

CABINET MINUTES

9 FEBRUARY 2012

Chairman: * Councillor Bill Stephenson

Councillors:

* Bob Currie	* Graham Henson
* Margaret Davine	* Thaya Idaikkadar
* Keith Ferry	* Phillip O'Dell
* Brian Gate	* David Perry
* Mitzi Green	

In attendance: Susan Hall Minute 360
(Councillors) Barry Macleod-Cullinane Minute 360

* Denotes Member present

RECOMMENDED ITEMS

364. Integrated Planning

The Leader of the Council and the Portfolio Holder for Finance and Business Transformation provided an overview of how the Council was moving forward in its quest to ensure an integrated approach to planning Council business, which would entail the submission of a series of papers to Cabinet; with the Corporate Plan 2012/13 and the Final Revenue Budget and Medium Term Financial Strategy (MTFS) 2012/13 to 2014/15 leading the way.

Having proposed minor amendments to two priority actions in relation to the Corporate Plan 2012/13, the Leader outlined the Council's Modernising agenda, whilst protecting front line services, in the face of an adverse economic climate, the need to make savings, a reduced grant from the government and demographic changes which were all contributing to the various pressures on the Council. He was proud that Harrow was a low cost high performing Council and that, despite the scale and depth of the savings,

it had been recognised as the Best Achieving Council in the country by the Municipal Journal in 2011.

The Leader outlined the levels of savings that the Council had made year on year against considerable challenges, whilst also achieving an underspend in 2011/12. He was proud to be leading a Council which had achieved so much and continued to look ahead with a radical agenda and initiatives that would suit the needs of a Modern and efficient Council. He outlined the main initiatives that the Council would be progressing, as follows:

- sharing and collaborating with other boroughs and partners on service delivery;
- exploring alternative ways to deliver services that allow greater engagement of residents and the voluntary sector;
- designing services so that interventions are earlier and more targeted;
- continuing to make access to our services more convenient for customers;
- adopting a more commercial approach to Council business and continuing to modernise the Council and its services by using the latest technology, business practices and processes so they were more efficient.

He added that the Council had moved forward with the implementation of a new IT system, developed proposals for Mobile and Flexible working, had plans to reduce the number of senior managers, was procuring services and introducing commercial practices where these would benefit the Council and its residents. The Council was moving towards a paradigm shift and the removal of silo working. It was embarking on a new relationship with its residents and Partners under the "Let's Talk" initiative, which had allowed the Council to engage fully with residents who had helped to shape Harrow by participating in budget decisions. This method of engagement would be applied long term. Moreover, additional services were being provided by Access Harrow and it was intended to build on this provision. A major regeneration programme was also planned with the Town Centre, Kodak Centre and Lion House taking priority.

The Leader referred to the administration's position in relation to Council Tax, on which a nil increase had been proposed for 2012/13. However, it was unlikely that the Council would be able to place a freeze on Council Tax in 2013/14.

In summing up, the Leader paid tribute to the Chief Executive for taking the Council forward and was assured that this momentum would continue in order to ensure that the residents of Harrow received the best service available.

(a) Key Decision: Integrated Planning - Corporate Plan 2012/13:

Cabinet received a report of the Assistant Chief Executive, which set out the strategic direction for the Council, Priorities for Harrow, these being the Modernising the Council and Protecting Frontline Services, Council Priorities and Priority Actions. The report described and illustrated the Programmes against which the Council would be judged, including how these would be funded in the context of the Council's integrated planning agenda.

Resolved to RECOMMEND: (to Council)

That the Corporate Plan 2012/13 be adopted, subject to the following amendments:

Priority Action, 'Reduce the amount waste produced by the borough', to include the following measures:

1. Number of Home Composting kits taken up by Harrow residents. Each Home Composter diverts 150 kg of waste;
2. Two West London Waste 'Let's get cooking clubs' set up in Harrow, which are projected to reduce waste by 27 tonnes.

Priority Action, 'Deliver improved performance of our Highways through a more efficient contract' to include the following measure 'Ensure the projected efficiencies are delivered'.

RESOLVED: That the Leader of the Council be authorised to make any minor amendments to the Corporate Plan 2012/13, as necessary, prior to the matter going to Council for adoption.

Reason for Decision: To update the Council's Policy Framework and set out the Council's Direction of Travel for 2012/13.

[Call-in does not apply to the Recommendation to Council].

(b) Key Decision: Integrated Planning - Final Revenue Budget and MTFs 2012/13 to 2014/15:

Cabinet received a report of the Interim Corporate Director Resources, which set out the final proposed Revenue Budget for 2012/13 and the Medium Term Financial Strategy (MTFS) to 2014/15.

The Revenue Budget set out the Council Tax Strategy and spending plans, including new investment and savings proposals which were challenging due to the adverse economic climate. The focus was on ensuring that further changes to service delivery were innovative, robust and deliverable whilst ensuring that they minimised the risk to the vulnerable or result in service failure.

The Corporate Director Resources introduced the report, which also set out the impact of the investment and savings proposals and included information

on the local government settlement, reserves policy and consultation on the budget. The report covered all of the Council's main activities, including schools.

The Corporate Director outlined the financial context which underpinned the way in which the Council operated and would continue to do so. She added that the budget for 2012/13 was balanced and identified the funding gaps for 2013/14 and 2014/15, and noted that the administration's desire was to make savings whilst minimising the overall impact on services provided. She referred to the Council Tax Support Grant Scheme and outlined how this would impact upon future years. She explained that the government had offered local authorities a similar grant in 2012/13 to enable Councils to reduce Council Tax increases by 2.5% but that this was a significant departure from the previous year's scheme in that it was only being given for one year. The effect of this grant falling out in 2013/14 on Harrow was that it would increase the funding gap by £2.6m.

A summary of the budget proposals were alluded upon and the Corporate Director briefed Cabinet on the impact of these proposals on the services provided by the Directorates. As a result, an equality impact assessment had been carried out for each proposal depending on the extent of the impact and had been made available on the intranet for the decision makers to visit in approving the budget for 2012/13. Moreover, consultation was ongoing as required by law. Flexibility had been retained within the budget to cover for any eventualities, particularly if, as a result of the consultation and equality impact assessment, some proposals could not be implemented. In such instances, the Directorates would develop alternative plans to put in place to help mitigate any impact. The Corporate Director stressed that this approach would help counteract comments about predetermination.

Cabinet noted that a details risk assessment of the budget had been carried out, including the reserves policy being recommended. The Corporate Director identified the significant risks for 2012/13 and pointed out that, overall, the types of risks were rising. As a result, it was prudent to increase the desired range of reserves held and whilst the Council was 'comfortable' with holding £7m reserves, it would be advisable to increase this sum.

In summing up, the Corporate Director Resources, in her capacity as the Council's Chief Finance Officer and in complying with the requirements of part II of the Local Government Act 2003, commented on the robustness of the budget including the adequacy of the reserves and provision. She stated that the budget was robust and that it included a significant level of growth but that there were risks associated. She referred to the amended Council Tax resolution which had been revised and tabled at the meeting due to the changes to the GLA precept.

The Leader of the Council stated that the budget for 2012/13 was prudent, whilst acknowledging the uncertainty surrounding the budget for future years.

Resolved to RECOMMEND: (to Council) That

- (1) the budget be approved to enable the Council Tax for 2012/13 to be set;
- (2) the policy on the use of the contingency, at appendix 7 to the report, be approved;
- (3) the schools budget at appendix 8 to the report be approved;
- (4) the reserves policy at appendix 10 to the report be approved;
- (5) the virement rules, set out in appendix 11 to the report, be approved;
- (6) Members' Allowances be frozen and the current approved Members' Allowances Scheme be adopted for 2012/13;
- (7) in the event that responsibility for Public Health is transferred to the Council during 2012/13, authority be delegated to the Interim Corporate Director Resources to incorporate the transferred amount into the budget;
- (8) the amended model Council Tax resolution tabled at the meeting and attached at appendix I to the minutes be approved.

Reason for Decision: To ensure that the Council sets a balanced budget for 2012/13.

[Call-in does not apply to the Recommendation].

Model Council Tax Resolution

Harrow Council

Council Tax Resolution 2012-2013

Council is requested to determine the level of the Council Tax for 2012-2013 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 15 December 2011 Cabinet agreed the amount of 88,140 as its Council Tax Base for the year 2012-2013. [Item T in the formula in Section 31B of the Local Government Finance Act (LGFA) 1992, as amended (the "Act")].
- (2) That the following amounts be now calculated by the Council for the year 2012-2013, in accordance with Sections 31A, 31B and 34 to 36 of the Act:
- (i) Being the aggregate of the amounts which the Council estimates for items set out in Section 31A (2) (a) to (f) of the LGFA 1992 (A). £582,789,314
 - (ii) Being the aggregate of the amounts which the Council estimates for items set out on Section 31A (3) (a) to (d) of the LGFA 1992 (B). £409,676,096
 - (iii) Being the council tax requirement in accordance with Section 31A (4), by which the aggregate at (2(i)) above exceeds the aggregate at (2(ii)) above. £104,582,517
 - (iv) Being the basic amount of Council Tax for the year, being the Council Tax Requirement at(2(iii)) above, divided by the Council Tax Base set out at (1) above, in accordance with Section 31B(i) of the Act. £1,186.55

(v) Valuation Bands

	A	B	C	D	E	F	G	H
£	791.03	922.87	1,054.71	1,186.55	1,450.23	1,713.90	1,977.58	2,373.10

Being the amounts given by multiplying the amount at (iv) 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 excluding precepts from any other authority.

- (3) That it be noted that for 2012-2013 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
£	204.48	238.56	272.64	306.72	374.88	443.04	511.20	613.44

- (4) Agree that the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts of Council Tax for 2012-13 for each part of its area and for each of the categories of dwellings as shown in the table below.

Valuation Bands

	A	B	C	D	E	F	G	H
£	995.51	1,161.43	1,327.35	1,493.27	1,825.11	2,156.95	2,488.78	2,986.54

- (5) Determine that the Council's basic amount of Council Tax for 2012-13 is not excessive in accordance with the principles approved under section 52ZC Local Government Finance Act 1992.

HARROW COUNCIL
REVENUE BUDGET SUMMARY 2012-2013

	2011-2012 Original Budget £000	2012-2013 Original Budget £000
Local Demand - Borough Services		
Adults and Housing	67,508	66,431
Children's Services	40,852	39,475
Community and Environment	43,986	48,674
Place Shaping	4,382	3,547
Legal and Governance	3,566	3,379
Assistant Chief Executive	12,275	3,854
Corporate Finance	7,834	18,634
Transformation Programme	-389	-519
Total Directorate Budgets	180,014	183,475
Corporate items	2,213	148
Provisions for debt/litigation	325	425
Capital Financing adjustments	-4,463	-8,327
Council Tax Support Grant	-2,580	-2,608
Total Net Expenditure	175,509	173,113
Collection Fund Surplus b/f	-1,978	-1,335
Formula Grant	-70,126	-67,196
Local Demand on Collection Fund	103,405	104,582
Funds / Balances		
Balances Brought Forward	7,000	7,000
Adjustment to Balances	0	0
Balances Carried Forward	7,000	7,000
Council Tax for Band D Equivalent		
Harrow (£)	1,186.55	1,186.55
<u>Increase</u> Harrow (%)	0.00%	0.00%
Taxbase	87,148	88,140