

Performance and Finance Scrutiny Sub-Committee

Minutes

27 July 2022

Present:

Chair: Councillor Yogesh Teli

Councillors: Graham Henson
Nitesh Hirani

Natasha Proctor
Samir Sumaria

1. Attendance by Reserve Members

RESOLVED: To note there were none.

2. Appointment of Vice-Chair

RESOLVED: That, in accordance with Committee Procedure Rule 7.2.2, Councillor Graham Henson was appointed Vice-Chair of the Committee for the 2022/2023 Municipal Year.

3. Declarations of Interest

RESOLVED: To note that there were none.

4. Minutes

RESOLVED: That the minutes of the meeting held on 29 March 2022, be taken as read and signed as a correct record.

5. Public Questions

RESOLVED: To note that no public questions were received at the meeting.

6. Petitions

RESOLVED: To note that no petitions were received.

7. References from Council and Other Committees/Panels

RESOLVED: To note that there were none.

Resolved Items

8. Revenue and Capital Monitoring 2021-22 - Final Outturn

Members received the Revenue and Capital Monitoring 2021-2022 Final Outturn Report, which set out the Council's final revenue and capital outturn position for 2021-2022.

The final spend on the Capital Programme was £74.646m, 35% of the budget. The final spend on the General Fund was £44.117m, 39% of the budget. The variance of £69.758m was made up of proposed slippage of £64.626m and a net underspend of £5.132m.

The final spend on the Housing Revenue Account (HRA) was £30.529m, 30% of the budget. The variance on the HRA of £72.116m was made up of budget realignment of £51.980m, agreed by Cabinet in February 2022. There was a proposed slippage of £18.322m, and an underspend of £1.815m.

In the discussion that ensued, Members asked questions and made the following comments:

- what effect the underspend on staff recruitment was having on operations, and whether there was an over-reliance on agency staff;
- if there were enough funds for adult social care in the reserves, and whether financial pressure was growing as care homes increased their rates;
- what other measures the Council could take to maintain financial accountability;
- some services had been underfunded for several years, and Councils across the country, including Harrow, would need to take decisions on services that could be scaled down;
- though financial pressures were enormous for Councils, including Harrow, the scrutiny of finances continued to function appropriately by keeping spending under check; and
- whether more funding would be forthcoming from Central Government.

In response, Dawn Calvert, Director of Finance and Assurance, advised that:

- recruitment and retention of staff was challenging for some posts, and inflationary costs were also having an effect. However, inflationary pressures were better than the year before;
- there was around £3.7m in reserve for adult social care carried forward from last year. However, it would depend on how much more demand there would be during the year to determine if additional resources would be required;
- the Council had continued to maintain strong financial management. There was a statutory obligation to have a balanced budget, which was monitored on a monthly basis;
- Central Government officials were required to keep the commitments made to local government, including Harrow, to provide the funds that had been promised.

Members were pleased that the Council had continued to maintain financial prudence.

RESOLVED: That the Report be noted.

(Note: The meeting, having commenced at 6.30 pm, closed at 7.22 pm).

(Signed) Councillor Yogesh Teli
Chair