
REPORT OF CABINET

MEETING HELD ON 16 FEBRUARY 2006

Chair: * Councillor N Shah

Councillors: * D Ashton * Marie-Louise Nolan
* Burchell * O'Dell
* Margaret Davine * Bill Stephenson
* Dighé * Thornton
* C Mote

* Denotes Member present

[Note: The following Councillors also attended this meeting to speak on the items indicated: Councillor Miss Bednell - Minute No. 909, Councillors Mitzi Green and Janet Mote - Minute No. 913 and Councillor Jean Lammiman - Minute No. 911].

PART I - RECOMMENDATIONS

RECOMMENDATION I - Key Decision - 2006-07 Revenue Budget and Medium Term Budget Strategy 2006-07 to 2008-09

The Director of Financial and Business Strategy introduced the report which advised that, in considering its budget and Council Tax proposals for 2006-07, that Cabinet and Council would need to strike a balance between the interests of the service users, the community in general and those of the Council Tax payers. She advised that the budget process had been particularly complex for a number of reasons, which were detailed in her report, and explained that, in overall terms, the Council was facing considerable financial pressure and had a low level of reserves. She added that further efficiencies and savings would need to be found so as to avoid the risk of capping.

The Director of Financial and Business Strategy reported that the proposed Council Tax increase was 2.97%. She advised that the financial settlement from Government had been lower than expected and that officers were making representations on this matter. Amendments to the housing subsidy had also had an adverse effect on Harrow. The Director of Financial and Business Strategy confirmed the Greater London Authority precept figures as a Band D figure of £288.61 for 2006-07, an increase of 13%. This resulted in a combined Harrow Council Tax of £1,360.77 and a combined increase of 5.01%.

In reporting the proposed budget, the Director of Financial and Business Strategy reported amendments in relation to fees and charges in that the first hour of parking would be free at Cambridge House and Peel Road car parks and that, from 1 April 2006, the threshold for savings for home care charges would be £21,000. She reported that in terms of Members' Allowances, a new Special Responsibility Allowance at level 3 was proposed for the Chair of the Audit Committee.

A Member asked a series of questions in relation to inflation, procurement, benefit cards, Business Transformation Partnership savings and the anticipated Council Tax figures in 2007/08 and 2008/09. Officers advised that there was full provision within the budget for salary inflation and pension contributions and an additional provision for concessionary fares and utility costs but that the provision for general inflation was 0.6% compared with the consolidated performance index of 2%. The remaining corporate savings required in relation to procurement totalled

£1.2 million, which had not been identified within Directorates' specific savings. The development of the benefits cards was part of the Business Transformation Partnership (BTP) but that the expected savings of £432,000 were unlikely to be realised. However, Capita was considering how the shortfall could be addressed.

A Member advised of an amendment in relation to the Housing Revenue Account in that the additional 70p for energy costs would apply to all those liable to charges, not just leaseholders, and would include sheltered housing residents.

Having approved the Medium Term Revenue Budget Strategy, a number of proposals in relation to fees and charges, and the Medium Term Budget Strategy for the Housing Revenue Account, it was

Resolved to RECOMMEND:

That (1) the 2006/07 Revenue Budget be approved to enable the Council Tax for 2006-07 to be set;

(2) the model Council Tax resolution set out at Appendix 1 be approved;

(3) the new reserves policy be approved;

(4) the Housing Revenue Account for 2006-2007 be approved to enable rents for 2006-07 to be set;

(5) subject to the inclusion of a new Special Responsibility Allowance at level 3 for the Chair of the Audit Committee, the Members' Allowances Scheme attached as Appendix 2 be approved.

Reason for Recommendation: The approved budget provided the framework for effective financial management throughout the year and supported service delivery.

[Note: Councillors D Ashton and C Mote wished to be recorded as having abstained from voting on the draft Revenue Budget for 2006/07].

(See also Minutes 902 and 912).

APPENDIX 1

Council Tax Resolution 2006-2007

Cabinet to approve as part of the Summons for Council, the model budget and Council Tax resolutions reflecting the recommendations of Cabinet and the GLA precept.

Council is requested to determine the level of the Council Tax for 2006-2007 in the light of the information on the precept and make the calculations set out in the resolution shown below.

- (1) To note that at its meeting on 12 January 2006 the Council calculated the amount of 84,326 as its Council Tax Base for the year 2006-2007 in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 made under Section 33 (5) of the Local Government Finance Act 1992.
- (2) That the following amounts be now calculated by the Council for the year 2006-2007, in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:
 - (i) Being the aggregate of the amounts which the Council estimates for the items set out in Section 32 (2) (a) to (e) of the Act. **(Gross expenditure)** £366,814,915
 - (ii) Being the aggregate of the amounts which the Council estimates for the items set out in Section 32 (3)(a) to (c) of the Act. **(Gross income including use of reserves)** £217,810,540
 - (iii) Being the amount by which the aggregate at (i) above exceeds
The aggregate at (ii) above, calculated by the Council, in accordance with Section 32(4) of the Act, **as its budget requirement for the year.** £149,004,375
 - (iv) Being the aggregate of the sums which the Council estimates
will be payable for the year into its General Fund in respect of redistributed non-domestic rates, revenue support grant, reduced by the amount of the sums which the Council estimates will be transferred in the year from its General Fund to its Collection Fund in accordance with Section 97(4) of the Local Government Finance Act 1988 (Collection Fund Deficit) £58,593,305
 - (v) Being **the amount to be raised from Council Taxes**
Calculated as the amount at 2 (iii) above less the amount at 2 (iv.) above. £90,411,070
 - (vi) Being the amount at (v) divided by the Council Tax Base, calculated by the Council at its meeting on 12 January 2006 in accordance with Section 33 (1) of the Act, as the basic amount of its council tax for the year. **(The average Band D Council Tax)** £1,072.16
 - (vii) Valuation Bands

| | A | B | C | D | E | F | G | H |
|---|--------|--------|--------|----------|----------|----------|----------|----------|
| £ | 714.77 | 833.90 | 953.03 | 1,072.16 | 1,310.42 | 1,548.68 | 1,786.93 | 2,144.32 |

Being the amounts given by multiplying the amount at (vi.) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

- (3) That it be noted that for 2006-2007 the Greater London Authority stated the following amount in precept issued to the Council, in accordance with section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below

Valuation Bands

| | A | B | C | D | E | F | G | H |
|---|--------|--------|--------|--------|--------|--------|--------|--------|
| £ | 198.00 | 231.00 | 264.00 | 297.00 | 363.00 | 429.00 | 495.00 | 594.00 |

- (4) That, having calculated the aggregate in each case of the amounts at (2)(vii) and (3) above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2006-2007 for each of the categories of dwellings shown below

Valuation Bands

| | A | B | C | D | E | F | G | H |
|---|--------|----------|----------|----------|----------|----------|----------|----------|
| £ | 912.77 | 1,064.90 | 1,217.03 | 1,369.16 | 1,673.42 | 1,977.68 | 2,281.93 | 2,738.32 |

**HARROW COUNCIL
REVENUE BUDGET SUMMARY 2006-2007**

| | 2005-2006 Original Budget £000 | 2006-2007 Original Budget £000 |
|---|--------------------------------------|--------------------------------------|
| Local Demand - Borough Services | | |
| Corporate | -2,195 | 590 |
| Business Development | 12,452 | 11,046 |
| Chief Executive's Office | 3,807 | 4,158 |
| People First | 213,393 | 105,688 |
| Urban Living | 60,134 | 53,718 |
| LPSA Grant | 0 | -500 |
| Pay & Prices Inflation | 0 | 4,340 |
| Total Directorate Budgets | 287,591 | 179,040 |
| Capital Financing adjustments | -26,785 | -25,130 |
| Interest on Balances | -5,188 | -4,688 |
| Total – Baseline | 255,618 | 149,222 |
| Capitalisation | -1,240 | -1,440 |
| Adjustment to Balances | -670 | 1,014 |
| RSG Amending report | -205 | 208 |
| Total Net Expenditure | 253,503 | 149,004 |
| Contribution re Collection Fund Deficit b/f | 670 | 364 |
| National Non-Domestic rate (NNDR) | -70,229 | -49,418 |
| Revenue Support Grant (RSG) | -96,154 | -9,539 |
| Local Demand on Collection Fund | 87,790 | 90,411 |
| Funds / Balances | | |
| Balances Brought Forward | 7,958 | 5,100 |
| Adjustment to Balances | -670 | -1,014 |
| Balances carried forward | 7,288 | 4,086 |
| <u>Council Tax for Band D equivalent</u> | | |
| Harrow (£) | 1,041.28 | 1,072.16 |
| <u>Increase</u> | | |
| Harrow (%) | 0.72% | 2.97% |
| Taxbase | 84,309 | 84,326 |

LONDON BOROUGH OF HARROW
MEMBERS' ALLOWANCES SCHEME

1. This scheme shall have effect until 31st March 2007. It replaces all former schemes.

Basic Allowance

2. A basic allowance of £5,538 per annum shall be paid to each Councillor.

Special Responsibility Allowance

3. (1) A special responsibility allowance shall be paid to those Councillors who have the special responsibilities in relation to the posts specified in Schedule 1 to this scheme. No Member may receive special responsibility allowances in respect of more than one post.

(2) The amount of each such allowance shall be the amount specified against that special responsibility in that schedule.

Upating the Basic and Special Responsibility Allowances

4. The basic allowance and special responsibility allowances will be uprated annually in line with an index approved by the ALG Independent Panel. The index to be used will be the level of the Local Government Pay Settlement. When making the scheme for 2007/2008, the indexing arrangements will be reviewed.

Travel and Subsistence Allowances

5. The reimbursement of travel and subsistence expenses incurred in respect of **approved duties** (as set out in Schedule 2) **undertaken outside the Borough boundaries** can be claimed by Members, co-optees to formal Council committees and Independent Members of the Standards Committee at the rates paid and on the conditions specified in the officer scheme for travel and subsistence allowances.

Carers' Allowance

6. (1) The allowance shall only be paid for attendance at approved duties as listed in Appendix (i).

(2) The maximum basic rate of pay is £2.78 per half hour for the duration of the meeting together with the Member's travel time between home and the place of the meeting and the carer's reasonable travelling time.

(3) The allowance is claimable in respect of children aged 15 or under or where a professional carer is required to meet a specialist need (eg a nurse for an elderly person).

(4) Actual costs will be paid **on production of an invoice or receipt**.

(5) Where the length of the meeting cannot be predicted and payment to the carer is necessarily contractually committed then a payment of up to 4 hours will be made. (For day time quasi-judicial meetings, payment of up to 8 hours may be made if the estimated length of the meeting is for the whole day).

- (6) In addition, the reasonable travelling expenses of the person taking care of the dependent shall be reimbursed either at the appropriate public transport rate, or in cases of urgency or where no public transport is available, the amount of any taxi fare actually paid.
- (7) The allowance is not to be paid where the carer is a member of the Member's household.
- (8) Any dispute as to the entitlement and any allegation of abuse should be referred to the Standards Committee for adjudication.

Co-optees' Allowance

7. A basic allowance of £423 per annum shall be paid to co-optees to formal Council committees and Independent Members of the Standards Committee.

Claims and Payments

8. (1) A claim for allowances or expenses under this scheme shall be made in writing within two months of the date of undertaking the duty in respect of which the entitlement to the allowance or expense relates.
 - (2) Payment shall be made
 - (a) in respect of basic and special responsibility allowances, in instalments of one-twelfth of the amount specified in this scheme each month;
 - (b) in respect of out-borough travel and subsistence expenses and Carers' Allowance, each month in respect of claims received up to one month before that date.

Backdating

9. Any changes made to this scheme during the year may be backdated to 1st April 2006 by resolution of the Council when approving the amendment.

Pensions

10. Allowances paid under the Harrow Members' Allowances Scheme will **not** be pensionable for the purposes of the Superannuation Act.

Renunciation

11. A person may, by notice in writing given to the Chief Executive, elect to forgo any part of his/her entitlement to an allowance under this scheme.

Withholding Allowances

12. (1) In the event that a Member is suspended from duties, that Member's basic allowance and special responsibility allowance (if any) will be withheld for the whole period of the Member's suspension.
 - (2) In the event that a Member is partially suspended from duties, that Member's basic allowance will be paid but their SRA, if any, will be withdrawn for the period of the partial suspension.

Approved duties for Carers' Allowance

- A meeting of the Executive.
- A meeting of a committee of the executive.
- A meeting of the Authority.
- A meeting of a committee or sub-committee of the Authority.
- A meeting of some other body to which the Authority make appointments or nominations, or
- A meeting of a committee or sub-committee of a body to which the Authority make appointments or nominations.
- A meeting which has both been authorised by the Authority, a committee, or sub-committee of the Authority or a joint committee of the Authority and one or more other authorities, or a sub-committee of a joint committee and to which representatives of more than one political group have been invited (if the Authority is divided into several political groups) or to which two or more councillors have been invited (if the authority is not divided into political groups).
- A meeting of a Local Authority association of which the Authority is a member.
- Duties undertaken on behalf of the Authority in pursuance of any Procedural Rule of the Constitution requiring a member or members to be present while tender documents are opened.
- Duties undertaken on behalf of the Authority in connection with the discharge of any function of the Authority conferred by or under any enactment and empowering or requiring the Authority to inspect or authorise the inspection of premises.
- Duties undertaken on behalf of the Authority in connection with arrangements made by the authority for the attendance of pupils at a school approved for the purposes of section 342 of the Education Act 1996.

SCHEDULE 1

SPECIAL RESPONSIBILITY ALLOWANCES (SRAs)

There are nine bands of SRAs:-

| Band | Post | SRA £/annum |
|-------------|---|------------------------|
| 1 | Members/Chairs of Licensing Panels (See Note (3) below) | 258/411 |
| 2 | Members of the following Quasi-Judicial Panels: Education Awards Appeals Panel NNDR Discretionary Rate Relief Appeal Panel Personnel Appeals Panel Social Services Appeals Panel | 267 |
| 3 | Deputy Leaders of the Second and Third Minority Groups Chief Whips of all Political Parties One Assistant to each Cabinet Member Chair of the Licensing and General Purposes Committee Chair of the Standards Committee | 1,053 |
| 4 | Deputy Mayor | 2,118 |
| 5 | Members of Cabinet who are not Portfolio Holders Vice-Chairs of the Scrutiny Sub-Committees (excluding Call-in): Environment and Economy Scrutiny Sub-Committee Health and Social Care Scrutiny Sub-Committee Lifelong Learning Scrutiny Sub-Committee Strengthening Communities Scrutiny Sub-Committee | 3,156 |
| 6 | Chair of the Overview and Scrutiny Committee Nominated Member of the largest party not holding the Chair of the Overview and Scrutiny Committee Chairs of the Scrutiny Sub-Committees (excluding Call-in): Environment and Economy Scrutiny Sub-Committee Health and Social Care Scrutiny Sub-Committee Lifelong Learning Scrutiny Sub-Committee Strengthening Communities Scrutiny Sub-Committee Chair of the Traffic Advisory Panel Nominated Member of the largest party not holding the Chair of the Development Control Committee Leader of the Second Minority Group Leader of the Third Minority Group | 6,810 |
| 7 | The Mayor | 10,068 |
| 8 | Chair of the Development Control Committee Cabinet Portfolio Holders (excluding the Leader and Deputy Leader): | 13,623 |

| Band | Post | SRA £/annum |
|-------------|---|------------------------|
| | Planning, Development and Housing Education and Lifelong Learning Environment and Transport Social Care and Health Communications, Partnership and Human Resources Deputy Leader | |
| 9 | Leader | 20,433 |

NOTES

- (1) In the Council elected on 2 May 2002, the Groups are as follows:-
Largest Minority Group = Labour Group
Second Minority Group = Conservative Group
Third Minority Group = Liberal Democrat Group
- (2) Only one SRA is payable per Member, with the exception of Band 1 SRA, which can be paid in addition to another SRA (see Note (3) below).
- (3) Members of the Licensing and General Purposes Committee are paid an SRA of £258 for their responsibilities in relation to Licensing Panels. Licensing Panel Chairs are paid an SRA of £411. Panel Members and Chairs also receive additional payment if they attend a certain number of meetings as shown below:-

| Number of Meetings Attended | Panel Member's Allowance | Chair's Allowance |
|------------------------------------|---------------------------------|--------------------------|
| 0-4 | £258 | £411 |
| 5-8 | £516 | £669 |
| 9-12 | £771 | £927 |
| 13-16 | £1,029 | £1,185 |
| 17-20 | £1,287 | £1,440 |
| 21-24 | £1,545 | £1,698 |
| 25-28 | £1,803 | £1,956 |
| 29 and above | £2,058 | £2,214 |

Each meeting will consider a number of applications.

The allowance will be paid in 12 monthly instalments, starting at the basic rate, and will be adjusted depending on the number of meetings attended.

The SRA for licensing can be paid in addition to another SRA.

SCHEDULE 2

CLAIMS FOR OUT-OF-BOROUGH TRAVEL AND SUBSISTENCE EXPENSES

Duties Undertaken Out-of-Borough

Claims for travel and subsistence expenses incurred can normally only be paid in respect of approved duties undertaken at venues out of the Borough. Expenses will be reimbursed at the rates paid and on the conditions specified in the officer scheme for travel and subsistence allowances.

1. Members may claim travel and subsistence expenses in respect of the following **out-of-Borough** duties:-
 - (a) Attendance at any meeting which may be convened by the Authority provided that Members of at least two groups are invited and the meeting is not convened by officers.
 - (b) Attendance at a meeting of an outside body to which the Member has been appointed or nominated as a representative of the Council, where the Outside Body does not itself operate a scheme to reimburse travel and subsistence expenses.
 - (c)
 - (i) attendance at an appropriate out-of-Borough conference, seminar, meeting or other appropriate non-political event as a representative of an Outside Body to which that Member has been either nominated or appointed by Council to serve in a role with a specific pan-Authority remit;
 - (ii) attendance at meetings in the capacity of a direct appointee of a Local Authority Association, joint or statutory body or other London-wide or national body subject to the following proviso:

that the Member serves on the appointing body by virtue of an appointment made by Council to an authorised Outside Body;

subject in either case to the Outside Body/Bodies concerned themselves not making provision for any travel and subsistence expenses necessarily incurred.
 - (d) Attendance at a meeting of any association of local authorities of which the Authority is a member and to which the Member has been appointed as a representative.
 - (e) Attendance at a training session, conference, seminar or other non-political event, the attendance fees for which are being funded by the Council through a Departmental or a corporate budget.
 - (f) Attendance at any training session, conference, seminar or other non-political event for which there is either no attendance fee or any attendance fee is being met by the Member him/herself (or from the relevant political group secretariat budget) subject to the relevant Director confirming that the content of the training, conference, seminar or event is relevant to the Member's responsibilities in respect of the services provided by the Authority or to the management of the Authority.
2. Duties for which out-of-Borough travel and subsistence expenses may **not** be claimed include:-
 - (a) Political meetings or events.
 - (b) Any meetings of 'Outside Bodies' to which the Member has not been appointed or nominated by the Council as its representative.
 - (c) Meetings of the Governing Bodies of Schools.

