

Setting Harrow Council's budget – A summary

1. Introduction

Every year, Harrow Council must set a budget that balances spending on services such as schools, care for the elderly and environment, with a level of council tax that it deems fair and affordable.

The council is split into four main departments, providing a range of services to the public.

People First – Responsible for education and schools, social care including care for the elderly and disabled, libraries, arts and culture.

Urban Living – Provides environmental services, such as street cleaning, refuse and recycling, parks and environmental health, as well as housing and planning services.

Business Connections – Provides council tax benefit and housing benefit, and is responsible for council finance, audit, IT, procurement, and supporting Harrow's business community

Organisational Development – Human resources, training, policy, development strategy and links with the council's partners and voluntary sector.

The **Chief Executive's** department is responsible for legal services and public relations.

2. Main sources of income

The council has six main sources of income that makes up its budget each year. These are outlined below.

- Revenue Support Grant (the main annual grant provided by the government)
- Other government grants
- Fees and charges
- Investment income (eg interest)
- Business Rates
- Council tax

3. The situation this year

The council's main source of income is the grant it receives each year from the government (Revenue Support Grant). The amount of grant the government has told Harrow Council it is likely to receive this year - known as the 'settlement' - has increased by **£8.8m (5.6%)**. This is a provisional figure, and will be confirmed by the end of January.

The council has worked out a **budget** for 2005/6 of **£255 million**. This is the figure the council believes it will need to ensure it can maintain vital services, taking into account factors such as inflation. This represents an increase of £12 million (4.9%) on the council's current budget of £243 million.

This budget, if approved, would lead to a **council tax increase for Harrow residents of 1.48%**. This works out at an extra £15 a year for the average band D property. This amount excludes the charge levied by the Mayor of London, over which Harrow Council has no control.

4. Key points

The proposed draft budget includes:

- An increase in the amount of money provided to schools of £7.1 million (around 7%)
- An extra £4.6 million to improve services for some of the borough's most vulnerable children and adults.
- An extra £200,000 to improve libraries and other learning services.
- £2 million to continue rolling out the council's New Harrow Project environmental improvement scheme into three more areas in 2005/6.
£300,000 to improve waste collection and recycling, in order to meet stringent government recycling targets.
- £300,000 to improve planning services, to speed up the amount of time it takes the council to process planning applications, for example.
- £100,000 to help the council meet new responsibilities it has for licensing.

At the same time, the budget also contains efficiency **savings of £6.3 million** next year. These savings have resulted from finding more efficient ways of working under the New Harrow Project and the smarter buying of goods and services.

The council currently subsidises a range of services. The draft budget proposes maintaining these services at subsidised levels.

These include:

- Home Care services for older people. The annual cost to the council is £9.1 million, of which only £1.3 million is covered by charging.
- Meals on Wheels, where the cost to the council is £1 million of which £0.4 million is covered by charging
- Concessionary travel, including freedom passes & taxicards, where the cost to the council is £7.5 million

5. What happens next?

The budget is in draft form at this stage and is only a proposal. The council is consulting with residents through this public meeting, through a MORI survey of 4,000 residents, and through other meetings with the council's partners, including the voluntary sector.

Having listened to the views expressed at this meeting and others, the council's cabinet will meet on February 17th to consider the budget plans again.

The final decision will be taken by a meeting of all councillors on February 24th.

6. Where can I get more information?

A number of copies of the cabinet papers, which explain the budget in more detail, are available at this meeting.

Prepared by the Communications Unit, Harrow Council