

# PERFORMANCE AND FINANCE SCRUTINY SUB-COMMITTEE MINUTES

## 13 DECEMBER 2018

**Chair:** Councillor Ghazanfar Ali

**Councillors:** Jeff Anderson \* Primesh Patel (3)  
Nitesh Hirani \* Pritesh Patel

\* Denotes Member present  
(3) Denotes category of Reserve Members

### 9. Attendance by Reserve Members

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

Ordinary Member

Reserve Member

Councillor Ajay Maru

Councillor Primesh Patel

### 10. Declarations of Interest

**RESOLVED:** To note that there were no declarations of interests made by Members.

### 11. Minutes

**RESOLVED:** That the minutes of the meeting held on 13 July 2018 be taken as read and signed as a correct record.

### 12. Public Questions & Petitions

**RESOLVED:** To note that there were none.

### **13. References from Council and Other Committees/Panels**

**RESOLVED:** To note that there were none.

### **RESOLVED ITEMS**

### **14. Draft Capital Programme 2019/20 to 2020/21**

The Sub-Committee received a report of the Director of Finance which set out the new draft General Fund capital programme proposals which had been proposed as part of the 2019/20 budget process and also set out budgets within the existing Capital Programme between 2018/19.

Members asked the following questions and officers provided the following responses:

What was the status of the Regeneration Programme? How had the figures for rental income from the proposed expansion of the Central Depot been calculated?

The Director of Finance stated that the Regeneration Programme was in the process of being reviewed and the capital budget going forward had been reduced to those schemes given approval (Haslam house and Waxwell Lane) or pending business case (Harrow New Civic Centre and POETS Corner) at this stage. Specific projects which were to be funded by the Neighbourhood CIL (Community Infrastructure Levy) would be progressed by relevant Directorates. Doing this would make the schemes cost-neutral. Projected rental income from the proposed expansion of Central Depot had been based on assumptions and evaluations and the market circumstances within the borough.

Was it the case that the Rayners Lane Triangle project was meant to have been partly crowd funded?

The Director of Finance stated that she did not have the figures to hand and would circulate this information to Members after the meeting.

£400k had been allocated for the development of unmanned aerial vehicles to support a range of Council services. What did this pertain to and why was the figure so high?

The Director of Finance advised that this initiative was still at the bid stage and the expenditure related to the purchase of drones. There were plans to use them for traffic enforcement, identifying fly tipping and other activities aimed at cleaning up and improving the quality of life in the borough. The £400k figure related to the purchase of equipment. She would look into the figures in detail and report back to Members.

A Member asked whether the figures relating to the Disabled Facilities Grant, the grant for potholes and the Highways project grant related to 2018/19.

The Director of Finance advised that the figures in the table related to the current financial year.

**RESOLVED:** That the report be noted.

**15. Draft Revenue Budget 2019/20 and Medium Term Financial Strategy 2019/20 to 2021/22**

The Sub-Committee considered a report of the Director of Finance which set out the draft revenue budget for 2019/20 and draft Medium Term Financial Strategy (MTFS) for 2019/20 to 2021/22. The budget and MTFS would be considered again by Cabinet in February 2019 for final approval and recommendation to Council.

Members asked the following questions and officers provided the following responses:

What was the latest position with regard to the grants available for pot holes, social care and the Disabled Facilities Grant?

The Director of Finance advised that, in respect of additional funding received for social care, it would be set aside in a social care reserve, available for draw down, as the funding was only provided for a year. Pothole funding and DFG funding, and its treatment, was set out in the report. She anticipated that the Spending Review and the Fair Funding Review would be finalised in autumn 2019 but this was subject to confirmation.

A Member asked about the reason for and the nature of the projected overspend in Adults.

The Director of Finance advised that this had been as a result of increasing demand for social care placements. She added that the pressures arising from the forecast overspend had been only partly alleviated following receipt of a number of different grants, for example, the Adult Social Care Support grant. She added that performance against the Adults' savings targets had been good, with 70% of the built-in savings rated as green and 18% rated as amber (these had been partially achieved).

A Member asked for an update on the provisional Local Government Settlement.

The Director of Finance advised that she had received notification earlier in the day regarding the provisional Finance Settlement. She added that the budget figures would be re-assessed on the basis of this information and updated versions of the tables of figures at appendices 1-4 would be submitted to Cabinet in February 2019 for approval.

How many new properties had been purchased?

The Director of Finance confirmed that there were 300 properties each with a potential rental income of £1,350 per month.

With regard to the proposed increase in Council Tax, was it the case that only 2 percent of the 4.99 percent could be used towards adult social care?

The Director of Finance advised that council tax was proposed to be increased by 4.99 percent, with 1.99% being the core council tax, 1% additional core council tax (2 year of a 2 year facility) and that 2 percent of this amount related to the adult social care precept.

How would the devolution of Business rates retention benefit Harrow?

The Director of Finance advised that permanent devolution was estimated to be in place by 2020. Harrow could benefit from an estimated £3.5m of one-off income in 2018/19 which would be applied in the 2019/20 budget as a result of being a member of the London Business Rates Pilot Pool. Additional one-off income of £0.779m in the form of section 31 grant funding had also been allocated to Harrow in 2018/19 which would be applied in the 2019/20 budget.

A Member asked how slippages were mitigated against and how confident was she that the savings targets were achievable?

The Director of Finance advised that the Council was committed to maintaining its statutory services, while improving commercial viability and ensuring value for money at all times. Last year the budget was de-risked in terms of removing unachievable income targets (Regeneration and project Infinity) Front line demand pressures would always pose a risk to the budget but these would be closely monitored throughout the year.

What was the current position with regard to project Infinity? Who did the project belong to?

The Director of Finance advised that marketing and product launch work was ongoing behind the scenes. She added that the product belonged to IBM although the intellectual property rights belonged to the Council. Infinity would not be included in the budget until after the product launch had taken place and detailed figures regarding potential revenue income had been calculated.

How long was the consultation period for the draft budget?

The Director of Finance stated that the consultation was done online and lasted for a month.

The Member expressed concern that the consultation would be carried out over the Christmas and New Year period, when typically responses were likely to be low.

The Director of Finance advised that there were separate consultations with stakeholders such as Access Harrow. She added that the Budget would be approved in February 2019, subject to completion of the Eqia and collation of any outstanding consultation responses.

What was the rate of response to the Budget consultation? How were the public made aware of the consultation? What had been the focus of the consultation?

The Director of Finance stated that typically, response rates to Budget consultations were low across all London Boroughs, and last year Harrow received 8 responses. She added that past consultations on libraries and the Arts Centre had elicited a much better response rate.

Were there occasions when grant funding had to be returned to Central government because it had not been spent within specified timescales?

The Director of Finance stated that this was a rare occurrence and it was in the interests of the Council to ensure all grant funding was spent within the required timescales.

**RESOLVED:** That the report be noted.

**16. Revenue and Capital Monitoring 2018/19 - as at Quarter 2 (30th September 2018)**

The Sub-Committee considered a report of the Director of Finance which set out the Council's forecast financial position as at Quarter 2 (30 September 2018) and Capital Programme adjustments and debts write offs.

Members asked the following questions and officers provided the following responses:

Why had there been a need to draw down from reserves when a number of service areas showed an underspend?

The Director of Finance advised that this was necessary in order to understand the full extent of the forecast position against the service directorate. Reserves were allocated for specific purposes. At year end the forecast total underspend would be returned to reserves.

How would the projected over spend in Adults be mitigated?

The Director of Finance advised that the Council was obliged to fund statutory services. It was important to ensure that the appropriate spending controls and preventions were in place, that officers in Adults were considering all possible options when dealing with requests from service users.

Why had there been slippage in the vehicle procurement budget and when would the current stock of refuse vehicles be replaced?

The Director of Finance advised that the purchase of refuse vehicles would be staggered over a two-year period as the some of old fleet had not yet reached the end of their life cycle.

What proportion of the Capital bids were made up of an external funding element?

An officer stated that this information was set out in detail at appendix 1 of the report.

**RESOLVED:** That the report be noted.

**17. Exclusion of the Press & Public**

**RESOLVED:** That in accordance with Part I of Schedule 12A to the Local Government Act 1972, the press and public be excluded from the meeting for the following item(s) for the reasons set out below:

<u>Item</u>	<u>Title</u>	<u>Reason</u>
18		Information under paragraph 3 (contains information relating to the financial or business affairs of any particular person (including the authority holding that information)).

**18. Revenue and Capital Monitoring 2018/19 - as at Quarter 2 (30th September 2018)**

The Sub-Committee received appendix 5 of the report of the Director of Finance entitled Revenue and Capital Monitoring 2018/19 – as at Quarter 2 (30 September 2018).

**RESOLVED:** That the appendix be noted.

(Note: The meeting, having commenced at 7.30 pm, closed at 8.40 pm).

(Signed) COUNCILLOR GHAZANFAR ALI  
Chair