

OVERVIEW AND SCRUTINY COMMITTEE (SPECIAL) MINUTES

31 JANUARY 2012

Chairman:	* Councillor Jerry Miles	
Councillors:	* Sue Anderson * Ann Gate * Susan Hall (4) * Barry Macleod-Cullinane	* Chris Mote (1) * Paul Osborn * Sachin Shah * Victoria Silver
Voting Co-opted:	(Voluntary Aided) † Mrs J Rammelt Reverend P Reece	(Parent Governors) * Mrs A Khan
In attendance: (Councillors)	Bill Stephenson	Minute 227

- * Denotes Member present
- (1) and (4) Denote category of Reserve Members
- † Denotes apologies received

223. Attendance by Reserve Members

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

Ordinary Member

Councillor Kam Chana
Councillor Stephen Wright

Reserve Member

Councillor Chris Mote
Councillor Susan Hall

224. Declarations of Interest

RESOLVED: To note that the following interests were declared:

Agenda Item 4 – Core Strategy – Adoption

Councillor Sue Anderson declared, during the course of the meeting, a personal interest in that she was employed by NHS Harrow. She would remain in the room whilst the matter was considered and voted upon.

Agenda Item 5 – Question and Answer Session with the Leader of the Council and Chief Executive which will concentrate on the Council's Corporate Plan and Revenue Budget 2012-13

Councillor Ann Gate declared a personal interest in that she was married to the Portfolio Holder for Schools and Colleges. She would remain in the room whilst the matter was considered and voted upon.

Councillor Barry Macleod-Cullinane declared personal interests in that his sister was a teacher in a Harrow school and he was employed by London Councils. He would remain in the room whilst the matter was considered and voted upon.

Councillor Paul Osborn declared personal interests in that he had received hospitality from Capita that was in excess of £25.00 in value and he was Portfolio Holder that had introduced Innov8. He would remain in the room whilst the matter was considered and voted upon.

225. Deputations

RESOLVED: To note that no deputations were received at the meeting under the provisions of Committee Procedure Rule 16.

RESOLVED ITEMS

226. Core Strategy - Adoption

Members received a report of the Corporate Director of Place Shaping which set out the findings and outcome of the Harrow Core Strategy Examination in Public and informed the Committee of the recommendation to Cabinet and Full Council that the Core Strategy be adopted as part of the development plan for the Borough.

An officer outlined the main issues and Planning Inspector's modifications following the Examination in Public hearing sessions. Officers welcomed the Inspector's findings.

Members congratulated officers on the production of the Core Strategy. Members of the Committee made comments and asked questions as follows:

- In terms of whether there was an increased possibility of tall buildings in Harrow, the Divisional Director of Planning advised that at the Examination in Public, the Secretary of State had made it clear that the Council could not take the position of having no tall buildings in Harrow but had agreed that the matter was best addressed through the Area Action Plan and informed by a detailed urban design analysis and a views assessment. The result of such work would then be reflected in the spatial vision and use policy of the Area Action Plan to control impact.
- A Member expressed the view that access to both Canons Park and Kenton stations required improvement.
- A Member questioned the down grading of affordable housing targets and how it could be ensured that affordable housing was not seen as less important. The Divisional Director advised that the target had not been downgraded and that the Inspector had found the target to be sound and had agreed that it was sustainable to aspire to a target of 40%. In terms of the Community Infrastructure Levy (CIL), there would be further discussions and it was still a priority of the plan to deliver affordable options. He added that consultants were to be commissioned to consider the viability of different levels of CIL charge and an options paper would be submitted to Members for consideration in the summer.
- Larger houses were required by some sections of the community. The officer advised that the Core Strategy required a mix of housing and that priority was afforded to larger affordable housing.
- The stopping of Garden Land Development within the Strategy was welcomed although it was considered that this was at the expense of allowing more intensive development in certain wards which was not welcomed by residents in these wards.
- The facts and figures within the Strategy required context to 'future proof' it. The officer advised that the timescales for production meant that the figures contained within the Strategy were the current position but that more up to date figures were captured in the monitoring report.
- A Member questioned the inclusion of a new polyclinic given that one of the Council's partners had recently closed one. The officer advised that the reference to polyclinics was not important, rather work was being undertaken with the service provider to ensure adequate primary healthcare facilities were delivered and that it was important to secure the footprint within new developments to provide for these facilities regardless of the final term to describe them.
- A Member questioned, in terms of new schools, the effect of an increase in class sizes to 31 or 32 pupils and was advised that officers were reliant on education colleagues for advice and that this was currently the national standard and so applicable now.

The Chair thanked officers for their attendance and responses.

RESOLVED: That

- (1) the outcome of the independent examination in public of Harrow's Core Strategy be noted;
- (2) it be noted that the Core Strategy would be recommended to Cabinet (9 February) and Full Council (16 February) for adoption.

227. Question and Answer Session with the Leader of the Council and Chief Executive which will concentrate on the Council's Corporate Plan and Revenue Budget 2012-13

The Chair welcomed the Leader of the Council, the Chief Executive and Interim Director of Finance to the meeting and outlined the process to be followed for the asking of questions.

The Leader of the Council gave an introduction outlining the Council's difficult financial situation, advising that each year would be more challenging than the last. He advised that there had been consultation on the budget and that one of the themes for 2012 would be modernisation. He referred to page 151 of the Cabinet budget papers and stated that further cuts could be expected in 2014/15 and 2015/16.

The Chief Executive stated that Harrow was not unique in the problems it was facing as a local authority and that it had been a difficult year. Many of the easy savings options had been made and further savings needed to be identified. In terms of the economy, impacts on the Council included the increase in the demand for certain services eg the number of residents seeking housing benefit had increased by some 20% whilst income levels had fallen for other services adding to the financial pressures. In addition, the population was ageing which also increased pressure on the Council's services. The Chief Executive reported that a commissioning approach had been introduced but that going forward he remained concerned at the capacity of the organisation to deal with the challenges it faced.

Members asked a series of questions which were duly responded to as follows:

- *To what extent have you considered alternative models for the provision of services in order to deliver savings, for example, cross borough partnerships?*

The Chief Executive responded that the Council had taken a mixed economy approach and the aim was to provide services in a way that were in the best interests of residents. IT had been outsourced and work was being done with partners, the private sector, social enterprise and other local authorities as appropriate.

The Member challenged that work appeared to be done on an ad hoc basis and that there were possible governance issues. He questioned whether any consideration had been given to a tri borough approach. The Leader responded that the West London Alliance was a good example of the work being done and the Chief Executive added that, whilst the Alliance had initially not progressed as much as he had hoped, it was starting to develop some momentum and the governance of it was now being considered.

- *With the need to protect the long term budgets and the ability to provide good services to residents in the future in mind, what consideration was given to raising council tax in this budget round? How soon do you think it would be appropriate to raise the issue of a possible increase with residents?*

The Leader responded that residents' expectation was that there would be a 0% rise this year but if the Government gave a similar settlement next year it would not be an option to not raise council tax. The only alternative would be to cut services. The possibility of raising council tax would be considered in the summer.

- *In terms of joint working and the need to re-tender the road maintenance contract, how will you ensure that you achieve savings through a re-tendering exercise and how will you ensure that you get it right?*

The Leader advised that there was a central register of contracts and that a better deal had been achieved with the road maintenance contract as a result of the re-tender.

- *In terms of Government changes, what impact would they make?*

The Chief Executive responded that as a result of the welfare changes and caps on Housing Benefits a movement of people out of Central London was already being seen which might result in additional homelessness. The homelessness budget had been increased by £1/2m next year as a result. The localism of Council Tax benefit (the Council had set aside £150,000 for consultation) the changes to business rates were other areas to have an impact although the changes to the HRA appeared to be very positive.

- *In terms of Council Tax benefit localism, what pressures will the Council have if there is an increase in unemployment and what contingency is there to deal with it?*

The Leader responded that if the Government pressed ahead with its plans to localise Council Tax Benefit from 2013/14, there would need to be a decision as to whether funding should be put back into the budget to cover the changes. The Chief Executive added that the Council would need to find an extra £2 million to maintain current levels of

benefit. There would be a need to safeguard pensioners as 40% of the individuals that received Council Tax benefit were pensioners.

- *Were there any concerns that some of the savings in relation to business rate retention involved bringing services into the centre?*

The Interim Director of Finance stated that the Council would make savings by no longer having to pay business rates on property disposed of and that the impact on the base was being considered. Some early modelling on the business rate retention scheme was underway. She added that a project team was looking at council tax benefit localisation and details of this could be provided to Members.

- *The Chief Executive has often spoken about the 700 services provided by the Council. Are there any services which, as a result of the savings programme, we will no longer be providing?*

The Leader stated that the aim was to protect front line services and that the draft budget was available to Members to see the proposals. Various options were being considered. The Chief Executive stated that it might be better to focus on a smaller number of services and look at them in a more innovative way. He gave the examples of the introduction of self service in libraries and the use of children's centres where services had improved with less money.

- *Why does the Council not invest more time in face to face internal communications, which were the most successful, and how well do you think we are doing on internal communication?*

The Chief Executive reported that he had put an infrastructure in place setting out how messages would be conveyed across the Council. This included the weekly Corporate Strategy Board cascade briefings. There were also regular staff forums and lunches with the Chief Executive. A magazine called Frontline would also be launched shortly. He took on board the Member's comments that social workers had been unable to advise of the changes to the Council to carers of children with disabilities that they visited and he would look to investigate this issue.

- *Can the Leader and the Chief Executive give their views on the decision making structure and how the Council formulates its policy?*

The Leader advised that the Chief Executive was considering the decision making structure but that, in his opinion, it was necessary to get decisions made more quickly.

- *How is the Council's intention of becoming a commissioning organisation progressing?*

The Chief Executive reported that it was the first year of the commissioning approach and, whilst he was pleased with progress,

there could be improvement in the understanding of need by bringing information held around the Council together. In addition, the new skill set required for the commissioning approach needed to be fully identified. The Corporate Leadership Group had recently attended a master class on commissioning. In terms of financial management, developing the concept of budgets around users eg personalisation and looking at care pathways from children to adulthood needed to be better developed.

- *What role does the Council envisage for the voluntary sector in the commissioning environment and how will the Council's grants programme and the repatriated London Council's voluntary sector grant fund be used to support the sector in this role? In addition, can you advise me of the grants budget for next year?*

The Leader advised that commissioning from the voluntary sector had been considered and amounted to approximately £4 million. This year would be an interim period whilst the Council moved to total commissioning. He added that the recommendations from the scrutiny review would be followed. The Chief Executive advised that assistance would be available to the voluntary and community sector as well as some work done on capacity building and that workshops would be held to support the new approach.

The Interim Director of Finance advised that there was no change to the overall funding for the Council's grants programme this year. In terms of the London Councils grants programme, there was a reduction of £73,000 for Harrow. Within the Community and Environment directorate, a £40,000 growth item had been included to support the voluntary sector. She added that Adults and Housing had increased their work with the voluntary sector and support to the community which would, in the longer term, generate savings.

The Leader undertook to provide the members of the Grants Advisory Panel with details of how much was being spent on the voluntary sector.

- *Have 'Let's Talk' and other consultation supported the Council to identify areas for savings, could residents be asked what savings they could identify and could we be advised of some of the suggestions/themes arising?*

The Leader responded that further consultation would be carried out in the summer and that details of the themes could be provided. The Chief Executive added that it was important to demonstrate that the Council had listened and explained why it had or had not taken up suggestions made, for example, Adult consultation where as a result of user feedback meals on wheels charges were not increased. This would then encourage future involvement.

- *The budget papers include reference to savings resulting from soft market testing in the public realm in 2013-14. How is the soft market testing process resulting in these savings and why is the testing not being undertaken earlier?*

The Interim Director of Finance responded that it was a process to achieve an end point and that soft market testing provided more information to develop strategy and process.

- *Given that Harrow is one of the most diverse boroughs in London, how was this reflected in the budget?*

The Leader advised that this had been done via Equality Impact Assessments on the decisions made. The Chief Executive added that work had been done, for example, with the Somali community. They had specified their needs and this had resulted in a set of actions by the Council that responded to their needs. The work had received a national award. The Chief Executive undertook to provide details of the work done.

- *Given that the Government's own figures show that women are being worst affected by Government cuts what action if any has been taken to identify what that means for women in Harrow? How are you ensuring that we are not exacerbating this position through our budget proposals?*

The Leader acknowledged and took on board the comments. He referred the Councillor to the previous response.

- *How have you determined the capital budget and how have you struck a balance between capital expenditure and the revenue required to support it?*

The Interim Director of Finance responded that the Council had gone back to first principles and the draft capital strategy was included in the capital budget report. A number of factors had fed into the revised bidding methodology and the starting point had been the impact on the current Medium Term Financial Strategy. Officers had then done a review and provided suggestions to the Portfolio Holders as to how they could prioritise and rank items and where items could be scaled back. She added that, due to short term pressures, officers may consider the use of Section 106 monies.

- *How much debt is the Council taking on in terms of the Housing Revenue Account (HRA), what is being done to safeguard the housing stock, what assumptions are being put in the 30 year plan and what is your rents policy?*

The Leader advised that approximately £89 million debt was being taken on, as calculated by the Government, and that it appeared that the HRA self financing would benefit Harrow and that it might be

possible to do proper repairs to the Council housing stock as a result. The Chief Executive added that the HRA self financing would benefit tenants but it would mean additional debt. Tenants had been clear as to what they wanted the money used for.

The Interim Director of Finance advised that the Government had a 30 year model which it used to calculate the amount of loan debt the Council had to pay. Cabinet was not being asked to approve the 30 year model at this stage but there would be a report to their May meeting.

- *What impact will the review of terms and conditions have on staff morale in a time when greater efficiencies from the staff resource required?*

The Leader responded that staff morale, according to the staff survey, remained high, largely due to the openness of the Chief Executive. The Chief Executive added that staff appeared to appreciate the openness and having the ability to influence decisions. He welcomed ideas at any stage and indicated that he did wish to wait for the next staff survey to hear the views of staff. Staff forums and Managers' conferences were seen as particular good practice.

- *Are you as concerned as I am about consultants' fees? I asked for the specific costs of consultants 9 months ago as SAP cannot provide this detail.*

The Interim Director of Finance advised that the amounts paid to Capita and other consultants had been advised to the Member. Some of these figures related to consultancy and some to service provision and whilst she would perhaps prefer the system to be set up in a different way, budget managers were responsible for monitoring spend.

- *Has anyone been bought in to independently verify the scope for mobile and flexible working and what is the alternative plan if savings are not delivered?*

The Leader confirmed that details would be included in the Cabinet report due for publication shortly. The Chief Executive advised that the aim was to improve productivity and made particular reference to social workers, licensing officers and legal officers. It had been estimated that through the use of mobile and flexible working there could be an increase in productivity of up to 8 hours per week per officer.

The Chair thanked the Leader, Chief Executive and Interim Director of Finance for their attendance, participation and the responses provided.

228. Termination of Meeting

In accordance with the provisions of Committee Procedure Rule 14 (Part 4B of the Constitution) it was

RESOLVED: At 10.00 pm to continue until 10.05 pm.

(Note: The meeting, having commenced at 7.30 pm, closed at 10.01 pm).

(Signed) COUNCILLOR JERRY MILES
Chairman