

OVERVIEW AND SCRUTINY COMMITTEE (SPECIAL) MINUTES

23 JANUARY 2014

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| Chairman: | * Councillor Jerry Miles | |
| Councillors: | * Sue Anderson * Marilyn Ashton * Mano Dharmarajah * Jean Lammiman (4) | * Chris Mote * Bill Phillips * Anthony Seymour * Victoria Silver (1) |
| Voting Co-opted: | (Voluntary Aided) † Mrs J Rammelt Reverend P Reece | (Parent Governors) † Mrs A Khan |
| Non-voting Co-opted: | * Harrow Youth Parliament Representative | |
| In attendance (Councillors) | Tony Ferrari Susan Hall Barry Macleod-Cullinane | Minute 476 |

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

474. Attendance by Reserve Members

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

Ordinary Member

Councillor Phillip O'Dell
Councillor Yogesh Teli

Reserve Member

Councillor Victoria Silver
Councillor Jean Lammiman

475. Declarations of Interest

RESOLVED: To note that the following interests were declared:

Agenda Item 3 – Question and Answer Session with the Leader of the Councillor and Acting Head of Paid Service on Budget 2014-15

Councillor Sue Anderson declared, during the course of the meeting, a pecuniary interest in that as a carer, she had, in the past, received £300.00 for yoga classes. She would remain in the room whilst the matter was considered and voted upon.

Councillor Chris Mote declared non pecuniary interests in that his wife was temporarily teaching in the private sector within the borough, his brother was in receipt of disability benefit and his daughter was a paediatric nurse. In addition, during the course of the meeting, he declared a further non-pecuniary interest in that he was a carer. He would remain in the room whilst the matter was considered and voted upon.

Councillor Anthony Seymour declared a non pecuniary interest in that his sister was in receipt of Council Tax benefit. He would remain in the room whilst the matter was considered and voted upon.

RESOLVED ITEMS

476. Question and Answer Session with the Leader of the Council and Acting Head of Paid Service on the Budget 2013/14

The Chair welcomed the Leader and Deputy Leader of the Council, the Portfolio Holder for Finance, the Acting Head of Paid Service and Director of Finance and Assurance to the meeting. He outlined the format for the meeting and reported that the Leader and Acting Head of Paid Service had been advised of the question areas only and that if a Member wished to ask a question outside those areas, a written answer may be provided.

The Chair reported that a request had been received from the Harrow Observer to film the question and answer session on a mobile device. In accordance with Committee Procedure Rule 26, the Chair sought the Committee's agreement to this request which was given.

The Chair invited the Leader of the Council to give a brief introduction to the 2014/15 budget. The Leader stated that the proposed budget would achieve a cleaner, safer and fairer Harrow. She stated that the current year's budget contained £4m unachievable savings which needed to be addressed. There would be a 0% Council Tax increase in 2014/15, additional fraud officers,

more resources would be put into cleaning the streets and recycling and, in terms of a safer Harrow, there would be further partnership working.

In terms of protecting / looking after vulnerable residents, the Leader stated that £600,000 had been allocated to the care of the elderly, £500,000 to care for vulnerable children and £300,000 for Special Needs Transport. She referred to some of the difficult decisions that had had to be made, including the deletion of the post of Chief Executive which would result in a saving of £280,000 per annum for which ever administration was in control after the local elections in May 2014. She then thanked officers for their work in producing the budget, particularly given the time constraints that they had been under due to the change of administration in September 2013.

The Chair then invited Members to put their questions to the Leader, Deputy Leader, Portfolio Holder and Acting Head of Paid Service. The questions and answers were as follows:

- **What has the impact of localisation of council tax support been on collection rates?**

The Portfolio Holder for Finance reported that localisation had resulted in the collection of a figure close to that which was budgeted for 12 months previously and he did not anticipate the collection figures changing significantly in the coming months.

- **What has been the impact of financial policy changes on the Council's finances – e.g. business rate retention, community infrastructure levy?**

The Portfolio Holder for Finance responded that the Community Infrastructure Levy (CIL) was anticipated to be a significant source of revenue in the medium term but that there would be no such contribution in the 2015/16 budget. In terms of business rate retention, he reported that this had the potential to change over time but that there was a 0% change in the next budget period.

- **Can you explain budget item E&E 007 14/15?**

The Leader reported that this was the conclusion of PRISM but that the reality was that additional resource was required and more management posts needed for the projects which had been initiated. She explained that she had instigated a large number of projects which required management and co-ordination and made particular reference to Beds in Sheds and the weeks of action. The Member expressed concern that contingencies were being used for what appeared to be the Leader's personal projects and questioned why resources were being used to tidy up after those residents that made a mess. The Leader responded that her concern was that a budget had been passed in 2013/14 that contained £4m unachievable savings and how officers had been treated as a result of PRISM. She stated that

residents did not want to walk around in rubbish and that more resource was being put into the environment.

- **The budget only balances due to an assumed underspend in the capital programme in the current financial year. Do you think it is prudent to bank an underspend in a year which has not even finished?**

The Portfolio Holder for Finance stated that the budget was based on a set of reasonable assumptions and that it would be inappropriate to be too cautious. In his view, there were no risks to the authority in making this assumption and if the Section 151 Officer had concerns he would take the necessary action.

- **Can you tell me about the impact of 2013 spending review and its impact on the government grant settlement?**

The Portfolio Holder stated that they did not impact on the budget and that this was a budget for a limited term administration and the risks were contained within it. The issues of concern in the budget were inherited by the current administration and the Leader added that concern had been expressed at the contingencies contained in the current year's budget when it was proposed.

- **How is the council responding to government proposals to return to weekly refuse collection and what are the financial implications of this?**

The Leader stated that she was proud of Harrow's refuse collection service which collected 2 bins from 85,000 households each week. Double yellow lines had been implemented 5-6 years ago to assist with collection in certain areas and the fleet had been replaced. One area of investment in recent times had been the recruitment of 3 recycling officers who had successfully managed to educate residents to place certain items of refuse in the blue rather than green bin. This would both safeguard the environment and save money. Part of the success of the service was that the collection was easy for residents to understand.

- **You have taken the decision to remove £1m from the council tax support scheme, what consultation have you done with the voluntary sector on the decision to remove money from the scheme?**

The Portfolio Holder responded that the purpose of Council Tax support scheme was to provide support to residents experiencing difficulty and that there was little value in leaving money in 'pots' that did not get used and instead the decision had been taken to spend it elsewhere on those in need. The Member emphasised that her question was about consultation and its importance as views on vulnerability may differ. The Portfolio Holder stated that the previous

administration had consulted on the scheme and that his Group had effectively only had 8 weeks to develop a budget. There would be substantial consultation by the new administration elected in May 2014.

- **In putting together the budget, what plans do you have to work with other councils to achieve savings?**

The Deputy Leader reported that there were a number of projects and discussions underway with other Councils, largely around waste issues. Work was underway with the Health and Wellbeing Board, West London Waste Authority and the Greater London Authority. Work was being done in terms of expanding the local economy and also to see if the housing 'pot' could be increased. This work would continue beyond the current administration. The Portfolio Holder added that whilst collaborative working was desirable it could be difficult unless the authorities concerned had the same political administration. Opportunities were, however, being considered via the Minerva project.

The Acting Head of Paid Service stated that officers had given consideration to the next four years and the opportunities for shared services and that there would be important choices facing the next administration.

- **How do the changes in this budget affect the council's ability to react to changing conditions due to welfare reform?**

The Portfolio Holder reported that the budget considered the welfare reform agenda in place at the current time as much of the substantive detail was not yet in place. This topic would therefore need to be considered next year. The Member questioned whether there was any provision in the budget to deal with those resident affected by bedroom taxes and was advised that contingencies were being used to help those residents most in need across Council services.

- **Are there any plans to increase youth activities during the holidays?**

The Leader advised that the budget was unchanged but that she was keen to hear from young people on the delivery of services. The voluntary sector may be able to assist but she would encourage representatives of the youth parliament to meet with her to discuss their ideas.

- **Given the risk identified in budget item E&E008 14/15, (Parking income) why do you think it's prudent to keep the income in the base for the whole of the MTFS period?**

The Portfolio Holder responded that, in moving forward, this was the best data that Members had. The Member stated that it appeared that the advice from officers had changed and that he had been assured that parking income had gone beyond achieving diminishing returns.

He expressed his concern in that it seemed that there appeared to be less listening to officer advice by the current administration. Another Member added that the issue of parking income had also been raised at the Traffic and Road Safety Advisory Panel in that the Council always appeared to be short in this area.

The Leader responded to the comments by stating that her group was decisive and that residents wanted the borough to be cleaner and safer. Income had increased due to over collection.

- **Has the council begun the development of a capital/investment strategy to drive the long term investment of the capital budget?**

The Portfolio Holder stated that a long term sustainable capital strategy was required and that the current strategy was challenging. In the short term, the process had not been changed. The Member questioned what the Portfolio Holder viewed as a reasonable level of debt and sought clarification as to the Council's average spend on servicing debt. The Portfolio Holder stated that the administration was at the starting point and that the objective was to stop the debt burden rising. In the medium term, the aim was to reduce the debt level.

- **During the introduction to this question and answer session it was stated that £600,000 would be allocated to support the vulnerable. Can you expand on this? Is there anything in the budget to prepare for the Care Bill?**

The Deputy Leader stated the administration was exploring how it could best support the most vulnerable. Consideration was being given as to how costs of services could be reduced, how to tackle the demands of social care, funding of personal budgets and invest to save. The Leader added that as the age profile showed more elderly residents, services would need to be targeted at different age groups.

The Member stated that Carers themselves reduced the demand on the Council. They were contributors and their role needed to be supported.

In terms of the Care Bill, the Acting Head of Paid Service advised that the significant costs were likely to impact in 2015/16 and beyond. There was ongoing national debate on this issue. The Health and Wellbeing Board had discussed the Better Care Fund and a further report would be submitted to Cabinet in February.

- **What has been the impact of 'Right to Buy' and rent increase policy on the self financing of the HRA?**

The Deputy Leader advised that the Council had bought itself out of the HRA about a year ago because a quarter of Harrow's Council tenants' rents were going to other parts of the country. The cost of servicing

debt outweighed what the Council was losing in subsidy. This issue was considered as part of the Standing Scrutiny Review of the Budget.

The Deputy Leader reported that, in the short term, Right to Buy had generated capital receipts and looked reasonably sustainable.

- **Can you give us an update on ‘commercially sensitive issues’ which is mentioned in page 188 of the December budget papers?**

The Leader advised the Committee that there was no need to exclude the press and public for this question and answer as there was nothing further to report.

The Chair thanked the Leader, Deputy Leader, Portfolio Holder and officers for their attendance and responses.

RESOLVED: That the Committee’s comments be forwarded to Cabinet for consideration.

(Note: The meeting, having commenced at 7.30 pm, closed at 8.54 pm).

(Signed) COUNCILLOR JERRY MILES
Chairman