

OVERVIEW AND SCRUTINY COMMITTEE MINUTES

27 FEBRUARY 2018

Chair: * Councillor Phillip O'Dell

Councillors:

* Jeff Anderson (2)	* Barry Macleod-Cullinane
* Jo Dooley	* Kairul Kareema Marikar (5)
* Nitesh Hirani	* Jerry Miles
* Jean Lammiman	* Chris Mote

Voting Co-opted: (Voluntary Aided) (Parent Governors)

* Mr N Ransley
Reverend P Reece

Non-voting Co-opted: * Harrow Youth Parliament Representative

* Denotes Member present
(2) and (5) Denote category of Reserve Members

255. Attendance by Reserve Members

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

Ordinary Member

Councillor Pamela Fitzpatrick
Councillor Barry Kendler

Reserve Member

Councillor Jeff Anderson
Councillor Kairul Kareema Marikar

256. Declarations of Interest

There were no declarations of interest.

257. Minutes

RESOLVED: That the minutes of the meetings held on 7 November 2017 and 23 January 2018 (two meetings on that date) be taken as read and signed as a correct record.

258. Public Questions and Petitions

RESOLVED: To note that no public questions or petitions were received at this meeting.

259. Reference from Cabinet - Scrutiny Challenge Panel on Financing of the Regeneration Programme

RESOLVED: That the reference report from Cabinet be noted.

RESOLVED ITEMS

260. Financing of the Regeneration Programme - Scrutiny Review: Financial Modelling Information

RESOLVED: That the financial modelling information and sensitivity analysis, including the information in the exempt appendices to the report, be noted.

RECOMMENDED ITEMS

261. Financing of the Regeneration Programme - Scrutiny Review: Revised Draft Challenge Panel Report

The Chair of the Scrutiny Challenge Panel reported on a meeting of the Panel earlier in the evening and tabled a note of additional recommendations for the Committee's consideration; these dealt primarily with issues of governance and risk management in the light of the financial modelling information which had been provided and discussed at the Panel meeting. He wished to thank the Members and officers involved in the review.

The Committee took some time to read the additional recommendations and the following principal points were then made:

The Chair of the Challenge Panel advised that the additional recommendation in respect of business rates (No. 9 below) was designed to address the possible impact of the differential land values which could potentially result in national extra business rate liability and could affect the Council's funding from central government.

The Chair of the Committee expressed support for the recommendation about strengthened governance arrangements (No. 10 below). He had been

disappointed at the cancellation of a recent Major Developments Panel (MDP) meeting and suggested there was a case for a separate Regeneration Panel to focus on regeneration programmes. The Chair of the Challenge Panel was similarly frustrated by the dilution of the MDP's role and endorsed the consideration of a new, dedicated regeneration panel. He argued that the MDP had become a mechanism to receive information about forthcoming planning applications rather than having a substantive strategic role.

The Harrow Youth Parliament representative also suggested that the future governance arrangements should be clarified, including the role of a specific regeneration panel. The Chair of the Challenge Panel suggested that the current arrangements involved infrequent reports to Cabinet and therefore insufficient transparency and accountability; he proposed that a new panel could involve external stakeholders such as the business and voluntary sector as well as the Harrow Youth Parliament.

A Member suggested that the recommendation learning from the financial crash of 2008 (No. 7 below), should be more specific in addressing how lessons would be learned, eg. by structured monitoring and review mechanisms. The Committee approved her proposal that the recommendation be amended to read as follows:

“That the Programme should investigate and learn from the 2008 financial crash and specifically what happened to rental prices in Harrow and further consider what a 20% - 30% downwards price correction would do to the For Sale strategy to make sure we better protect the financial viability of the programme”.

The Member was also concerned about strengthening the references to the regeneration programme risks in the Corporate Risk Register (cf. No. 11 below). The Chair of the Committee pointed to the role of the Governance, Audit, Risk Management and Standards Committee (GARMS) in this respect. The Chair of the Challenge Panel agreed that there would be value in assessing risks more clearly by reference to the severity of possible impact and the likelihood of occurrence. The Committee agreed to amend the recommendation to refer to GARMS.

The Committee agreed the suggestion by the Chair of the Challenge Panel that the final recommendation (No.17 below) should refer to “any” delay to the Civic Centre project.

The Committee agreed the suggestion that the Harrow Youth Parliament be mentioned specifically in the recommendation about working with partners (No.12 below).

Resolved to RECOMMEND: (to Cabinet)

That the revised recommendations of the Financing of the Regeneration Scrutiny Review Challenge Panel be noted and approved as set out below, and be referred to Cabinet:

- (1) that the Regeneration Programme Risk Register include the capitalisation of wages in the Regeneration Programme, and the revenue risk involved if this cannot happen in certain cases;
- (2) that officers produce one report that includes all risks and mitigations in relation to the Regeneration Programme.

This report will include the impact of the expected increase in population will potentially have on the council, its partners and the borough.

The report will analyse and discuss, but not be limited to, the impact on (1) the NHS and care services, (2) education, (3) transport services (including both infrastructure and capacity improvements to rail and bus services, better London orbital routes, and other local transport issues that will be experienced throughout the developments, i.e. parking and road issues), (4) refuse collection, (5) increased demand for enforcement and regulation against the potential social and economic gains including increase in Council Tax receipts and business rates (including any business profiling that has been undertaken and a strategy to encourage businesses to move and stay in Harrow), (6) the New Homes Bonus, (7) increased employment (and whether this will be long or short term), and (9) apprenticeships that may be created in the area, and if so, in which sectors and in what numbers;

- (3) that a comprehensive lobbying strategy be agreed to promote improved transport links to central London and out of London be developed and integrated within the Regeneration Programme;
- (4) that as part of the lobbying strategy, for a letter to be drafted from the Leader of the Council and the Leader of the Opposition to the Mayor and TfL (London Underground Lines and London Overground), relevant Government Ministers, the Department of Transport, Network Rail, and rail operating companies (London Midland, Southern, and Chiltern Railways) calling for improvements in capacity and facilities at Harrow and Wealdstone Station and Harrow-on-the-Hill station along with greater frequency, more capacity and improved reliability of all services operated by London Underground Lines, London Overground, London Midland, Chiltern Railways and Southern;
- (5) that the Council produce a Harrow specific, all-encompassing infrastructure plan/ strategy, which will incorporate the Atkins study on Wealdstone and clearly set out how the impacts of the Regeneration Programme will be managed both short and long term;
- (6) that all relevant strategies produced by the Council reference the Regeneration Programme and how they contribute to or are impacted by it in order to ensure this is happening with an audit to the first post-election O&S, which should list all strategies and a timeline to ensure integration;

- (7) that the Programme should investigate and learn from the 2008 financial crash and specifically what happened to rental prices in Harrow and further consider what a 20% - 30% downwards price correction would do to the For Sale strategy to make sure we better protect the financial viability of the programme;
- (8) the panel recommends that the break-even point for all planned regeneration projects is constantly reviewed, and that appropriate steps are taken to address any adverse change;
- (9) to understand the implications of the 2020 business rates recalculation on the Civic Centre and Kodak sites; to ensure a reduction in notional business rates for the borough; and to establish a proactive lobbying strategy (particularly with Ministry of Homes, Communities, and Local Government (MHCLG), and Treasury) to ensure an exemption in business rates for both sites;
- (10) to formalise governance arrangements for cross-party engagement on the regeneration programme post-election, and establishing a public forum, either through the Major Developments Panel as it currently exists, or by expanding the remit of this Panel, or establishing a new, specific Regeneration Panel;
- (11) for the Corporate Risk Register to reflect an overall risk and level of risk of the regeneration programme, and to include a risk on the Corporate Risk Register of each high value project (such as the Civic Centre) at the GARMS committee;
- (12) to ensure that other related bodies, such as the Health and Well-being Board, CCG, Safer Harrow, Harrow Youth Parliament, and all relevant and significant partners have an integrated approach to the Council's regeneration strategy;
- (13) to develop cross-party understanding of the critical pathways of the regeneration programme, and the timing of the "stop-go points";
- (14) to continue to monitor and assess risks in relation to the likelihood of further interest rate rises;
- (15) the panel recommends that borrowing is not delayed by pursuing unrealistic borrowing opportunities;
- (16) to ensure a proactive transport lobbying strategy is in place in order to ensure issues around reliability, capacity, and frequency are addressed in relation to Harrow and Wealdstone station;
- (17) the panel recommend that modelling of the new Civic Centre should reflect the efficiency of the new Civic Centre for staff and maintenance costs, so that we get the true opportunity costs of any delay, including a reduction in business rates.

262. Any Other Business

There was none.

(Note: The meeting, having commenced at 8.30 pm, closed at 8.58 pm).

(Signed) COUNCILLOR PHILLIP O'DELL
Chair