accommodation and related services through a supply chain established following a competitive tendering exercise. Local authorities may transfer facilities by transferring land to the LIFT Co and take back premises on long term leases.

Both PFI and LIFT projects require detailed preparation including for instance development of a business case, option appraisal, and legal advice. Both should be identified at an early stage, built into the medium term budget strategy, and developed through using robust project management framework. The Corporate Director of Finance and Director of Legal Services must be involved at the outset.

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External Funding

The Council bids for funds from a number of UK and European programmes. Each funding regime is subject to rules and regulations and the process for submitting applications and drawing down funding varies.

It is important to ensure that key conditions of funding and any statutory requirements are complied with and that the responsibilities of the Council are clearly understood.

Corporate Directors, Directors and Divisional Directors should:

- ensure that all applications for funding are consistent with the Council's priorities and approve them in principle before detailed work commences;
- ensure that the Council's project management framework is applied and that a project initiation document (start form) is completed where appropriate;
- consult the relevant Directorate Finance Business Partner when preparing applications to ensure that full costs are identified including any match funding required, and ongoing commitments are taken into account;
- notify the Funding Officer of all applications for £100,000 and above to be submitted;
- ensure that the application is signed off by the Corporate Director of Finance or an appropriate officer in the Directorate;
- where applications are successful, ensure that the expenditure and income budgets are amended as necessary (adjustments in excess of £100,000 should be reported to Cabinet as part of the regular budget monitoring);
- ensure that the rules and regulations for the particular funding stream are complied with at application stage and throughout the life of the project;
- ensure that all requirements relating to the delivery of outputs and spend are met in line with the approved bid or project plan;
- ensure that all funding notified by external bodies is claimed, received and properly recorded in the authority's accounts; and
- Check the audit requirements and notify Corporate Finance of any claims that must be audited by the Council's external auditor.

Work for Third Parties

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Corporate Directors, Directors and Divisional Directors must ensure that work for third parties is approved and covered by a suitable contract or agreement so that the responsibilities of each party are clear. Financial and legal advice should be sought at an early stage. This will ensure that the Council only carries out work that is within its legal powers, and that financial issues such as insurance and taxation are properly considered.

Corporate Directors, Directors and Divisional Directors must provide appropriate information to the Corporate Director of Finance to enable a note to be entered into the Statement of Accounts where necessary.

Work by Third Parties

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Corporate Directors, Directors and Divisional Directors must ensure that work carried out by third parties (for instance the Arms Length Management Organisation) for the Council is approved and covered by a suitable contract or agreement so that the responsibilities of each party are clear. Financial, legal and procurement advice should be sought at an early

stage. This will ensure that the organisation only carries out work that is within the relevant legal powers, and that financial issues such as responsibility for managing budgets, insurance and taxation are properly considered.

Catastrophic Incident in Greater London: Delegation of Functions

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In the event of a catastrophic incident being declared, the Director of Corporate Finance is authorised to make emergency payments under the London Councils Gold resolution, to be reimbursed by central government.

Appendix A, Scheme of Delegation for Financial Transactions

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The officers shown below may authorise financial transactions up to the limits indicated in relation to the approved policies and activities of the Council and provided there is adequate budget provision. Where the decision to spend is a key decision then, it will go to the Cabinet for approval.

Key Decisions

- A Key Decision is an executive decision , other than in relation to the procurement of a contract for which there is existing budgetary provision which:
 - (i) is likely to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates; or
 - (ii) is likely to be significant in terms of its effects on communities living or working in an area of two or more wards of the Borough.

Deleted: (If there is no prior Council approval then this would be outside the budget framework cabinet approves the whole budget for every service so there is always prior approval .The purpose of the legislation behind the definition of key decisions is so that the public can be made aware of significant decisions by way of the forward plan and so that they can comment upon them)
¶
(JF to work on this I am meeting with the leader to suggest that we amend our key decision definition) the current definition of a key decision is as follows: ¶

A decision is significant for the purposes of (i) above if it involves expenditure or the making of savings of an amount in excess of £1,000,000 for capital expenditure or £500,000 for revenue expenditure or, where expenditure or savings are less than the amounts specified above, they constitute more than 50% of the budget attributable to the service in question.

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Section 8 Appendix A. Scheme of Delegation for Financial Transactions

The officers shown below may authorise financial transactions up to the limits indicated in relation to the approved policies and activities of the Council and provided there is adequate budget provision.

<u>Delegation</u>	<u>Approval of Orders</u>	<u>Approval of Orders Amended</u>	<u>Approval of unsupported invoice</u>	<u>Contracts</u>	<u>Contracts Amended</u>	<u>Petty Cash Payment</u>	<u>Virements</u>	<u>*Counter signed</u>
<u>System Role CE</u>	<u>EBP Approver unlimited</u>	<u>EBP Approver unlimited</u>	<u>Completed Off line unlimited</u>	<u>Completed Off line unlimited</u>	<u>Completed Off line £2m per annum or £5m over life of contract</u>	<u>Completed Off line unlimited</u>	<u>Completed Off line £100,000</u>	
<u>Corporate Directors; Assistant Chief Executive; Monitoring Officer</u>	<u>unlimited</u>	<u>unlimited</u>	<u>unlimited</u>	<u>100,000</u>	<u>£2m per annum or £5m over life of contract</u>	<u>Above £500</u>	<u>£100,000</u>	
<u>Director</u>	<u>£500,000</u>	<u>£500,000</u>	<u>£100,000</u>	<u>£100,000</u>	<u>100,000</u>	<u>£500</u>	<u>£50,000</u>	<u>Corporate Director</u>
<u>Divisional Director (SPM1)</u>	<u>£300,000</u>	<u>500,000</u>	<u>£50,000</u>	<u>£100,000</u>	<u>100,000</u>	<u>£500</u>	<u>£50,000</u>	<u>Corporate Director</u>
<u>SPM 2/3 Head of Service</u>	<u>£100,000</u>	<u>£100,000</u>	<u>£20,000</u>	<u>£50,000</u>	<u>50,000</u>	<u>£100 cash £250 cheque</u>	<u>*£25,000</u>	<u>Divisional Director</u>
<u>SPM 4/5 Service Manager/</u>	<u>£50,000</u>	<u>£50,000</u>	<u>£10,000</u>	<u>£25,000</u>	<u>£25,000</u>	<u>£50 cash £100 cheque</u>	<u>*£10,000</u>	<u>Divisional Director</u>

Team
Leader

38 –

London Borough of Harrow
Financial Regulations – November 2009

Appendix B. Associated Procedure Notes
Appendix C.

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Financial Regulations section	Procedure Notes	Lead Officer
	General	Continuous review of Financial Regulations
	General	Corporate Director of Finance
1	Roles & Responsibilities	Scheme of Delegation
		Corporate Directors, Directors and Divisional Directors
1	Other Financial Accountabilities	Virement Rules
		Divisional Director (Finance and Procurement)
1	Other Financial Accountabilities	Closure of Accounts and Accounting Policy
		Divisional Director (Finance and Procurement)
2	Risk Management and Internal Control	Risk Management Strategy
		Divisional Director (Risk, Audit and Fraud)
2	Risk Management and Internal Control	Anti-Fraud and Corruption Policy
		Corporate Director of Finance
2	Risk Management and Internal Control	Whistleblowing Policy and Procedure
		Divisional Director (Risk, Audit and Fraud)
2	Risk Management and Internal Control	Fraud Investigation guidelines
		Corporate Director of Finance
2	Risk Management and Internal Control	Anti Money – Laundering Policy
		Corporate Director of Finance
3	Financial Planning and Management	Financial Planning
		Divisional Director (Finance and Procurement)
3	Financial Planning and Management	Capital Programme
		Divisional Director (Finance and Procurement)
3	Financial Planning and Management	Fees and Charges Policy
		Divisional Director (Finance and Procurement)
3	Financial Planning and Management	Budget Monitoring
		Divisional Director (Finance and Procurement)
4	Financial Systems and Business processes	Debt Management overall Policy Sundry Credit Policy
		Divisional Director (Shared Services, Collections and Housing Benefit and Housing Services)
4	Financial Systems and Business processes	Goods Receipt and Invoice Receipt
		Divisional Director (Finance and Procurement)
4	Financial Systems and Business processes	Payment of Invoices
		Divisional Director (Shared Services)
4	Financial Systems and Business processes	Purchase Cards
		Divisional Director (Shared Services)
4	Financial Systems and Business processes	Expenses, travel and subsistence allowances
		Divisional Director (Human Resources and Development)
4	Financial Systems and Business	Management of the Banking Contract and
		Divisional Director (Shared Services)

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Financial Regulations section	Procedure Notes	Lead Officer
	processes	Operation of Bank Accounts
4	Financial Systems and Business processes	Cash Book Divisional Director (Shared Services)
4	Financial Systems and Business processes	Bank Reconciliation Divisional Director (Finance and Procurement)
4	Financial Systems and Business processes	Retention of Documents Divisional Director (Risk, Audit and Fraud)
5	Property and Resources	Asset Management Head of Property and Infrastructure
5	Property and Resources	Stocks and Stores Divisional Director (Risk, Audit and Fraud)
5	Property and Resources	Treasury Management policy and practices Divisional Director (Finance and Procurement)
5	Property and Resources	Use of Consultants Divisional Director (Human Resources and Development)

| [425824](#)

Year Ahead Statement approved by Cabinet	July
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Virement Rules

Under the Constitution, the Council is required to specify the extent of virements within the approved budget which may be undertaken by the Cabinet (Ref 4C-2 m). Any other changes to the budget are reserved to the Council, other than any changes necessary to ensure compliance with the law, ministerial direction or government guidance.

Virements for these purposes is taken to include not only the transfer of budget provision between budget heads (including contingency provisions if such exist) but also the transfer of funds from general balances by way of a supplementary estimate. Virement rules apply equally to expenditure financed by increased income including specific grants.

Virements for which the Cabinet is responsible

The approval of the Cabinet is required for any virement greater than £100,000.

The Cabinet may only approve permanent virements that have been demonstrated not to imply a major change in policy.

The Cabinet delegates the approval of temporary virements below £100,000. These virements may subsequently be made permanent through the next budget approval process.

Virements delegated by the Cabinet

For temporary virements less than and including £100,000, the relevant Director and the Corporate Director of Finance (or his/her nominated officer) may effect virements.

Temporary virements less than and including £50,000 may be approved by the relevant Divisional Director and reported to their Corporate Director/Director as part of monthly monitoring.

Decisions outside the Budget or Policy Framework

Virements above the specified limits or about which any member of the Council or a Committee or sub – committee of the Council wishes to raise a question as to whether any decision made or likely to be made by the Cabinet is contrary to the policy framework or contrary to or not wholly in accordance with the budget

shall refer the question to the Monitoring Officer and/or the Chief Financial Officer as appropriate.

Budgets may only be transferred between revenue or between capital budget heads provided that:

- they do not involve new policy or policy change;
- do not involve an increasing commitment in current or future years that cannot be contained within existing approved budget allocations;
- the budget is not overspent either before or after the proposed virement;
- they do not conflict with any prior decision made or policy or plan or strategy adopted by the Cabinet.

Recognition of virements

As part of monthly monitoring procedures directorates should be forecasting the full year out turn position. Where action plans to address potential overspends do not reduce the forecast overspend, temporary virements should be made from under spends elsewhere to reflect the forecast overspend that is not covered by measures in the action plan. Action plans that address overspends of £100,000 or more should be approved by the Cabinet.

If directorates do not effect virements in accordance with the virement rules the Director of Corporate Finance has the power to require virements to be effected.

When virements are reported it must be made clear whether these are temporary or permanent virements.

Where a virement is moving funds from one directorate to another, both Corporate Directors must approve the transfer.

Cumulative virements

Where successive virements to or from the same budget head result in the cumulative virement reaching the above thresholds, approval should be sought as set out above.

Carry Forward Policy

In general a revenue or capital budget is available for the year in question and unspent balances will not be carried forward. However, the Cabinet may agree to carry forward an unspent balance from one year to the next dependent upon the merits of the case put forward. The detailed forecasting protocol gives guidance on how to manage and report under spends in year. Unspent balances will only be considered for carry forward where:

the Council's revenue budget /capital programme is not overspent in total;
reserves and balances are at an appropriate level;
the Cabinet consider it to be a priority;

Other considerations which may support the case are:

there is a good reason for the delay in carrying out the activity/project;
the cost cannot be accommodated within the new year budget;
The item is fully funded from grant and the grant will be lost if the item is not carried forward.

In particular for capital;

any overspends on individual projects in a Directorate's part of the capital programme have been funded from under spends on other projects in that Directorate's part of the programme;
the budget is not for a rolling programme (such as highways maintenance);

All other commitments will have to be accommodated within the New Year budget.

Page Break

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Delegation	Approval of Orders	Approval of unsupported invoice	Contracts	Petty Cash Payment	Virements	*Counter signed
SAP Role	EBP Approver	Completed Off line	Completed Off line	Completed Off line	Completed Off line	
CE	unlimited	unlimited	unlimited	unlimited	£100,000	
Corporate Director	unlimited	unlimited	£100,000	Above £500	£100,000	
Director	£500,000	£100,000	£100,000	£500	£50,000	
Divisional Director (SPM1)	£300,000	£50,000	£100,000	£500	£50,000	
SPM 2/3	£100,000	£20,000	£50,000	£100 cash £250 cheque	*£25,000	Divisional Director
SPM 4/5	£50,000	£10,000	£25,000	£50 cash £100 cheque	*£10,000	Divisional Director

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LONDON BOROUGH OF HARROW

COUNCIL

3 NOVEMBER 2011

QUESTIONS WITH NOTICE (ITEM 11)

Fifteen minutes will be allowed for Members of the Council to ask a Portfolio Holder a question on any matter in relation to which the Executive has powers or duties.

- 1. Questioner:** Councillor William Stoodley
- Asked of:** Councillor Bill Stephenson (Leader of the Council and Portfolio Holder for Finance and Business Transformation)
- Question:** “Can the Leader tell me what the cost to this Council has been following the move of Harrow Magistrates Court to Brent and what impact this has had on the vulnerable residents who use our courts especially when unhelpful changes have been made to Legal Aid?”
- Answer:
(answered by
Cllr Graham
Henson)** The biggest area of work which has been affected by the move is related to hearings on the recovery of Council Tax and Business rates involving about 17,000 summonses and approximately “1500–2000” defaulters. As far as the revenue area is concerned, the extra costs of having to attend the Brent Court amount to about approximately £113,000. There are others areas that have been costed in detail, and the additional costs which are going to be absorbed will be in the region of £50,000 to £62,000, which comes to £163,000 to £175,000. That is the real cost to the Council.
- Of course if you are a resident, it will be a bit of a disaster. Especially if you are a defaulter. Usually you go there, get a liability order which says you have got to pay. You have been all the way up there, back again, it is a waste of a journey when it could have been just a 200 yard walk. Similarly, it is not only the defendants but it is the professionals, parents, carers, witnesses and victims who all have to find the extra costs and suffer the inconvenience. There is a particular problem for people with disabilities.

The amount of work in Harrow Magistrates Court, unlike other courts, is actually increasing and we have talked about Housing Benefits. We can be sure it will increase, affecting our most vulnerable and least well-off residents.

We lobbied hard cross-party against this disastrous decision. Local justice for local people and I said, I will be writing to the Minister of Justice and our 3 local MPs to reiterate this and calling their attention to consequences of this foolish and misguided decision.

I will also be asking the Planning Department to remind the Ministry of Justice for their structure of responsibilities for the care of its Grade 2 nationally listed building, bearing in mind that all the lead on Harrow Magistrates Court has been stripped off shortly after its closure. When you add up all that, it is an additional cost rather than a saving.

Supplemental Question:

With respect to the more vulnerable residents trekking over to Brent Magistrates Court and especially the ones relying on Legal Aid for their defence, the Chair of Legal Services Commission, Sir Bill Callaghan, expressed concerns last month over the Ministry of Justice's plans to take direct control of the administration of Legal Aid, as part of the Legal Aid's Sentencing and Punishment of Offenders Bill, lacked provision for the independence of civil service making funding decisions. Indeed, our own party Shadow Justice Minister and even the Law Society have called on the coalition government to delay passage of this Bill for similar reasons.

Would you, Leader, agree that it is rather alarming that even when such eminent and well respected people are calling upon the coalition to delay these changes to the Legal Aid system that our vulnerable citizens in Harrow need to help their case, they still appear to think they know better than their own in-house experts?

Supplemental Answer:

I think we are going to have a two tier justice system. As they say, British Justice is the best that money can buy and if you have not got much money, you do not get much justice.

2. Questioner: Councillor Kairul Kareema Marikar

Asked of: Councillor Bill Stephenson (Leader of the Council and Portfolio Holder for Finance and Business Transformation)

Question: “Can the Leader tell me how he will cushion Harrow residents from the out of touch and ill-thought out policies of the Tory-led Government on Housing Benefit, Local Council Tax Benefit?”

Answer: With great difficulty. As I have indicated in my announcements, there is little we can do to protect local residents against these vicious and unfair proposals which are targeted at the least well-off and the most vulnerable.

I have to say, at the same time, the very people who caused the current financial crisis, the bankers, seem to be totally immune from taking any share of the cuts and I think that is totally unfair and wrong.

The proposed cuts to Housing Benefits are a matter of real concern. It is universally agreed this will lead to a major outflow of people from inner London to outer London, which the Mayor of London has compared to ethnic cleansing. If that was not bad enough, there will be an increasing number of local residents on Housing Benefit who will not be able to pay their rents, so becoming homeless. This is already becoming evident in the increasing caseload for the Housing Department.

Short of providing advice on the rules and conducting an awareness campaign, there is little the Council can do as the system is prescribed and funded centrally. However, as I have already indicated, officers are talking to landlords and where possible ensuring that they are aware of the new rent caps and the need for different types of tenancies and accommodation, such as houses in multiple occupation, this will mitigate some of the issues the changes have brought.

With respect to the localisation of Council Tax Benefit, I covered this in my Leader’s announcement. Again, we are in the situation that local authorities are totally dependent on legislative detail and system changes which are either not known or not yet scoped due to the lack of detail, which is a total farce. We have no idea what is going to happen.

As I have indicated, it will mean a cut of 20% on average for those who are not protected by the Government and this will lead to a hotch-potch postcode system of Council Tax benefits. Some people say that localism is a good idea, I just think we should have a national system.

These cuts will mean real misery for real people at a time of financial crisis and we should be doing our utmost to support and help the most vulnerable and the least well-off. We will be doing our utmost to help and mitigate these ill thought-out and unfair proposals.

When David Cameron says we are all in this together, it would seem that his lot are in the liner and the rest of us are in the lifeboats.

Supplemental Question: Do you agree with me, this Government has made the community frustrated with the cuts? You must have watched the BBC Parliamentary Channel where a gentleman said "People are angry with the Government". Will you support my residents in West Harrow when these hard cuts are coming in? Thank you.

Supplemental Answer: My analogy between the liner and the lifeboats is that if we have this terrible situation, we have got to have a fair system where everybody knows they are playing their part. At the moment it seems that the wealthy are getting off scot free and the least well-off and the most vulnerable are getting hit hard destroying families. People having to move out of the borough, take their kids away from school, I mean we are all getting the casework. So again, I just totally agree.

3. **Questioner:** Councillor Ajay Maru
- Asked of:** Councillor Phillip O'Dell (Deputy Leader of the Council and Portfolio Holder for Environment and Community Safety)
- Question:** "Can the Portfolio Holder for the Environment and Community Safety assure me that Harrow will continue to support residents who last year saved £1.2 million by recycling rather than pursue questionable populist strategies of investing about £200 million in re-instating weekly collections and will the Leader undertake to write to the Secretary of State to inform him that Harrow would like to receive a share of that fund to spend in the interests of Harrow residents?"
- Answer:** This gives an opportunity to remind Council that here in Harrow we currently have a very effective collection system which is easy to understand, popular with residents and leading to some of the best recycling rates in the whole of London. Even in urban areas, there are

many collection methods across the country and this reflects the fact that communities have different needs and different requirements. I firmly believe when it comes to choosing collection methods choice, is best made locally, so that the needs of our residents can be taken into account. Our residents have done an excellent job in achieving high levels of recycling. We hope residents will continue to help the council and themselves keep costs down by recycling even more of their waste.

We have yet to see anything from government following up the initial press release from the Minister. Harrow collects food waste on a weekly basis and would welcome any proposal from central government to provide cash in helping us to retain this excellent system. We would also ask the government to prevail on manufacturers to reduce unnecessary packaging at source and keep waste levels down that way too. Like all other Councils at the moment we face difficult choices and tough decisions. I, therefore, believe we need to keep all options under consideration. However, our preference would be to retain the present excellent collection offered to our residents.

Supplemental Question: Do you think there is any mileage in making the case to Eric Pickles that Harrow would rather keep its efficient bin collection system and spend its share of £250m on practical things like improving the shopping districts, for our small businesses, to support the local economy and job creation?

Supplemental Answer: Yes but I have very little confidence that the Minister will actually listen to us because I think he is using his dogma to try and force councils into not making local decisions. I am happy to request the Leader to write to him and see if there is a link between the Localism Bill giving Harrow the freedom to choose where it spends its share of the £2m which has been offered to us.

4. **Questioner:** Councillor Chris Mote

Asked of: Councillor Bill Stephenson (Leader of the Council and Portfolio Holder for Finance and Business Transformation)

Question: "With the revelation of proposals to cut the number of senior officer positions at the Council and reshape the directorates, are there any plans to reduce and modify the respective Cabinet positions to better mirror and

represent the new corporate structure?”

Answer: As Chris knows, the proposals for the new senior staff structure are currently under consultation. I think it is very important that we do everything we can to break down silo culture which pervades so much of local government which we in Harrow working together, are successfully combating.

Portfolio Holders are encouraged to work across directorate and divisional boundaries, so I do not accept the concept of better mirroring the new, or any other, corporate structure.

Supplemental Question: On the basis of that, would the Leader therefore possibly think of something I did when I was Leader, that if he is not going to reduce the numbers, he actually reduces the pay of those Executive Members?

I did it and it was to show the public that we, this Council, when we were running it were doing the best and would he therefore consider reducing it?

Supplemental Answer: Any contributions from any Member of Council, we will listen to very carefully. You can put your contributions into the consultation. We are looking at the budget, we are looking at a number of different things and in due time we will be able to publish them.

GUILLOTINE REACHED (the following answers were circulated after the Council, by written response, at the request of the Mayor).

5. **Questioner:** Councillor Susan Hall

Asked of: Councillor Bill Stephenson (Leader of the Council and Portfolio Holder for Finance and Business Transformation)

Question: “Documents presented to the Employees' Consultative Forum show that, of the Council's non-school employees, fewer than 9% of those in the top two pay bands are BAME and 40% are women. Within the very top pay band, these percentages fall to 0% and 30% respectively. Given the Council's stated commitment to employing a diverse workforce, would you not favour an open recruitment process for the senior officer positions that are being created as part of the corporate restructure, in comparison with the closed-shop process that is being proposed?”

Answer: The document that you refer to should be given its full title – ANNUAL EQUALITY IN EMPLOYMENT MONITORING FROM 1 APRIL 2010 – 31 MARCH 2011.

This report presents a snapshot of the workforce profile at 31 March 2011, based on statistics obtained from SAP.

The Council recognises that like many other organisations we have found it difficult to achieve proportionate representation of women and BAME employees at senior levels and we are committed to working to improve this.

Due to significant cuts in our budgets and the consequential reduction in the levels of recruitment, it is proving more challenging for the Council to use recruitment to address the under representative in the workforce of Black, Asian and Minority ethnic employees, disabled employees, men in the workforce generally and women in senior roles.

However, with regard to the proposed senior management restructure, it is important to recognise that, like all employers considering reductions in the workforce, the Council has a legal duty to consider measures to avoid compulsory redundancies. Pursuant to this, our employment policies are designed to ensure we comply with legal requirements and treat our staff fairly.

Our policy for managing organisational change sets out the appointment process for staff affected by restructures and is applicable to the senior management restructure. We will therefore be following the process set out in that policy as it would be wrong to treat our senior officers less fairly than other staff and unlawful to do so on the grounds of their gender or ethnicity.

6. Questioner: Councillor Susan Hall

Asked of: Councillor Bob Currie (Portfolio Holder for Housing)

Question: “Will the portfolio holder join me in praising the government announcement that squatting is to be criminalised, and welcome the positive implications this will have for council properties?”

Answer: I am interested in the government announcement that squatting is to be criminalised but as it is a very recent announcement we will clearly need to await the detail.

Fortunately squatting is rare in Harrow, but when it does occur it prevents other people in housing need from getting a secure home, it always leads to damage to the property, it always leads to difficulties for neighbours and it is an extremely lengthy process to remove the squatters and return the property to its rightful use.

I welcome a tougher message to squatters and hopefully this deters them. Unfortunately though, sometimes squatters occupy properties because they are desperate and I would like to see the government also supporting more new affordable housing that might help prevent the need to squat in the first place.

7. Questioner: Councillor Barry Macleod-Cullinane

Asked of: Councillor Bill Stephenson (Leader of the Council and Portfolio Holder for Finance and Business Transformation)

Question: "Can you confirm that the appointment of all senior financial officer positions have been and are continuing to be conducted in full compliance with and in adherence to CIPFA guidance?"

Answer: Yes. I am fully aware of CIPFA guidance but to remind you it is simply that, guidance.

8. Questioner: Councillor Barry Macleod-Cullinane

Asked of: Councillor Bill Stephenson (Leader of the Council and Portfolio Holder for Finance and Business Transformation)

Question: "In view of how Harrow has been awarded 'Best Achieving Council', what steps has the Leader taken to publicise Harrow's good practice to other London Leaders and, indeed, to his fellow council leaders across the country across every aspect of Harrow's activity and governance, including but not limited to his appointment of cabinet assistants in secret and voting against greater transparency?"

Answer:

Indeed other London Leaders have been very complimentary about our success in obtaining Best Achieving Council within a year of coming to office and indeed have been amazed to hear about our 15% increase in net satisfaction in such a short time and in such difficult circumstances. Indeed it has been noted nationally both in the press and by senior politicians. I have had numerous conversations with other leaders and Councillors as to how we have managed to achieve this. The Council receives numerous requests for information and for visits to learn about what we are doing right. The Chief Executive and officers are frequent contributors to prestigious conferences. As I have already reported the Government's enquiry on the riots especially came to hear about the Harrow experience and how we avoided a major disturbance here.