

MEDIUM TERM FINANCIAL STRATEGY 2020/21 to 2022/23

	2020/21	2021/22	2022/23
	£000	£000	£000
Budget Requirement Brought Forward	167,081	174,116	172,746
Corporate & Technical	5,747	18,757	10,468
People	289	242	0
Community	1,286	-1,125	0
Resources & Commercial	383	-1,441	678
Corporate	-670	-2,475	-2,222
Total	7,035	13,958	8,924
FUNDING GAP	0	-15,328	-8,924
Total Change in Budget Requirement	7,035	-1,370	0
Revised Budget Requirement	174,116	172,746	172,746
Collection Fund Deficit/-surplus	-2,120		
Revenue Support Grant	-1585	-1585	-1585
Top Up	-21,977	-21,977	-21,977
Retained Non Domestic Rates	-14,942	-14,942	-14,942
Amount to be raised from Council Tax	133,492	134,242	134,242
Council Tax at Band D	£1,522.72	£1,522.72	£1,522.72
Increase in Council Tax (%)	3.99%	0.00%	0.00%
Tax Base	87,667	88,160	88,160
Collection rate	98.00%	98.00%	98.00%
Gross Tax Base	89,456	89,959	89,959

MTFS 2020/21 to 2022/23 – Proposed investments / savings

TECHNICAL BUDGET CHANGES			
	2020/21	2021/22	2022/23
	£000	£000	£000
Capital and Investment			
25%reduction	-45	0	
Capital Investment reversed	500	0	
Capital Financing costs increasing 2020/21 for depot	681	0	
2018/19 implications in 2021/22		1900	
Use of Regen MRP Provision 2019/20	1000		
Use of Regen MRP Provision 2020/21	-1000	1000	
MRP on Community projects and Property investment		1454	
Interest on Community projects and Property investment		967	
Capital Financing included as part of 2020/21 budget setting process			
Capital Financing costs from additional Capital Programme			1250
Reduced costs of borrowing (from £100m taken between April and July 2019)	-£500		
Application of capital receipt to reduce borrowing costs	-£550		
Additional planned saving on borrowing costs	-£500		
General reduction in Minimum Revenue Provision costs	-£500		
Total Capital and Investment Changes	-914	5,321	1,250
Grant Changes			
New Homes Bonus			
Estimated Grant changes	940	0	
New Homes Bonus 2018	300		
Additional 2019 New Homes Bonus after settlement	176	535	
Additional New Homes Bonus for 2020/21	-1416	1416	
Assumption that New Homes Bonus reduces in 2022/23			728
Better Care Fund			
Estimated additional grant announced Dec 2017	33	0	
Improved Better Care Fund 2019/20 one off grant assumed	5467	0	
Assumed Better Care Fund continues beyond 2019/20 on permanent basis	-5467		
One-off Education Service Grant	902		
Reduction to New NNDR Multiplier Inflation compensation grant	582		
Multiplier Cap Funding - continuation for 2020/21	-1145		
Section 31 Grant 2018/19	779		
Section 31 Grant 2019/20	2170		
Section 31 Grant 2020/21	-2033		
Use of 2019/20 Business Rates Pool Budget in 2020/21	-1800	1800	
Reversal Business Rates Pool Income use in 2018/19	3500		
Continuation of the 2019/20 Adults Social Care funding as permanent funding	-2625		
Allocation of Adult Social Care funding to adults	2625		
Additional Social Care Funding in 2020/21 assumed as permanent funding	-3482	0	
Total Grant Changes	-494	3,751	728
Other Technical Changes			
Corporate Budgets			
Freedom Pass Levy increase. Cost of Freedom passes charged to Harrow by Transport for London	500	0	
Reduction in existing Freedom Pass budget	-500		
Reduction in Inflation provision based on previous allocation	-500		
Reduction in Litigation Reserve budget	-125		
Reduction in levies, grants and subscriptions budget	-70		
Use of Reserves			

MTFS 2020/21 to 2022/23 – Proposed investments / savings

TECHNICAL BUDGET CHANGES			
	2020/21	2021/22	2022/23
	£000	£000	£000
Budget planning contingency - Reversal of 2019/20 one-off use	2,000		
Budget planning contingency - Reversal of 2019/20 one-off use	2,200		
One off draw down from the Budget Planning Reserve in 2020-21	-1950	1950	
Use of Business Risk Reserve smoothed over 2 years		-1850	1850
Use of Business Risk Reserve smoothed over 2 years			-1464
Total Other Technical Changes	1,555	100	386
Pay and Inflation			
Pay Award @ 2% pa	2,000	2,000	
Pay Inflation			2000
Inflation on goods and services @ 1.3% p.a.	500	1100	
Non Pay Inflation/budget pressures			2750
Total Pay and Price Inflation	2,500	3,100	4,750
OTHER			
Gayton Road Income - Reversal of 72 units transferred to HRA	0	500	
Capital Receipts Flexibility - Reversal for one-off impact	800	0	
Additional Capital Flexibility - Reversal for one-off impact	2300		
Adults Growth / Pressure		5984	3354
Total Corporate & Technical	5,747	18,757	10,468

MTFS 2020/21 to 2022/23 – Proposed investments / savings

PEOPLE DIRECTORATE			
	2020/21	2021/22	2021/23
	£000	£000	£000
Children & Families			
Proposed Savings - see appendix 1a	-410	-410	0
Proposed Growth - see appendix 1a	789	0	0
Sub total Children & Families	379	-410	0
Adults			
Proposed Growth - see appendix 1a	-971	0	0
Proposed Growth - see appendix 1b	881	652	0
Sub total Adults	-90	652	0
Total People Directorate	289	242	0

MTFS 2019/20 to 2021/22 – Proposed investments / savings

COMMUNITY			
	2019/20	2020/21	2021/22
	£000	£000	£000
Community and Culture			
Proposed Savings - see appendix 1a	-137	23	0
Proposed Growth - see appendix 1a	2,946	0	0
Proposed Savings - see appendix 1b	-1,530	-1,046	0
Proposed Growth - see appendix 1b	25	0	0
Sub total Environmental Services	1,304	-1,023	0
Housing - General Fund			
Proposed Savings - see appendix 1a	-18	-102	0
Sub total Housing General Fund	-18	-102	0
Total Community	1,286	-1,125	0

MTFS 2020/21 to 2022/23 – Proposed investments / savings

RESOURCES & COMMERCIAL			
	2020/21	2021/22	2022/23
	£000	£000	£000
Resources & Commercial			
Proposed Savings - see appendix 1a	-123	-33	0
Proposed Growth - see appendix 1a	1,006	353	678
Proposed Savings - see appendix 1b	-595	-1,901	0
Proposed Growth - see appendix 1b	95	140	
Total Resources & Commercial	383	-1,441	678

MTFS 2020/21 to 2022/23 – Proposed investments / savings

CORPORATE			
	2020/21	2021/22	2022/23
	£000	£000	£000
CORPORATE			
Proposed Savings - see appendix 1a	-1,000	-2,719	-2,222
Proposed Growth - see appendix 1b	330	244	0
Total Resources & Commercial	-670	-2,475	-2,222