

Performance and Finance Scrutiny Sub-Committee Minutes

12 December 2024

Present:

Chair: Councillor Yogesh Teli

Councillors: Dan Anderson
Govind Bharadia

Jerry Miles
Samir Sumaria

**In attendance
(Councillors):** David Ashton

For Minute 53 & 54

**Apologies
received:** Councillor Nitesh Hirani
Councillor Natasha Proctor

47. Attendance by Reserve Members

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

Ordinary Member

Councillor Nitesh Hirani
Councillor Natasha Proctor

Reserve Member

Councillor Govind Bharadia
Councillor Dan Anderson

48. Declarations of Interest

RESOLVED: To note that the following interests were declared:

Agenda Item 53 – Draft Revenue Budget 2025/26 and Draft Medium Term Financial Revenue Strategy to 2027/28

Councillor Dan Anderson declared a non-pecuniary interest in that he was employed by GMB (London Branch), and the GMB, at national level, was part of the National Joint Council (NJC) that negotiated wage increases for local government employees. He was not involved in the negotiations. He would remain in the room whilst the matter was considered.

49. Minutes

RESOLVED: That the minutes of the meeting held on 23 July 2024, be taken as read and signed as a correct record.

50. Public Questions

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

51. Petitions

RESOLVED: To note that no petitions were received.

52. References from Council and Other Committees/Panels

RESOLVED: To that there were none.

Resolved Items

53. Draft Revenue Budget 2025/26 and Draft Medium Term Financial Strategy to 2027/28

The Sub-Committee considered the Draft Revenue Budget 2025/26 and the Draft Medium Term Financial Strategy (MTFS) to 2027/28.

The report would be presented to Cabinet on 17 December 2024 to approve the general consultation as set out in Appendices 1(A and B), and 2 of the report. This would be brought back to Cabinet in February 2025 for final approval and recommendation to Council.

The Strategic Director of Finance and Assurance (Section 151 Officer) introduced the report, and together with the Portfolio Holder for Finance and Highways, responded to questions.

In response to a question on whether the pay award was subsidised by Government and benefited all staff, including those engaged by agencies, Members were informed that the Government would compensate National Insurance costs, including those from agencies.

In response to a query on whether savings would be used to fund statutory services, such as adult and children's services, should costs rise, Members were informed that it was envisaged that funding would be forthcoming from Government, and that every service areas was being assessed to determine what additional savings could be made. However, the Council had a statutory duty to fund statutory services.

In response to a concern that Council Tax would have gone up by more than 20% over the term of the current Administration, and that some residents would not sustain the increases, Members were advised that Harrow had been chronically underfunded for many years, and required more Government intervention to assist with costs. Therefore, it was inevitable that Council Tax would have to increase on a yearly basis for some time to come.

In response to a question on comparative analyses had been undertaken with other boroughs in London on the impact of financial challenges on specific communities, it was advised that data was imperfect. This was because the figures were only indicative estimates. Therefore, the information was not specifically granular.

RESOLVED: That the Sub-Committee's comments be noted and forwarded to Cabinet for consideration.

54. Changes to the Council Tax Support Scheme for 2025/26 Financial Year

The Sub-Committee considered the Changes to the Council Tax Support (CTS) Scheme for 2025/26 Financial Year.

The report set out the reasoning for the proposal to change the CTS Scheme, the outcome of the consultation and the proposed revised scheme.

The report would be presented to Cabinet on 17 December 2024 for Cabinet to take into account the consultation feedback, and recommend the proposed changes to the CTS scheme that would take effect on 1 April 2025, to Full Council.

Furthermore, Cabinet would be requested to consider transitional provisions, and that a Hardship Fund Policy would be developed and brought to Cabinet for approval in March 2025.

The Vice-Chair informed the meeting that the Labour Group did not agree with the proposed changes, and would not be supporting the measures.

In response to a question on recovery of arrears from defaulting residents, and what available support would be provided for those not able to afford Council Tax rises, Members were advised that the collection rate was over 97%, and the Council had developed new methods of engagement for those struggling to meet their Council Tax obligations. These included: spreading the payment period for arrears over longer periods; revision of hardship criteria; and monitoring the frequency of demand notices sent to the same residents.

In response to a question on how many residents would be affected by changes to the Council Tax scheme, Members were informed that about 4000 households.

RESOLVED: That the Sub-Committee's comments be noted and forwarded to Cabinet for consideration.

(Note: The meeting, having commenced at 6.30 pm, closed at 7.50 pm).

(Signed) Councillor Yogesh Teli
Chair