



Employees' Consultative Forum Agenda

Date: **Wednesday 10 January 2024**

Time: **6.30 pm**

Venue: **The Auditorium - Harrow Council Hub, Kenmore Avenue, Harrow, HA3 8LU**

Pre-meetings: **[Council Side - 6.00 pm, Employees' Side - 5.30 pm]**

Membership (Quorum: 3 from the Council Side and 2 trade union representatives from different trade unions)

Chair: **Paul Osborn**

Conservative Councillors: **David Ashton
Ameet Jogia
Mina Parmar**

Labour Councillors: **Kandy Dolor
Graham Henson
Natasha Proctor**

Employee Representatives:

Teachers Representatives: **Monique Lambie** - National Education Union
Anne Lyons - National Association of Head Teachers

(1 vacancy)

Representatives of UNISON: **Ms S Haynes** Mr D Searles
Mr J Royle

Representatives of GMB: **Ms P Belgrave** Ms A Jones

Reserve Council Members:

Conservative Reserve Members:

1. Pritesh Patel
 2. Susan Hall
 3. Philip Benjamin
 4. Norman Stevenson
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Labour Reserve Members:

1. Rashmi Kalu
2. Eden Kulig
3. David Perry

Contact: Andrew Seaman, Senior Democratic & Electoral Services Officer
Tel: 07928 512790 E-mail: andrew.seaman5@harrow.gov.uk

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Useful Information

Joining the Meeting virtually

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Attending the Meeting in person

Directions by car:

Go along Kenmore Avenue and head towards the Kenton Recreation Ground. When approaching the end of the Kenmore Avenue turn right before reaching the Kadwa Patidar Centre.

The venue is accessible to people with special needs. If you have specific requirements, please contact the officer listed on the front page of this agenda.

You will be admitted on a first-come-first basis and directed to seats.

Please:

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- (3) Stay seated.
- (4) Access the meeting agenda online at [Browse meetings - Employees' Consultative Forum](#)
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- (7) Advise Security on your arrival if you are a registered speaker.

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Agenda publication date: 2 January 2024

Agenda - Part I

1. **Attendance by Reserve Members**
To note the attendance at this meeting of any duly appointed Reserve Members.
2. **Appointment of Vice Chair of the Forum**
To appoint a Vice-Chair from the Employees' side for the Municipal Year 2023/24.
3. **Declarations of Interest**
To receive declarations of disclosable pecuniary or non pecuniary interests, arising from business to be transacted at this meeting, from all Members present.
4. **Minutes** (Pages 5 - 10)
That the minutes of the meeting held on 11 January 2023 be taken as read and signed as a correct record.
5. **Petitions**
To receive petitions (if any) submitted by members of the public/Councillors.
6. **Deputations**
To receive deputations (if any).
7. **Public Questions**
To note any public questions received.

Questions will be asked in the order in which they were received. There will be a time limit of 15 minutes for the asking and answering of public questions.

[The deadline for receipt of public questions is 3.00 pm, Friday 5 January 2024. Questions should be sent to publicquestions@harrow.gov.uk No person may submit more than one question].

8. **Draft Revenue Budget 2024/25 and Draft Medium Term Financial Strategy to 2026/27** (Pages 11 - 58)

Report of the Interim Director of Finance and Assurance.

Agenda - Part II Nil

Data Protection Act Notice

The Council will record the meeting and will place the recording on the Council's website.

[Note: The questions and answers will not be reproduced in the minutes.]



Employees' Consultative Forum

Minutes

11 January 2023

Present:

Chair:	Mr D Searles	Unison
Councillors:	David Ashton Susan Hall Graham Henson Paul Osborn	Mina Parmar David Perry Natasha Proctor
Teacher Representatives:	Ms M Lambie	- NEU
Unison Representatives:	Ms S Haynes	Mr J Royle
GMB Representative:	Ms P Belgrave Ms A Jones	
Absent:	Anne Lyons	

1. Attendance by Reserve Members

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

Ordinary Member

Councillor Kandy Dolor
Councillor Ameet Jogia MBE

Reserve Member

Councillor David Perry
Councillor Susan Hall

2. Membership

RESOLVED: To note that Councillor Paul Osborn had replaced Councillor Philip Benjamin as a member of the Forum and that Councillor Benjamin had replaced Councillor Osborn as a Reserve.

Resolved Items

3. Appointment of Chair and Vice Chair of the Forum

RESOLVED: To appoint Davis Searles as Chair and Councillor David Ashton as Vice-Chair of the Employees' Consultative Forum for the 2022/2023 Municipal Year.

4. Declarations of Interest

RESOLVED: To note that the following interests were declared:

Agenda Item 9 – Draft Revenue Budget 2023/24 and Medium Term Financial Strategy 2023/24 to 2025/26

Councillor Susan Hall declared a non-pecuniary interest in that she was a member of the Greater London Assembly. She would remain in the room whilst the matter was considered and voted upon.

Councillor Graham Henson declared a non-pecuniary interest in that he had been a member of the GMB, former member of Unison and an Honorary Member of the Communications Workers Union. He would remain in the room whilst the matter was considered and voted upon.

Councillor Paul Osborn declared an interest in that he was the Chair of Lee Valley Regional Park Authority, a precepting Authority. He would remain in the room whilst the matter was considered and voted upon.

5. Minutes

RESOLVED: That the minutes of the meeting held on 12 January 2022 be taken as read and signed as a correct record.

6. Petitions

RESOLVED: To note that no petitions were received.

7. Deputations

RESOLVED: To note that no deputations were received.

8. Public Questions

RESOLVED: To note that no public questions were received.

Recommended Item

9. **Draft Revenue Budget 2023/24 and Medium-Term Financial Strategy 2023/24 to 2025/26**

The Forum received a report of the Director of Finance and Assurance which set out the draft revenue budget for 2023/24 and draft Medium Term Financial Strategy (MTFS) for 2023/24 to 2025/26 and had been considered by Cabinet on 8 December 2022. The budget and MTFS would be submitted to Cabinet in February 2023 for approval and recommendation to Council.

The Portfolio Holder for Finance and Human Resources introduced the report which showed a budget gap of £10.923m for 2023/24, a balanced budget position for 2024/25 and a budget gap of £10.964m for 2025/26. The indicative Local Government Financial Settlement that had been announced on 19 December 2022 had been substantially worse than expected and the objective was now to optimise the resilience of the Council moving forward and to minimise the use of reserves. The Portfolio Holder explained that the challenge was that most of the Council's resources were from Council Tax and that whilst the Council would like to reduce Council Tax this was not currently practical and, taking advantage of the new flexibility, it was proposed to increase it by 4.99% in 2023/24.

The Portfolio Holder advised the Forum that another challenge in the budget was that the inflationary expectations had been set in February 2022 but had been much higher than had been anticipated. The draft budget before the Forum contained reasonable assumptions in terms of salaries moving forward. Whilst it been difficult to prepare the draft budget for the next financial year, he advised that it would even more challenging in years 2 and 3.

In response to a question from a Unison representative in relation to the £10m shortfall in the budget and service standards for residents, the Portfolio Holder advised that he hoped that they would not be impacted but that there was a delicate balance. One of the Council's priorities was to put residents first and therefore improve services.

The representative of Unison questioned the impact on staffing levels and the potential programme for redundancies and restructures and was advised that there was currently no programme. The Portfolio Holder advised that approximately 23% of the Council's staff were agency which was costly. His preference was to have permanent staff in posts which would encourage loyalty both ways. In response to a question in relation to long term agency staff and whether they would be offered permanent jobs, the Forum was advised that this would be subject to a number of factors but jobs would be offered if appropriate.

The Leader of the Council advised that the Administration was considering the senior management structure in terms of the spans of control and reducing duplication with a view to making savings. There were, in his view, too many layers at the top of the organisation. He added that he was also keen to have

an apprenticeship programme and that it had been disappointing to have returned funding allocated for the apprenticeship levy.

Further to the comments made by the Portfolio Holder and Leader of the Council, the Chief Executive explained that the workforce was a major cost hence his intention to review and restructure the Council's management structure commencing in February 2023. The current cost of agency staff was £30m but that it should be possible to reduce this through the 'churn' of staff in the organisation. In addition, the development of a workforce strategy and the appraisal process would lead to employees being better looked after. Training and development would also be part of this work as the Council had an aging workforce and it was necessary to commence planning for the next generation. The Chief Executive advised that, whilst not totally comparable, the apprenticeship scheme at his previous Authority had paid for itself as the levy had met the costs of the training and the organisation's establishment had met other costs. The retention rate had been 97-98% of apprentices and this had resulted in a change in both the face and the dynamic of the Council.

A representative of the GMB questioned whether the proposal to reduce the costs of the managerial level by 10% was still on the table, secondly, if the freeze on recruitment before hiring would continue and also require the approval of the Chief Executive before recruitment could commence and also whether the Chief Executive still believed that the reduction at managerial level could be done via natural wastage. The Chief Executive responded that the recruitment freeze remained in place and, subject to Council approval, the 10% reduction was proposed but that there would be some natural wastage. He was aware however that there may be unintended consequences on some individuals. The process for sign off for recruitment to specific roles would continue to be via the Director, Section 151 Officer and Chief Executive.

In response to a question as to whether consideration was being given to the outsourcing of Council services, the Chief Executive stated that whilst currently there were no plans it was important to keep services modern and improving. The Leader of the Council added that from the Administration's perspective there were no plans to outsource and that his experience of outsourcing was not positive. The Council had a challenging budget situation but he was optimistic that the existing workforce would help to deliver a balanced budget. The Portfolio Holder advised that in terms of service delivery, the best options would need to be considered and that out sourcing could not be ruled out.

Representatives of Unison questioned where the 10% reduction in the managerial level would be taken from and the Chief Executive advised that work with Directors was underway and that there were numerous interim post holders in leadership positions. This work would include revisiting all D and M grades. A representative of Unison challenged that the redundancy of senior graded officers would come at a cost and savings might not be seen for several years. The Chief Executive explained that the size and composition of the leadership cohort needed to be correct and result in an effective Council. The Leader added that it was a 3 year budget and he wanted to get ahead in the process and to give staff some certainty/ stability.

In response to a question as to whether an improved settlement from government could be achieved as it had historically been low, the Leader of the Council advised that whilst the Administration would try he did not envisage local government funding increasing, particularly in London. Union representatives and Council side representatives acknowledged the financial pressures on residents and that some may struggle to pay their Council Tax. It was noted that the Council had a 98% Council Tax collection rate and that Council Tax Support Scheme was available to some residents, although some may fall just outside the threshold for assistance which would prove challenging for those affected.

A Member stated that whilst he and his colleagues had had the opportunity to consider the draft budget and would be asking questions at both Cabinet and Council there were currently large gaps and the 10% reduction in managerial staffing would not meet this shortfall. In his view, the detail of the budget would impact on staff but he acknowledged that the Leader of the Council had offered to speak to the Overview and Scrutiny Committee once the detailed budget was available. The Leader confirmed that he was happy to have a further discussion with both Scrutiny Members and the Unions on the final proposals and that he was keen to work together and to listen to the workforce about savings suggestions. The Portfolio Holder endorsed this sentiment and also encouraged union colleagues to attend the Pension Fund Committee as the discussions impacted on staff.

Resolved to RECOMMEND: (to Cabinet)

That report be noted and the Forum's comments be submitted to Cabinet for consideration.

(Note: The meeting, having commenced at 6.30 pm, closed at 7.24 pm).

(Signed) Davis Searles
Chair

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REPORT FOR: EMPLOYEES' CONSULTATIVE FORUM

Date of Meeting:	10 January 2024
Subject:	Draft Revenue Budget 2024/25 and draft Medium Term Financial Strategy to 2026/27
Key Decision:	Yes
Responsible Officer:	Sharon Daniels – Interim Director of Finance and Assurance (S151 Officer)
Portfolio Holder:	Councillor David Ashton – Portfolio Holder for Finance and Human Resources
Exempt:	No
Wards affected:	All
Enclosures:	Appendix 1A – Savings and Growth from 2024/25 Budget Process Appendix 1B – Savings and Growth from 2023/24 Budget Process Appendix 2 - Medium Term Financial Strategy 2024/25 to 2026/27 Appendix 3 – Draft Public Health Budget 2024/25 Appendix 4 - Draft Schools Budget 2024/25

Section 1 – Summary and Recommendations

The Forum is requested to note the report detailing Harrow Council's Draft Revenue Budget 2024/25 and draft Medium Term Financial Strategy to 2026/27, as reported to the Council's Cabinet on 19 December 2023.

The budget and MTFs will return to Cabinet on 15 February 2024 for final approval and recommendation to Council. The Forum's comments will be submitted to Cabinet for consideration.

Section 2 – Report

BACKGROUND

- 1.01 Harrow remains one of the lowest funded Councils both within London and nationally. The Council does not benefit from large reserves compared with the rest of London and is in the lower end of the lower quartile for reserve balances held.
- 1.02 Over the past 10 years, the Council's revenue support grant has reduced from £50.5m to £2m in 2023/24 and whilst the Council does receive other grant funding to support services, these grants are all ring fenced to areas of activity and cannot be used to support the core budget, for example the Dedicated Schools Grant of £143m. In 2023/24 these grants total £366m.
- 1.03 The Council does not receive specific funding to meet demographic growth and demand led pressures. In addition, inflation has increased substantially, creating unfunded budget pressures.
- 1.04 In previous years, Council Tax has been increased to just below referendum limits and full use has been made of the Adults Social Care Precept, both of which were in line with central government expectations. The impact of this is that the Council is heavily reliant on Council Tax to fund its core budget. In 2023/24 approximately 78% of the Council's net revenue budget of £196.3m is funded from Council Tax.

SUMMARY

- 1.05 The draft budget set out in this report shows an updated MTFs to the figures agreed by Council in February 2023. After all adjustments, the budget for 2024/25 is balanced, but there remain budget gaps of £12.466m and £6.732m over the two years of MTFs for 2025/26 and 2026/27.
- 1.06 It is important to note that for 2025/26 and 2026/27, many of the budget adjustments are estimated at a high level due to the challenges of forecasting complex issues such as inflation, demand, and demographics so far in advance. As the budget is approved annually, the latter two years of the MTFs will be subject to substantive review and adjustment before finally being approved.

- 1.07 The draft MTFS is based on the announcements made as part of the 2023/24 Finance Settlement (which covered 2023/24 and 2024/25) and will be updated further once the detail of the 2024/25 Local Government Provisional Financial Settlement is known, which is expected to be announced on 19 December 2023. Estimates have been based on the most up to date information known at the time of setting the draft MTFS. It is likely this position will change following the indicative settlement. This change could be for the better or worse. The final settlement is expected to be agreed by the end of January 2024.

AUTUMN STATEMENT 2023

- 1.08 The Chancellor of the Exchequer, Jeremy Hunt, delivered the 2023 Autumn Statement on 22nd November 2023. As well as the usual updates on the state of public finances and the performance of the economy, the Chancellor organised his policies into five key areas: reducing debt; cutting tax and rewarding hard work; backing British business; building domestic and sustainable energy; and delivering world-class education.
- 1.09 The key policy announcements relating to public spending and local government are summarised below:

Local Government Funding

- There was no new funding for 2024-25 for adult or children's social care or any general local government funding, beyond what was announced last year.

Housing and Homelessness

- Local Housing Allowance rates will be raised to a level covering 30% of local market rents.
- Additional funding of £120m for homelessness prevention (UK-wide) in 2024-25. The details of the allocations are not yet known and therefore the Harrow allocation is still to be confirmed.
- Local Authority Housing Fund to be extended with a third round worth £450m to deliver new housing units and temporary accommodation for Afghan refugees.
- For the Housing Revenue Account, there is a rate extension of £5m to June 2025 of the Public Works Loan Board policy margin announced in Spring 2023.
- There are plans to allow local authorities to be able to fully recover the cost of planning fees for major planning applications if decisions are made within certain timelines.
- Local Planning Authorities to receive £32m to tackle planning backlogs.

Business Rates

- The standard business rate multiplier will be increased by September CPI (6.7%) and the small business rate multiplier will be frozen for a fourth consecutive year.
- The 75% Retail, Hospitality and Leisure relief will be extended for 2024-25.
- Local authorities will be fully compensated for the loss of income because of these two measures and will receive new burdens funding for administrative and IT costs.

Local Government Pension Schemes

- Reforms are anticipated to the Local Government Pension Scheme, including confirmation of guidance that will implement a 10% allocation ambition for investments in private equity, and establish a March 2025 deadline for the accelerated consolidation of LGPS assets into pools.

National Living Wage and Benefits

- From April 2024, the National Living Wage will increase by 9.8% to £11.44 an hour and the age threshold lowered from 23 to 21 years old.
- The triple-lock for pensions will be continued (an increase of 8.5%) and benefits will increase in line with the September CPI (6.7%).

- 1.10 There have been no changes made to the MTFs as a result of the Autumn Statement as the detail of any funding changes for 2024/25 will be included in the Financial Settlement for Local Government, which is due around the 19 December 2023, as indicated above.

DELIVERY OF THE 2023/24 BUDGET

- 1.11 Harrow has had a good track record of robust financial management and has not reported a revenue budget overspend for many years. The budget for 2022/23 was originally based on drawing down £14.7m of reserves to bring in a balanced position. The final position for 2022/23 improved significantly as a result of careful control and oversight of budgets, which meant that only £5.8m of reserves were needed (as opposed to £14.7m) to bring the budget into a balanced position.
- 1.12 Performance against the current 2023/24 revenue budget is detailed in a separate report on this agenda, 'Revenue and Capital Budget Monitoring Report 2023-24 Q2'. This report forecasts a net overspend of £1.379m as at 30th September 2023. If the position does not improve before year end it would be necessary to draw down this amount from the MTFs Budget Planning Reserve to bring in a balanced position, but it is anticipated that 2023/24 can be balanced with no draw down from reserves other than those already built into the budget.
- 1.13 In line with the national picture, the Council is being heavily impacted by inflation. Budget provision for pay inflation was £4m (4%). The 2023/24 pay

award has recently been announced and it equated to an increase of 7% against the pay bill and has creating a budget pressure of £3.2m. The bulk of this pressure has been funded from the general corporate budget and the non-pay inflation provision, but still leaves an £800k shortfall to be carried forward into 2024/25.

- 1.14 In addition, there are very substantial pressures on demand in adult services. Such is the scale of the demand, that across the 3 years of the MTFS from 2024/25 to 2026/27, a further £9.7m has been added in as a budget growth, as set out in Table 1.

BUDGET PROCESS 2024/25

- 1.15 The Council has a statutory obligation to agree and publish the budget for 2024/25, and approval for this will be sought in February 2024. In preparing the 2024/25 budget and rolling forward the MTFS to cover the three-year period to 2026/27, the current MTFS has been the starting point for the process.
- 1.16 The Council's financial position and its operational environment has always been affected by several financial uncertainties and adjustments that impact upon its financial position over the short and medium term. In preparing the draft budget for 2024/25 the existing MTFS has been:
- Refreshed and rolled on a year into 2026/27
 - Updated to reflect the demand pressures as well as any opportunities and savings, plus council tax changes.
- 1.17 The adjustments are summarised in Table 1 below. Following Table 1 there is an explanation for the figures contained within the table. These adjustments are also set out in Appendix 2 along with adjustments included within the previous MTFS agreed as part of the 2023/24 Budget process. Table 1 shows budget gaps of £0m for 2024/25, £12.466m for 2025/26 and £6.732m for 2026/27.

Table 1: Changes to the MTFs (Prior to Indicative Settlement)			
	2024/25	2025/26	2026/27
	£'000	£'000	£'000
Budget Gap (February 2023)	0	6,321	0
Reversal out of Social Care Grant		6,822	
Budget Gap (February 2023)	0	13,143	0
Council Tax Changes			
Core CT @2.99%			-4,995
Increase 2024/25 by 1 % to 4.99%	-1,545		
Residual Tax Base Increase for 2024/25	-21		
Increase in CT base - 150 band D equivalents		-312	-250
Council Tax Collection Fund Surplus (one off)	-790	790	
Grants and Technical Adjustments			
Council Wide Growth			1,000
One off reduction of contingency	-175	175	
Assume Social Care Grant will remain with LA		-6822	
Assume that Capital Flexibilities will be extended on one off basis		-1250	1,250
Assume temporary savings on capital financing cost from slippage (one off)	-3000	3,000	
Reverse Council wide Mgt saving	650		
Increase TM savings to offset Mgt saving - additional investment income being achieved through improved investment returns	-650		
West London Waste Authority energy income (electricity)	-1000		1000
Capital Programme Review			
Resources - reduction of £600k in the Capital Programme. Therefore reducing capital financing cost in the revenue budget.	-34	92	-196
Place - reduction of £1.964m in the Capital Programme. Therefore reducing capital financing costs in the revenue budget.	-148		
2026/27 Capital Programme Cost			1,500
Pay award 2023/24			
£6.4m budget available. pay award £7.2m. Gap for 2023/24 pay award of £800k.	800		
Reduction of council wide growth 2024/25 to fund pay award	-755		
Pay award 2024/25			
£5.5m provision for pay and £1.0m for non pay - already assumed in the previous 2023/24 budget setting.			
Pay award 2025/26			
£5m provision for pay and £1m for non pay - already assumed in the previous 2023/24 budget setting.			
Pay award 2026/27			
Pay award @ 3%			3000
Provision for Non Pay Inflation			
Non Pay inflation provided for £1m in line with previous provisions.			1000
Directorate Pressures plus Mitigations			
Resources and Managing Director			
Resources - Access Harrow saving was not progressed as a result of a decision to keep the phone lines open for residents accessing the Revenues and Benefits service	180		
Managing Director (Finance and Assurance) - increase in external audit fees	250		
Managing Director (Finance and Assurance) - internal audit & CAFT	260		
Resources - one off budget for payroll staff (staff previously working on schools payroll retained to work on general payroll)	230	-230	
Discretionary Freedom Pass - reversal of saving	12	6	
People's Directorate			
Adults			
Adults demand pressures (£9.787m over 3 years)	5440	2347	2000
Additional award of Market Sustainability and Improvement Fund (MSIF) grant for adults.	-828		
MSIF grant assumed as permanent grant but add to adults base for 2025/26		828	
Care Provider Inflation for Social care - in line with prior year allocations			1800
Children's			
Children's Placements & Accommodation budget - reduction of growth provided for placements in previous years - in 2023/24 £4.35m was provided and £1m of this is now being reversed.	-1000		
Growth in Education for staffing re: statutory duties	100		
Place			
Parking PCN 23/24 income shortfall - rephase £1m saving into 2025/26	1,000	-1000	
Parking P&D income shortfall	360		
Planning & Building Control income (£116k attributable to MTFs savings)	341		
Potential Homelessness demand pressure		2,325	
Housing staffing resource - one off requirement	180	-180	
Local Plan review	91	80	-171
Saving to reduce waste disposal costs through behavioural change (residents)			
Rephasing of £0.5m saving over 2 years	250	-250	
Additional Street Cleaning funding	250		
Local Plan Review -reversal of growth provided in 2024/25 and 2025/26			-206
Savings put forward in Appendix 1A	-448	-276	
Revised Budget Gap after Risks and Opportunities	0	12,466	6,732

Council Tax and NNDR Changes

- 1.18 In 2023/24, despite an increase in Council tax of 4.99% which raised additional revenue of £7.8m (Council tax income increased from £146.2m to £154.0m), the cost of the 2023/24 pay award (only agreed in October 2023) is £7.2m and therefore, this left very little funding available for other demand pressures that have emerged in adult services and other inflationary pressures.
- 1.19 The assumed Council tax levels built into the MTFS agreed in February 2023 were based on 3.99% for 2023/24 and 2.99% for 2025/26. The changes made in Table 1 reflect an assumed Council tax of 2.99% in 2026/27 and an additional 1% assumed for 2024/25 which would take the increase from 3.99% to 4.99% for 2024/25. There is no change to the assumed 2.99% for 2025/26. This therefore provides for Council tax increases of 4.99%, 2.99% and 2.99% for the 3-year period 2024/25 to 2026/27.
- 1.20 In Table 1, the additional 1% in 2024/25 achieves additional income of £1.545m, whilst the original 3.99% achieves income of £6.144m. Therefore, the total council tax to be achieved from the 4.99% increase is £7.689m. The addition of 2.99% in 2026/27 provides £4.995m of council tax income in 2026/27.

In addition, the Council's tax base has been calculated, (according to the relevant procedures and guidance) at 89,375 band D equivalent properties, which is an increase of 290 Band D equivalents on the 2023/24 Band D of 89,085. This will generate additional income of £0.521m in 2024/25. Because £0.5m had already been included in the 2024/25 assumptions when the MTFS was set last year in Feb 2023, Table 1 only includes a further £21k. There are further tax base increases assumed for 2025/26 and 2026/27 and included in Table 1, which will be revisited as part of the 2025/26 budget process.

- 1.21 A maximum Council Tax increase of 4.99% is budgeted for 2024/25 in line with announcements made as part of the 2023/24 Finance settlement in December 2022. There is uncertainty as to whether the 2024/25 settlement will provide guidance as to the maximum level of Council Tax increase for 2025/26 and 2026/27 and for this reason, the working assumption has been left at 2.99% for both of these years.
- 1.22 The Autumn Statement 2023 is clear that the small business rates multiplier will be frozen in 2024/25 and local authorities will be fully compensated for any loss of income at the September CPI level of 6.7%. Freezing the multiplier means businesses will not see an increase in their bills and the Council will be compensated for this loss of inflationary income through the NNDR Multiplier Grant. However, due to revaluation losses in NNDR, there is no assumed increase in NNDR built into the budget for 2024/25 and this will be revisited following the announcement of the 2024/25 Finance settlement. Rateable value generally reduces annually in Harrow, this being a trend that has existed locally for several years.

- 1.23 The Collection Fund and its impact on the 2024/25 budget is subject to a separate report elsewhere on this agenda (Report: Estimated Surplus/(Deficit) on the Collection Fund 2023/24). The estimated impact on the 2023/24 Collection Fund is a surplus of £0.790m which must be accounted for as a one-off income against the 2024/25 budget and is included in Table 1.

Technical Changes

- 1.24 A number of other adjustments have been included in Table 1 which are explained as follows:
- £1m of council wide growth in 2026/27 – this is a general allowance for growth as, other than for adults, there is no other departmental growth included.
 - £175k one off reduction of the contingency budget to balance the 2024/25 budget whilst awaiting the 2024/25 Finance settlement which could bring in some other opportunities to balance the budget.
 - In 2023/24, £6.822m of social care funding was awarded for 2 years and initially it was felt that it was possible that the grant might have to be used in 2025/26 for Social Care reform. Therefore, in arriving at the original budget gap of £13.143m in 2025/26, it had been assumed that the grant would be removed, resulting in an increase of the gap from £6.321m to £13.143m. It is now widely assumed that this grant will not be removed and therefore Table 1 reverses that assumption which improves the 2024/25 position by £6.822m.
 - Capital Flexibilities are assumed for a further year in 2025/26 which enables the Council to charge transformation costs to capital and thereby reduce the cost to the revenue budget. £1.25m is assumed for 2025/26 as a one-off basis.
 - Capital financing savings of £3m are assumed on a one-off basis as a result of slippage expected in the capital programme based on past experience.
 - Treasury Management savings of £650k are assumed in 2024/25 which will offset a previous saving not achieved in overall Management savings.
 - The Council has received some cash rebates from West London Waste Authority of £1.6m and £2.4m respectively in 2022/23 and 2023/24 as a result of energy income. The energy from waste facility generates electricity which then generates an income for the WLWA. A decision was made to reimburse a proportion of the energy income to the six constituent boroughs. Therefore, the budget assumes £1m for a further 2 years but then this is reversed out in 2026/27, since it cannot be assumed to continue indefinitely.
 - As a result of a review of the existing Capital Programme, it has been possible to remove some surplus capital budgets and therefore reducing capital financing costs by a net £286k across the MTFs period (-£182k 2024/25, £92k 2025/26 and -£196k 2026/27).

- The cost of the 2023/24 Capital Programme was approved as part of the 2023/24 budget setting process, but as the cost of £1.5m fell into 2026/27 which was last year outside of the MTFs period, the cost of £1.5m is now included.
- The pay award for 2023/24 has recently been agreed and cost £7.2m, an approximate 7% uplift against the pay bill. The 2023/24 budget included a provision of £4m and there were other budgets (non-pay inflation and corporate budgets) of £2.4m available to fund the pay award, which leaves an £800k shortfall that need to be built into the 2024/25 budget. To offset the pressure, a corporate growth budget of £755k is being reduced to fund it.
- In terms of 2024/25, 2025/26 and 2026/27, pay award budgets have been assumed of £5.5m, £5m and £3m respectively. Over the past few years, the pay awards have been agreed very late in the financial year and for both 2022/23 and 2023/24, the pay agreements have been reached around October time which makes it very difficult for budgeting purposes.
- Non pay inflation, which covers areas such as energy costs and contractual up lifts, is set at £1m pa in 2024/25 and 2025/26 and is increased by a further £1m for 2026/27.

Directorate Pressures/Savings

1.25 The rest of the figures in Table 1 relate to Directorate pressures in the main, with a small number of savings which are detailed in Appendix 1A. As can be seen from Table 3 and Appendix 1A, there is growth of £6.7m, £3.6m and £1.6m built into the MTFs across the 3 years 2024/25 to 2026/27, which total £11.9m. Growth in the Adult social care budget accounts for £9.8m of the net growth.

1.26 After all the adjustments, the result is an estimated gap across the MTFs of £19.198m as follows:

2024/25 £0m
 2025/26 £12.466m
 2026/27 £6.732m

1.27 Between now and the Final Budget in February 2024, and further in 2024, the next steps are:

- Clarify the implications on the MTFs of the Indicative Financial Settlement when received in late December
- Continue to review/refine pressures, to reduce the impact of the gap in future years of 2025/26 and 2026/27.
 Focus on efficiencies to reduce the impact of the gap in future years of the MTFs.

Growth & Savings

- 1.28 Table 2 below summarises the savings and growth previously agreed as part of the 2023/24 budget process. This shows that there are net savings of £7.791m in 2024/25 and £1.209m in 2025/26. Therefore, total savings of £9.0m across the 2 years.

**Table 2: Savings and Growth from the 2023/24 Budget Process
(Detail in Appendix 1B)**

	2024-25	2025-26	Total
	£000	£000	£000
Savings			
Resources	(708)	(108)	(816)
Managing Director	(499)	(6)	(505)
Place	(3,775)	(300)	(4,075)
Adults	(1,989)	(295)	(2,284)
Childrens	(1,570)	(500)	(2,070)
Corporate/Council Wide			-
Total Savings	(8,541)	(1,209)	(9,750)
Growth			
Childrens	500	-	500
Corporate	250	-	250
Total Growth	750	-	750
Net Total Savings and Growth	(7,791)	(1,209)	(9,000)

- 1.29 Table 3 summarises “new” growth and savings from the current 2024/25 budget setting process. This shows that there is net growth of £6.668m in 2024/25, £3.65m in 2025/26 and £1.623m in 2026/27. Therefore, this is net growth across the 3 years of £11.941m.

**Table 3: Savings and Growth from the 2024/25 Budget Process
(Detail is set out in Appendix 1A)**

	2024-25	2025-26	2026-27	Total
	£000	£000	£000	£000
Savings				-
Place	(448)	(276)	-	(724)
Total Savings	(448)	(276)	-	(724)
Growth				
Resources	410	(230)	-	180
Managing Director	522	6	-	528
Place	2,472	975	(377)	3,070
Adults	4,612	3,175	2,000	9,787
Childrens	(900)	-	-	(900)
Total Growth	7,116	3,926	1,623	12,665
Net Total Savings and Growth	6,668	3,650	1,623	11,941

The summary information in the tables is supported by the details in appendices 1A and 1B.

CAPITAL RECEIPTS FLEXIBILITY

- 1.30 In 2016 the government announced the Capital Receipts Flexibility Scheme to support local authorities to deliver more efficient and sustainable services by allowing them to spend up to 100% of their fixed assets receipts on the revenue costs of transformation projects. The flexibility has been extended on numerous occasions and is currently in place until 31 March 2025 but is likely to be extended and will be confirmed in the 19 December Finance settlement.
- 1.31 As part of the 2023/24 Budget process, the use of capital flexibilities was in place for 2023/24 and 2024/25 and then being reversed out in 2025/26. Table 1 assumes a continuation for a further year into 2025/26 but then is discontinued and the budget is reinstated for 2026/27. The MTFs includes a budget of £1.250m to fund the Regeneration Team. The nature of this spend meets the capital flexibility criteria and the team will be funded under the capital flexibilities scheme. The £1.250m provision is re-instated in 2026/27.

PUBLIC HEALTH FUNDING 2024/25

- 1.32 In 2023/24 the total public health grant to local authorities totalled £3.529bn, with £12.007m being allocated to Harrow. The grant is ringfenced for use on public health functions exclusively for all ages of the population and must be spent in accordance with grant conditions on expenditure incurred by local authorities for the purposes of their public health functions, as specified in Section 73B (2) of the National Health Service Act 2006.
- 1.33 The draft Public Health commissioning intentions detailed in Appendix 3 are based on the indicative grant allocation for 2024-25 of £12.165m as advised by DHSC in March 2023 and indicate a 1.3% uplift, taking the total national funding for 2024-25 to £3.575bn. These commissioning intentions reflect alignment with the Health & Wellbeing Strategy, Borough Plan, and evidence of population priorities.
- 1.34 The Council consider that this level of funding enables the Council's overarching statutory duties (including equality duties) to be maintained, taking account of the joint strategic needs assessment. However, if additional duties are required by Councils, and if these were unfunded, the commissioning intentions would need to be reviewed in light of the allocated grant envelope.

SCHOOLS FUNDING FOR 2024/25

- 1.35 In 2018/19 the government introduced a new National Funding Formula (NFF) for Schools, High Needs and the Central Schools services Block. For the Schools Block this means LAs are funded based on the total of the NFF for all schools, academies, and free schools in its area. However, the final formula for distribution is determined by each Council following consultation with schools and Schools Forums.

- 1.36 The LA carried out a consultation in Autumn 2017 which sought views on whether the LA should continue to use the Harrow Schools Funding Formula or introduce the National Funding Formula from 2018/19. 76% of schools responded to the consultation and 89% voted in favour of introducing the NFF from 2018/19. This was approved by Cabinet in February 2018 and school budgets for the last three years have been set based on the NFF.
- 1.37 The NFF will therefore continue to be used to distributed school budgets for 2024/25. There are no proposed changes to the structure of the formula for 2024/25 as detailed in Appendix 4. The proposed final funding formula and final DSG allocations will be reported to Cabinet in February 2024 for approval.

BETTER CARE FUND (BCF) 2024/25

- 1.38 The framework for the Better Care Fund (BCF) derives from the government's mandate to the NHS which sets an objective for NHS England to ring fence funding to form the NHS contribution to the BCF. The NHS Long Term Plan, published in January 2019 set out the priorities for transformation and integration, including plans for investment in integrated community services and next steps to develop Integrated Care Systems.
- 1.39 The BCF continues to provide a mechanism for personalised, integrated approaches to health and care that support people to remain independent at home or to return to independence after a period in hospital. The continuation of the national conditions and requirements of the BCF provides opportunities for health and care partners to build on their plans to embed joint working and integrated care further, including how to work collaboratively to bring together funding streams to maximise the impact on outcomes for communities and sustaining vital community provision.
- 1.40 Following submission of the planning template covering the period 2023-2025 in August 2023, and assurance by NHS England, the 2024/25 Adults budget assumes that funding for the Protection of Social Care through the BCF will be £7.954m – an increase of 5.66% on the funding for 2023-24, reflecting the NHS funding commitments made within the spending review.
- 1.41 The total value of the Better Care Fund in Harrow for 2024-25 is £31.406m and includes a range of grants (including the Disabled Facilities and Adults Discharge Grants) and schemes across both Health and Social Care. The Better Care Fund Policy statement and Policy Framework and Planning Requirements will provide the detailed guidance when published in early 2024 (usually March). The requirements around integration and collaborative working are expected to continue.

RESERVES AND CONTINGENCIES

- 1.42 Reserves and contingencies need to be considered in the context of their role to protect the Council's financial standing and in the context of the overall risks that the Council faces during a continuing period of economic uncertainty. The MTFs reflects the Council's need to ensure an adequate level of reserves and contingencies which will enable it to manage the risks

associated with delivery of the budget including equalities impacts and unforeseen events.

- 1.43 The Council's overall reserves position is reported to Cabinet quarterly as part of the revenue monitoring update. At quarter 2 (end of September 2023), total reserves forecast for carry forward into 2024/25 are £58.4m, this includes a deficit reserve on the DSG of £2.6m, therefore the gross value of reserves is £61.0m (as reported in Table 10 of the Q2 revenue and capital monitoring report, elsewhere on the agenda).
- 1.44 If the forecast in year overspend position does not change and requires a draw down from reserves in the region of £1.4m, this would reduce reserves further to £59.6m. However, on the basis of the £61.0m gross position and after accounting for specific earmarked reserves of £25.1m, this leaves the Councils remaining reserves at £35.9m as summarised at high level below:

• Total reserves earmarked (non-specific)	£9.8m
• Budget Planning Reserve	£16.1m
• General Fund balances	£10.0m
Total	£35.9m

- 1.45 At the end of the financial year, all reserves are reviewed including a focus on ear marked reserves to ensure they are still required for the purpose to which they are designated. The Interim Director of Finance and Assurance will report on the adequacy of the Council's reserves as required in the budget setting report in February 2024.
- 1.46 In addition to reserves there is an annual budgeted Contingency for Unforeseen items of £1.248m which sits within the Corporate budgets. As part of the budget setting for 2024/25 a one off use has been factored into the budget which reduces the figure by £175k for 2024/25 but it is reinstated at £1.248m for 2025/26 onwards.

LONDON BOROUGH GRANTS SCHEME

- 1.47 Harrow's contribution to the London Borough Grant Scheme was £186,907 in 2023/24. At the time of writing this report, the Council has not been notified of the recommended contribution for 2024/25. To ensure that the Council can respond to London Councils when contribution rates are notified, it is recommended that Cabinet authorise the interim Director of Finance & Assurance to agree Harrow's 2024/25 contribution to the London Borough Grant Scheme, in consultation with the Portfolio Holder for Finance and Human Resources. The contribution for 2024/25 will be reported to Cabinet in February 2024 as part of the final budget.

2.0 CONSULTATION

2.1 As a matter of public law the duty to consult with regards to proposals to vary, reduce or withdraw services will arise in four circumstances:

- Where there is a statutory requirement in the relevant legislative framework.
- Where the practice has been to consult or where a policy document states the council will consult then the council must comply with its own practice or policy.
- Exceptionally, where the matter is so important that there is a legitimate expectation of consultation and.
- Where consultation is required to complete an equalities impact assessment.

2.2 Regardless of whether the council has a duty to consult, if it chooses to consult, such consultation must be carried out fairly. In general, a consultation can only be considered as proper consultation if:

- Comments are genuinely invited at the formative stage.
- The consultation documents include sufficient reasons for the proposal to allow those being consulted to be properly informed and to give an informed response.
- There is adequate time given to the consultees to consider the proposals;
- There is a mechanism for feeding back the comments and those comments are conscientiously taken into account by the decision maker / decision making body when making a final decision;
- The degree of specificity with which, in fairness, the public authority should conduct its consultation exercise may be influenced by the identity of those whom it is consulting and;
- The consultation is clear on the reasons and extent to which alternatives and discarded options have been considered.

2.3 Public consultation on the overall budget for 2024/25 will commence on 20 December 2023 and will last for a period of 5 weeks ending 24 January 2024 before the final budget is approved by Cabinet on 15 February and then recommended to Full Council on the 22 February 2024. The public consultation will give residents an opportunity to comment on the 2024/25 overall budget before final decisions are formalised in the council's annual budget. Other key stakeholders, including Union Representatives, local businesses, employees, and the Council Scrutiny function will also be fully consulted in the draft budget and MTFs before final approval. Once the consultation has closed then the cumulative equality impact assessment on the budget can be completed.

2.4 In terms of service specific consultations, the council has a duty to consult with residents and service users in several different situations including where proposals to significantly vary, reduce or withdraw services. Consultation is also needed in other circumstances, for example to identify the impact of proposals or to assist with complying with the council's equality duties. Council sets the budget envelope and Cabinet works within this.

Where appropriate, separate service specific consultations will take place for the 2024/25 savings and may be subject to a separate Cabinet report and Cabinet decisions as necessary.

- 2.5 Within Appendix 1A, there is a saving that is being reversed following separate consultation which concluded in October 2023. The saving of £6k per annum for each of the 3 years of the MTFS, was to be made by the cessation of Discretionary Freedom passes for new applicants. Having considered the feedback from the consultation, the Portfolio holder for Finance and Human Resources has decided not to implement the change and therefore the saving is reversed out of the budget.

3.0 PERFORMANCE ISSUES

- 3.1 In terms of financial performance, Cabinet is updated quarterly on forecast spend against the agreed budget and achievement of savings built into the budget. The same information is also presented to the Performance and Finance Scrutiny Sub Committee regularly throughout the year.

4.0 RISK MANAGEMENT IMPLICATIONS

- 4.1 Risks included on corporate or directorate risk register? Yes – Inability to deliver the Council’s MTFS is included in the Corporate Risk Register

Separate risk register in place? No

The relevant risks contained in the register are attached/summarised below.
Yes

The following key risks should be considered when agreeing the recommendations in this report:

Risk Description	Mitigations	RAG Status
Inability to deliver the Council’s approved MTFS - over the next 3 years leading to an inability to set a balanced budget and provide core services	<ul style="list-style-type: none"> • In-year Revenue & Capital monitoring reported to CLT monthly, as well as the Portfolio Holder for Finance and HR, and Cabinet on a quarterly basis. • Budget challenge sessions held to tackle in year pressures in August and Sept 2023. • Savings are tracked on a monthly basis via the MTFS savings tracker • Budget for 2024/25 is balanced so the focus for attention is the 2025/26 and 2026/27 budget gaps. 	RED

<p>The draft budget and MTFS is based on the 2023/24 Financial Settlement, which was received in December 2022. The 2024/25 Finance settlement will not be announced until 19 December 2023, so there is still uncertainty in many of the numbers.</p>	<ul style="list-style-type: none"> • Draft budget and MTFS based on most up to date information from London Councils and DHLUC based on prudent assumptions • The final budget will be prepared considering the Final Settlement. Any changes will have to comply with the legal requirement to set a balanced budget. • There is a contingency for unforeseen items (£1.248m) which is intended to support uncertainty 	<p>AMBER</p>
<p>Balanced budget for 2023/24 not achieved adversely impacting on the 2024/25 budget</p>	<ul style="list-style-type: none"> • The 'Q2 Revenue and Capital Report' forecasts a net overspend of £1.4m. It is anticipated that this should reduce by year end as forecasts build in anticipated spend which may not happen. • The estimated impact of 2023/24 pressures into 2024/25 are accounted for in the draft budget and MTFS • There is a contingency for unforeseen items (£1.248m) which has not been called upon. 	<p>AMBER</p>

5.0 LEGAL IMPLICATIONS

- 5.1 Section 31A of the Local Government Finance Act 1992 requires billing authorities to calculate their council tax requirements in accordance with the prescribed requirements of that section. This requires consideration of the authority's estimated revenue expenditure for the year to perform its functions, allowances for contingencies in accordance with proper practices, financial reserves and amounts required to be transferred from general fund to collection fund.
- 5.2 Local authorities owe a fiduciary duty to council taxpayers, which means they must consider the prudent use of resources, including control of expenditure, financial prudence in the short and long term, the need to strike a fair balance between the interests of council taxpayers and ratepayers and the community's interest in adequate and efficient services and the need to act in good faith in relation to compliance with statutory duties and exercising statutory powers.
- 5.3 Cabinet is approving these proposals for consultation after which a cumulative equalities impact will be drafted. These proposals will be referred to Council so that Council can approve the budget envelope and set the Council Tax. There will be contingencies within the budget envelope so that

decision makers have some flexibility should any decisions have detrimental equalities impacts that cannot be mitigated.

Section 151 of the Local Government Act 1972 states that: “without prejudice to section 111, every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs”. Section 111 of the Local Government Act 1972 relates to the subsidiary powers of local authorities.

Under Section 114 of the Local Government Finance Act 1988, the chief finance officer (S151 Officer) of a relevant authority shall make a report under this section if it appears to them that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.

6.0 FINANCIAL IMPLICATIONS

6.1 Financial Implications are integral to this report.

7.0 PROCUREMENT IMPLICATIONS

7.1 There are no procurement implications arising from this report.

8.0 EQUALITIES IMPLICATIONS / PUBLIC SECTOR EQUALITY DUTY

8.1 Decision makers should have due regard to the public sector equality duty in making their decisions. The equalities duties are continuing duties, they are not duties to secure a particular outcome. The equalities impact will be revisited on each of the proposals as they are developed. Consideration of the duties should precede the decision. It is important that Cabinet has regard to the statutory grounds in the light of all available material such as consultation responses. The statutory grounds of the public sector equality duty are found at section 149 of the Equality Act 2010 and are as follows:

A public authority must, in the exercise of its functions, have due regard to the need to:

- (a) eliminate discrimination, harassment, victimisation, and any other conduct that is prohibited by or under this Act;*
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*
- (c) Foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*

Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard to the need to:

- (d) *remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;*
- (e) *take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;*
- (f) *Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.*
The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include steps to take account of disabled persons' disabilities.

Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard; in particular, to the need to:

- (a) *Tackle prejudice, and*
- (b) *Promote understanding.*

Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act.

The relevant protected characteristics are:

- *Age*
- *Disability*
- *Gender reassignment*
- *Pregnancy and maternity*
- *Race*
- *Religion or belief*
- *Sex*
- *Sexual orientation*
- *Marriage and Civil partnership*

- 8.2 Directorate proposals will be subject to an initial equalities impact assessment followed by a full assessment where appropriate. These will be published along with the final budget and MTFS report to February Cabinet. An assessment will also be carried out on the whole budget which will include any relevant information from the budget consultation, when all proposals have been identified, to ensure that decision makers are aware of any overall equalities impact on the protected characteristics listed above.

Council Priorities

The Council's draft budget and MTFS for 2024/25 has been prepared in line with the Council's priorities:

1. A council that puts residents first
2. A borough that is clean and safe
3. A place where those in need are supported.

Section 3 - Statutory Officer Clearance

Statutory Officer: Sharon Daniels

Signed by the Chief Financial Officer

Date: 27/11/2023

Statutory Officer: Jessica Farmer

Signed by the Monitoring Officer

Date: 07/12/2023

Chief Officer: Sharon Daniels

Signed off on behalf of the Managing Director

Date: 27/11/2023

Head of Procurement: Nimesh Mehta

Signed by the Head of Procurement

Date: 27/11/2023

Head of Internal Audit:

Signed on behalf of the Head of Internal Audit

Date: 27/11/2023

Mandatory Checks

Ward Councillors notified: NO, as it impacts on all Wards

EqlA carried out: NO – to be reported as part of the February 2024 final budget report

Section 4 - Contact Details and Background

Papers

Contact: Sharon Daniels – Interim Director of Finance & Assurance.
Sharon.Daniels@harrow.gov.uk

Background Papers: NONE

Call-in waived by the Chair of Overview and Scrutiny Committee: No

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Appendix 1A B1 Proposed savings/growth proposals - budget process 2024-25

ref	Specific Service Area	Headline Description re: saving / reduction INTERNAL	Proposals				EIA required Y/N?	Does this proposal impact on another directorate? Y/N	Further consultation with Key Stakeholders Yes/No/N/A
			2024-25	2025-26	2026-27	Total			
			£000	£000	£000	£000			
		Savings Proposals							
		PLACE							
PLACE 2024-25_S01	Community Engagement	Removal of Ward Priority Fund budget Ward Priority Fund (WPF) is an annual fund, allocated across the borough, available to support small-scale ward-level projects or initiatives that have community and councillor support. The fund is apportioned equally between Wards, with each Ward receiving £4,545, for Ward Members to apply. With the removal of WPF, ward members can still deliver projects using other funding such as Neighbourhood Community Infrastructure Levy (NCIL)	(100)			(100)	N	N	No
PLACE 2024-25_S02	Corporate Estates	Review of leases and rent for corporate property portfolio	(50)			(50)	N	N	No
PLACE 2024-25_S03	Planning Service	Introduction of new Fees and Charges for tree documents. To supply and charge for environmental information relating to Tree Preservation Orders (TPOs).	(10)			(10)	N	N	No
PLACE 2024-25_S04	Planning Service	Review of Technical Support resources and future requirements following the full implementation of the new planning software system	(38)	(76)		(114)	Y	N	Yes, staff consultation
PLACE 2024-25_S05	Directorate wide	Place Directorate Restructure 2023 Following the approval of the restructuring proposal, total saving is estimated to be in the region of £500k. £250k has already been included in 23/24 MTFS, therefore an additional saving of £250k can be generated.		(200)		(200)	Y	N	Yes, staff consultation
PLACE 2024-25_S06	Corporate Estates	Net reduction in Business Rates following the closure of Civic Centre and the opening of the Harrow Council Hub	(250)			(250)	N	N	No
		PLACE SAVINGS PROPOSALS	(448)	(276)	-	(724)			
		TOTAL SAVINGS PROPOSALS	(448)	(276)	-	(724)			

Appendix 1A B1 Proposed savings/growth proposals - budget process 2024-25

ref	Specific Service Area	Headline Description re: saving / reduction INTERNAL	Proposals				EIA required Y/N?	Does this proposal impact on another directorate? Y/N	Further consultation with Key Stakeholders Yes/No/N/A
			2024-25	2025-26	2026-27	Total			
			£000	£000	£000	£000			
		Growths Proposals							
		RESOURCES							
RES1	Access Harrow	Access Harrow - Reversal of a previous saving relating to the closure of phone lines as the second part of the programme to reduce capacity within Revenues & Benefits was not progressed.	180			180			
RES2	Payroll Services	Loss of income due to the cessation of schools payroll service. Staff previously working on schools payroll service are retained to support the wider service. A one-off growth for 24/25 whilst efficiencies are being identified through the procurement of the Payroll system.	230	(230)		-			
		RESOURCES GROWTH PROPOSALS	410	(230)	-	180			
		MANAGING DIRECTOR'S				-			
MD1	Finance & Assurance	Increase in External audit fees as a result of procurement exercise by Public Sector Audit Appointments	250			250			
MD2	Finance & Assurance	Rationalise the Discretionary Freedom Pass provision - reversal of savings included in 23/24 MTFS. Following public consultation of the proposal, it was decided not to go ahead with this.	12	6		18			
MD3	Finance & Assurance	Internal Audit & Corporate Anit Audit Fraud Team - Restructure to create sufficient capacity to delivery the service, following a review of current structure benchmarking exercise	260			260			
		MANAGING DIRECTOR'S GROWTH PROPOSALS	522	6	-	528			
		PLACE							
PLACE_2024-25_G01	Parking Services	Parking Review - Rephasing of the saving target in the MTFS (£1m) from 2024/25 to 2025/26	1,000	(1,000)		-			
PLACE_2024-25_G02	Parking Services	Paid for Parking Income - Income pressure for On Street and Car Park facilities across the borough	360			360			
PLACE_2024-25_G03	Planning Services	Planning and Building Control application fees Income pressures due to a reduction in application numbers	341			341			
PLACE_2024-25_G04	Clean & Green	Street Cleaning Additional investment to provide a more streamlined service and better ownership & accountability by the team.	250			250			

Appendix 1A B1 Proposed savings/growth proposals - budget process 2024-25

ref	Specific Service Area	Headline Description re: saving / reduction INTERNAL	Proposals				EIA required Y/N?	Does this proposal impact on another directorate? Y/N	Further consultation with Key Stakeholders Yes/No/N/A
			2024-25	2025-26	2026-27	Total			
			£000	£000	£000	£000			
PLACE_2024-25_G05	Planning Services	Local Plan Review Additional support to the new Harrow Local Plan on Tall Buildings assessment, Views assessment, External Communications support an Kings Counsel representation at examination.	91	80	(171)	-			
PLACE_2024-25_G06	Planning Services	Local Plan Review Reversal of growth in 26/27 - budget provided in 2023/24 MTFS for 3 years only for additional staff resources required to complete Local Plan Review			(206)	(206)			
PLACE_2024-25_G07	Housing	Homelessness demand pressures - baseline pressure (assuming at current homelessness level) once the one-off grant reserve has been exhausted.		2,325		2,325			
PLACE_2024-25_G08	Housing	Housing - Additional staff resource to support additional work due to a considerable increase in the approaches and formal applications to the Housing Needs Services.	180	(180)		-			
PLACE_2024-25_G09	Waste Services	Behavioural change (residents) for reducing waste disposal cost - Original saving of £0.5m in 24/25. Rephasing of this over 2 years due to the delay in the recruitment of the recycling team. Communications plan and resident engagement to reduce waste and divert to recycling.	250	(250)		-			
		PLACE GROWTH TOTAL	2,472	975	(377)	3,070			
		PEOPLE - ADULTS							
ASC01	Placements	Older Adults - Increased budget for social care costs	1,955	2,000	2,000	5,955			
ASC02	Placements	All Age Disabilities - Increased budget for social care costs	2,920	-	-	2,920			
ASC03	Workforce	All Age Disabilities - Additional staffing requirements	77	-	-	77			
ASC04	Placements	Community Equipment - increased cost / volume for issues	115	-	-	115			
ASC05	Workforce	Social Work Realignment - to ensure consistency across Peoples in the grade costs for social work staff to support recruitment & retention	223	347	-	570			
ASC06	Workforce	DoLS & Safeguarding	150	-	-	150			
ASC07	Placements	Assumed additional Market Sustainability Improvement Fund (MSIF) 2024/25	(828)			(828)			
ASC07	Placements	Permanent MSIF grant added to Adults base budget		828		828			
		ADULTS GROWTH PROPOSALS	4,612	3,175	2,000	9,787			

Appendix 1A B1 Proposed savings/growth proposals - budget process 2024-25

ref	Specific Service Area	Headline Description re: saving / reduction INTERNAL	Proposals				EIA required Y/N?	Does this proposal impact on another directorate? Y/N	Further consultation with Key Stakeholders Yes/No/N/A
			2024-25	2025-26	2026-27	Total			
			£000	£000	£000	£000			
		PEOPLE - CHILDREN SERVICES							
PCG01	Education Services	Education Services Staffing Proposals	100			100			
PCG02	CYPS	Reduction of PC01 2023-24 Growth for Children's Placements & Accommodation	(1,000)			(1,000)			
		CHILDREN SERVICES GROWTH PROPOSALS	(900)	-	-	(900)			
		PEOPLE GROWTH TOTAL	3,712	3,175	2,000	8,887			
		TOTAL GROWTH	7,116	3,926	1,623	12,665			
		NET SAVINGS/GROWTH PROPOSALS	6,668	3,650	1,623	11,941			

Appendix 1B - Summary Savings and Growth from the 2022-23 & 2023-24 Budget Process

	2024-25	2025-26	Total
	£000	£000	£000
Savings			
Resources	(708)	(108)	(816)
Managing Director	(499)	(6)	(505)
Place	(3,775)	(300)	(4,075)
Adults	(1,989)	(295)	(2,284)
Childrens	(1,570)	(500)	(2,070)
Corporate/Council Wide			-
Total Savings	(8,541)	(1,209)	(9,750)
Growth			
Childrens	500	-	500
Corporate	250	-	250
Total Growth	750	-	750
Net Total Savings and Growth	(7,791)	(1,209)	(9,000)

Savings and growth proposals from the 2023-24 Budget Process

Appendix 1B

Item No	ref	Specific Service Area	Headline Description re: saving / reduction INTERNAL	Proposals			EIA required Y/N	Does this proposal impact on another directorate? Y/N	Further Consultation with Key Stakeholders Yes/No/N/A
				2024-25	2025-26	Total			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
				£000	£000	£000			
			Savings Proposals						
			Resources						
1	RES L1	BSS	Reduction of the cost of post through digitalisation	-	-	-	N	Y	No
2	RES L2	IT	Integrated Apps - IT is in the process of agreeing a new corporate approach to management of business systems which are currently managed within departments. This new approach is expected to result in rationalisation and centralisation of budgets and deliver savings through reduction in contract spend.	(200)	-	(200)	N	N	No
3	RES 9	IT	IT Expenditure review and consolidation this is a back office saving which is not expected to have an impact on residents.	(100)	-	(100)	N	N	No
4	RES 12	Resources	Redesign of Resources Directorate - An exercise to redesign the Resources Directorate is currently underway. Although this is being driven to make sure that the Directorate is fit for purpose for the ongoing needs of the Council, it is also important to consider that one of these needs is to address affordability. This will be subject to HR procedures and consultaion and an Equality Impact Assesment.	(408)	(108)	(516)	Y	Y	Yes
			RESOURCES SAVINGS PROPOSALS	(708)	(108)	(816)			
			Managing Director's			-			
5	CEO 10	Registration Services	Land Charges - this savings relates to transfer to Land Registry of local land charges register that records obligations affecting properties within their administrative area	(100)		(100)	N	N	No
6	CEO 4	Revs & Benefits	The Inflation Negating Scheme for Working Age Households in receipt of Council Tax Support at the end of 2022/23 will be replaced with a one off cost of living grant for 2023/24. Harrow has previously used its discretionary powers to administer a local inflation negating scheme to ensure that working age recipients of council tax support were awarded additional relief to cover the Harrow council tax inflationary increases.	(310)	-	(310)	Y	N	No
7	CEO 2	Revs & Bens	Rationalise the Discretionary Freedom Pass provision - Currently Discretionary Freedom passes are issued to approximately 200 residents. The scheme will continue for existing users but will not be offered to new applicants from 1.04.2023. Subject to cabinet report, consultation and Equality Impact Assesment.(EQIA) <i>Note: Following public consultation in 2023, the proposal is not to go ahead. These savings are reversed by growth included in Appendix 1a of the budget report.</i>	(6)	(6)	(12)	Y	N	Yes
8	CEO 8	Governance	Efficiencies in legal and Governance	(20)		(20)	N	N	Yes
9	CEO 9	Registration Services	Registry Office - saving relates to review of service operating model and staffing levels. Subject to EQIA and consultaion with staff and residents if required.	(63)		(63)	Y	N	Yes
			MANAGING DIRECTOR'S SAVINGS PROPOSALS	(499)	(6)	(505)			

Item No	ref	Specific Service Area	Headline Description re: saving / reduction INTERNAL	Proposals			EIA required Y/N	Does this proposal impact on another directorates? Y/N	Further Consultation with Key Stakeholders Yes/No/N/A
				2024-25	2025-26	Total			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
				£000	£000	£000			
			People						
			Adults						
10	ASC02	ASC	Freezing senior post in Adult social care. Statutory Director of Adults Social Care (DASS) role to be held by Corporate Director Peoples for six months	88	-	88	N	N	No
11	ASC03	ASC	Management Review during 2023/24 (all M grades & above) . HR procedures will be followed with consultaion and eqia	(60)	-	(60)	Y	N	Yes
12	ASC04	ASC	Review Adult Social Care pathway during 2023/24 (all G grades) HR procedures will be followed with consultaion and eqia. Will be subject to a separate cabinet decision.	(302)	-	(302)	Y	N	Yes
13	ASC06	NRC's	Neighbourhood Resource Centre (NRC) reprofiling (Kenmore & Vaughan) to provide the most complex support	(800)	-	(800)	Y	N	Yes
14	ASC07	NRC's	Public Health wellbeing support model - short term funding (2 years) to support the changes to the new NRC operating model	-	100	100	Y	N	No
15	ASC08	NRC's	Harrow Alliance Community Model (New Bentley). External utilisation and management of New Bentley by the third sector following appropriate procurement exercise	(220)	-	(220)	Y	N	Yes
16	ASC10	Health Funding	Use of Better Care Fund to protect of Social Care Services (via Better Care Fund) - uncommitted resources and 2% annual uplift allocated against existing social care expenditure	(145)	(145)	(290)	N	N	Yes
17	ASC11	CYAD	Review out of borough post 18 residential placements and provide alternative accommodation within Harrow to enable relocation back in borough. Placements equality impacts will be considered on an individual basis.	(250)	(250)	(500)	Y	Y	Yes
18	ASC12	Inhouse Residential	De-register Bedford House (20 bedded CQC registered residential unit) to provide supported living accommodation for the most complex & challenging. Subject to a separate cabinet report and EQIA.	(300)	-	(300)	Y	N	Yes
			ADULTS TOTAL	(1,989)	(295)	(2,284)			
			Childrens			-			
19	PC01	CYPS	Placements & Accommodation Increased demand management - reduction in the cost of placements through reducing demand and stepping down young people into more cost effective provision where it is safe to do so	(500)	(500)	(1,000)	Y	Y	No
20	PC02	CYPS	Social Care Staffing HR policies will be followed. Service redesign delivering increased preventative models of care to reduce demand on formal care services resulting in reduction of management posts. Suhect to separate cabinet report and EQIA. HR policies will be followed	(1,070)		(1,070)	Y	N	Yes
			CHILDRENS SERVICES TOTAL	(1,570)	(500)	(2,070)			
			PEOPLE SAVINGS PROPOSALS	(3,559)	(795)	(4,354)			

Item No	ref	Specific Service Area	Headline Description re: saving / reduction INTERNAL	Proposals			EIA required Y/N	Does this proposal impact on another directorate? Y/N	Further Consultation with Key Stakeholders Yes/No/N/A
				2024-25	2025-26	Total			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
				£000	£000	£000			
			PLACE						
21	PLACE_S01	THAM & Parking	<p>Transport Strategy: Parking Charge Notices - Proposed move from Band B to Band A, subject to endorsement by London Councils, the Mayor of London, and the Secretary of State for Transport. Subject to a separate decision. There are currently Band A and Band B charges for PCNs. Some London boroughs have moved to Band A while some are still in Band B (Harrow being one of them). The proposal is to move to Band A in order to support better compliance of traffic management.</p>	(1,500)		(1,500)	Y	N	Yes
22	PLACE_S02	THAM & Parking	<p>Transport Strategy: Moving Traffic Contraventions (MTC) Review - review of all MTCs in the borough and evaluate if they meet transport needs. The introduction of schemes including school streets and other measures following consultation from early 2023 including increasing ANPR / CCTV cameras. Schemes will be subject to a separate decision making process and consultation and EQIA as required.</p>	(500)		(500)	Y	N	Yes
23	PLACE_S03	Waste Services	<p>Behavioural change (residents) for reducing waste disposal cost. - Increase recycling / food waste to flats - Waste minimisation To invest in a recycling team to engage with and support residents on waste reduction and increased recycling through behavioural change on how to deal with waste.</p>	(500)		(500)	N	N	No
24	PLACE_S06	THAM & Parking	<p>Transport Strategy: Electric vehicle charging points - Increase installation using government funding (DfT) and supplier's match fund; and charge for the spaces. Concession contract. subject to a separate decision making process. Savings assume £3k per annum per bay, and a total of 100 bays following full roll out</p>	(150)	(150)	(300)	Y	N	Yes

Item No	ref	Specific Service Area	Headline Description re: saving / reduction INTERNAL	Proposals			EIA required Y/N	Does this proposal impact on another directorate? Y/N	Further Consultation with Key Stakeholders Yes/No/N/A
				2024-25	2025-26	Total			
				(4)	(5)	(6)			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
				£000	£000	£000			
28		Education	Reduction in Special Needs Transport growth Growth was previously provided at £750k for 23/24 and £750k for 24/25 Appendix 1B. However following a review the full growth is not required. After these reductions of £550k and £250k this leaves £200k in 23/24 and £500k in 24/25 of the original growth.	(250)		(250)			
						-			
			PEOPLE GROWTH TOTAL	(250)	-	(250)			
			CORPORATE						
29	Corporate	Corporate	Inflationary Growth in relation to care provider inflation	250		250			
						-			
			TOTAL CORPORATE GROWTH PROPOSALS	250	-	250			
			TOTAL GROWTH	-	-	-			
			NET SAVINGS/GROWTH PROPOSALS	(8,541)	(1,209)	(9,750)			

Item No	ref	Specific Service Area	Headline Description re: saving / reduction INTERNAL	Proposals			EIA required Y/N	Does this proposal impact on another directorate? Y/N	Further Consultation with Key Stakeholders Yes/No/N/A
				2024-25	2025-26	Total			
				(4)	(5)	(6)			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
				£000	£000	£000			
Savings and growth proposals from the 2022-23 Budget Process									
			Growths Proposals						
			People-Childrens						
30		Education	Special Educational Needs Transport - . There are over 1,800 children and young people with Education Health & Care Plans (EHCPs) and approximately 40% of these are accessing SEN Transport. It is anticipated that the number of children and young people with EHCPs will increase to over 2,000 by 2023 which on the same ratio could mean a further 80 to 100 children requiring transport by 2023. It is estimated a further £750k pa will be required for each of the 3 years of the MTFS.	750		750			
			PEOPLE GROWTH TOTAL	750	-	750			
			TOTAL SAVINGS PROPOSALS	(8,541)	(1,209)	(9,750)			
			TOTAL GROWTH	750	-	750			
			NET SAVINGS/GROWTH PROPOSALS	(7,791)	(1,209)	(9,000)			

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MEDIUM TERM FINANCIAL STRATEGY
2024/25 to 2026/27

Appendix 2

	2024/25	2025/26	2026/27
	£000	£000	£000
Budget Requirement Brought Forward	196,354	203,416	207,476
Corporate & Technical	8,184	14,085	10,104
People	653	2,380	2,000
Place	-1,751	399	-377
Resources	-298	-338	0
Managing Director	23	0	0
Corporate	250	0	0
Total	7,062	16,526	11,727
FUNDING GAP	0	-12,466	-6,732
Total Change in Budget Requirement	7,062	4,060	4,995
Revised Budget Requirement	203,416	207,476	212,471
Collection Fund Deficit/-surplus	-790	0	0
Revenue Support Grant	-2,081	-2,081	-2,081
Top Up	-23,195	-23,195	-23,195
Retained Non Domestic Rates	-15,141	-15,141	-15,141
Amount to be raised from Council Tax	162,208	167,059	172,054
Council Tax at Band D	£1,814.92	£1,869.19	£1,925.08
Increase in Council Tax (%)	4.99%	2.99%	2.99%
Tax Base	89,375	89,375	89,375
	98.00%	98.00%	98.00%
Gross Tax Base	91,199	91,199	91,199

MTFS 2024/25 to 2026/27 – Proposed investments / savings

Appendix 2

Technical Adjustments	2024/25	2025/26	2026/27
	£000	£000	£000
Capital and Investment			
Implications of Capital Programme agreed for 2020/21 to 2023/24			
Implications of Capital Programme agreed for 2021/22 to 2023/24 budget process	225		
25/26 Capital Programme costs from 22/23 refresh		1,747	
26/27 Capital Programme costs from 23/24 refresh			1,500
Capital Programme saving from 23/24 Review (£2.1m capital saving)	-182	92	-196
One off saving on Capital Financing costs due to underspends on Capital Programme	3,000		
Applying capital receipts to fund the Capital Programme	-1,300	-1,300	
Assume temporary savings on capital financing cost from slippage (one off)	-3,000	3,000	
Capital Receipts Flexibilities		1,250	
Assume Capital Receipts Flexibilities extended but on one-off basis		-1,250	1,250
Total Capital and Investment Changes	-1,257	3,539	2,554
Grant Changes			
Increase - Core Spending Grant	-6,000		
Reverse out £6m core grant	6,000		
December assumed no Services grant, but settlement confirmed continuation of services grant but at a reduced level. Figures only provided for 2023/24, therefore assume it will be halved in 2024/25 and then removed in 2025/26	770	771	
Social Care Grant - £12.807m allocation for 2023/24, less £7.720m base in 2022/23 less £300k ILF grant rolled in to social care	-2,035		
Adult Social care market sustainability grant and Improvements	-1,144		
- Adults Social Care Market sustainability grant & improvements (spend of 25%)	286		
IBCF (50% of the national allocation of £600m in 2023/24, increasing to £1bn by 2024/25)	-616		
IBCF contribution to pool	616		
Cost of Living Grant funded by Council Tax Support Fund (external grant)	310		
Total Grant Changes	-1,813	771	0
Other Technical Changes			
Freedom Passes - estimated reduction in usage (2022/23 process)			
Freedom Passes - revision to usage figures from London Council update (2022/23 process)	1,000		
Growth 24/25	2,322		
Growth 25/26		1,000	
November update on Freedom passes - improvement for 2023/24 and 2024/25 but worse in 2025/26. 2023/24 is still to be finalised.	-732	1,050	
Use of Reserves			
West London Waste Authority income from electricity - assume one-off income in 23/24	1,000		
West London Waste Authority income from electricity - assume income to continue for 2 more years	-1,000		1,000
Total Other Technical Changes	2,590	2,050	1,000
Pay and Inflation			
Pay Award @ 2.75% pa for 2023/24 and 2024/25	2,750		
Non Pay Inflation	1,000		
Pay award 2023/24 & 2024/25 - 4% / 2025/26 - 3%	1,250	3,000	
Pay award - Budget gap for 23/24 pay award	800		
Reduction of council wide growth 2024/25 to fund pay award	-755		
Pay award 2026/27 @ 3%			3,000
Non Pay Inflation - Additional £1m 2024/25, 2025/26 and 2026/27	1,000	1,000	1,000
Total Pay and Price Inflation	6,045	4,000	4,000
OTHER			
Gayton Road Income - Reprofiting of income	-11		
Growth London Living Wage	1,000		
- No LLW provision in 23/24 and reduced by 50% for 2024/25	-500	1,000	
Directorate growth	3,788		
Reverse out Directorate growth	-3,788		
Reverse Council wide Mgt saving	650		
Increase TM savings to offset Mgt saving - additional investment income being achieved	-650		
Council Tax Base increase	-500		
Council Tax Base increase	500	-250	-250

MTFS 2024/25 to 2026/27 – Proposed investments / savings**Appendix 2**

Technical Adjustments			
	2024/25	2025/26	2026/27
	£000	£000	£000
One off reduction of contingency budget	-175	175	
Directorate Adjustments:			
Adults care provider	1,550	1,800	1,800
General growth provision	1,000	1,000	1,000
Reduction in Council wide growth provision	-245		
Total Corporate & Technical	8,184	14,085	10,104

MTFS 2024/25 to 2026/27 – Proposed investments / savings
Appendix 2

People			
	2024/25	2025/26	2026/27
	£000	£000	£000
Children & Families			
Proposed Savings - see appendix 1a	0	0	0
Proposed Growth - see appendix 1a	-900	0	0
Proposed Savings - see appendix 1b	-1,570	-500	
Proposed Growth - see appendix 1b	500	0	
Sub total Children & Families	-1,970	-500	0
Adults			
Proposed Savings - see appendix 1a	0	0	0
Proposed Growth - see appendix 1a	4,612	3,175	2,000
Proposed Savings - see appendix 1b	-1,989	-295	
Sub total Adults	2,623	2,880	2,000
Total People Directorate	653	2,380	2,000

MTFS 2024/25 to 2026/27 – Proposed investments / savings
Appendix 2

Place			
	2024/25	2025/26	2026/27
	£000	£000	£000
Proposed Savings - see appendix 1a	-448	-276	0
Proposed Growth - see appendix 1a	2,472	975	-377
Proposed Savings - see appendix 1b	-3,775	-300	
Proposed Growth - see appendix 1b	0	0	
Total Place	-1,751	399	-377

MTFS 2024/25 to 2026/27 – Proposed investments / savings
Appendix 2

Resources			
	2024/25	2025/26	2026/27
	£000	£000	£000
Proposed Savings - see appendix 1a	0	0	0
Proposed Growth - see appendix 1a	410	-230	0
Proposed Savings - see appendix 1b	-708	-108	
Proposed Growth - see appendix 1b	0	0	
Total Resources	-298	-338	0

MTFS 2024/25 to 2026/27 – Proposed investments / savings

Appendix 2

MANAGING DIRECTOR			
	2024/25	2025/26	2026/27
	£000	£000	£000
Proposed Savings - appendix 1a	0	0	0
Proposed Growth - appendix 1a	522	6	0
Proposed Savings - see appendix 1b	-499	-6	
Proposed Growth - see appendix 1b	0	0	
Total Chief Executives	23	0	0

MTFS 2024/25 to 2026/27 – Proposed investments / savings

Appendix 2

CORPORATE			
	2024/25	2025/26	2026/27
	£000	£000	£000
Proposed Savings - appendix 1a	0	0	0
Proposed Growth - appendix 1a	0	0	0
Proposed Savings - see appendix 1b	0	0	
Proposed Growth - see appendix 1b	250	0	
Total Corporate	250	0	0

Public Health Funding 2024-25**Appendix 3****Mandatory Services**

Sexual Health (incl Family Planning)	2,336	
0-19 Services	3,789	
Health Checks	185	
	<hr/>	6,310

Discretionary Services

Tobacco Control	104	
Drug & Alcohol Misuse	1,903	
Physical Activity	30	
	<hr/>	2,037

Staffing & Support Costs

Staffing	1,309	
Non-Staffing	28	
Overheads	163	
	<hr/>	1,500

Health Improvement	667	
Wider Determinants of Health	1,651	
	<hr/>	2,318
		<hr/>
Total Expenditure		12,165

Funded by

Department of Health Grant	-12,165	
Contribution from Reserve		
Total Income		-12,165

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School Budgets – Dedicated Schools Grant (DSG) 2024-25

Introduction

1. The Dedicated Schools Grant (DSG) is a ring-fenced grant of which the majority is used to fund individual schools budgets in maintained schools and academies in Harrow. It also funds Early Years nursery entitlement for 2-, 3- and 4-year-olds in maintained council nursery classes and private, voluntary and independent (PVI) nurseries as well as provision for pupils with High Needs including those with Education Health & Care Plans (EHCPs) in special schools, special provision and mainstream schools in Harrow and out of borough. The DSG is split into four blocks: Schools Block, Central School Services Block, Early Years Block and High Needs Block.

Schools Funding for 2024-25

2. In 2018-19 the government introduced a new National Funding Formula (NFF) for Schools, High Needs and the Central Schools services Block. For the Schools Block this means LAs are funded on the basis of the total of the NFF for all school, academies and free schools in its area. However, the final formula for distribution is determined by each Council following consultation with schools and Schools Forums.
3. The LA carried out a consultation in Autumn 2017 which sought views on whether the LA should continue to use the Harrow Schools Funding Formula or introduce the National Funding Formula from 2018-19. 76% of schools responded to the consultation and 89% voted in favour of introducing the NFF from 2018-19. This was approved by Cabinet in February 2018 and school budgets for the last five years have been set based on the NFF.
4. The NFF will therefore continue to be used to distributed school budgets for 2024-25.
5. From 2020 the government intended to implement the NFF in full which means that school allocations will be determined by the DfE rather than LAs. However, this has been delayed and there is no fixed date for this.
6. There are no proposed changes to the **structure** of the formula for 2024-25 however there are a number of changes for schools to be aware of.

Changes in 2024-25

Increase in factor values

7. NFF Factor values have increased by:
 - 1.4% to basic entitlement, low prior attainment, FSM6, Income Deprivation Affecting Children Index (IDACI), English as an Additional Language (EAL) mobility and the lump sum.
 - 1.4% to the Minimum Per Pupil Levels (MPPL)

- 0.5% to the funding floor
- 1.6% to the Free School Meals (FSM) factor

8. The 2023-24 Mainstream Schools Additional Grant (MSAG) will be rolled into the NFF. Adjustments have been made to the NFF factor values to reflect this and are included in the figures below, as well as the factor value increases.

Table 1 – funding formula factor values

Factors	2023-24		2024-25		% Change	
	Pri	Sec	Pri	Sec	Pri	Sec
Pri AWPU	£3,740		£3,920		4.82%	
KS3 AWPU		£5,272		£5,527		5%
KS4 AWPU		£5,942		£6,230		5%
FSM	£529	£529	£539	£539	2%	2%
Ever6	£777	£1,135	£902	£1,321	16%	16%
IDACIF	£253	£369	£259	£374	2%	1%
IDACIE	£309	£490	£314	£495	2%	1%
IDACID	£485	£683	£490	£693	1%	1%
IDACIC	£529	£749	£534	£759	1%	1%
IDACIB	£562	£804	£567	£814	1%	1%
IDACIA	£738	£1,025	£748	£1,040	1%	1%
LPA	£1,273	£1,928	£1,288	£1,953	1%	1%
EAL	£639	£1,724	£649	£1,744	2%	1%
Mobility	£1,041	£1,499	£1,056	£1,519	1%	1%
Lump Sum	£141,039	£141,039	£147,902	£147,902	5%	5%

9. The Minimum Per-Pupil Funding Levels (MPPL) will be set at £4,610 for primary schools and £5,995 for secondary schools compared with £4,405 and £5,715 in 2023-24.
10. Teachers Pay Grant (TPG) and Teachers Pension Employers Contribution Grant (TPECG) are now fully rolled into the NFF.
11. Block transfers – LAs will continue to be able to transfer up to +0.5% of the schools block to other blocks of the DSG, with schools forum approval. A disapplication is required for transfers above 0.5% or for any amount where schools forum does not give approval.

Minimum Funding Guarantee (MFG)

12. The MFG will continue and the allowable range for 2024-25 is between 0% and +0.5% which is the same as 2023-24
13. This means that each school could gain up to +0.5% *per pupil* compared with the 2023-24 budget. The final value of MFG will be determined by overall affordability within the formula.
14. Where schools are protected by MFG this means that they are receiving funding over and above that which is calculated by the NFF because of the levels of funding they

had been receiving prior to the introduction of the NFF. In future years if the MFG protection is removed then those schools who are funding above the NFF will see an immediate drop in funding from one year to the next.

Teacher's Pay Additional Grant (TPAG) 2023-24 and 2024-25

15. In July 2023 the government announced the TPAG to support schools with the September 2023 teachers' pay award. Funding will be allocated to mainstream schools (5-16 age range), special and Alternative Provision schools. Funding will also be provided for eligible early years provision and 16 to 19 provision in mainstream schools

16. In 2023-24 funding will be for the period September 2023 to March 2024. The TPAG will continue into 2023-25 as a separate grant.

Central School Services Block

17. The CSSB funds the following services:

- School Admissions
- Servicing of Schools Forum
- LA retained duties for schools and academies.

18. The indicative funding for 2024-25 is £1.509m.

Growth Fund

19. Schools Forum agreed to continue to maintain a ring-fenced growth fund from the DSG in order to fund in-year pupil growth in relation to additional classes in maintained and academy schools to create additional classes at the LA's request.

High Needs Funding

20. High Needs funding is designed to support a continuum of provision for pupils and students with special educational needs and disabilities (SEND) from 0-25 years old. The following are funded from the High Needs Block of the DSG:

- Harrow special schools and academies
- Additionally Resourced Mainstream (ARMs) units in mainstream schools
- Places in out of borough special schools and independent school provision
- EHCPs in mainstream schools and academies
- Post 16 provision including Further Education
- SEND Support services and support for inclusion
- Alternative provision including Pupil Referral Units and education other than at school

21. The government introduced a National Funding Formula for High Needs from 2018-19. Funding has previously been based on historical allocations plus small annual amounts of growth. In order to manage increasing growth for demand and complexity, annual funding transfer from the schools block into the high needs block have been approved by Schools Forum

22. From 2018-19 the Schools Block has been ring-fenced and transfers between blocks has been restricted to 0.5% of the Schools Block (approx. £970k). The decision to agree a transfer remains with Schools Forum. It agreed a transfer of 0.5% in 2018-19 and a reduced transfer of 0.25% in 2019-20 however it did not agree to any transfer beyond 2019-20 on the basis that the government should be properly addressing the inherent underfunding of High Needs pupils and to continue to top slice mainstream school budgets masks the extent of the problem.
23. There is anticipated to be an additional £1.3m added to the HNB for 2023-24 however there are already significant pressures on the HNB.
24. At the start of 2023-24 there is a cumulative overspend on the HNB of £2.623m and there is a further projected overspend in 2023-24 of £2.482m, taking the projected cumulative deficit on the HNB to £5.104m by March 2024.

DSG deficits

25. The government consulted on the treatment of deficits in 2019. The outcome of the consultation was a change to the regulations for the treatment of DSG deficits so that LAs must carry forward any HNB deficit to be funded from the next year's budget share. It also explicitly states that LAs cannot and should not fund any DSG deficit from its own reserves.

DSG Management Plans

26. A DSG management plan has been drafted however and discussed with Schools Forum. The SEND Strategy will also be brought to Cabinet for approval in Spring 2024 which will contain updated pupil and financial projections. However, the following points should be noted:
27. Despite the significant proposals and measures planned over the next ten years, this will not mitigate the deficit. This is due to the following contributory factors:
- historical underfunding
 - current budgets being based on historical budgets rather than historical spend
 - extension of age range to include 0-5 and post 19
 - current and projected formulaic funding which does not keep pace with demand
 - significant historical and projected growth in number of EHCPs
 - continued growth in complexity of pupils' needs
 - limitations about creating cost effective provision in borough due to capacity and site limitations

Early Years Funding

28. Funding for Early Years relates to free 15-hour nursery entitlement for all 3- & 4-year-olds in maintained nurseries and nursery classes as well as private, voluntary and independent (PVI) provision. From September 2017 this was extended to 30-hour nursery entitlement for eligible 3- & 4-year-olds. It also funds free 15-hour nursery entitlement for disadvantaged 2-year-olds.

29. A National Funding Formula for Early Years was introduced in 2017-18. Cabinet approved the structure of the Harrow formula for the distribution of funding to providers in January 2018.
30. In 2023-24 there has also been an increase to the published funding rates for 2-, 3- and 4-year-old nursery provision for September 2023 to March 2024. This will be provided through the new Early Years Supplementary Grant (EYSG). This has been used to increase the hourly rates to LAs which in turn must be passed on to providers.
31. From 2024-25 the EYSG funding will be rolled into the Early Years Block of the DSG.
32. Funding rates and allocations will be announced in December 2023.

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