

Report for: Cabinet

Date of Meeting:	27 July 2023
Subject:	Revenue and Capital Budget 2022-23 – Final Outturn
Key Decision:	Yes
Responsible Officer:	Dawn Calvert - Director of Finance and Assurance
Portfolio Holder:	Councillor David Ashton - Portfolio Holder for Finance and Human Resources
Exempt:	No except for Appendix 5 which is exempt on the grounds that it contains “exempt information” under paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972 (as amended) in that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).
Decision subject to Call-in:	Yes
Wards affected:	All
Enclosures:	Appendix 1 – Summary of Grants 2022-23 Appendix 2 – Summary of Revenue Carry Forwards 2022-23 Appendix 3 – Capital Programme 2022-23 Appendix 4 – Trading Company Update 2022-23 Appendix 5 – EXEMPT – Addition to the HRA Capital Programme

Section 1 – Summary and Recommendations

This report sets out the Council's final revenue and capital outturn position for 2022-23

Recommendations:

1. That Cabinet notes the revenue and capital outturn positions set out in paragraphs 1.2 to 1.6.
2. That Cabinet approve the proposed additions and amendments to the Capital Programme as set out in paragraphs 3.39 to 3.44 and Appendix 5 (EXEMPT)
3. That Cabinet note the Council's Trading Update as detailed in Appendix 4.

Reason: (For recommendations)

To report the 2022-23 financial forecast position and to update Cabinet on trading company performance.

Section 2 – Report

1.0 INTRODUCTION

- 1.1 This is the final budget monitoring report for 2022-23.
- 1.2 At the start of the financial year there was a planned draw down from reserves of £14.711m built into the 2022-23 budget.
- 1.3 The final outturn on the revenue budget for 2022-23 is an overspend of £5.842m which, after draw down from reserves, cross divisional adjustments and carry forwards, is reduced a balanced position.
- 1.4 The final overspend of £5.842m means that the balance of £8.869m, not required to be drawn down from reserves in 2022-23, will remain on the balance sheet and support the Council's financial sustainability moving forwards.
- 1.5 The final general fund capital programme budget in 2022-23 is £103.307m. The net outturn position on the capital budget at the end of the financial year is £25.388m which represents 25% of the total capital programme budget. The variance of £77.919m is made up of slippage of £74.436m and an underspend of £3.484m.
- 1.6 The Housing Revenue Account (HRA) capital programme budget is £52.854m. The final outturn position on the HRA capital budget at the end of the financial

year is £14.989m which represents 28% of the total HRA capital programme budget. The variance of £37.866m is made up of slippage of £24.357m and a net underspend of £13.508m.

2.0 REVENUE MONITORING

2.1 The revenue outturn position is balanced following transfer from reserves. The summary of the outturn by each directorate is set out in Table 1.

Table 1: Summary of Revenue Budget Monitoring – final outturn 2022-23

Service Area	Revised Budget	Outturn	Variance	Contribution/ Drawdown/ From reserves	Cross Divisional Adjustments	Carry Forwards	Use of one off funding / management actions	Revised Outturn	Variance to budget	Draw down final reserve	Variance to budget
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Chief Executive	19,022	17,251	-1,771	-415	0	300	0	17,136	-1,886		-1,886
Resources	20,752	22,450	1,698	-1,660	-48	192	0	20,934	182		182
Place	32,308	28,307	-4,001	7,993	-496	492	0	36,296	3,988		3,988
People's Services	106,973	105,568	-1,405	1,697	400	0	-575	107,090	117		117
Total Directorate Budgets	179,055	173,576	-5,479	7,615	-144	984	-575	181,456	2,401	0	2,401
Corporate	4,555	3,743	-812	-60	0	0	0	3,683	-872		-872
Contingency for Unforeseen	1,248	0	-1,248	0	0	0	0	0	-1,248		-1,248
Technical	5,720	28,716	22,996	-18,226	0	413	0	10,903	5,183	-5,842	-659
Investment Properties	-2,876	-3,022	-146	146	0	0	0	-2,876	0		0
Pay Inflation	-4,928	0	4,928	0	0	0	0	0	4,928		4,928
Non-Pay Inflation	2,750	0	-2,750	0	0	0	0	0	-2,750		-2,750
MTFS Growth held centrally	1,800	0	-1,800	0	0	0	0	0	-1,800		-1,800
Total Corporate Budgets	8,269	29,437	21,168	-18,140	0	413	0	11,710	3,441	-5,842	-2,401
Uncontrollable Budgets	-4,039	-4,039	0	0	0	0	0	-4,039	0	0	0
Grand Total	183,285	198,974	15,689	-10,525	-144	1,397	-575	189,127	5,842	-5,842	0

CHIEF EXECUTIVE

Table 2: Chief Executive Final Outturn 2022-23

Division	Budget	Outturn	To/ (From) Reserves	Carry Forwards	Revised Forecast	Variance to budget
	£0	£0	£0	£0	£0	£0
Finance & Insurance	3,493	3,649			3,649	156
Revenues & Benefits	9,459	8,781			8,781	-678
Procurement	712	664	0		664	-48
Internal Audit/CAFT	670	560	0		560	-110
Legal & Governance	4,419	3,289	-415	300	3,174	-1,245
CEO	270	309			309	39
Totals	19,023	17,252	-415	300	17,137	-1,886

2.1 At the end of the financial year the directorate is reporting a net underspend of £1.886m after draw down from reserves and adjustment for carry forwards.

2.2 The reserve movements are shown in Table 3

Table 3: Chief Executive Reserve Movements 2022-23

Description	Movement £'000
Borough Election	-415
Chief Executive net draw down	-415

2.3 The net underspend of £1.886m is mainly made up as follows:

- **Legal & Governance** - £1.245m net underspend due to £241k additional income in Registration Services, £216k delayed recruitment in Democratic Services and £788k increase in demand for Legal Services
- **Internal Audit/CAFT** - £110k underspend due to delayed recruitment
- **Revenues & Benefits** - £678k underspend due to £586k New Burdens funding in Revenues and £81k underspend in Benefits due to delayed recruitment and additional grant income

2.4 This is partially offset by pressures as follows:

- **Finance & Insurance** - £156k net overspend due to loss of insurance income from schools £219k offset by various other underspends across the service £63k
- **CEO** - £39k net overspend

RESOURCES

Table 4: Resources Outturn 2022-23

Division	Budget	Outturn	To/ (From) Reserves	Carry Forwards	Revised Outturn	Variance to budget
	£0	£0	£0		£0	£0
Business Support	4,443	4,595	0		4,595	152
Management	554	969	-426		543	-11
Strategy	2,134	2,300	-338	141	2,103	-31
ICT	7,617	7,438	-55	51	7,434	-183
Access Harrow	4,001	4,215	-150		4,065	64
HR	2,005	2,934	-739		2,195	190
Totals	20,754	22,451	-1,708	192	20,935	181

2.5 At the end of the financial year the directorate is reporting a net overspend of £181k.

2.6 The reserve movements are shown in Table 5

Table 5: Resources Reserve Movements 2022-23

Description	Movement £'000
Business Risk Reserve	-255
Capacity Build/ Transformation Reserve	-1,238
Accommodation Strategy Reserve	-91
Equalities Diversity & Inclusion Reserve	-76
Resources net draw down	-1,660
Corporate Funding	-48
Resources total draw downs	-1,708

2.7 The net overspend of £181k is made up as follows:

- **Access Harrow** – £64k net overspend due to the decision to not implement a prior year MTFs saving to close the telephone lines for Revenues and Collections.
- **HR** - £190k net overspend due to loss of income from schools for Payroll services
- **Business Support** - £152k net overspend due to loss of schools income and additional work carried out for Harrow Helpline and Access Harrow
- **IT** - £183k net underspend mainly due to contract underspends
- **Various underspends** - £42k across the directorate mainly related to loss of income in Business Support

PLACE

Table 6: Place Outturn 2022-23

Division	Budget	Outturn	To/ (From) Reserves	Cross divisional adjmt	Revised outturn	Variance to budget
	£000	£000	£000	£000	£000	£000
Directorate Management	2,919	4,035	0	0	4,035	1,116
Environment	17,743	16,443	541	-189	16,795	-948
Inclusive Economy Leisure & Culture	4,055	4,503	-97	0	4,406	351
Regeneration & Development	3,584	-529	7,672	-38	7,105	3,521
Housing General Fund	4,007	4,347	-123	-269	3,955	-52
Total Budget	32,308	28,799	7,993	-496	36,296	3,988

2.8 As at the end of the financial year the directorate is reporting a net overspend of £3.988m after draw down from reserves and cross-divisional adjustments.

2.9 Of this, £2.450m relates to energy and fuel cost pressures due to the recent surges in the unit price of electricity, gas, and fuel. This has been funded by the non-pay inflation budget of £2.75m which is held corporately.

2.10 The reserve movements are shown in Table 7

Table 7: Place Reserve Movements 2022-23

Description	Movement £'000
Capital Feasibilities Reserve	-15
3G Pitch	25
Waste Strategy	1,595
1 Hour Free Parking	-405
Business Risk Reserve	-648
Capacity Build/ Transformation Reserve	-107
Revenue Grant Reserve	-444
CIL	7,631
CIL Mayor	42
Property Acquisition Programme Sinking Fund	319
Place net draw down	7,993
Corporate Funding	496
Place total draw down	7,497

2.11 The net overspend of £3.988m is set out in the following paragraphs

2.12 **Directorate Management** – £1.116m net overspend. The legacy of the COVID-19 pandemic continued to have an impact on the directorate’s ability to generate income. As part of the MTFs process, budget growth of £2.482m was allocated to recognise this impact and help mitigate against any such losses. However the loss of income was £1.070m greater than the growth allocation. In addition, there was a £45k pressure in relation to recruitment costs.

2.13 **Environment** - £948k net underspend. This is made up as follows:

- **Fuel & Energy** - £1.179m net overspend funded by centrally held non-pay inflation budget
- **Waste Disposal** - £990k net underspend. This is due to favourable market conditions during the first half of the financial year which resulted in lower disposal costs for dry recyclables
- **Network Management** – net underspend £521k due to additional income from street works activity
- **Trade Waste** – net underspend £150k due to additional income
- **Staffing** – net underspend £643k due to vacant posts across various service areas
- **Transport** – net overspend £87k on vehicle running costs due to additional repairs on aged vehicles.

2.14 **Inclusive Economy, Leisure and Culture** - £351k net overspend.

- **Fuel & Energy** – £279k net overspend
- **Cultural Services** – £187k net overspend due to business rates and service overhead costs of £113k at Harrow Arts Centre and service overhead costs of £74k at Harrow Museum.
- **Economy** - £115k net underspend due to fewer requests on ward priority fund budget £75k and underspends in relation to vacant posts £40k.

2.15 Regeneration and Sustainable Development - £3.521m net overspend

- **Fuel & Energy** - £992k net overspend
- **Facilities Management** – £815k net overspend
 - Security Services - £278k net overspend due to additional security staff across various council sites, £79k corporate cleaning due to the opening of the Harrow Council Hub, £458k building repairs and maintenance due to our ageing property portfolio
 - Staffing – £253k net overspend due to interim staffing arrangements
 - Catering Services - £32k net overspend due to under achievement of income in the Adults catering service.
 - FM Schools SLA - £57k net overspend due to unachieved income
- **Planning & Development** - £724k net overspend due to under achievement of planning application fee income as the number of planning applications were lower than expected £528k, legal fees due to actions being taken in several cases £141k, cost related to historical secondment arrangements £38k and £12k on external consultancy. T
- **Regeneration** – net cost £1.041m mainly on staff costs and additional consultancy advice.
- **Business Rates** - £389k net underspend due to refund for Civic Centre.

2.16 **Housing General Fund** – the outturn is a balance position after drawn down from the Homelessness Prevention Grant (HPG0) of £392k, contribution to the PAP sinking fund £3195k, fully utilizing the 2022-23 Homelessness Prevention Grant (HPG) of £2.246m and a cross divisional adjustment of £269k. This leaves a balance on the HPG of £4.321m.

Housing Revenue Account (HRA)

2.17 The draft 2022-23 outturn for the HRA is a deficit of £1.250m which is an increase of £1.009m compared with the original budgeted loss of £241k. This is due to the following reasons:

- Repairs & maintenance £890k overspend due to continued demand
- Utility costs £605k overspend due to volatility of gas and electric prices in 2022-23
- Various other overspend £102k.

2.18 This is partially mitigated by the following reasons:

- Capital charges £176k underspend due to reduced borrowing requirement
- Additional income £281k due to higher return on balances held
- Depreciation £131k underspend due to minor changes to Beacon Values

PEOPLE SERVICES

Table 8: People Services Outturn 2022-23

Division	Service Area	Revised Budget	Outturn	To/ (From) Reserves	Cross div adjmt	Revised Forecast	Variance to budget
		£'000	£'000	£'000	£'000	£'000	£'000
Adults	Strategic Management	902	589	130	0	719	-183
	Staffing	9,977	10,308		0	10,308	331
	Equipment	967	1,263		0	1,263	296
	Contracts	1,409	1,373	0	0	1,373	-36
	Mental Health	6,565	5,903	0	0	5,903	-662
	Better Care Fund	-12,434	-13,039		0	-13,039	-605
	Purchasing	55,197	56,909	0	0	56,909	1,712
	In House Services	5,830	5,094	0	0	5,094	-736
Adults Total		68,413	68,400	130	0	68,530	117
Public Health Total		-163	-317	154	0	-163	0
Children's Services	Children & Young People	27,646	27,974	-139	400	28,235	589
	Education Services	9,520	7,335	1,553	0	8,888	-632
	People Services Mgt	1,557	1,600	0	0	1,600	43
Children's Services Total		38,723	36,909	1,414	400	38,723	0
People Services Total		106,973	104,992	1,698	400	107,090	117

2.19 As at the end of the financial year, the final outturn for the directorate is a net overspend of £117k after drawdown from reserves and one-off funding

2.20 The reserve movements are shown in Table 9

Table 9: People Services Reserve Movements 2022-23

Description	Movement £'000
Adults – Adults Social Care Reserve	130
Children's – Revenue Grant Reserve	517
Children's – Children's Social Care Reserve	-487
Children's – DSG Deficit Reserve	1,384
Public Health – Public Health Reserve	154
People Services net draw down	1,698
Children's – Cross Divisional Adjustment	400
People Services total draw down	2,098

2.21 The variations are explained in more detail at the following paragraphs.

Adult Services

2.22 As at the end of the financial year the final outturn is net overspend of £117k after contribution to reserves.

- 2.23 **Strategic Management** - £183k underspend. This is due to the Adult Social Care reforms grant funding £107k and unallocated contingency which was not spent £76k
- 2.24 **Workforce** - £331k overspend which is due to agreed above establishment staffing costs £835k and PPL transformation costs £25k which have been partially offset by an underspend on the budgeted establishment £23k and additional grant funding £505k
- 2.25 **Equipment** - £296k overspend net of discharge funding £85k. This reflects 45% LA / 55% Integrated Care Board split on equipment issues.
- 2.26 **Contracts** - £36k underspend due to variations on contracts based activity
- 2.27 **Mental Health** - £662k underspend in relation to the provision of mental health services to the under 65s. This comprises a lower than anticipated level of expenditure, increased grant funding £21k and unbudgeted recharges to health £196k offset by interim costs associated with decommissioning projects £54k.
- 2.28 **Better Care Fund** - £605k underspend due to a lower level of staffing costs £277k, uncommitted funding £132k and an increase in the iBCF grant funding £196k (to be used to offset the cessation of the PFI grant of £235k reported within the purchasing budget
- 2.29 **Inhouse Services** - £735k underspend which reflects delays in recruiting to vacant posts and lower costs (including staffing) associated with the provision of transport to day centres £325k.
- 2.30 **Purchasing** - £1.712m overspend made up as follows
- **Older Adults** - £123k net overspend. This is masked by additional one-off grant and health funding of £2.8m. The variation comprises and underspend of £4.5m when compared with packages as at 1 April 2022 (of which £3.3m relates to deaths) offset by new ongoing care packages totalling £4.5m and short term in year costs (largely following hospital discharge) of £2.6m. There was an increase in the bad debt provision of £163k and the cessation of the PFI grant £235k arising from the ownership changes at Sancroft. In addition, costs associated with 12 week disregards and support for carers was less than budgeted offset by increased costs of reablement and respite.
 - **Learning Disabilities** - £732k net overspend. The variation comprises a net increase in costs for existing ongoing care packages at 1 April 2022 (£149k, offset by 8 deaths providing additional capacity of £146k), together with the cost of short term packages of care £110k and new packages of care £551k partially offset by the transforming care partnership grant £76k

- **CYAD** - £823k net overspend. This reflects a net increase in the cost of existing ongoing care packages at 1 April 2022 £466k together with pressure on new packages £309k and a lower level of clawback £48k
- **Shared Lives** - £34k net overspend

Public Health

2.31 At the end of the financial year the final outturn on Public Health was a net underspend of £154k. This is transferred back to the Public Health reserve which takes the reserve balance to £2.828m.

Children's Services

2.32 As at the end of the financial year the final outturn is a balanced budget after a draw down from reserves and use of one-off funding.

2.33 The main variances are summarised in the following paragraphs.

2.34 **Children and Young People Services** – £588k net overspend

- **Children's Placements & Accommodation** - £1.605m net overspend due to an increase in the number of young people requiring accommodation as well as an increase in the complexity of need and cost of provision due to market sufficiency.
- **Frontline Staffing** – £241k net overspend due to staffing pressures to maintain safe caseloads and use of more expensive agency staff due to difficulties in permanent recruitment
- **Commissioned Services** – £97k net overspend signers and interpreters and legal costs in relation to court proceedings.
- **Early Support Services** - £70k net underspend related vacancies and reduced operational costs
- **Client Related Spend** - £106k net underspend on costs to support families with children subject to a Child Protection or Child in Need plan.
- **Other underspends** - £45k net underspend mainly in relation to interagency adoption costs.
- **Draw down from reserves** - £559k net draw down to partially mitigate pressures
- **Use of one-off income** - £575k to partially mitigate pressures

2.35 **Education Services** - £632k net underspend

- **SEN Transport** – £322k net underspend due to net benefit from Harrow and Brent route share recharges
- **Other Education Services** – net underspend £310k mainly due to additional SLA income and vacancies due to difficulty recruiting key posts

2.36 **Commissioning & People Services Management** – £44k net overspend. This relates to a reduction in grant income £41k, staffing pressures in relation to the Mosaic Team £69k and shortfall in income in the Safeguarding Team £10k, partially offset by vacancies in the Commissioning Team £69k

2.37 **Dedicated Schools Grant**

2.38 The Dedicated Schools Grant (DSG) is a ring-fenced grant of which the majority is used to fund individual school budgets in maintained schools, academies, and free schools in Harrow. It also funds Early Years nursery free entitlement places 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.

2.39 The final outturn on the High Needs Block is a net underspend of £1.384m. This will be transferred to the DSG Deficit Reserve and reduces the deficit balance from £4.007m brought forward from previous years, to £2.623m at the end of March 2023. The in-year underspend on the HNB is largely attributed to the addition of the High Needs Supplementary Grant in 2022-23 totalling £1.6m as well as reduced spend on independent provision due to expanding Kingsley High School from September 2022 to create 24 additional places for pupils severe learning difficulties.

2.40 Any deficits an authority may have on its DSG account is expected to be carried forward and does not allow or require a local authority to cover this from its general reserves. This arrangement has been extended for three years to March 2026.

2.41 The DfE requires local authorities to explain their plans for bringing the DSG account back into balance. A recovery plan was drafted and discussed with Schools Forum in 2021. This now needs to be updated to take account of current numbers of EHCPs and revised EHCP and financial projections. Despite the significant proposals and measures planned over the next ten years, the Deficit Management Plan shows that this will not fully mitigate the deficit. This is due to the following contributory factors:

- historical underfunding
- proportion of 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

CORPORATE AND TECHNICAL

2.42 As at the end of the financial year the final outturn for the Corporate & Technical budgets is a net underspend of £2.401m after draw down from reserves.

Corporate Items

2.43 As at the end of the financial year the final outturn for the corporate budget is a net underspend of £872k after a drawn down from reserves of £60k. The majority of this relates to additional grant income.

Technical Budgets

2.44 As at the end of the financial year the final outturn, including the contingency for unforeseen items, is net underspend of £1.907m after a draw down from reserves of £12.384m and carry forwards of £413k. The majority of this relates to the contingency for unforeseen items which was not spent as well as underspends on treasury management and capital financing costs.

Pay & Non-Pay Inflation Budgets

2.45 The final outturn on the non-pay inflation budget is an underspend of £2.750m which is partially offset by energy and fuel inflation pressures reported in the directorates.

2.46 The pay inflation budget of £2m overspent by £4.928m which was the cost impact of the 2022-23 pay award

Investment Properties

2.47 As at the end of the financial year the final outturn of additional income £146k which will be added to the Investment Properties reserve for future landlord liabilities.

Table 10: Summary of Reserves 2022-23

Description	Brought Forward 01/04/22	Directorate Reserve Movements	Corporate Reserves Movements	Other Reserves movement	Year end Realignments	Balance Carry Forward 31/03/2023
CIL Harrow	-7,108,388	-7,630,504		3,685,491		-11,053,401
Revenue Grant Reserve	-6,641,420	-74,713	576,182		978,000	-5,161,951
Compensatory Added Year Reserve	-242,782		80,000			-162,782
PFI Schools Sinking Fund	-2,071,676	0				-2,071,676
Public Health Reserve	-2,674,142	-154,154	-20,000			-2,848,296
PFI NRC Sinking Fund	-1,823,836					-1,823,836
Legal Services Contingency	-821,239				321,239	-500,000
Carryforward Reserve	-1,330,981	-983,353	917,981			-1,396,353
Collection Fund Reserve	-4,634,745		4,634,745	-2,246,846		-2,246,846
Borough Election	-574,677	414,830				-159,847
Harvist Reserve Harrow Share	-34,034			-54,579		-88,613
Proceeds Of Crime Reserve	-63,000					-63,000
Proceeds Of Crime Reserve Planning	-430,172					-430,172
Public Mortuary Expansion Reserve	-500,000					-500,000
3G Pitch	-25,000	-25,000				-50,000
CIL Mayor	-150,520	-41,739				-192,259
Vehicle Fund	-1,250,478					-1,250,478
PAP Sinking Fund	-393,300	-319,200				-712,500
HRA Hardship Fund	-25,000			22,670		-2,330
HRA Regeneration Reserve	-722,200			522,669		-199,531
HRA Repair Reserve	-277,428					-277,428
HRA Transformation Reserve	-542,965			542,965		0
Business Risk Reserve	-1,968,198	903,979			909,219	-155,000
Capacity Build/ Transformation Reserve	-3,172,652	1,345,474		0	1,299,251	-527,927
Equalities Diversity & Inclusion Reserve	-157,273	76,000			55,273	-26,000
Total Earmarked (Specific) Reserves	-37,636,106	-6,488,380	6,188,908	2,472,370	3,562,982	-31,900,226
Decommissioning Accommodation					-561,000	-561,000
Adults Social Care Reserve	-3,769,475	-130,000			2,099,000	-1,800,475
People Services MTFS Implementation					-2,099,000	-2,099,000
Children's Social Care Reserve	-3,108,120	487,349				-2,620,771
Insurance Reserve	-959,318	0		-824,124	479,318	-1,304,124
Place MTFS Implementation Reserve	0	-1,595,000				-1,595,000
Investment Property Reserve	-977,385		-145,575			-1,122,960
Corporate MTFS Implementation Reserve		0			-3,000,000	-3,000,000
Capital Feasibilities Reserve	-500,000	15,000			485,000	0
Accommodation Strategy Reserve	-652,000	91,000			561,000	0
1 Hour Free Parking	0	404,745		-404,745		0
Headstone Manor Reserve	-287,750				287,750	0
Libraries Reserve	-150,000				150,000	0
IT Reserve	-134,000				134,000	0
Total Earmarked (Non Specific) Reserve	-10,538,048	-726,906	-145,575	-1,228,869	-1,463,932	-14,103,330
Budget Planning Reserve MTFS gap	-22,490,358		5,842,058	404,745	-2,099,050	-18,342,606
Total Non Earmarked Reserves	-22,490,358	0	5,842,058	404,745	-2,099,050	-18,342,606
General Fund Reserves	-10,008,000					-10,008,000
Total General Fund Reserves	-10,008,000	0	0	0	0	-10,008,000
DSG Deficit Recovery		-1,384,105				-1,384,105
DSG Overspend	4,006,867					4,006,867
Total Ringfenced DSG Net Deficit	4,006,867	-1,384,105	0	0	0	2,622,762
Grand Total All Reserves	-76,665,646	-8,599,391	11,885,391	1,648,247	0	-71,731,400

New Earmarked Reserves

2.48 In addition to the existing reserves in the above table, there have been four new reserves established in 2022-23.

- **Decommissioning Accommodation** – this has been repurposed from the Accommodation Strategy reserve and has been established to fund costs associated with the closure of the Civic Centre

- **People Services Implementation MTFS Reserve** – this has been repurposed from the uncommitted Adults Social Care Reserve and has been established to fund the implementation costs in People Services to support the delivery of the MTFS
- **Place MTFS Implementation Reserve** – this has been established to fund the implementation costs in Place directorate to support the delivery of the MTFS
- **Corporate MTFS Implementation Reserve** – this has been established to fund the corporate implementation costs, particularly in relation to redundancy costs, to support the directorates' delivery of the MTFS

GRANTS

2.49 Attached at Appendix 1 is a schedule of all the revenue grants the Council received in 2022-23. The majority of these grants are received and paid out and do not impact on the bottom line for example Dedicated Schools Grant £143m which is paid out to education providers and Housing Benefit Subsidy £117m which is paid to Housing Benefit Claimants.

CARRY FORWARDS

2.50 Attached at Appendix 2 is a schedule of the revenue budget carry forwards included in the final outturn for 2022-23 that will be carried forward to 2023-24. The carry forwards have been agreed by the Director of Finance in accordance with the Financial Regulations.

3.0 CAPITAL PROGRAMME

3.1 The revised capital budget for 2022-23 is £156.161m as set out at Table 11 and in more detail at Appendix 3:

Table 11: Capital Programme Budget 2022-23 Final Outturn

Directorate	Grant Funding/CiL/ S106 (A)	Harrow Borrowing (B)	TOTAL BUDGET (A+B)	Outturn	Variance	Outturn variance split by funding			Over/ Underspend after Slippage funding		
						Grant Funding/CiL/ S106	Harrow Borrowing	Slippage	Over/ Underspend after Slippage	Grant Funding /CiL/ S106	Harrow Borrowing
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
RESOURCES TOTAL	0	12,129	12,129	3,641	(8,488)	(0)	(8,488)	(8,488)	(0)	0	(0)
PLACE:											
Environment	10,437	17,301	27,738	7,710	(20,028)	(7,882)	(12,146)	(18,624)	(1,404)	(1,391)	(13)
Inclusive Economy, Leisure & Culture	5,050	1,458	6,508	3,063	(3,446)	(2,238)	(1,207)	(2,546)	(900)	(387)	(513)
Regeneration & Development	1,097	16,490	17,588	2,254	(15,334)	(719)	(14,614)	(15,040)	(294)	(0)	(294)
Housing General Fund	2,809	7,620	10,429	5,455	(4,974)	(1,655)	(3,319)	(4,098)	(876)	0	(876)
PLACE TOTAL	19,394	42,869	62,263	18,482	(43,781)	(12,494)	(31,287)	(40,307)	(3,475)	(1,778)	(1,696)
PEOPLE:											
Adults	0	358	358	(2)	(359)	0	(359)	(358)	(2)	0	(2)
Public Health	7	0	7	6	(1)	(1)	0	(1)	0	0	0
Children	28,414	137	28,551	3,261	(25,290)	(25,154)	(136)	(25,283)	(7)	0	(7)
PEOPLE TOTAL	28,420	495	28,915	3,265	(25,650)	(25,155)	(495)	(25,641)	(9)	0	(9)
TOTAL GENERAL FUND	47,814	55,493	103,307	25,388	(77,919)	(37,649)	(40,270)	(74,436)	(3,484)	(1,778)	(1,705)
TOTAL HRA	35,726	17,128	52,854	14,989	(37,866)	(27,729)	(10,136)	(24,357)	(13,508)	(15,896)	2,388
TOTAL GENERAL FUND & HRA	83,540	72,621	156,161	40,376	(115,785)	(65,379)	(50,406)	(98,793)	(16,993)	(17,674)	682

3.2 The final general fund capital programme budget in 2022-23 is £103.307m. The net outturn position on the capital budget at the end of the financial year is £25.388m which represents 25% of the total capital programme budget. The variance of £77.919m is made up of slippage of £74.436m and an underspend of £3.484m. Of the £3.484m underspend, £1.778m relates to schemes funded by external funding and the remaining £1.7m relates to schemes funded from borrowing. The underspend on schemes funded by borrowing will produce capital financing savings which will contribute towards the capital financing savings incorporated in the current MTFS. Since the capital programme has such a significant underspend there will be a review of slippages in light of the outturn position

3.3 The Housing Revenue Account (HRA) capital programme budget is £52.854m. The final outturn position on the HRA capital budget at the end of the financial year is £14.989m which represents 28% of the total HRA capital programme budget. The variance of £37.866m is made up of slippage of £24.357m and a net underspend of £13.508m.

RESOURCES

3.4 As at the end of the financial year the final spend is £3.641m against a budget of £12.129m representing 30% of the total budget. The variance of £8.488m will be slipped to 2023-24.

- **Digital Improvement Programme** - £1.033m slippage relates to the replacement of Careline devices delay in delivery due to a worldwide shortage of parts and scaled down production of the devices.
- **ICT Refresh** - £2.559m slippage in relation to the ongoing ICT Refresh, Devolved Applications, and other digitalisation programme which reflects changing priorities and revised timescales of current schemes which will complete in the next financial year.
- **Other Council Wide schemes** - £2.249m slippage. This relates to estimated spend of £1.7m for critical works to Sancroft Care Home approved in April 2023 to be carried out in 2023-24. The remaining slippage will be allocated to future council wide schemes subject to business cases.

3.5 There are no revenue implications as a result of this slippage.

PLACE

3.6 As at the end of the financial year the final spend is £18.483m which represents 30% of the capital budget. Of the variance to budget of £43.781m, a total of £40.307m of funding will be slipped to 2023-24 to complete ongoing projects. The underspend of £3.475m results from project underspends of £1.510m, NCIL funded projects withdrawn £195k and externally funded projects of £1.769m reclassified as revenue.

Environment

3.7 The final spend is £7.710m against a budget of £27.738m. £18.624m of funding will be slipped to 2023-24 related to projects listed below. The underspend of £1.391m represents TfL funded projects assumed in the capital programme, but LIP funding was confirmed late in 2022-23 and the scope of works meant that the spend was reclassified as revenue expenditure. The other underspends of £13k relate to historical projects where there is no outstanding work.

- **CA Site infrastructure** - £153k slippage. The funding is set aside for a number of improvement works at the CA site to be delivered in 2023-24
- **Depot Redevelopment** - £2.322m slippage. The redevelopment project is largely complete, with outstanding works in external areas to be completed in 2023-24. Options will be reviewed once the design for entrances to the site is completed. There are also some snagging works following the construction of the main building which will need to be resolved in 2023-24.
- **Flood Defence and Highways Drainage** - £144k slippage. Some of the works were on hold due to the delay in the approval of partnership funding

from the Environment Agency. The remaining budget will be committed in 2023-24 as the project is not ready for construction delivery phase.

- **Highway Programme** - £6.452m slippage and **Street Lighting** - £1.464m slippage. Capital funding was released late in 2022-23 due to the review of the Highway Investment Strategy. The Strategy has now been approved by Cabinet and work orders are placed to deliver the prioritised schemes.
- **Parking Management Programme** - £127k slippage. Some of the schemes were delayed but works are continuing into 2023-24 and the proposed measures will be implemented subject to the outcome of relevant consultations.
- **Wealdstone Future High Street Fund** – £5.736m slippage. This is a multiple year projects, funded by DLUHC and BCIL funding, originally for the construction of a footbridge and implementing Intelligent High Street. A Project Adjustment Form has been submitted to DLUHC to seek approval to deliver alternative projects. The budget will be slipped to 2023-24 whilst awaiting approval.
- **Parks Infrastructure** - £614k slippage and **Parks Playground Improvement** - £46k slippage. A few projects such as Cedar Gate posts and Bernays Garden wall are ongoing following successful external funding applications. A programme of park improvement works was drawn up in late 2022 and is scheduled for delivery in 2023-24.
- **Vehicles Procurement** - £136k slippage. The budget was originally profiled in 2022-23 to deliver the replacement of a few small vehicles. Following an assessment of vehicle condition, it is planned to keep these for longer and therefore the budget is slipped to 2023-24.
- **CCTV Cameras and CCTV Infrastructure** - £382k slippage. The installation of a new CCTV control room commenced in 2022-23 with some remaining works continuing into 2023-24. The remaining budget will be used to fund these and additional CCTV cameras.
- **Public Sector Decarbonisation Scheme** - £525k slippage, **Carbon Offset Fund** - £40k slippage and **Climate Emergency (Energy Emission Reduction Measures)** - £250k slippage. External funding was secured to deliver energy efficiency measures across school sites and corporate buildings. These projects are near completion. More energy efficiency projects will be delivered in 2023-24 utilising the slippage.
- **Wealdstone Bus Improvement Scheme** - £234k slippage. Works are ongoing and the project is due to be completed in early 2023-24.

3.8 Unless stated otherwise, the slippage has no implications on the revenue budget.

Inclusive Economy, Leisure and Culture

3.9 The final outturn is spend of £3.063m against a budget of £6.508m which represents 47% of the budget. Of the variance to budget of £3.445m, a total of £2.545m of funding will be slipped to 2023-24 to complete ongoing projects. The underspend of £900k results from project underspends of £22k for projects fully completed, £500k budget surplus for Harrow High Street Fund Programme and £378k being removed from the capital programme as the corresponding BCIL funded projects are of revenue nature and therefore reclassified as revenue projects.

- **High Street Fund** - £1.165m slippage. This project is BCIL funded. A new programme of activities has been agreed and it is being progressed to delivery phase in 2023-24.
- **Harrow Arts Centre** - £637k slippage. The construction works are underway on site. There have been some delays due to material and subcontractor issues. The project is now due for completion in Q1 2023-24
- **Harrow Arts Centre Capital Infrastructure** - £43k underspend. The funding is set aside for roof repair, however the cost is more expensive than expected due to the presence of asbestos. The project will be progressed by allocating some of the 2023-24 budget in the capital programme to complete the work.
- **Harrow Weald Pavilion** - £10k slippage due to outstanding electrical works which will be completed in 2023-24
- **Libraries and Leisure Capital Infrastructure** - £114k slippage. There is a delay in completing the renovation of wet side changing facilities at the leisure centre due to the need to coordinate the works with other essential health & safety works relating to the control of legionella.
- **Tennis Infrastructure** - £551k slippage. The refurbishment of tennis courts is underway following the award of external funding from Lawn Tennis Association
- **UK Shared Prosperity Fund** - £25k slippage. The GLA grant agreement was signed in March 2023, therefore the funding originally profiled in 2022-23 for parks & open spaces will be slipped to 2023-24 to deliver activities.

3.10 Unless stated otherwise, the slippage has no implications on the revenue budget.

Regeneration & Development

3.11 The final outturn is spend of £2.255m against a budget of £17.588m which represents 13% of the capital budget. The variance of £15.333m relates to

£15.039m slippage which is listed below. The underspend of £294k largely relates to NCIL funded projects.

- Accommodation Strategy - £529k slippage. Works are ongoing to provide ancillary space following the Civic Centre closure
- **Investment in 3 core sites** - £10.198m slippage and **Harrow New Civic** - £2.070m slippage. Out of the 3 core sites funding, £9.905m has been set aside for Grange Farm redevelopment Phase 2 (units for private sale) as detailed in the HSDP Review & Progress report presented to Cabinet in November 2022. The remaining funding (including £1.915m in 2023-24) will be used to fund the design & planning stage of Phase 3.
- **Neighbourhood CIL** - £466k slippage. The delivery of approved projects in various wards in 2022-23 will continue into 2023-24. Following a review on NCIL during 2022-23, some projects were completed with a surplus budget and some projects were withdrawn. The budget underspend of £254k has been returned to NCIL post before establishing the starting balance of each ward under new ward boundaries. This is reflected as an underspend in the capital programme.
- **High Priority Planned Maintenance** - £1.312m slippage. The project at Sancroft £171k was delayed as it is being revisited. The remaining budget in the programme is slipped to 2023-24 to fund planned building improvement works that will be prioritised, pending the completion of Strategic Asset Management Plan (SAMP).
- **Bannister Café** - £257k slippage. Although works were resumed following the delay caused by the pandemic, these were paused due to additional costs claimed by the contractor. Options are being explored to progress this project.
- **Waxwell Lane** - £207k slippage. This slippage will be used to complete the existing commitments in 2023-24 before the sales progress in the Summer.

3.12 Unless stated otherwise, the slippage has no implications on the revenue budget.

Housing General Fund

3.17 The final outturn is spend of £5.457m against a budget of £10.429m which represents 52% of the budget. The variance of £4.972m is made up of £4.096m slippage which is listed below and £876k underspend.

- **Empty Properties Grant** - £70k underspend. The buy to let market has become less viable for many landlords due to taxation and high interest rates. This has led to shortage in private sector rental properties. Market rent levels have increased significantly compared to LHA rates making

Harrow less competitive. This has resulted in reduced uptake for the EPG scheme.

- **Property Acquisition Programme 2022-23** - £2.441m slippage and £734k underspend. The slippage relates to the acquisition of the remaining 7 properties within the programme which will conclude in 2023-24. The underspend will be released back into the capital programme.
- **Property Acquisition Programme 2021-22** - £72k underspend as project has been completed.
- **Disabled Facilities Grant (DFG)** - £1.655m slippage. This relates to external grant to be slipped to 2023-24 to cover contractual commitments of £154k that are being undertaken and will be completed in 2023-24 and the remainder of the grant will be added to next year's programme. The service is currently undergoing peer review to establish best practice and efficiencies and effective ways of allocating the DFG budget allocation.

3.18 Unless stated otherwise, the slippage has no implications on the revenue budget.

Housing Revenue Account (HRA)

3.19 The final outturn is spend of £14.989m against a budget of £52.854m which represents 28% of the capital budget. The variance of £37.867m is made up of £24.358m slippage which is listed below and underspend of £13.509m for schemes which have either been completed or where budget is no longer required and is being removed from the capital programme.

3.20 The slippage of £7.099m relates the following schemes

3.21 **Planned Investment Programme** - £6.202m slippage of which significant slippage of more than £100k relates as follows:

- **Homes Safe Three** - £1.825m slippage due to delays in procurement and supply of materials that will mean that the remainder of this programme will be delivered in 2023-24.
- **Installation of Heat Pump Technology** - £1.190m slippage due to the original project on three sites being delayed as due to issues with legionella on one site which has meant that the project will now be delivered in 2023-24 on two sites.
- **Retrofit for energy** - £1.391m slippage. This relates to external funding secured from the Social Housing Decarbonisation Fund in 2022-23 for 2023-24 and 2024-25. There is a requirement that Harrow provides match funds. At the time that the 2023-24 budget was set, the details of the bid were still being finalised and provisional match funding of £1m was set aside for each of the 3 years of the MTFs. Following a review of the

budgets, it was proposed to utilise £1m from the uncommitted budget within planned investment and carry this forward into 2023-24 to top up the Retrofit for energy budget in 2023-24 to ensure the Harrow match funding is in place to maximise the external grant received.

- **Two Storey Fire Doors** - £391k slippage. Delays in procurement means that most of this programme will be delivered in 2023-24.
- **Dickson Fold Land Purchase** - £342k slippage as an agreement is still to be reached on a price for acquisition of land for housing properties.
- **Emergency Lighting** - £161k slippage due to delays with contract award
- **Aids and Adaptations** - £104k slippage due to delays in works
- **Other** - £445k slippage for works that have just completed or completing enabling works prior to commencement of projects in 2023-24
- **Smoke Alarms** - £193k slippage due to programme delays
- **Windows & Doors 2022-23** - £176k slippage due to asbestos tests
- **Roofs on Street Properties 2022-23** - £375k slippage due to procurement delays

3.22 **Housing IT Schemes** - £328k slippage due to reprofiling of expenditure in 2022-23 and 2023-24 to reflect rephasing of the project go-live date.

3.23 **Grange Farm Phase 1** - £2.451m slippage due to completion works being slipped to June 2023

3.24 **Grange Farm Phase 2** - £1.0m slippage and £809k underspend. This was set aside for acquisition of property within Phase 2 and is now no longer required. It is proposed to use £1.0m of this budget in the next financial year. Of this, £500k will be used to top up the budget set aside for the acquisition of the 20 Notting Hill Genesis properties and £500k set aside for client side costs not budgeted for.

3.25 **Phase 2 Delivery** - £411k slippage. In November 2022, Cabinet agreed to reprofile Phase 2 of Grange Farm to be delivered via Harrow Strategic Development Partnership. Due to the late start, the budget is required in 2023-24.

3.26 **Grange Farm Phase 3** - £225k slippage and £57k underspend. This was set aside for Phase 3 commencing in 2022-23. Following a review, this phase will only be taken to planning and the budgets have been reprofiled accordingly.

3.27 **Grange Farm Infrastructure** - £4.878m slippage. This budget relates to the client side costs of phases 2 and 3 of the Grange Farm regeneration programme in 2023-24

3.28 **Building Council Homes for Londoners Programme** - £7.472m slippage and £9.329m underspend. Schemes have been reviewed and it is not possible to achieve start on site on some projects by 31 March 2023.

3.29 Unless stated otherwise, there are no revenue implications as a result of this slippage.

PEOPLE SERVICES

3.30 As at the end of the financial year the final spend is £3.265m which is 11% of the total budget.

Adult Services

3.31 In 2022-23 there was no spend against these projects and the full £358k will be slipped to 2023-24 as follows

3.32 **Assistive Technology Programme** - £270k slippage. The service is scoping more products and looking for a cohort of people who might benefit from this technology. Potential reablement projects are being investigated in terms of cost and practicality.

3.33 **Inhouse Services** - £88k slippage. The budget is to support projects under consideration at Wiseworks to aid the front facing Adults Social Care vision and for integration of Learning Disability services to be carried out in 2023-24

Public Health

3.34 As at the end of the financial year the final spend is £6k of the total £7k budget. The remaining £1k will be slipped to 2023-24.

Children's Services

3.35 As at the end of the financial year the final outturn is spend of £3.245m against a budget of £28.519m. The remaining £25.275m will be slipped to future years.

3.36 Additional Basic Need Grant Funding of £14.973m was allocated to the LA in 2021-22 to enable the LA to meet its statutory duty of providing sufficient mainstream school places. However, the current projections indicate that there is not a requirement for any permanent expansion at this stage. Funding allocated for bulge classes and historical capital maintenance funding, also funded from grant, will also be slipped to future years as this is not currently required.

3.37 In addition, the majority of the SEN Expansion Programme funding will be slipped to 2023-24 as the additional provision will now be opened in September 2023.

3.38 There are no revenue implications as a result of this slippage.

ADDITIONS AND AMENDMENTS TO THE CAPITAL PROGRAMME

3.39 Schools Condition Allocation £695,355 - addition

3.40 The SCA capital grant is provided by the DfE to help LAs maintain and improve the condition of maintained school buildings and grounds. The grant allocation for 2022-23 was announced in March 2023 after the capital programme was approved in February, which included a £2m provisional allocation. The final grant allocation is £2,695,355. It is therefore proposed that an additional budget of £695,355 is included in the 2023-24 capital programme.

3.41 Green and Resilient Spaces Fund £300,000 - addition

3.42 Following a successful application to the Green and Resilient Spaces Fund for the Silk Stream Catchment (Chandos and Watling) Parks project, the GLA has awarded a total of £600,000 funding which is to be split 50/50 between two parks (Watling Park in Barnet and Chandos Park in Harrow). This forms the partnership funding for the wider parks infrastructure that will support the DEFRA funded Silk Stream river catchment flood defence, resilience and storage that will be constructed in the river of these two parks. Harrow's share of the funding is £300,000. It is therefore proposed that an additional budget of £300,000 is included in the 2023-24 capital programme.

3.43 Future High Street Fund/Borough CIL £625,000 - virement

3.44 Following the approval of Project Adjustment Form by DHULC for the Future High Street Fund (FHSF) project, the revised projects under FHSF focus on improvements in Harrow Town Centre instead of Wealdstone set out in the original funding application. As such, it is proposed that the project name in the capital programme is amended from "Wealdstone Future High Street Fund" to "Future High Street Fund – Harrow Town Centre". The estimated cost of the revised projects are £8.282m, to be met from the remaining FHSF of £7.147m and Borough CIL match funding of £1.135m. In the approved capital programme, Borough CIL match funding of £1.760m is included based on the original project requirements. Therefore, it is proposed that the Borough CIL budget is reduced by £625,000 in the FHSF project and reallocated to Borough CIL funded projects within the capital programme for other purposes (subject to business cases).

4.0 COUNCIL TRADING STRUCTURE UPDATE 2022-23

4.1 The Council's Trading Structure update is attached at Appendix 4 and summarises the financial position and provides a general update on the activities of all the Council's trading entities.

5.0 **REPORTING FOR THE 2022-23 FINANCIAL YEAR**

5.1 This is the final revenue and capital budget monitoring report for 2022-23

6.0 **Implications of the Recommendation**

Implications of recommendation are set out in the body of this report.

7.0 **Performance Issues**

Good financial monitoring is essential to ensuring that there are adequate and appropriately directed resources to support delivery and achievement of Council priorities and targets as set out in the Corporate Plan. In addition, adherence to the Prudential Framework ensures capital expenditure plans remain affordable in the longer term and that capital resources are maximized.

As at the end of the financial year the final revenue outturn is a balanced position.

The final outturn on the capital programme is spend of £40.376m against a total budget of £156.161m which represents 26% of the budget. The variance of £115.785m is made up of slippage of £98.793m and underspend of £16.993m.

8.0 **Environmental Implications**

There is no direct environmental impact.

9.0 **Risk Management Implications**

Risks included on corporate or directorate risk register? **No**

Separate risk register in place? **No**

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

The following key risks should be taken onto account when noting the report:

Risk Description	Mitigations	RAG Status
Failure to deliver the revenue budget on target	▪ The final outturn is a balanced position after net draw down from reserves	Green
The forecast overspend will continue into the following year leading to an adverse impact on	▪ The expenditure pressure areas from 2022/23 are reflected in the budget setting process for 2023/24.	Green

financial performance in 2023/24		
Projects within the Capital Programme exceed their budget, potentially resulting in additional capital financing costs	<ul style="list-style-type: none"> ▪ If projects exceed their costs, Directorates would be asked to find compensatory savings elsewhere in the programme to cover the overspend. In the worst-case scenario, a council wide capital budget is held and a virement would be carried out to offset the overspend. 	Green
Additions to the capital programme occur that may incur additional borrowing costs to the council	<ul style="list-style-type: none"> ▪ Funded by additional grants and contributions thus no additional capital financing costs will be incurred 	Green

10.0 Procurement Implications

Any procurement arising from this report will be supported by the Procurement Team and will be undertaken compliant with the Public Contract Regulations 2015 and the Council's Contract Procedure Rules.

11.0 Legal Implications

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 28 of the Local government Act 2003 imposes a statutory duty on a billing or major precepting authority to monitor, during the financial year, its income and expenditure against budget calculations.

Under the Financial Regulations B48 Additions in year to the Capital Programme

Up to £5m – additional capital spending can be approved by Cabinet on specific projects where

- I. The expenditure is wholly covered by additional external sources; and
- II. The expenditure is in accordance with at least one of the priorities listed in the capital programme; and
- III. There are no full year revenue budget effects

The additional capital spending agreed by Cabinet in one financial year cannot exceed £20 million.

12.0 Financial Implications

Financial matters are integral to this report.

13.0 Equalities implications / Public Sector Equality Duty

13.1 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 budget 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:

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

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

13.2 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, in particular, to the need to:

- remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- 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;
- 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, in particular, 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:
- Tackle prejudice, and
- Promote understanding.

13.3 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

13.4 Equality assessments were undertaken for the budget proposals agreed by Council listed as part of the MTFS process and an overall equality assessment was undertaken on the MTFS.

13.5 There is only recommendation in this report for decision “That Cabinet approve the proposed amendments to the Capital Programme as set out in paragraphs 3.33 to 3.34 and Appendix 5. It is not considered that this will have a detrimental equalities impact.

14.0 Council Priorities

- A council that puts residents first
- A borough that is clean and safe
- A place where those in need are supported

Section 3 - Statutory Officer Clearance

Statutory Officer: Dawn Calvert

Signed by the Chief Financial Officer

Date: 04/07/23

Statutory Officer: Jessica Farmer

Signed by the Monitoring Officer

Date: 30/06/23

Chief Officer: Alex Dewsnap

Signed by the Managing Director

Date: 11/07/23

Head of Procurement: Nimesh Mehta

Signed by the Head of Procurement

Date: 28/06/23

Head of Internal Audit: Neale Burns

Signed on behalf by Head of Internal Audit

Date: 28/06/23

Mandatory Checks

Ward Councillors notified: NO as it impacts on all Wards

EqlA carried out: NO

Section 4 - Contact Details and Background Papers

Contact: Sharon Daniels, Head of Strategic and Technical Finance
(Deputy S151), Telephone 020 8424 1332, Sharon
Daniels@harrow.gov.uk

Background Papers:

[Final Revenue Budget 2022/23 and Medium-Term Financial Strategy
2022/23 to 2024/25 Report](#)

**Call-in waived by the Chair of Overview and Scrutiny
Committee - NO**