

Council

SUPPLEMENTAL SUMMONS

DATE: Thursday 4 July 2013

8. MEMBERS' ALLOWANCES (Pages 1 - 8)

Report of the Director of Legal and Governance Services.

9. ADOPTION OF THE DEVELOPMENT MANAGEMENT POLICIES DPD, SITE ALLOCATIONS DPD AND HARROW AND WEALDSTONE AREA ACTION PLAN DPD (Pages 9 - 12)

Recommendation I: Cabinet
(20 June 2013)

10. HEALTH AND WELLBEING STRATEGY IMPLEMENTATION PLAN (Pages 13 - 16)

Recommendation I: Health and Wellbeing Board
(19 June 2013)

11. WEST LONDON WASTE AUTHORITY - INFRASTRUCTURE LOAN (Pages 17 - 24)

Report of the Director of Finance and Assurance

14. APPOINTMENT OF RETURNING OFFICER (Pages 25 - 28)

Report of the Director of Legal and Governance Services

15. EXCLUSION OF THE PRESS AND PUBLIC

To resolve that the press and public be excluded from the meeting for the following item of business, on the grounds that it involves the likely disclosure of confidential information in breach of an obligation of confidence, or of exempt information as defined in Part I of Schedule 12A to the Local Government Act 1972:

<u>Agenda Item No</u>	<u>Title</u>	<u>Description of Exempt Information</u>
16.	Severance payments of £100,000 or greater	Information under paragraph 1 (contains information relating to any individuals).

16. SEVERANCE PAYMENTS OF £100,000 OR GREATER (Pages 29 - 34)

Report of Divisional Director Human Resources, Development & Shared Services

Note: In accordance with the Local Government (Access to Information) Act 1985, the following agenda items have been admitted late to the agenda by virtue of the special circumstances and urgency detailed below:-

<u>Agenda item</u>	<u>Special Circumstances/Grounds for Urgency</u>
14. Appointment of Returning Officer	Members are requested to consider the report, as a matter of urgency, as preparation work has started for the Elections in 2014 and as the next meeting of Council is not until 14 November 2013.
16. Severance payments of £100,000 or greater	Members are requested to consider the report, as a matter of urgency, as the decision cannot await the next Council meeting on 14 November 2013 as the employee is under notice of redundancy.

COUNCIL 4 JULY 2013

MEMBERS' ALLOWANCES

This page is intentionally left blank

REPORT FOR: **COUNCIL**

Date of Meeting: 4 July 2013

Subject: Members' Allowances

Responsible Officer: Director of Legal and Governance Services

Exempt: No

Enclosures: Appendix - Members' Allowances Scheme

Section 1 – Summary and Recommendations

Following recent changes in the political composition of the Council, Council is asked to consider changes to the Members' Allowances Scheme.

Recommendations: That the Members' Allowances Scheme, as amended in Schedule 1, be adopted and payments be backdated to the relevant date of the individual Members' appointment.

Section 2 – Report

Members' Allowances are governed by The Local Authorities (Members' Allowances) (England) Regulations 2003 and each year, at the February Council (Council Tax) meeting, the Council makes a Members' Allowances scheme for the following financial year. Under the Regulations, when making or amending a Scheme, the Council is required to have regard to the recommendations of an Independent Remuneration Panel (section 19). On 28 February 2013, the Council approved the current scheme until 31 March 2014.

Under the Scheme, all Members receive a Basic Allowance, which is paid directly into Members' bank accounts in 12 monthly instalments. The Basic Allowance is designed not only to recognise the time commitment that Members put into their duties as Councillors, but also to cover incidental costs in discharging their duties, eg private telephone calls, cost of buying a computer to do Ward work at home, broadband, etc. Some Members also receive a Special Responsibility Allowance to recognise that they have additional responsibilities (eg Cabinet members). Members can elect to forgo their allowances.

Following changes in the political composition of the Council in May 2013, it has become clear that the existing scheme does not adequately reflect the Council as it now is. For example, there are now two political Groups comprising 25 Members and there are Non Executive Members on Cabinet.

Schedule 1 to this report sets out the proposed changes to the Scheme. These proposals have been shared with the Leaders of the Groups. In summary, the proposed changes are:

- Leader of the Third Largest Group to receive Band 4 (Band 1 in accordance with the Panel recommendations above)
- Deputy Leaders of the largest Groups to receive Band 1 to reflect that there are now 2 Groups comprising 25 Members
- Chairman of Grants Advisory Panel to receive Band 1 instead of Band 3 to reflect the reduction in the number of meetings
- Chairman of GARM to receive Band 3 instead of Band 1 as it is a main Committee
- Chairman of the Pension Fund Committee to receive Band 3 as it is a main Committee
- Vice Chairman and Nominated Member of the party not holding the Chair of the Planning Committee to receive Band 3 to reflect the change in the composition of the Committee
- Leaders of the largest Groups to receive Band 5 to reflect that there are now two Groups comprising 25 Members
- Deputy Leader of the Council to receive Band 6 as a point of clarification
- Cabinet Non Executive Members to receive Band 6 (this role is not referred to in the Panel's report)
- Leader of the Council to receive Band 8 or 9 as a point of clarification

The scheme also states that a basic allowance of £445 per annum shall be paid to co-optees to formal Council Committees.

Financial Implications

The scheme will be delivered within the existing budget.

Equalities implications

None

Corporate Priorities

N/a

Section 3 - Statutory Officer Clearance

Name: Simon George	<input checked="" type="checkbox"/>	Chief Financial Officer
Date: 3 July 2013		
Name: Hugh Peart	<input checked="" type="checkbox"/>	Monitoring Officer
Date: 3 July 2013		

Section 4 - Contact Details and Background Papers

Contact: Alison Atherton tel: 020 8424 1266
email:alison.atherton@harrow.gov.uk

Background Papers: Members' Allowances Scheme 2013/14

If appropriate, does the report include the following considerations?

1.	Consultation	YES
2.	Corporate Priorities	N/a

This page is intentionally left blank

Schedule 1

Special Responsibility Allowances (SRAs)

There are 9 bands of SRAs:

Band	Post	SRA - £/annum
1	Deputy Leader(s) of the largest Group (s) Chief Whips of the two largest Groups Chairman of Standards Committee Chairman of the Grants Advisory Panel Support Members for Cabinet	£2,040
2	Performance Lead Members for Scrutiny Policy Lead Members for Scrutiny	£3,060
3	Vice Chairman and Nominated Member of the party not holding the Chair of the Planning Committee Chairman of the Traffic Advisory Panel Chairman of Governance, Audit and Risk Management Committee Chairman of the Pension Fund Committee	£4,590
4	Leader of the third largest Group Chairman of Licensing and General Purposes Committee Chairman of the Performance and Finance Scrutiny Sub Chairman of the Health and Social Care Scrutiny Sub Nominated Member of the largest party not holding the Chair of the Performance and Finance Scrutiny Sub Nominated Member of the largest party not holding the Chair of the Overview and Scrutiny Committee <i>Portfolio Adviser (The SRA to be paid only if there is agreement from the Leader and relevant Cabinet Member. In such an event the entire SRA paid to the Portfolio Adviser at Band 4 will be deducted from the SRA of the Leader at Band 7 or the relevant Cabinet Member at Band 6)</i>	£6,630
5	Chairman of the Planning Committee Chairman of the Overview and Scrutiny Committee Leader(s) of the Largest Group(s)	£8,670
6	Deputy Leader of the Council with Portfolio Adviser Cabinet Members with Portfolio Adviser Cabinet Non Executive Members	£13,060
7	Deputy Leader of the Council without Portfolio Adviser Cabinet Members without Portfolio Adviser	£19,690

Band	Post	SRA - £/annum
8	Leader of the Council with Portfolio Adviser	£24,169
9	Leader of the Council without Portfolio Adviser	£30,799

COUNCIL 4 JULY 2013

CABINET RECOMMENDATION (20 JUNE 2013)

RECOMMENDATION I: **ADOPTION OF THE
DEVELOPMENT
MANAGEMENT POLICIES
DPD, SITE ALLOCATIONS
DPD AND HARROW AND
WEALDSTONE AREA ACTION
PLAN DPD**

This page is intentionally left blank

CABINET MINUTES

20 JUNE 2013

Chairman:	* Councillor Thaya Idaikkadar	
Councillors:	* Nizam Ismail	* Asad Omar
	* Krishna James	* William Stoodley
	* Zarina Khalid	
Non Executive Non Voting Councillors:	* Susan Hall	* Barry Macleod-Cullinane
In attendance: (Councillors)	David Perry	Minute 652
	Sachin Shah	Minute 652

* Denotes Member present

RECOMMENDED ITEMS

655. Adoption of the Development Management Policies DPD, Site Allocations DPD and Harrow and Wealdstone Area Action Plan DPD

Cabinet received a report of the Corporate Director of Environment and Enterprise, which documented the outcome of the independent Examination in Public of the three Local Plans, formerly known as Development Plan Documents. The proposal was to recommend to Council the adoption of the Local Plans, as part of the Local Development Plan for Harrow.

The Portfolio Holder for Planning and Regeneration briefed Cabinet on the outcome of the Examination in Public and the subsequent changes made to simplify the Plans. He added that the Plans would set policy until 2026.

In commending the report to Cabinet, the Portfolio Holder explained that the Plans may need re-visiting before that time should the forthcoming revision to the London Plan significantly increase Harrow's housing delivery "target."

A non-Executive non-Voting Cabinet Member suggested that instead of wasting valuable resources, reference to tall buildings ought to be deleted from the Plans. He was of the view that the Council's vision that it would not support, for example, 20-storey buildings being built in Harrow should be clearly set out in the Plans.

In response, the Portfolio Holder stated that whilst he too recognised the Member's concern, the Council was not in a position to make unequivocal statements and that the Council had been guided by the Planning Inspector in this regard. He added that the Planning Inspector was satisfied with the Plans.

Resolved to RECOMMEND: (to Council)

That the Harrow and Wealdstone Area Action Plan Local Plan, the Site Allocations Local Plan, and the Development Management Policies Local Plan be adopted.

Reason for Decision: To progress the Local Plans to adoption in accordance with the current Local Development Scheme. To ensure that an up-to-date Development Plan for the Borough was in place and to comply with regulatory requirements.

Alternative Options Considered and Rejected: As set out in the report.

Conflict of Interest relating to the matter declared by Cabinet Member / Dispensation Granted: None.

**COUNCIL
4 JULY 2013**

**HEALTH AND WELLBEING BOARD
RECOMMENDATION
(19 JUNE 2013)**

**RECOMMENDATION I: HEALTH AND WELLBEING
STRATEGY
IMPLEMENTATION PLAN**

This page is intentionally left blank

LONDON BOROUGH OF HARROW

COUNCIL – 4 JULY 2013

REFERENCE FROM THE HEALTH AND WELLBEING BOARD MEETING OF 19 JUNE 2013

7. Health and Wellbeing Strategy Implementation Plan

The Board received a report of the Director of Public Health, which provided an update on the Joint Health and Wellbeing Strategy Implementation Plan for 2013-16.

The Director highlighted the following aspects of the report:

- the Joint Health and Wellbeing Strategy, which took a broad approach to health and social care, and the main focus of which was prevention, had been formulated following extensive consultation with local stakeholders and completion of a Joint Strategic Needs Assessment;
- the Implementation Plan, which set out the actions attributed to the HWB and partners over the lifetime of the strategy, would address the following seven key priority areas: long-term conditions, cancer, worklessness, poverty, mental health and wellbeing, supporting parents and the community to protect children and maximise their life chances and dementia;
- it would be possible to amend the Implementation Plan in the future, for example, on the basis of findings of the Equality Impact Assessment (EqIA) which was due to be carried out shortly;
- the Plan would be formally reviewed in a year's time.

Following questions and comments from Board members, it was advised that:

- NHS England was implementing joint working among all the children's Commissioners in referring those who had experienced sexual violence. The CCG would set up a group to review care pathways in this area and to ensure that appropriate resources were in place and any gaps in provision were filled. A children's safeguarding app for i-phones had been developed and was available for use;
- there was scope to engage with local businesses to provide health checks for employees, and this had been identified as a priority, however, this would have resource implications;
- the transfer of Public Health Services to the Council was a joint venture, requiring equal participation by the Council and the NHS, and all council departments would be contributing to this initiative. It should be noted that Harrow's HWB delivery plan was more extensive than that of many other authorities;

- the CCG would work closely with the Metropolitan Police Authority to ensure greater co-operation and a multi-agency approach to supporting those with mental health and substance misuse issues, implement early intervention measures for those identified as being at risk of being detained by the Police and seek guidance from RETHINK, the national mental health charity, regarding the restraint policy;
- a more detailed copy of the Implementation Plan, which set out which targets were ascribed to the CCG and which to the Local Authority, the level of resources required from each, would be circulated to members of the Board. Performance measures and targets set out in the Plan would be monitored and reviewed in a year's time;
- it would be the remit of the Overview and Scrutiny Committees at both Barnet and Harrow Councils to monitor the work of the joint public health team and have oversight of the joint public health partnership between the two authorities. This would be reported at a future meeting of the Board.

RESOLVED: That the Joint Health and Wellbeing Strategy Implementation plan:

1. be agreed;
2. be formally reviewed in a year's time
3. be forwarded as a reference to Council for information.

FOR CONSIDERATION

Background Documents:

Harrow Health and Wellbeing Strategy Implementation Plan 2013-16.

Contact Officer:

Manize Talukdar, Democratic & Electoral Services Officer
 Tel: 020 8424 1323
 Email: manize.talukdar@harrow.gov.uk

COUNCIL
4 JULY 2013

**WEST LONDON WASTE AUTHORITY –
INFRASTRUCTURE LOAN**

This page is intentionally left blank

REPORT FOR: Council

Date of Meeting: 4 July 2013

Subject: West London Waste Authority –
Infrastructure Loan

Responsible Officer: Simon George, Director of Finance and
Assurance

Exempt: No.

Enclosures: None.

Section 1 – Summary and Recommendations

Harrow is a participating borough in the West London Waste Authority, the latter having responsibility for Harrow's waste disposal. WLWA has commissioned a new energy from waste plant and is offering Harrow the opportunity to invest £15 million into the project.

Recommendations:

Council is asked to agree an addition to the capital programme of £15 million to be loaned to the WLWA and delegate authority for final approval to the Section 151 Officer after consultation with the Portfolio Holder after receiving assurance from Legal Officers on the terms.

Section 2 – Report

1. The Council has been invited to loan £15 million to the West London Waste Authority (WLWA) to part finance the cost of a new energy from waste facility. This expenditure will be treated as an addition to the capital programme and as it was not previously identified, requires Council consideration and approval to proceed. As terms are still being finalised it is proposed that final authority to proceed is delegated to the Section 151 Officer in consultation with the Portfolio Holder.

Background

2. WLWA is a statutory joint authority with six constituent boroughs (Brent, Ealing, Harrow, Hillingdon, Hounslow and Richmond). As a waste authority it is responsible for disposing of the waste collected by the six boroughs. WLWA is primarily financed by an annual levy on the boroughs. The levy includes fixed fees and a charge based on waste tonnage.
3. WLWA identified some years ago that it was in danger of failing to hit Government targets for diverting waste from landfill. It also identified that the rising cost of landfill, together with potential penalties for exceeding landfill targets, would mean that as well as the environmental impact of landfill, WLWA would be facing excessive costs if it did not take effective action.
4. Over past years, WLWA has let a number of contracts to manage the disposal of waste but now needs to secure a replacement for the landfill contracts. It has considered a wide number of options and worked through an OJEU process which has led to the current position where WLWA have agreed the preferred bidder for the development of a new energy from waste facility. This development will enable costs to be contained, 96.1% diversion from landfill and a reduced carbon impact from waste disposal. The proposal is also attractive to Harrow as it offers an almost fixed cost to waste disposal
5. The next phase of this proposal is to finalize the contract terms and move to financial close with the preferred bidder as quickly as practical to ensure there is no delay in the development of the new site.

Project Proposal

6. The proposal from the preferred bidder assumed funding from a combination of equity from the consortium and debt secured from commercial lenders. As part of the overall funding discussions the WLWA has raised the possibility of providing direct funding for the project (with WLWA effectively drawing the finance for this from loans from the constituent boroughs). The proposition is that the boroughs will be able to access finance at a lower rate than commercial lenders.
7. WLWA has also identified the possibility of making the investment either during the development of the plant (in effect contributing at the same

time as the commercial lenders) or at the completion of the plant. The relative risks and returns are discussed in more detail in the Finance and Risk sections below.

8. It should be stressed that the overall waste facility proposal and final contract is in no way dependent on this decision i.e. this is purely a decision on whether the Council chooses to invest directly in the project to achieve a better financial outcome.
9. The proposal is for Harrow and each of the other boroughs to invest £15m in this project via a loan to WLWA that they subsequently provide as funding for the project. WLWA will then repay this loan over the twenty five year life of the agreement together with an interest rate based on the savings achieved from removing part of the equity or commercial debt currently assumed.

Financial Returns

10. The accountants, PwC have reviewed the project cashflows and calculated that on a cost neutral basis, WLWA is able to provide a minimum return of 7.4% p.a. on the loans provided by each borough. As contractual negotiations continue, this return is subject to change.
11. The projected returns are far in excess of the average rate of return anticipated for treasury investments in 2013-14 (circa 1.5%) and also the rate of interest on a 25 year reducing balance loan (3.54% as of 19th June). The investment therefore almost certainly offers a significant gain regardless of whether it is funded from existing cash balances or by way of new funding. The working assumption is that existing cash balances will be used initially. Authority to borrow is given within the annual treasury strategy should that become advantageous.
12. The **net** benefit to Harrow (not the gross return) will be impacted by changes in prevailing interest rates, although the net return can be protected by taking out a matching loan.
13. The six boroughs have jointly appointed Sector, Harrow's treasury advisor, to review the PwC return analysis and to comment on the project risks. There are further comments on risk below, but in terms of returns, they confirmed the returns calculated by PwC.

Financing options

14. Two different funding options have been offered to the six boroughs. One is to fund the project in stages during the construction phase (2013 to 2016). The second is to fund at the service commencement (broadly end of construction) in 2016. The return for the second option, service commencement, is a little lower at 7.4% compared with 7.9% for stage funded. There is a preference, subject to agreement with the other funding boroughs, that we opt for service completion to minimize risk. This also avoids negative cash flows from loan interest payable during the construction phase impacting on already agreed council budgets.

Approval Process

15. Should the investment proceed it will require an increase in the capital programme, which requires the approval of full Council. The loan will be treated as capital expenditure for accounting purposes.
16. It is understood that for the financing option to proceed that collectively the six boroughs need to commit £75 million and agree a common funding timetable (stages or service commencement).
17. At the time of writing this note, none of the other five boroughs have yet formally considered their position on this issue. We are aware of two positive recommendations, with no information from the other three boroughs. We are seeking authority to proceed with the £15 million investment subject to:
 - a) confirmation that the returns are as projected once the contract terms are finalized,
 - b) Sufficient funds are pledged by the six boroughs to achieve the £75 million aggregate target, and
 - c) Legal advice is received that the loan and other project documentation offers sufficient protection to the Council.

Financial Implications

18. Paragraph 15 above comments on the project investment return. PwC has calculated a **net interest** cash flow over 25 years after allowing for debt interest at 3.5% of £11.9 million for a £15 million investment at service commencement. In net present value terms this is £4.0 million, an appealing return. The cashflows and NPV are higher if funded in stages during construction or if existing cash balances are used. The capital value of the loan will also be repaid over 25 years.
19. If interest and the discount rates are increased to 5%, the net interest cashflow is reduced to £9.0 million and the NPV to £1.5 million. Should interest rates start to increase above current levels, Harrow's expected surplus can be protected by taking out fixed rate PWLB borrowing.
20. At all prevailing funding rates below 7.4%, the project will be financially beneficial to Harrow.

Risk Management Implications

21. Risk included on Directorate risk register? No
22. Separate risk register in place? No
23. Clearly in making this (or any) investment there is a risk. However, the risk has both been reviewed by the WLWA advisors (PwC) and independently on behalf of all the boroughs by our Treasury Advisors

(Sector). The view from both is that the major risk to WLWA (and therefore the Boroughs) is contained in the commitment to the overall procurement deal and is only marginally increased by the decision to provide direct investment (such risk being largely associated with the potential delay in realizing the benefits if the contractor were to fail in its obligations). The advisors have stressed the importance of ensuring that the WLWA contract with SITA contains appropriate conditions to maintain this position. A joint legal review has been proposed to ensure that the contract contains appropriate conditions and safeguards.

24. The recommendation to the other boroughs to fund at completion rather than during construction is aimed at avoiding unnecessary risk. All the participating boroughs must agree the timing of the contribution. The advice from Sector is that funding during construction does not add to project risk. However, caution suggests that funding at service commencement must put Harrow at least in a no worse position when considering the impact of project delays and cost overruns.

Equalities Implications

25. Was an Equality Impact Assessment carried out? A preliminary impact assessment indicates that there are no direct equalities implications arising from extending a loan to WLWA.

Corporate Priorities

26. The overall project, although not the funding options, will contribute to the priority “Keeping neighbourhoods clean, green and safe” through the environmentally friendly recycling and disposal of waste.

Legal Implications

27. The Council owes a fiduciary duty to its council tax payers to conduct its administration in a business manner with reasonable care and skill. The Council must carefully weigh up the risks and benefits of lending this money.

The Localism Act 2011 gives the council the power to do anything that individuals generally may do except where it is unable to do it because of a statutory limitation. An individual could do what is proposed and whether the loan is classed as capital expenditure or as a loan or “investment”.

Also section 12 of the Local Government Act 2003 empowers the council to “invest (a) for any purpose relevant to its functions under any enactment, or (b) for the purposes of the prudent management of its financial affairs.”

Section 3 - Statutory Officer Clearance

Name: Simon George Chief Financial Officer

Date: 25 June 2013

Name: Jessica Farmer

on behalf of the*
Monitoring Officer

Date: 25 June 2013

Section 4 - Contact Details and Background Papers

Contact: George Bruce, Treasury and Pension Fund Manager, 020 8424 1170

Background Papers: None

If appropriate, does the report include the following considerations?

1.	Consultation	NO
2.	Corporate Priorities	YES

COUNCIL
4 JULY 2013

APPOINTMENT OF RETURNING OFFICER

This page is intentionally left blank

REPORT FOR: **COUNCIL**

Date of Meeting:

4TH July 2013

Subject:

Appointment of Returning Officer

Responsible Officer:

Chief Executive

Exempt:

No

Enclosures:

None

Summary and Recommendations

This report suggests a revision to how Returning Officer duties are discharged in the Council.

Recommendations:

The Chief Executive be appointed as the Council's Returning Officer; and
The Director of Legal & Governance Services be appointed the Deputy Returning Officer.

Introduction

Planning is now under way for the elections in May 2014. At the time of writing the report it is likely that the local elections will be delayed until May 22nd, to be combined with the European Poll.

Returning Officer Duties

As part of the planning process the discharge of Returning Officer duties was reviewed, and it was suggested that, in line with most other London Boroughs, the Chief Executive should undertake this role.

The role of Returning Officer is a role separate to that of a Council officer, and the duties are undertaken personally. If any claim is brought in respect of the conduct of an election therefore, it is made against the named Returning Officer and not the Council.

In accordance with the Council's Pay Policy Statement, Returning Officer duties are remunerated separately, in accordance with detailed provisions which vary depending on the election.

Financial Implications

The costs of most elections are met externally, with the exception of the local elections which Harrow funds. With the proposed changes to duties the costs of future elections will be contained within prescribed budgets.

Risk Management Implications

The conduct of all elections is subject to detailed planning and risk management. Given the scale of the operation on Election Day it is impossible to eliminate all risk, but the authority currently exceeds most the Electoral Commission's performance standards, which include risk management.

Section 3 - Statutory Officer Clearance

Name: Hugh Peart



Monitoring Officer

Date: 2 July 2013

Section 4 - Contact Details

Contact: Hugh Peart, Director of Legal & Governance Services

Document is Restricted

This page is intentionally left blank

By virtue of paragraph(s) 1 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

This page is intentionally left blank