

Performance and Finance Scrutiny Sub-Committee

Minutes

29 March 2022

Present:

Chair: Councillor Kiran
Ramchandani

Councillors: Niraj Dattani Kairul Kareema Marikar
Nitesh Hirani Pritesh Patel

**In attendance
(Councillors):** Natasha Proctor For Minute 87 and 88.

**Apologies
received:** Ajay Maru

81. Attendance by Reserve Members

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

Ordinary Member

Reserve Member

Councillor Ajay Maru

Councillor Niraj Dattani

82. Declarations of Interest

RESOLVED: To note that there were none.

83. Minutes

RESOLVED: That the minutes of the meeting held on 13 December 2021, be taken as read and signed as a correct record.

84. Public Questions

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

85. Petitions

RESOLVED: To note that no petitions were received.

86. References from Council and Other Committees/Panels

RESOLVED: To that there were none.

Resolved Items

87. Revenue and Capital Monitoring Report 2021/22 (Q3)

Members received the Revenue and Capital Monitoring 2021/2022 Report at Q3, which had been presented to Cabinet on 10 February 2022.

The report sets out the Council's 2021/22 financial forecast position at Q3.

The revenue budget in 2021/22 was £179.441m which was net of government and other specific grants. A list of external grants was shown at Appendix 3 of the Report. The net forecast position on the revenue budget at Q3 was an underspend of £776k, after the planned use of reserves which were largely applied to fund one-off projects and cross divisional adjustments.

The general fund capital programme budget in 2021/22 was £113.725m. The net forecast position on the capital budget at Q3 is £62.349m which represented 55% of the total capital programme budget. The variance of £51.376m was made up of proposed slippage of £46.680m and an underspend of £4.696m.

The Housing Revenue Account capital programme budget was £102.645m. The net forecast position on the HRA capital budget at Q3 was £40.678m which represented 40% of the total HRA capital programme budget. The variance of £61.967m was made up of proposed slippage of £60.950m and a net underspend of £1.017m.

A Member asked the following questions, which were responded to:

- 1) Citing page 6 of the Report, paragraph 2.1, which operating costs were attributed to the new Harrow Council Hub, and whether these would remain the same in future years. It was advised that it was envisaged that costs would change in the coming financial year as staff relocated from the Civic Centre to the Harrow Council Hub. However, the budget figures would remain the same as they were now;

- 2) Citing page 9 of the Report, why was the amount for staff and consultancy being paid under the Harrow Strategic Development Partnership? It was advised that the payments were for Harrow staff working on regeneration, and that the Communities Directorate was in the process of deciding on a permanent structure;
- 3) Citing page 17 of the Report, why were there revenue losses and how would the lost revenue be recovered on property rentals? It was advised that there were vacant spaces at Kings House, which had led to revenue loss. However, additional returns from other investment properties had partly made up for the losses. Furthermore, there were plans to get the vacant places at King's House rented out; and
- 4) On the Capital programme, citing page 21 of the Report, if TfL funding was not received, which projects under that scheme be affected or would they still be continued? It was advised that as it was TfL funded, if no money was forthcoming, the scheme would have to cease.

Another Member asked the following questions, which were responded to:

- 1) Citing page 4 of the Report, why was there an overspend in insurance? The overspend was because of schools exiting the Councils Insurance Service and moving over to the Governments RPA scheme. Some of the costs had been partly mitigated by reduced insurance premiums. It was advised that, since the report had been published, four more schools have exited council insurance arrangements which would have a budget impact for 2022/23; and
- 2) What approach would be in place for the HRA budget for next year for rent increases? It was advised that the rent increases were detailed in the HRA report, which was reported to Cabinet in December 2021.

RESOLVED: That the Report be noted.

88. Final Revenue Budget Report 2022/23 and Final MTFS Report 2022/23 to 2024/25

Members received the Final Revenue Budget 2022/23 and final Medium Term Financial Strategy 2022/2023 to 2024/2025, which was presented to Cabinet on 10 February 2022.

The report set out the final revenue budget for 2022/2023 and final Medium Term Financial Strategy (MTFS) for 2022/2023 to 2024/2025. In December 2021, Cabinet had approved the draft versions of the revenue budget and MTFS for general consultation.

A Member queried what potential impact there would be on the MTFS given the projected high rate of inflation due to rising energy/gas costs, and other associated price increases. It was advised that £4.75m was included in the budget to cover pay and non-pay inflation costs.

Another Member was concerned about budget risks for next year, and which sector would be most affected. It was advised that the Council would maintain a tight grip on finances given that inflation would have a significant impact. However, fuel and energy price increases were determined by external

factors, outside the Council's control. It was hoped that Adults and Children's Services would remain stable.

RESOLVED: That the report be noted.

89. Vote of Thanks to Chair

Members thanked the Chair for her services to the Sub-Committee through the 2021/2022 Municipal Year, and wished her well in her future endeavours.

(Note: The meeting, having commenced at 6.30 pm, closed at 7.05 pm).

(Signed) Councillor Kiran Ramchandani
Chair