

**LONDON BOROUGH OF HARROW**

**EXTRAORDINARY COUNCIL MEETING**

**10 MARCH 2011**

**PUBLIC QUESTIONS (ITEM 7)**

A period of up to 15 minutes is allowed for the asking of written questions by members of the public of a Member of the Executive, or the Chairman of any Committee.

**1. Questioner:** Malcolm Parr, Harrow in Business

**Asked of:** Councillor Bill Stephenson (Leader of the Council and Portfolio Holder for Finance and Business Transformation) / Councillor Keith Ferry (Portfolio Holder for Planning, Development and Enterprise)

**Question:** “Is the Council aware that Harrow in Business, a not-for-profit organisation and one of the few Enterprise agencies left in London, supported over 500 people considering a business start-up last year and helped create 180 jobs in the borough; that funding has already been cut by 50% and that the further removal of grant by Harrow Council will have a profound effect on the viability of the agency and will place at risk the livelihood of small firms in Harrow, which are essential for the local economy?”

**Answer:** My short answer was going to be “no” but a greater explanation is appropriate.  
**(Councillor Ferry)**

Harrow in Business (HiB) has supplied Harrow Council with monthly data on the number of actual business start ups. The performance in the 12 months from January to December 2010 shows that HiB supported 56 business start ups.

HiB is also a member of the Sustainable Development and Enterprise Group and contributes to the delivery of the Enterprising Harrow Strategy. HiB is asked to supply quarterly updates and whilst the figure of 180 jobs created is welcome, I have to express some surprise at the announcement of this figure, which has not been reported or verified before.

As HiB is an Enterprise Agency the Council is interested in

the impact of business support and not the number of people it has seen that had considered starting a business. In this the Council takes a commercial approach. For example, a commercial business can be measured by sales, income and profit. It is not measured by the number of people that visit the premises.

The Council is keen to continue to support HiB's work but needs to ensure that it delivers clear and beneficial outcomes, in return for any funding it receives from the Council in the future.

There is a misconception over the Council's funding of HiB going forward. We are not ceasing funding, rather we will continue to fund HiB through a two year transitional period where we will support the movement away from a reliance on a public subsidy.

HiB will, however, only receive this funding on the delivery of agreed outcomes. These will include business growth and support to business start ups. We hope paying HiB in this manner will be a more effective way to ensure local business needs are met.

Harrow Council is considering the deletion this evening from salary budgets, of the post of HiB Chief Executive. The HiB Chief Executive is a Council employee. HiB does not receive funding directly from the Council for this post. HiB is currently using a proportion of the salary of the Chief Executive to secure match funding from ERDF (European Union funding). Providing a direct grant to HiB will allow it to potentially secure additional match funding and more money from ERDF.

Public funding for the Chief Executive post could not be provided without an Agreement for the use of the funds. HiB have refused to sign a proposed Service Level Agreement and Secondment Agreement for the Chief Executive post. It is unfortunate that HiB has lost 50% of its funding. However, the Council is not responsible for the decisions of other funding bodies.

HiB's business start up programme was funded by the London Development Agency (LDA) through the Business London Programme, and not by Harrow Council. Harrow Council has lobbied for additional funding for HiB, including a meeting with Richard Barnes, Deputy Mayor of London. Unfortunately, this was not forthcoming and it is another example of the extreme financial pressures currently being faced by all public sector organisations across the United Kingdom.

The Council does expect HiB to develop an income generating model independent of public subsidy. It therefore expects HiB will use the opportunities provided by Harrow Council through the Transition Grant, the incubator space at Honeypot Lane and the LAA funding to deliver outcomes for Harrow businesses and generate income for itself.

**Supplemental Question:** Is the Council aware that an incubation Business Centre is nearing completion at Stanmore which will more than double the chance of success of start-up businesses of succeeding in the first 3 years? If the Council is aware of this, the question therefore would be that we have an opportunity, from Berkeley Homes who are developing the site, to actually take over on behalf of the business community; not only the management but the ownership, the direction and the development of this incubation site which will benefit the whole of the business community in Harrow and its neighbouring boroughs.

Is the Council prepared to support that Berkeley Homes application and develop it through and give the business community the reason to succeed over the next few, very difficult, years?

**Supplemental Answer:** My answer was going to be “yes” to that but I will elucidate a bit.

The HiB premises in Honeypot Lane was obtained by Harrow Council, in fact by the previous administration, as part of the Section 106 agreement for the development of the Government offices site by Berkeley Homes. In that agreement they are given, rent free for the next year, premises to move into when they move out of Enterprise House. They have the opportunity to produce a business case for running the incubator unit and I very much hope, as a Director of Harrow in Business, that they can secure that opportunity to provide them an income stream independent of any public subsidy and I hope Harrow in Business will succeed over the forthcoming years.

2. **Questioner:** Eric Silver

**Asked of:** Councillor Mrs Rekha Shah (Portfolio Holder for Community and Cultural Services)

**Question** “Has an assessment been carried out to ensure that the new self-service equipment being installed in Harrow's libraries is suitable for Harrow residents who may suffer from disabilities or physical difficulties?”

**Answer:** The Intellident self-service kiosks are fully DDA compliant and have been successfully installed and used by all sections of the community in other Local Authorities. So we have seen them in practice.

The screen contrast and font complies with visually impaired requirements. John Gill from the RNIB was instrumental in the design of the self-service kiosk interface advising on colours, fonts and the way the graphics operate. The kiosk height is also suitable for wheelchair users.

Harrow User Group Sessions have been timetabled for 24 and 25 March 2011, to enable the elderly, children and people with disabilities to test the self-service equipment. These sessions have been set up by contacting Harrow Association of Disabled people and other relevant Harrow organisations.

Library staff will be available to help those members of the public with severe visual impairments.

**Supplemental Question:** As part of this assessment process, did you consider the inter-library loan charged by nearly 10% which at £5 is already one of the most expensive in London and which is a service used by many of those residents unable to get themselves to other libraries outside the borough to collect their books?

Your nearest borough only charges £1.50 and yet Harrow has £5 and is now going to increase to £5.40, which I just cannot see the justification of.

**Supplemental Answer:** The cost of hiring of books at the libraries in Harrow has been given consideration. I will give you an answer in writing.

3. **Questioner:** Pravin Seedher

**Asked of:** Councillor Bill Stephenson (Leader of the Council and Portfolio Holder for Finance and Business Transformation)

**Question** “Do you not agree that, before the Coalition Government’s in-year emergency budget, and well-before December’s local government finance settlement’s spending reductions, required to deal with the financial mess left by the Blair-Brown Labour Government, your first press release as Leader of the Council (26 May), stated that your administration needed to find some £50m of savings over 3 years, and can you detail what measures – aside from

the Council Tax Freeze funded by an extra grant from the Coalition Government – are your administration implementing to lift the burden on Harrow’s taxpayers while ensuring that no frontline services are cut?”

**Answer:** The difficult financial situation in which this country and the whole western world finds itself is not due to any particular politicians in any one country, but is solely down to the irresponsible bankers. The former PM, Gordon Brown, is to be congratulated for his leadership in taking the international lead in preventing a worldwide depression. We should pay very careful attention to the Governor of the Bank England who claims that the very same bankers are about to repeat their folly all over again.

However, I do agree with you that the present government has imposed a very heavy burden on local government and on Harrow Council Tax payers. Although we are one of the most efficient parts of the public sector, local government has been picked out and hardest hit by this government.

The Council’s approach to meeting this very significant funding imposed by the government is to make genuine savings at the same time as protecting and enhancing front line services. My budget speech and speeches of my colleagues later this evening will explain in great detail how we intend to do this.

**Supplemental Question:** Will he accept that this situation arose during a Labour government?

**Supplemental Answer:** I think I made it very clear that it was the irresponsible bankers that caused the problem. The former PM, Gordon Brown, was part of the solution helping to make sure that the country did not end up with a worldwide depression.

**4. Questioner:** Jeremy Zeid

**Asked of:** Councillor Bill Stephenson (Leader of the Council and Portfolio Holder for Finance and Business Transformation)

**Question** “In view of the tight budgetary situation, what efforts, savings and changes have been made to reduce the size and cost of the authority and its bureaucracy in order to ensure that front-line services are protected?”

**Answer:** In proposing the budget tonight, the Council has worked hard to protect front line services and to maximise the opportunity to make ourselves more efficient, leaner and fitter. Our Vision is Working Together: Our Harrow, Our

Community and we developed the priorities that underpin this budget by involving our residents in an ambitious new type of dialogue for this Council called Let's Talk.

As we laid out at Cabinet in July, we have developed proposals with three objectives in mind:

1. Being a more efficient and effective organisation that can live within its means.
2. Joining up and personalising customer service for our residents.
3. Building on the community spirit of residents to be more involved in the future of their borough.

My budget speech and the speeches of my colleagues later this evening will explain in detail how we intend to do this. In particular, I will be drawing attention to a very significant reduction in senior management; a programme of spans of control to reduce layers of management and to ensure every manager manages 6-7 people; the introduction of mobile and flexible working; transformation of business support – hub and spokes; encouraging residents to carry out transactions via the web; getting rid of unnecessary paperwork and making full use of our powerful IT system; the use of various sorts of IT to modernise and transform the way we work. That is just a summary of what we are going to talk about and I hope you will listen to the debate.

**Supplemental Question:** With borrowing rising by £23m this year, a £27m contract signed for new IT, is this a case of Browning economics of taking a loan to pay off the credit card and how do you estimate the costs of the borrowing to be covered without further cuts to front line services and business damaging, hiked parking charges, that businesses remember paying their rates which get fed back to the borough?

**Supplemental Answer:** My administration inherited a dysfunctional IT system when it came to power. 95% of the hardware was at the end of its life and the Council did not have a disaster recovery system. This administration took a sideways step to renew the IT that will support many of the initiatives, such as mobile and flexible working, business support and increasing support to Access Harrow.