



# Stakeholder Meetings on Budget

January 2008

- The Council's vision is to be recognised as one of the best London Councils by 2012 in a borough that is cosmopolitan, confident and cohesive
- The vision must be delivered with the commitment of our staff, the Harrow Strategic Partnership and other partners across Harrow specifically to create:
  - A place with quality neighbourhoods with clean and safe streets
  - A place where you can be proud of the Town Centre
  - A place which promotes the well-being of its communities
  - A place where the Council provides value for money services
- This vision is supported by 6 corporate priorities for 2008-09

- Harrow is already a relatively low spending council
- Large parts of the budget are outside the Council's control
- Considerable savings have been made in previous years and this makes it increasingly difficult to identify new areas for efficiencies and reductions
- The demand for services and expectations from central government are growing all the time
- The provisional local government settlement is not good
- There is considerable uncertainty in a number of areas
- Reserves are very low

- Reports on the budget process went to cabinet in July and October.
- Draft budget for 2008-09 to 2010-11 reported to Cabinet in December
- Funding Gaps (ie difference between planned spending and anticipated income) as follows:
  - 2008-09, £4.2m
  - 2009-10, £6.3m
  - 2010-11, £7.8m

# Analysis of Funding Gap 2008-09



## Pressures and Savings

- Loss of specific grants, £1m
- Loss of income, £1m
- Inflation, £4.6m
- Investment in priority areas, £2m
- Service Pressures, £4.3m
- Savings identified, -£7.4m
- Technical changes, £2.4m
- Collection Fund, £0.6m

Net Pressure = £8.5m

- General Grant Increase, £1.2m
- Council Tax Increase, £3.1m

Balance to Find = £4.2m

# Local Government Settlement



- Announced on 6 December (after publication of December Cabinet report)
- General Grant increases of 2%, 1.75%, 1.5%
- In cash terms around £1m a year
- Does not address the pressures the Council is facing

- At December Cabinet, the draft budget was based on Council Tax increases of 3% in 2008-09, 2009-10, 2010-11
- Councillors are striving to achieve council tax increases at inflation or less but recognise the constraints

# Investment in Priorities



- Provision of £2m each year for investment in priority areas
- Amount and allocation to be confirmed in February
- Emphasis likely to be on environmental services



# Savings Identified



In total savings of £7.4m identified for 2008-09 including:

- More efficient purchasing
- Better use of grants
- Salary savings (relating to vacant posts)
- Additional income
- Merger of some teams

Emphasis on efficiency, limited impact on front line services

# Strategy for Closing Funding Gap



- Further efficiency savings
- Review of technical assumptions
- Additional funding for concessionary fares
- Revenue optimisation
- Fundamental service reviews
- Strategic Property Review
- Business Transformation Partnership

# GLA Precept



Figures at Band D	2007-08	2008-09	Increase	Increase
	£	£	£	%
Harrow Council services	1,119.50	1153.06	33.56	3.00
GLA Precept	303.88	311.25	7.37	2.43
<b>Combined Council Tax</b>	<b>1,423.38</b>	<b>1,464.31</b>	<b>40.93</b>	<b>2.88</b>

NB, Based on draft Harrow budget and Mayor's consultation budget

# Reserves Policy



The Council intends to add £1m to reserves and provisions each year until such time as general balances exceed £5m.

This policy is built into the 3 year budget.

- Estimated grant increase of 4.5% in 2008-09, 3.6% in 2009-10 and 4.1% in 2010-11
- Ministerial priorities include
  - personalisation of teaching and learning
  - support for all pupils to make good progress
  - the extension of the early years offer to parents
  - extended children's services provided from schools
- Schools Forum will consider allocation of funds to individual schools

# Housing Revenue Account



- Draft budget reflects agreed strategy and 30 year business plan
- Investment to achieve decent homes standard by 2010
- Proposed average rent increase of 5.66% or £4.37 per week (in line with government policy on rent levels)
- Proposed service charge increase of 3.5% for tenants and leaseholders
- Aiming to reduce expenditure on responsive repairs as condition of stock improves and repairs service becomes more efficient

Investment of £70m in 2008-09 including:

- New leisure centre
  - Regeneration of Town Centre
  - Housing improvement programme
  - Improvements to schools and social care establishments
  - New technology to improve services
  - Highways, lighting, transportation, parks and public conveniences
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- The capital programme is funded from a number of sources. These include:
    - External Funding in the order of £25m, primarily from the DCSF and Transport for London
    - Major Repairs Allowance (Housing Revenue Account)
    - Capital Receipts (expected to be around £30m in 2008-09)
    - Borrowing

- Consultation on priorities via Resident's Panel
- Standing scrutiny review of the budget
- Open Budget Panel meetings
- Stakeholder information meetings in January



# Final Decisions



- Final budget reported to Cabinet on 14 February and Council on 21 February
- Final decision will include council tax level, rents and service charges for 2008-09