

## **LONDON BOROUGH OF HARROW**

### **CABINET – 19 FEBRUARY 2015**

#### **REFERENCE FROM OVERVIEW AND SCRUTINY COMMITTEE (SPECIAL) – 20 JANUARY 2015**

#### **QUESTION AND ANSWER SESSION WITH THE LEADER OF THE COUNCIL AND HEAD OF PAID SERVICE ON BUDGET 2015/16**

The Chair welcomed the Leader of the Council, Portfolio Holder for Finance, the Head of Paid Service and the Director of Finance and Assurance to the meeting and explained that any questions which could not be answered at the meeting would receive a written response.

The Leader of the Council gave a brief introduction and confirmed that, whilst agreeing the budget had been a very difficult process, particularly in view of a £25m deficit, his Group had achieved a balanced budget. Staff and residents had been engaged with through a range of initiatives, including the 'Take Part' programme and public consultations on Harrow Libraries and Harrow Museum. The budget was still a work in progress, and all petitions and suggestions received would be noted before the February Cabinet meeting. He had been open about the difficult decisions now faced by the Council, and he believed the reductions in services were not as severe as they could have been. He stressed the importance of consultation with the public in order to ensure that their views were heard and to be mindful that councillors were here to serve the residents of Harrow.

The Head of Paid Service was pleased that a balanced budget had been achieved, despite the scale of reductions, and noted that steps had been taken towards achieving savings in future years. There was scope for income generation and increasing work with partners. He was pleased that the 'Take Part' programme had given a voice to the community.

The Portfolio Holder for Finance reiterated that the budget process had been difficult this year, given the need to find savings of £75m over 4 years. Recent revised figures suggested that the total figure could be closer to £82m, which would pose an even greater challenge.

Members asked a series of questions and received responses as follows:

*Can you provide a fully costed budget for waste collection, including information on the separate charge for garden waste? Does the budget fully reflect possible costs in respect of vehicles and operational equipment?*

The Portfolio Holder stated that the budget included both savings and income generation. The income assumed a 40% take up of the garden waste scheme, which was a prudent estimate when benchmarked against other authorities, and he was consulting on discounts for residents on means tested benefits. The Leader stated that a written answer would be provided to give greater detail on the operational costings.

*A number of savings are predicated on increased use of IT for engagement with the Council and services, eg via Access Harrow. Currently residents can use libraries to avail of IT facilities, but if they close then this option will be lost.*

The Portfolio Holder agreed that this was an important point and it was intended to use the welfare contingency fund to provide more staff on telephone services. The Leader added that some investment in more response resources was already taking place, eg there were 5 extra staff in the Revenues and Benefits team.

*Some libraries earmarked for closure were in areas of deprivation, why had these been chosen, and had the knock-on effect been considered, particularly in respect of residents' ability to interact with the Council?*

The Leader responded that those libraries with the lowest attendance, and reducing year on year, had been identified. There would inevitably be adverse impacts, but any possible mitigating measures would be considered. The Chief Executive advised that there would be an Equality Impact Assessment on the budget in its entirety which would consider such issues.

*The loss of school crossing patrols would achieve a very small saving but could have a very significant impact on those affected – what was the feedback on this proposal?*

The Leader agreed that there were a number of proposals which affected schools, and Members were working with schools to consider if they could take over the cost.

*On what basis was the assumption made of a 40% take up of the garden waste scheme, and how would the charge be collected?*

The Leader explained that models in other boroughs had been looked at, and the figure was a conservative estimate of what the minimum take-up might be. Residents could opt-in to the scheme at any time.

*How was the charge of £75 decided? Residents would often clear leaves outside their properties themselves in the autumn, but a charge for disposing of the waste was a disincentive. If there was a reduction in street cleaning and maintenance in parks, other costs could arise as a result. Had these factors been considered in a risk register?*

The Leader noted that there was a £172k saving from the cut in street cleansing, which might not seem significant when set against the total figure, but was more about a shift in priorities as the council could not continue with existing commitments. Similarly, maintenance in parks was not a priority against other identified needs, although it was hoped to increase community activity in these areas. The Council would need to communicate effectively about its straitened financial circumstances and difficult choices. The Portfolio Holder stated that cuts had been imposed by government and that the Council's priorities were important in deciding which services to protect, for instance, there would be more social workers and more adult social care provided for in the budget.

The Leader stated that all proposals had been assessed for risk, and he believed risk assessment was something local authorities did very well. The £75 charge for garden waste collection was not yet final, but compared sensibly with charges by other boroughs.

*Had the teenage perspective been taken into account when proposing the closure of libraries and loss of security in parks, as this group would be particularly affected?*

Proposals in the budget would affect all age groups. While libraries were heavily used at certain times, attendances were declining, probably as a result of greater internet use. All parts of the community had been encouraged to give their views. The Portfolio Holder stated that libraries were not closing because they were not valued, but because the Council had lost half its budget and cuts had to be made. He believed it was right to maintain services for the most vulnerable, but was aware that other proposals would also have an impact. The Head of Paid Service said that there were initiatives, such as the 'Community Clicks' scheme and the housebound library service, to address issues of isolation, which were covered in other budget areas.

*Would the Council have sufficient funds to fully implement the requirements of the Care Act from April 2015, and what was the impact of government funding cuts?*

The Leader replied that the funding formula had been disappointing and insufficient, with an ageing population and more people eligible for care packages. The Portfolio Holder added that the impact was devastating and would affect the most vulnerable.

*Had the capital programme been completed within the financial year? It was difficult to find the £75m savings, how would the £82 be achieved?*

The Director of Finance and Assurance explained that each February Members agreed a capital programme and the current programme now spanned 4 years. There had been a history of slippage, and it was not always possible or desirable to spend according to a timetable, as Members' priorities could change, or planning obstacles could arise. Slippage was acceptable if it arose from operational issues. The current programme stood at 60-70% achieved in the third quarter. The Portfolio Holder said the extra £7m of savings would be extremely difficult to achieve; there was no contingency for this, and it would have to be looked at going forward.

*What had been the impact of welfare reforms on the Council in the last year, and would this continue going forward? Had the high level of interest in the 'Take Part' programme contributed to a 'participatory' budget?*

The Portfolio Holder stated that welfare reforms had had a massive impact on the budget and increased the burden on the Council. Residents could not avoid incurring penalties as a result of the 'bedroom tax' as they had nowhere to move to, and only the bottom 5% of housing stock had entitlement to benefit. The Leader said it was right to be honest with residents and involve them in budget decisions. He hoped discussions with the voluntary sector would lead to new ways of working, and co-designing services.

*What provision was there for people with autism arising from the Autism Act 2010?*

The Head of Paid Service replied that while there were no specific proposals, the department was undertaking an 'autism self-assessment' and the budget had built in growth for young people with disabilities and transition to adult provision. There were plans to develop 'personalisation' with a range of services, and he could provide further information on this outside the meeting.

*Can you rule out council tax rises over the next 3 years?*

The Leader replied that this could only be considered on a year by year basis

*Given that a prospective Labour administration has said that there would need to be £500m of cuts, funding will be reduced regardless of who wins the general election – what options are there for savings if contracts are better managed?*

The Leader stated that it was clear where 'back office' savings could be made. The Portfolio Holder added that a procurement team had been created with a view to secure savings in contracts, and that these skills should become mainstream throughout the organisation.

*The charge for garden waste could impact on other areas, eg more leaves on the ground could result in a greater flood risk if drains became blocked. If a policy had the potential to impact on another area, had this been fully costed? Would it be possible to have a full business case for street cleansing and waste services, including gritting?*

The Leader replied that costings on waste collection would be provided, if possible by Friday as requested. All budget lines had been considered; if a particular pressure point arose, then a one-off investment could be made.

*What is the statutory minimum provision for the Parks Service? Would reductions in service at Canons Park breach the terms of the agreement for receipt of lottery funding?*

The Leader explained that maintenance of parks could not continue as before, and that a programme of 'naturalisation' would replace tree pruning and other tasks. He was not familiar with the details of statutory obligation, but this could be provided. The proposals for Canons Park had been given legal clearance and must therefore be lawful.

*If Community Champions, whose role is to empower the community, report problems to the Council but no action is taken, this will demotivate them.*

The Leader agreed that a nil response could demotivate Community Champions and that if this occurred it would be looked into.

*Had the police been consulted on proposals such as non-closure of parks at night, which could lead to a rise in crime?*

The Leader confirmed that regular consultation took place with the police, who were statutory partners in a number of areas.

*Would the budget be cut for consultancy and agency staff?*

The Leader stated that while they would like to reduce the use of agency staff where possible, it would continue if necessary.

*Are there plans to generate income? Would the Council involve more young people in community work, and consider greater use of social media to interact with them?*

The Leader stated that income generation was a priority for the Council. The Council would use its relationship with the youth parliament and the voluntary sector to promote greater involvement and co-design services.

*Cabinet has already moved to paperless meetings, would other committee meetings follow?*

The Portfolio Holder stated he hoped that committees would be paperless by the end of the year, but noted that opposition members were not committed to this.

The Chair thanked the Leader, Portfolio Holder and Head of Paid Service for their attendance and responses, and all present for their contribution

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

## **FOR CONSIDERATION**

### Background Documents:

Minutes of the Overview and Scrutiny Committee (Special) – 20 January 2015

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