

Council (Council Tax)

Thursday 26 February 2015

CONFIRMATION OF CABINET AND COMMITTEE RECOMMENDATIONS AND RELEVANT ORIGINATING BACKGROUND PAPERS

ITEM ON SUMMONS	CABINET / COMMITTEE RECOMMENDATION	ORIGINATING REPORT
-----------------	------------------------------------	--------------------

Recommendation I : Overview and Scrutiny Committee
(24 February 2015)

Recommendation II: Cabinet
(19 February 2015)

8.	CORPORATE PLAN 2015-2019	Report of the Corporate Director of Resources (Pages 3 - 42)
----	--------------------------	---

Recommendation I : Cabinet
(19 February 2015)

9.	FINAL REVENUE BUDGET 2015/16 AND MEDIUM TERM FINANCIAL STRATEGY 2015/16 TO 2018/19	Report of Director of Finance and Assurance (Pages 43 - 238)
----	--	---

Recommendation I : Cabinet
(19 February
2015)

- | | | |
|-----|--|---|
| 10. | TREASURY MANAGEMENT
STRATEGY STATEMENT
INCLUDING PRUDENTIAL
INDICATORS, MINIMUM
REVENUE PROVISION POLICY
STATEMENT AND ANNUAL
INVESTMENT STRATEGY FOR
2015/16 | Report of the Director of Finance and
Assurance
(Pages 239 - 274) |
|-----|--|---|
-

Recommendation I : Cabinet
(19 February
2015)

- | | | |
|-----|---|---|
| 11. | CAPITAL PROGRAMME
2015/16 TO 2018/19 | Report of Director of Finance and
Assurance
(Pages 275 - 294) |
|-----|---|---|
-

Recommendation I : Cabinet
(19 February
2015)

- | | | |
|-----|--|---|
| 12. | HOUSING REVENUE
ACCOUNT BUDGET 2015/16
AND MEDIUM TERM
FINANCIAL STRATEGY
2016/17 TO 2018/19 | Joint report of the Director of Finance
and Assurance and Corporate
Director of Community, Health and
Wellbeing
(Pages 295 - 324) |
|-----|--|---|
-

Recommendation I: Governance,
Audit, Risk
Management
and Standards
Committee
(26 January
2015)

- | | | |
|-----|-----------------------------------|---|
| 13. | STANDARDS COMPLAINTS
PROCEDURE | Report of Director of Legal and
Governance and Services
(Pages 325 - 330) |
|-----|-----------------------------------|---|
-

REPORT FOR: CABINET

Date of Meeting:	19 February 2015
Subject:	Corporate Plan 2015-2019
Key Decision:	Yes
Responsible Officer:	Tom Whiting, Corporate Director of Resources
Portfolio Holder:	Councillor David Perry, Leader of the Council and Portfolio Holder for Strategy, Partnerships and Corporate Leadership Councillor Graham Henson, Portfolio Holder for Performance, Corporate Resources and Policy Development
Exempt:	No
Decision subject to Call-in:	No, as the decision is reserved to Council
Wards affected:	All
Enclosures:	Corporate Plan 2015-2019 Equality Impact Assessment – Corporate Plan 2015-19

Section 1 – Summary and Recommendations

This report sets out a four year Corporate Plan for 2015-2019. It sets out the key activities and measures that will evidence delivery of the vision and priorities over the next four years and this year includes the Council's Corporate Equality Objectives. Together with the Final Revenue Budget 2015-16, they outline what the Council intends to do and how those actions and

services will be funded. It will be refreshed annually.

The Plan will be being considered at Overview and Scrutiny Committee on the 24th February 2015.

Recommendations:

Cabinet is requested to:

1. Note the four year Corporate Plan
2. Note the revised Corporate Equality Objectives for 2015-2019
3. Recommend the Corporate Plan to Council and to authorise the Leader to make any minor amendments to the Plan as necessary prior to the matter going to Council.

Reason: (For recommendation)

To update the Council's Policy Framework and set out the Council's direction of travel for the next four years.

Section 2 – Report

Introductory paragraph

The Corporate Plan sets out the strategic direction for the authority, it's vision, priorities, core outcomes and key initiatives which describe and illustrate the programme of activity for next four years and against which the Council is happy to be judged. This year the Corporate Plan also includes the Council Corporate Equality Objectives and together with the Final Revenue Budget 2015-16, it outlines what the Council intends to do and how those actions and services will be funded. The funding detail is set out in the budget reports.

Options considered

The Corporate Plan needs to be updated to align with the budget. It is important that the Council have a Corporate Plan. Therefore no other options have been considered.

Background

In May 2014, a new administration took control of the Council, and agreed at Council on the 12th June a new vision and set of priorities:

Vision: *Working Together to Make a Difference for Harrow*

Priorities: *Making a difference for the vulnerable*
 Making a difference for communities
 Making a difference for local businesses
 Making a difference for families

The Plan sets out the Administration's ambition for the borough and the projects and initiatives the Council will prioritise over the next four years to deliver on the vision, priorities and outcomes.

In April 2012, Harrow Council published eight equality objectives as required by the Equality Act 2010 and the Public Sector Equality Duty (PSED). They were developed based on extensive research, consultation and evidence. These objectives must be reviewed at least every four years. The review therefore took place over 3 weeks during November 2014 to align the review period with the political cycle and enable the Corporate Equality Objectives to be integrated with the Corporate Plan. As a result of the review, minor amendments have been made by the Corporate Equalities Group to the equality objectives.

Given the importance of the equalities agenda to the Administration, there was felt to be a logic in merging the Council's Equality Objectives with the Corporate Plan, to give greater status to the Equality Objectives and at the same time rationalise the Council's policy framework. This is in line with the process other authorities have also adopted.

Consultation

In the autumn the Council carried out its 'Take Part' consultation, the start of a conversation with residents about changes the council needs to make over the next four years to meet an estimated budget gap of £75m. The first phase has focused on talking to the community about:

- The indicative savings target of £30m for 2015/16
- Getting feedback on the impacts of proposed savings
- Residents priorities
- Understanding residents views on a proposed Council Tax increase up to the referendum level of 2%
- Exploring new and innovative ways to provide services in the future
- Identify any additional community capacity

As a result of the consultation 66% of people felt better informed about why the council needs to make savings and the top three priorities for residents that responded to the survey were:

1. Bringing together health and social care services so the public can have a better experience
2. Delivering over 3000 new jobs and 500 apprenticeships
3. Building affordable housing and homes for rent

The MTFs report contains more detailed information about the process, feedback and results. Where necessary, further consultation will be undertaken with residents and communities to shape the delivery of the proposals within the Corporate Plan, in keeping with the ambition of the Administration to consult and engage.

As part of the review of the Corporate Equality Objectives an online and hard copy survey was issued to all staff, members and key stakeholders. The results were reported to the Corporate Equalities Group who agreed amendments to the objectives. The amended objectives also went to the Performance and Finance scrutiny sub-committee in January for comment.

Legal Implications

Approving the Council's policy framework is reserved to full council. The Corporate Plan will therefore be considered on 26th February 2015.

Financial Implications

The financial implications of the Corporate Plan are set out in the Final Revenue Budget 2015-16. The Corporate Plan incorporates those key activities that the Administration wish to be delivered between now and 2019 within the current spending envelope.

Performance Issues

A set of performance indicators are presented as measurement of each of the Council Priorities in the Corporate Plan. A more detailed and comprehensive set of indicators that will be used to monitor delivery of the Corporate Plan and the Corporate Equality Objectives will be contained within the Corporate Scorecard which will be signed off by the Portfolio Holder and measured quarterly and presented to Cabinet and Scrutiny through the Strategic Performance Report.

Equalities implications

The equalities implications of the Corporate Plan are set out in the attached EQIA. A number of the activities are proposals where final business cases are still being developed, so EQIAs will be being developed to support these.

The Corporate Plan also now incorporates the Council's Corporate Equality Objectives, which set out the Council's commitment to ensuring equality and diversity is integral to everything we do.

Council Priorities

The Corporate Plan sets the delivery plan for making the Council's corporate priorities a reality.

Section 3 - Statutory Officer Clearance

Name: Steve Tingle	<input checked="" type="checkbox"/>	On behalf of Chief Financial Officer
Date: 12 January 2015		

Name: Jessica Farmer	<input checked="" type="checkbox"/>	On behalf of Monitoring Officer
Date: 16 January 2015		

Ward Councillors notified:	YES, as it impacts on all Wards
EqIA carried out:	YES
EqIA cleared by:	Alex Dewsnap

Section 4 - Contact Details and Background Papers

Contact:
Rachel Gapp, Head of Policy
Tel: 0208 424 8774

Background Papers: None.

Call-In Waived by the Chairman of Overview and Scrutiny Committee	NOT APPLICABLE <i>[Call-in does not apply, as the decision is reserved to Council]</i>
--	--

This page is intentionally left blank

CONTENTS

- 1. Leader's Foreword*
- 2. Our Borough - Our Harrow*
- 3. Making a Difference for Harrow: A summary of our 4 year Vision*
- 4. Our Vision for Harrow*
- 5. Achievements in 2014/15*
- 6. Our Equalities Priorities*
- 7. Delivery Plan*

1. Leader's Foreword

I fervently believe that being open, honest and willing to involve and work with others is the best form of governance, and with an equally strong belief that we should protect our most vulnerable residents first.

This plan sets out our ambitions for the next four years and, through working with residents, our staff, local businesses, community and voluntary organisations and our partners, how they will be achieved and build a Borough that we can all be proud of.

With the Government imposing a further £82m of cuts from 2014 - 2018 on Harrow Council and a rising need for our services, the Labour administration has been open, honest and transparent about the decisions we are being forced to make – decisions made through listening; guided by the right values.

We have bought stability to the Council through hiring an experienced Chief Executive, with a desire to make residents at the heart of everything we do, particularly with the ambitious regeneration plans we have for Harrow.

We were delighted with the way in which community groups and thousands of residents got involved with our 'Take Part' budget consultation and expressed their views about what areas the Council should be prioritising. Our decisions on the Arts Centre and Harrow Museum are just two of many examples of how residents are influencing the decisions made at the Council.

I am proud that we ensured that Harrow Council pays the 'London Living Wage' to its employees, have invested £200,000 in services to support victims of domestic violence, as well as over £100,000 towards Harrow's Citizens Advice Bureau and £30,000 to support our sporting and health agenda.

Our staff do a magnificent job and are our greatest asset, they have played a pivotal role in implementing all the good work that has happened since the May elections.

We have rolled out a period of free parking in our shopping centres, introduced on the spot fines for littering, cleaned all war memorials in our Borough for the 100th centenary of the beginning of WW1, the re-starting of a council house building programme, started the first stages of redeveloping the Grange Farm Estate, put extra funding into the Xcite unemployment service – I could go on...

These investments show that amidst the challenges and almost impossible decisions we'll have to make, there is still the opportunity for positive developments.

With over a billion pounds of investment potential from a range of public and private sources, we have ambitious plans for Harrow. Through public meetings and resident involvement in the design stage of the plans, we will ensure that local people benefit from this investment; from local jobs, training and apprenticeships, as well as ensuring that we build the affordable houses that are so badly needed.

Throughout this plan the Council sets out how working together we will Make a Difference; for the Vulnerable, for Communities, for Local Businesses and for Families.

Now is the time for residents, local businesses and community organisations to come together and work with us to build a Harrow we can all be proud of, where residents live in strong communities – in neighbourhoods they are proud to call home. It won't be done in one year. But over time, and working together, we can achieve a brighter future for our Borough.

Cllr David Perry

2. Our Borough – Our Harrow

Our Borough

Harrow is an extraordinary place: we are the safest Borough in London; one of the most diverse places in the country; a suburb with bountiful green space with just over a quarter of the area (over 1,300 hectares) consists of open space, yet incredibly well-connected to a global airport hub and the centre of the world's greatest city.

Harrow is an outer London Borough in North West London, approximately 10 miles from central London. Covering 50 square kilometres (20 square miles) and is the 12th largest borough in Greater London in terms of size and 20th in terms of population. There are nine district centres, plus Harrow Town Centre which is one of London's twelve metropolitan centres.

The borough is divided into 21 wards and each served by three directly elected members. We currently have a Labour administration with 34 elected members and the opposition groups comprise 26 Conservative, 2 Independent, and 1 Liberal Democrat members. Of the total of 63 members, 25 are women (14 Labour, 10 Conservative and 1 Independent).

Our Harrow

Harrow is one of the most ethnically and religiously diverse boroughs in the Country with people of all different backgrounds and life experiences living side by side. It is the richness of this diversity, and the positive impact that it has on the borough and our communities, that we believe helps make Harrow such a great place to live, work and visit.

Despite our rich heritage, we face some exceptional challenges. We have more young and more elderly than ever to take care of, but our budgets are falling. We have great wealth and beautiful architecture, but we also have more low-paid jobs than nearly anywhere else in London and are caught in London's housing crisis.

In serving a diverse population, the Council aims to ensure there is equality of opportunity for its residents, service users, employees, elected members, stakeholders and partner organisations irrespective of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

As a community leader, we will continue to bring together public partners such as the NHS, police and fire brigade, and residents who want to make a difference in their communities like the Community Champions to ensure we achieve this vision for our borough.

3. Making a Difference for Harrow: A Summary of our Vision

Our vision and priorities:

Working Together to Make a Difference for Harrow

What we will do

Making a Difference for the Vulnerable

- Our most vulnerable residents are safe from harm and abuse
- Support our residents who fall on hard times and give them the opportunities they need, such as welfare support or employment opportunities
- Harrow residents live as independently as they can
- The mental health and well-being of residents improves
- Minimise health inequalities within the borough

Making a Difference for Communities

- Harrow is a pleasant place to live
- Maximise opportunities for volunteering
- Collaborative working with the voluntary and community sector
- Harrow is one of the safest boroughs in London
- Residents are empowered to influence local decisions
- People from all backgrounds are respected and treated fairly

Making a Difference for Local Businesses

- Residents and businesses benefit from local economic growth
- Sustainable business growth
- The skills and apprenticeship opportunities for residents improve
- Provide the homes, schools, jobs and infrastructure needed through regeneration
- Create and maintain strong local links and partnerships between the Council and local businesses

Making a Difference for Families

- Families live in quality, affordable homes
- Help is targeted at those families most in need of support
- Improve skills and apprenticeship opportunities for residents
- Secure an excellent education for every child

We will do this by:

ECONOMIC GROWTH & REGENERATION

Our proposed regeneration programme is a once in a generation opportunity to make a difference to the borough and residents' health and quality of life by accelerating the delivery of new homes, creating new jobs, commercial workspace and high quality town and district centres, increasing primary school provision and investing in leisure and sport facilities, an energy network and our transport infrastructure.

PROTECTING THE MOST VULNERABLE

There are people who are in real need of help and support in the borough. It is our role to do all we can to keep them safe and improve their quality of life, health and wellbeing. We will prioritise support to carers, quality health and social care provision, helping people deal with the rising cost of living and the education and protection of our young people.

ENGAGING WITH RESIDENTS DIFFERENTLY

Resident engagement will lie at the heart of how we work with the community to deliver those services most needed. We will seek to empower and inspire local people to become more active citizens, able to contribute to local decision-making and play a greater part in their community through volunteering.

A FAIR & EQUAL BOROUGH

Ensuring fairness and equality of opportunity for all residents and communities in Harrow is critical and we believe that it is fundamentally right that residents are aware of their rights and responsibilities and that Council services are underpinned by fairness for all.

ENSURING AN EFFICIENT AND EFFECTIVE ORGANISATION

We want to be a modern and efficient Council, with an outcomes-focused culture to help us meet the challenges ahead. We will work with our partners, in particular, health and social care and other councils to explore further opportunities for integrated and shared services. We will continue to reduce bureaucracy and embrace the opportunities that digital and smart technologies have to offer.

ALTERNATIVE SOURCES OF INCOME

We need to do all we can to diversify our income given the significant pressures on our budgets from ever decreasing government grant. We will seek to generate alternative long-term income streams for the Council so we are able to continue to provide important and vital services.

WORKING IN PARTNERSHIP WITH OTHERS

How we will do it

We will develop strong relationships with residents, staff, external partners and the local voluntary & community sector; consultation and engagement will lie at the heart of everything we do as a Council.

4. Our Vision for Harrow

This Plan sets out the Council's vision and ambitions for the borough over the next four years and how we intend to achieve them. It is clear that during this time we will continue to face significant challenges and the services residents use, whether run by the Council, NHS or central government will continue to change because of the continuous squeeze on public finances. Through our Take Part campaign we have been open and honest with residents about what the impact of the budget cuts will mean for the Council. With less resource, it is important that we are clear about our strategic direction and priorities for investment.

Therefore, in order to make a difference for the vulnerable, communities, families and businesses over the next four years, the Council will be focussing its attention on: economic growth and regeneration; protecting the most vulnerable people; putting equality, fairness and engagement at the heart of what we do; ensuring the Council is as efficient and effective as possible and securing alternative sources of income.

Economic Growth & Regeneration

Harrow as a place has significant potential and large regeneration opportunities. The proposed regeneration programme for the borough is a once in a generation opportunity to make a real difference to the place and people's quality of life by building new houses and schools, encouraging business development, improving the town centre and district centres and creating new job opportunities. Encouraging growth in the local economy is a vital component in being able to offset some of the worst effects of the public sector spending cuts. It raises much needed income to invest in social infrastructure such as schools, leisure and sports facilities and transport improvements that the people of Harrow can be proud of.

Regeneration provides an ideal opportunity to meet our council priorities and make a difference for:

1. Communities, by accelerating the delivery of new council housing, affordable private rented homes and homes for shared ownership and outright sale, vibrant town centres that attract business investment and jobs and offer enhanced leisure and sport facilities, transport infrastructure and an energy network.
2. Business, by providing new commercial workspace, support to access markets, advice and finance, addressing skills shortages.
3. Vulnerable residents, by breaking down the barriers to employment, reducing fuel poverty, tackling overcrowding and lowering crime and anti-social behaviour.
4. Families, by providing new family homes, renewing our housing estates and delivering new and expanded schools.

We are currently consulting residents, businesses, investors and our partner public sector bodies on this strategy and exploring alternative options. We will also be considering how the regeneration programme may have a positive impact on the health of Harrow residents and create a healthier place to live.

Our ambition is deliver 5,500 new homes within the heart of Harrow between now and 2019 which would also contribute to the creation of over 500 jobs and secure essential new infrastructure including two new primary schools, additional nursery provision, a new central library, potential for a new civic centre, junction improvements, enhancements to playing pitches and sports facilities, a new health centre and new public parks and civic spaces in the borough.

Demand for affordable housing to rent and buy in Harrow is high and growing as the cost of rented and housing for sale rises. So the Council has drawn up plans to restart council house building. The Homes for Harrow programme aims to build up to 500 much needed new affordable homes for rent or shared ownership on Council estates where there is suitable land or underused garages. We are also looking at some of our existing estates to see if they could be redeveloped to provide more and better quality homes.

Protecting the most vulnerable people

Harrow is a great place to live, however, there are many people who are in real need of help and support due to ill-health, poor housing, financial hardship or the impacts of welfare reform. We will continue to prioritise our core commitment to help and support those most in need in our community. For example, in Harrow there are a larger proportion of older people, when compared to the London average, and older people generally have greater support and care needs. We will therefore work closely together with the Clinical Commissioning Group (CCG) and other health partners to ensure quality health and social care provision for those in need, strengthen our autism support and advice, refresh our Health and Well-being Strategy and implement the Care Act.

Another important way in which we can help vulnerable residents improve their quality of life, health and wellbeing in these difficult times is to help them get out of or avoid poverty and help them to deal with the rising cost of living and welfare changes by helping them find work through our Xcite programme, our mental health and employment project and the creation of new jobs and apprenticeships on the back of our regeneration plans.

Harrow Council is also committed to working with families and their communities to educate, support and protect children and young people and ensure they achieve their potential throughout their journey to adulthood. We will continue to work with partner agencies to provide a range of services that: identify and support the needs of children and families before they become acute; prioritise the mental and physical health of all our children and families; aim to ensure everyone in Harrow is safe from harm and narrow the gap in educational attainment for disadvantaged pupils.

Active residents, either through caring for a relative or friend, or supporting those who need help to travel around the borough are vital for our success in helping those most in need. The Council owes a great debt of gratitude to carers within Harrow and we must never take them for granted. We will therefore invest in support for carers and listen to individuals and groups in the community to see how they can be better supported to continue to do the things which make such a real difference to the lives of so many people.

We also recognise that for some, the last few years of 'austerity' have been a struggle. We want to make sure that Harrow is a place where individuals and families can thrive and the aspirations of all residents can be met, whether it be from good quality, affordable housing and safe neighbourhoods, or good schools, vibrant town centres and new jobs. We know that the cost of living has risen in Harrow, and we will do all we can to support residents through this. The Council is already leading by example by paying the London Living Wage to its employees. Through our contracts and procurements we will work with and encourage our business partners to also pay the London Living Wage.

Engaging With Residents Differently

To achieve our vision, the Council wants to encourage residents to become more active citizens by providing support and opportunities to contribute to the decision-making process and playing a greater part in their community to make Harrow better. We will place engaging and involving the community at the centre of our approach over the next four years. We will do this by working more closely with partners such as the voluntary and community sector whilst, at the same time, being more innovative and saving money in the Council. For instance, we will look at how we can make better use of technology, recognising that many residents in Harrow are online, and develop more innovative ways to get the views of those residents who rarely contact the Council or have previously found it difficult to get into a meaningful conversation with us.

We want to create a new model of local government where the Council works with local people and the voluntary sector every step of the way. We will look at how, by working with residents and the voluntary and community sector, we can improve the capacity and resilience of all communities within the borough to be able to come up with solutions to the challenges that they face, and be able to step in where public services can no longer operate or are affordable.

Harrow already has a high proportion of residents who volunteer in their communities, gaining new skills and friends while helping others. We know volunteering is beneficial for health and wellbeing

and can reduce social isolation, exclusion and loneliness. We want to build on the local resourcefulness within our communities. It will be the role of councillors to bring people together to make a real and positive difference to their area. Councillors should be leaders in their local community and therefore rooted in the area that they serve and be seen to be active; contributing to what matters to the community; facilitating debate; bringing people together and acting to deliver those things that make a big difference to communities.

Ensuring the Council is as efficient and effective as possible

We know there are tough times still ahead. Given that the Government's deficit reduction plan will continue until at least 2018, the need for the Council and other parts of the public sector to continue to make savings will not go away. Harrow Council is already a low spend authority that has made savings of £62m since 2010/11 and 75% of the savings proposals identified in the 2015/16 budget come from further efficiencies, contract savings, management savings and additional income. We will continue to seek efficiencies, reduce management costs and bureaucracy and get the best value for money from our contracts. But we will also have to reform the way in which the Council operates to be more resident and outcomes focused and re-design services together with the community to ensure they continue to be as efficient and effective as possible. We will also: explore all options for further collaboration and partnership working; seek to expand shared service arrangements such as HB Law; look at ways of generating alternative sources of income; and look into the opportunities that new digital and smart technologies can offer to enable greater access to our services.

Our workforce is our most important asset and we are very proud that our investment, support and management of staff has been recognised with our Investors in People accreditation. During these tough times however, it will be important that we continue to broaden and deepen our levels of engagement with staff about the future of the Council. We will continue to encourage our staff to be the best they can be to meet the future challenges. We will enable employees to lead healthier lives, ensure our workforce is at capacity by developing recruitment and retention packages that maximise our employment offer and ensure that we have the right workforce size and mix of people and skills to deliver the services residents want and need.

Alternative sources of income

As part of our ambition to reform the Council and given the significant pressures on our budgets from ever decreasing government grant, we will be seeking to generate alternative long-term income streams for the Council so we are able to continue to provide important and vital services and strengthen the Council's financial position. For example, rather than sell off all our assets outright when development opportunities arise, our intention is to retain freehold ownership and set up an arms-length trading company that could then manage new private rented housing on behalf of the Council. This would generate long-term revenue income for the council with sustainable returns, address the housing shortage in the borough, provide greater choice for those reliant on the private rented sector and improve standards of property management, condition and service.

Working in partnership with others

The staff are the lifeblood of any organisation, we are lucky in Harrow to have magnificent staff who serve residents. We will take every opportunity to support and engage with staff – our staff consultation regarding the Chief Executive was indicative of the open and transparent way in which we work. We will also develop strong relationships with our external partners, whether they are public sector organisations such as the NHS or private developers and local businesses as a part of the regeneration plans for Harrow. We are incredibly lucky to have a local voluntary & community sector that delivers outstanding services to our residents. We value all the work they do and want them to be at the heart of decision making, which is why we pledge to have a member of the local voluntary sector on Cabinet. We have also pledged that all Labour Councillors will do a minimum of 50 hours a year volunteering in the community.

5. Achievements in 2014/15

Despite the challenging financial situation we find ourselves in, the Council continues to work with local people, business and partners to provide high quality, low cost services and make improvements across the borough. This section sets out some of the Council's most significant successes and achievements during the past year.

Making a Difference for the Most Vulnerable

- Secured £38k to support residents with mental health issues into sustainable employment.
- An extra £200k has been invested in domestic and sexual violence and strategy and an action plan for how to use that extra investment was agreed at Cabinet in September 2014.
- Invested £120k into Harrow's Citizen's Advice Bureau, for face to face support services with our most vulnerable residents
- An additional £715k has been committed to recruiting more Children's social workers to meet rising demands.
- Harrow's Emergency Relief scheme has been successful in helping over 600 residents
- We have supported the voluntary sector to launch the *Harrow Advice Together* portal.
- M4Money Credit Union has been promoted to staff and residents. The Council is also promoting access to business loans for Harrow businesses through North London Credit Union.
- Work to protect vulnerable people from spiralling debt has included banning access to pay day loan websites from all Council computers and the libraries' Wi-Fi.
- Over half of eligible Adult social care users have a cash Personal Budget
- Over 250 adult social care clients now use My Community ePurse
- Shared Lives participants have trebled over the last year. This voluntary scheme matches carers and service users in a family-like relationship.
- The Families First project has so far helped some 300 families out of 395 identified with complex needs to make the improvements sought by the national Troubled Families programme and has qualified to continue with phase two.
- The Firs respite care centre for children has again been graded Outstanding by Ofsted inspectors
- Helped vulnerable residents ensure that their home is a warm and a healthy place to live
- Launched a community campaign to target high rates of Tuberculosis in the borough
- Improved the confidence, resilience, health and wellbeing of people with long term conditions and their carers by running a volunteer-led self-management programme.
- Launched a walk programme for people with learning disabilities in addition to the 10 already established health walks

Making a Difference for Communities

- Streets are cleaner – 90% litter free (up from 86%)
- Achieved 50% recycling rate (up from 46%)
- 99.5% of our street lights are functioning
- Introduced Fixed Penalty notice scheme for low level environmental crimes such as spitting and littering
- Pledged that all Councillors will do a minimum of 50 hours a year volunteering in the community; this was kick-started in January 2015
- Creating a new Town Park and Performance Space in Lowlands
- Introduced a pilot project for snow champions with training and provision of materials to volunteer residents to support the gritting of streets
- The Community Champions Scheme has been launched with an updated website and

annual conference, as a joint initiative between Harrow Council and the Metropolitan Police aiming to encourage more people to volunteer.

- Trained 45 local people to support residents to improve health and wellbeing and signpost them to services
- The Borough has the lowest levels of Anti-Social Behaviour in London
- A draft Regeneration strategy and Action Plan were approved by Cabinet.
- Invested £10m in highway improvements and maintenance.
- The Council's Carbon Reduction achievement exceeded its target
- The Council has re-launched its Fairer Grants campaign.
- £50,000 was made available to Harrow's Community Sport and Physical Activity Network.
- There were 3,451 responses to *Take Part*, a programme of consultation and engagement with residents to discuss how together we can meet the challenges of the future.
- The Under One Sky festival was successfully delivered in partnership with community organisations
- The Council held its annual volunteer award scheme - Harrow's Heroes, that celebrates the work of volunteers across the borough
- Cleaned all war memorials in our Borough for the 100th centenary of the beginning of World War 1
- Helped residents to bring three neglected and underutilised sites back to life for growing food.

Making a Difference for Local Businesses

- Rolled out a period of free parking in all our district centres
- Supported 300 local businesses with business support events including Barclays Ready for Business Seminar (for start ups), the regular big mentoring seminar in partnership with Ministry of Growth and Harrow College (for established enterprises) and the annual NatWest mobile Business School in Harrow Town Centre which offered free advice, one to ones and bite size seminars to would be entrepreneurs
- Won the High Impact Award for contributions to Global Entrepreneurship week.
- Supported the development of Harrow's first Business Improvement District
- Supported plans for Crossrail expansion
- Successful roll out of a period of free parking in our district shopping centres
- Invested in the Council's Xcite programme to help over 200 workless residents into employment and developed a 'How to' guide for taking on apprentices.

Making a Difference for Families

- A Housing Zone Bid for up to £35m to accelerate the delivery of new houses on major sites within the Heart of Harrow Area Action Plan has been submitted.
- A pilot scheme to introduce selective licensing for private-sector landlords is to be introduced in Edgware which will give the Council significantly greater powers to tackle rogue landlords.
- Proposals for estate regeneration across a number of sites have been developed
- A Housing Growth fund bid of £1.7m for phase 1 of the HRA new build programme has been approved
- A further £3.6m has been awarded from the Housing Growth fund for phase 2 of the HRA new build programme
- Harrow's homelessness prevention work is amongst the most successful in London against a background of increasing demand
- We have helped ensure that 98% of 16-18 year olds are in education, training or employment
- Created and recruited ten apprentices within the Council
- Strong schools inspection results continue
- Our Schools Expansion Programme sees a £45m investment in our Schools to meet

increasing demand for school places and Special Educational Needs schools.
We permanently increased Reception intakes at 8 primary schools in September 2013 and will deliver a further 15 by September 2015.

- Implemented the Special Educational Needs and Disabilities provisions of the Children and Families Act 2014

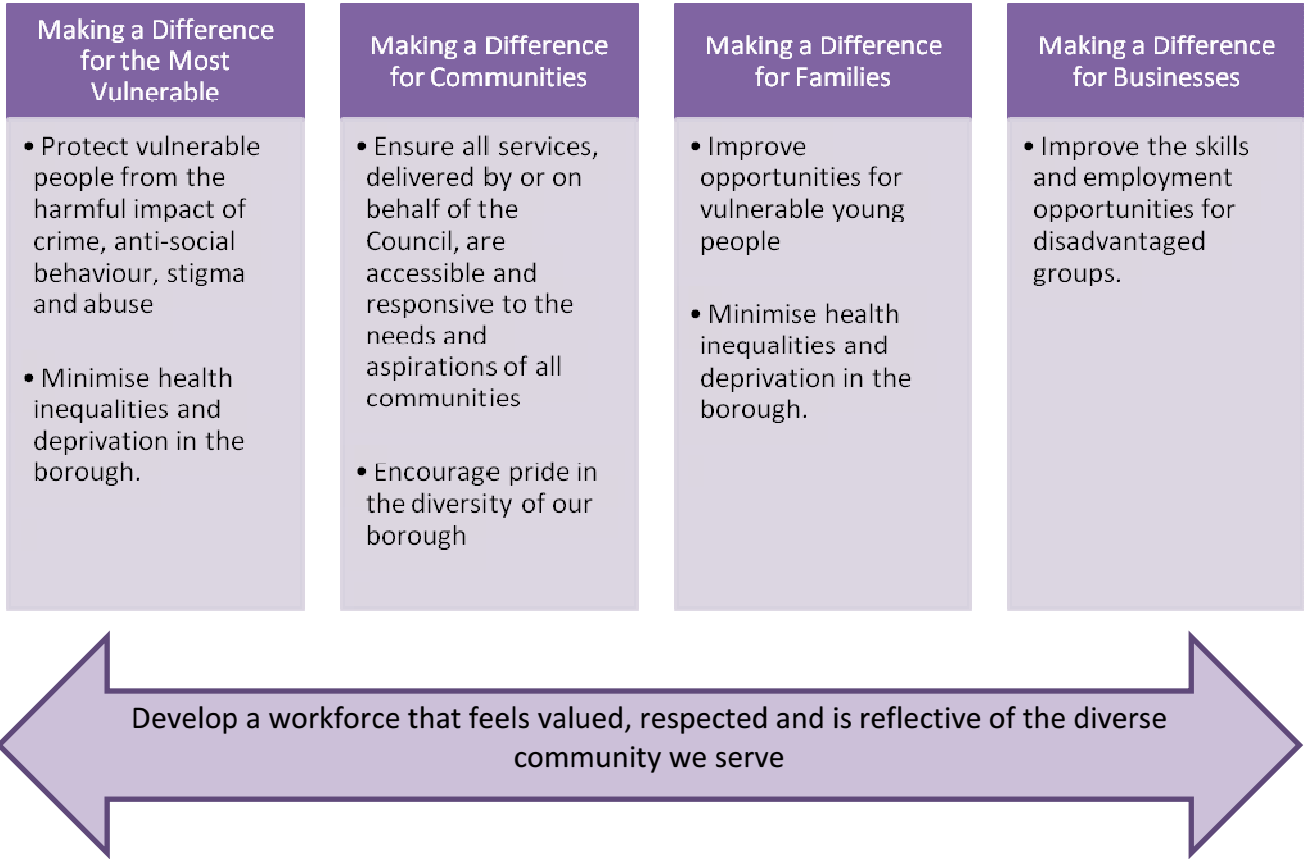
Efficient and Effective Organisation

- 68,500 residents now have Access Harrow accounts
- 75% of customer interactions are by self-service
- Satisfaction with the One Stop Shop remains very high at 96%
- The Council as an organisation has been awarded the Investors in People mark, while the Resources Directorate and the Housing service gained the liP Gold award
- A review was completed into the reinstatement of the post of Chief Executive and an appointment to the position was confirmed by Council on 13 November 2014.
- Delivered £12m of cashable savings in 2014/15
- Over 120 staff have successfully completed our Leadership Development Programme which has also been accredited by the Institute of Management and Development

6. Our Equalities Priorities

Harrow is one of the most ethnically and religiously diverse boroughs in London and this richness of diversity is something to value and encourage as we believe it helps make Harrow a great place. As a Council, we are committed to ensuring equality and diversity is integral to everything we do irrespective of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation.

That is why we have included our key equality objectives for 2015-2019 in this plan. They set out our commitment as a community leader to work in partnership with the public, voluntary and private sectors to ensure we recognise the needs of every local community and promote inclusion, cohesion, fairness and justice. Our commitment as an employer is to employ a diverse workforce, to help us to understand and relate to the communities we serve. And our commitment as a service provider and commissioner is to ensure our services are open, fair and accessible.



Measures for each equality objective are integrated into the Council’s overall performance scorecard. This is then reviewed quarterly through the Council’s performance management framework and reports to Cabinet and Scrutiny through the Strategic Performance Report.

We will continue to ensure all key decisions have an Equalities Impact Assessment that highlights any disproportionate impact and enables the Council to put in place appropriate mitigations.

7. Delivery Plan

This section sets out the key projects and initiatives the Council will prioritise over the next four years to make the ambition, priorities and outcomes of this Council Plan a reality. It also sets out some of the key measures and targets we will use to evidence our performance (The full list of our performance measures is contained within our Corporate Scorecard and reported to Cabinet and Scrutiny through the Strategic Performance Report. The reports are available on the Council's website at: www.harrow.gov.uk/strategicperformance.)

Corporate Priority	Making a Difference for the Vulnerable
Outcomes we want to achieve	<ul style="list-style-type: none"> a. Our most vulnerable residents are safe from harm and abuse b. Support our residents who fall on hard times and give them the opportunities they need, such as welfare support or employment opportunities c. Work with our partners in the NHS to ensure that Harrow residents live as independently as they can d. The mental health and well-being of residents improves e. Minimise health inequalities within the borough
Key projects and initiatives to deliver the Council Plan	<ul style="list-style-type: none"> o <i>Invest an extra £1m into domestic violence, support to carers and those in need</i> o <i>Provide investment for extra children's social workers</i> o <i>Deliver our Child Sexual Exploitation action plan to help keep children safe</i> o <i>Deliver our offer around Special Educational Needs & Disability provision</i> o <i>Joint working with the CCG and health partners to ensure quality health and social care provision for those in need</i> o <i>Implementation of the Care Act which is making major changes to the way in which adult social care is funded</i> o <i>Deliver the West London Mental Health and Employment Integration Trailblazer to help support people with mental health issues into work</i> o <i>Bring together autism support across the borough to create a strong, coherent support package</i> o <i>Prevent homelessness by helping families stay in their homes or find suitable alternative accommodation</i> o <i>Invest in extra staff in Access Harrow to deal with residents' Council Tax enquiries</i> o <i>Campaign for a fairer grant for Harrow residents</i> o <i>Work with and encourage businesses to pay the London Living Wage as a minimum</i> o <i>Refresh the Health and Well-being strategy for the borough</i> o <i>Tackle fuel poverty in the Borough</i>
Key Performance Indicators and targets	<ul style="list-style-type: none"> The extent to which those with long term support had their care needs reviewed during the year Percentage of children with Child Protection Plan for over two years Stability of placements of Children Looked After (% with more than 2 placement moves) Repeat referrals to Children's Social Care (within 12 months) % of social care users who receive self-directed support % of carers who receive self-directed support Council adaptations: average time taken from assessment to completion Number of eligible people receiving health checks Adult participation in sport and active recreation Number of people setting a quit date with Smoking Cessation services who successfully quit at 4 weeks Violence with injury - Domestic abuse % of street lights functioning Number of schools registered for the Healthy Schools London Awards

Corporate Priority	Making a Difference for Communities
Outcomes we want to achieve	<ul style="list-style-type: none"> a. Harrow is a pleasant place to live b. Maximise opportunities for volunteering c. Collaborative working with the voluntary and community sector d. Harrow is one of the safest boroughs in London e. Residents are empowered to influence local decisions f. People from all backgrounds are respected and treated fairly
Key projects and initiatives to deliver the Council Plan	<ul style="list-style-type: none"> ○ <i>Restart a council house building programme</i> ○ <i>Begin the regeneration of key sites in the Borough, such as the Civic site, Greenhill Way, Grange Farm Estate and Gayton Road</i> ○ <i>Develop a resident engagement & involvement agenda, with a residents regeneration board and greater citizen control over budgets</i> ○ <i>Secure improvements to public transport – access to Harrow on the Hill Tube station and a potential crossrail link to Harrow & Wealdstone station</i> ○ <i>Invest in improved social infrastructure – new urban parks and spaces, new central library, arts provision and new restaurant offers in key regeneration sites across the borough</i> ○ <i>Engage with key stakeholders to consider the redevelopment of the Leisure Centre and surrounding site.</i> ○ <i>Maximise further opportunities for volunteering in the borough</i> ○ <i>Design and deliver a new ‘Community Champions’ volunteering scheme</i> ○ <i>Set up Park User Groups</i> ○ <i>Support and promote greater community engagement to give residents more control over local decisions and make neighbourhoods more pleasant places for residents to live</i> ○ <i>Ensure that residents have access to sport facilities and opportunities for physical activity</i> ○ <i>Explore opportunities for a sustainable future for both the Arts Centre and Harrow Museum, as well as exploring the development of cultural opportunities within the Borough</i> ○ <i>Ensure that the centenary of the First World War is commemorated each and every year</i> ○ <i>Tackle fly-tipping in the Borough and introduce on the spot fines for littering and spitting</i>
Key Performance Indicators and	Street and environmental cleanliness – litter, detritus, graffiti (excluding private land), fly posting

Corporate Priority	Making a Difference for Communities
	Number of active park user groups
	No. of hours contributed by volunteers supporting the direct delivery of Community & Culture services
	Number of trained Community Champions
	Number of voluntary & community sector events supported in the delivery of Harrow's Cultural Calendar
	Percentage of food establishments broadly compliant with food hygiene law
	Residents who are satisfied with the safety of Harrow Town Centre
	Residential burglaries
	Rate of proven re-offending by young offenders
	Percentage of residents who feel that they can influence decisions affecting their local area
	Percentage of residents who agree that people from different backgrounds get on well together in their local area

Corporate Priority	Making a Difference for Local Businesses
Outcomes we want to achieve	<ul style="list-style-type: none"> a. Residents and businesses benefit from local economic growth b. Sustainable business growth c. The skills and apprenticeship opportunities for residents improve d. Provide the homes, schools, jobs and infrastructure needed through regeneration e. Create and maintain strong local links and partnerships between the Council and local businesses
Key projects and initiatives to deliver the Council Plan	<ul style="list-style-type: none"> o <i>Create up to 3,000 new jobs and 500 apprenticeships for young people through the delivery of the regeneration strategy and action plan</i> o <i>Support low paid residents to gain higher level skills, through employment and training plans with developers and contractors and Harrow's Employment and Construction Training Initiative</i> o <i>Provide free recruitment service through Job Fairs and Xciteto help business recruit locally</i> o <i>Work with businesses to encourage them to pay the London Living Wage</i> o <i>Deliver the commercial and procurement strategy to support local business and achieve additional social value that meets the needs of Harrow's residents and businesses</i>
Key Performance Indicators and targets	<ul style="list-style-type: none"> Vacancy rates in Town Centre Resident perceptions of town centre and range of shops Number of businesses supported by the Council (annual) Percentage of 3rd party contract spend placed with local organisations 16 to 18 year olds who are not in education, employment or training (NEET) Number of residents supported in sustained employment with job outcomes sustained for 6 months or more Number of apprenticeships / work experience places offered by the Council The number of young people supported into apprenticeships and jobs Net number of new homes completed

Corporate Priority	Making a Difference for Families
Outcomes we want to achieve	<ul style="list-style-type: none"> a. Families live in quality, affordable homes b. Help is targeted at the families most in need of support c. Create skills and apprenticeship opportunities for residents to improve their life chances d. Secure an excellent education for every child
Key projects and initiatives to deliver the Council Plan	<ul style="list-style-type: none"> o <i>Deliver the schools expansions programme and build 2 new primary schools in the borough</i> o <i>Seek to close the educational attainment gap for disadvantaged groups of young people</i> o <i>Implement the Homes for Harrow Programme to build new council houses through the renewal of Grange Farm estate and an infill programme</i> o <i>Tackle landlords that are trying to take advantage of families, through licensing, support and the tenants and landlords charter</i> o <i>Help turn around the lives of families with complex needs by delivering the second phase of the national Troubled Families Programme</i> o <i>Help parents meet the cost of childcare, and ensure they have all the support they need</i> o <i>Support low paid residents to gain higher level skills, through employment and training plans and the creation of 500 apprenticeships</i>
Key Performance Indicators and targets	<ul style="list-style-type: none"> Number of affordable family homes completed Number of social housing homes freed up through Council intervention/Grants2Move Total number of households to whom we have accepted a full homelessness duty Adult and Community Learning - success rates (annual) 16 to 18 year olds who are not in education, employment or training (NEET) Number of residents supported into employment by the Council The % of children with a good level of development. Children are meeting or exceeding the Early Learning Goals The percentage inequality gap in achievement across all the Early Learning Goals at Early Years Foundation Stage Achievement gap between pupils with special educational needs and their peers, based on pupils achieving level 4 or above in reading & writing and mathematics at Key Stage 2 The Special Educational Needs (SEN) / non-SEN gap – achieving 5 A*- C GCSE inc. English and Maths GCSEs (equalities measure) Permanent and fixed term exclusions as percentage of Harrow school population Termly rate of overall absence in primary and secondary schools Achievement gap between pupils eligible for free school meals and their peers, based on pupils achieving level 4 or above in Reading & Writing and mathematics at Key Stage 2 and 4 Percentage of Children Looked After for 1 year plus achieving Level 4+ at KS2 in both English and Maths Percentage of Children Looked After for 1 year plus achieving 5+ A*-C GCSEs including English and Maths GCSEs at KS4

	Efficient and Effective Organisation
Outcomes we want to achieve	We want to be a modern and efficient Council, able to meet the challenges ahead. In order to help protect frontline services we will continue to deliver support functions in the most cost effective way, seeking alternative sources of income and continuing to collaborate with regional bodies and other boroughs on shared services and procurement opportunities. We will protect people and Council assets from risks and retain our customer services in Harrow where possible, modernising and simplifying the access channels to the Council, making more services available online and therefore accessible on a more 24/7 basis.
Key projects and initiatives to deliver the Corporate Plan	<ul style="list-style-type: none"> ○ <i>The development of a commercialisation strategy for the Council</i> ○ <i>Look at ways of increasing alternative sources of income, i.e.Private Rented Sector Programme Pilots</i> ○ <i>Implement a senior management restructure</i> ○ <i>Continue to ensure appropriate use of agency and interim staff</i> ○ <i>Put consultation and resident engagement at the heart of everything the Council does</i> ○ <i>Work with our partners and other councils to explore further opportunities for integrated and shared services</i> ○ <i>Rationalise and maximise the use of all Council assets</i> ○ <i>Consider the options for a cost-effective re-provision of the Civic Centre</i> ○ <i>To be the leader in cross council working in west London</i>
Key Performance Indicators and targets	<p>Percentage of residents who agree the Council provides good value for money</p> <p>Percentage of residents who feel the Council keeps them informed of services & benefits it provides</p> <p>Percentage of residents who are satisfied with the way the Council runs things</p> <p>Customer enquiries that should not have been necessary (percentage)</p> <p>The proportion of enquiries that were resolved at the first point of contact</p> <p>Proportion of web forms and web visits as a percentage of overall contact</p> <p>Average wait on calls in Access Harrow</p> <p>Average cost per transaction (£) (Access Harrow)</p> <p>Total debt collected, at year to date, as a % of total debt raised</p> <p>Percentage of Council Tax collected</p> <p>Percentage of non-domestic rates collected</p> <p>Variation in business rate yield</p> <p>Time taken to process housing benefit and council tax benefit new claims and change events</p> <p>Staff sickness - average days per FTE excluding schools</p> <p>Workforce with appraisal in last 12 months (previously IPAD)</p>

This page is intentionally left blank

Equality Impact Assessment (EqIA) Template

In order to carry out this assessment, it is important that you have completed the EqIA E-learning Module and read the Corporate Guidelines on EqIAs. Please refer to these to assist you in completing this assessment.

It will also help you to look at the EqIA Template with Guidance Notes to assist you in completing the EqIA.

Type of Project / Proposal:	Tick	Type of Decision:	Tick
Transformation	✓	Cabinet	✓
Capital		Portfolio Holder	
Service Plan	✓	Corporate Strategic Board	
Other		Other	
In year cost savings		Full Council	✓
Title of Project:			
Corporate Plan			
Directorate / Service responsible:			
Resources, Strategic Commissioning			
Name and job title of lead officer:			
Alex Dewsnap			
Name & contact details of the other persons involved in the assessment:			
Rachel Gapp			
Date of assessment:			
January 2015			

Stage 1: Overview

In May 2014, a new Labour administration took control of the Council, and agreed at Council on the 12th June a new vision and set of priorities:

Vision: *Working Together to Make a Difference for Harrow*

Priorities:

- Making a difference for the vulnerable*
- Making a difference for communities*
- Making a difference for local businesses*
- Making a difference for families*

1. What are you trying to do?

(Explain proposals e.g. introduction of a new service or policy, policy review, changing criteria, reduction / removal of service, restructure, deletion of posts etc)

The Plan sets out the Administration's ambition for the borough and the projects and initiatives the Council will prioritise over the next three years to deliver on the

vision, priorities and outcomes. The delivery Plan and measures have also been updated to reflect the projects and initiatives that the council will prioritise over the next 4 years.

This EQIA accompanies the new Corporate Plan, which is drawn from the approved versions of the Corporate Plan in July 2014, February 2013 (The agreed Corporate Plan covered two years including 2014/15) and February 2014.

The Corporate Plan will be delivered within the same cost envelope as the approved MTFs in February 2015. Given the approved budget, there are no new savings proposals being put forward as part of this Plan. There are therefore no equality implications from the perspective of additional savings.

From the perspective of the activity which is set out within the Plan they are all supporting the Corporate Priorities which encompass all protected characteristics. Therefore there are no direct adverse implications from the delivery plan. However, for some of the substantial areas where work is to start on developing business cases or on new ways of delivery, officers will need to carry out initial EQIAs to ensure that any indirect implications are appropriately managed and mitigated against.

30

Residents / Service Users	Partners	Stakeholders
x	x	x
Staff	Age	Disability
x	x	x
Gender Reassignment	Marriage and Civil Partnership	Pregnancy and Maternity
x	x	x
Race	Religion or Belief	Sex
x	x	x
Sexual Orientation	Other	
x		

Some of the activities proposed in the Corporate Plan are delivered in partnership with statutory partners like the health service, e.g. related activity to deliver health and social care services to adults. For activity involving partners which is new within the Corporate Plan EQIAs will be completed where appropriate to do so.

- 2. Who are the main people / Protected Characteristics that may be affected by your proposals? (✓ all that apply)**
- 3. Is the responsibility shared with another directorate, authority or organisation? If so:**
- Who are the partners?
 - Who has the overall responsibility?
 - How have they been involved in the assessment?

Stage 2: Evidence / Data Collation

4. What evidence / data have you reviewed to assess the potential impact of your proposals? Include the actual data, statistics reviewed in the section below. This can include census data, borough profile, profile of service users, workforce profiles, results from consultations and the involvement tracker, customer satisfaction surveys, focus groups, research interviews, staff surveys; complaints etc. Where possible include data on the nine Protected Characteristics.

(Where you have gaps (data is not available/being collated), you may need to include this as an action to address in your Improvement Action Plan at Stage 7)

The following table has been taken from the Harrow Annual Equality in Employment Monitoring Report 2012/13, the 2011 census. It shows the known make up of staff working for Harrow Council and residents in Harrow.

		Whole Council Workforce 5,125 employees	Harrow Community Data 2011 Census
Ethnicity	BAME	36.08%	57.75%
	White	52.08%	42.25%
	Unknown	11.84%	0.00%
Sex	Male	22.36%	49.40%
	Female	77.64%	50.60%
Disability	Yes	1.81%	16.40%
	No	93.66%	83.60%
	Unknown	4.53%	0.00%
Age	16 to 24	3.34%	11.70%
	25 to 34	17.39%	30.40%
	35 to 44	22.67%	
	45 to 54	32.76%	23.60%
	55 to 64	21.15%	
	65+	2.69%	14.10%

Age (including carers of young/older people)	For activity which is new within the Corporate Plan which has a potential impact on this group an Initial EQIA will be completed where appropriate to do so.			
Disability (including carers of disabled people)	For activity which is new within the Corporate Plan which has a potential impact on this group an Initial EQIA will be completed where appropriate to do so.			
Gender Reassignment	For activity which is new within the Corporate Plan which has a potential impact on this group an Initial EQIA will be completed where appropriate to do so.			
Marriage / Civil Partnership	For activity which is new within the Corporate Plan which has a potential impact on this group an Initial EQIA will be completed where appropriate to do so.			
Pregnancy and Maternity	For activity which is new within the Corporate Plan which has a potential impact on this group an Initial EQIA will be completed where appropriate to do so.			
33 Race	For activity which is new within the Corporate Plan which has a potential impact on this group an Initial EQIA will be completed where appropriate to do so.			
Religion and Belief	For activity which is new within the Corporate Plan which has a potential impact on this group an Initial EQIA will be completed where appropriate to do so.			
Sex / Gender	For activity which is new within the Corporate Plan which has a potential impact on this group an Initial EQIA will be completed where appropriate to do so.			
Sexual Orientation	For activity which is new within the Corporate Plan which has a potential impact on this group an Initial EQIA will be completed where appropriate to do so.			
5. What consultation have you undertaken on your proposals?				
Who was consulted?	What consultation methods were used?	What do the results show about the impact on different groups / Protected Characteristics?	What actions have you taken to address the findings of the consultation? (This may include further consultation)	

<p>The delivery plan is updated from the Plan agreed at July 2014 Council. Where there are similar projects and activities being delivered, the relevant consultation will have either been undertaken before these were put forward to be incorporated in the Plan, or will have consultation as part of their next steps towards delivery.</p> <p>Where there are new elements in the plan, these are based on the Labour Party Manifesto, which is been developed in consultation with Harrow residents. Where necessary, further consultation will be undertaken with residents and communities to shape the delivery of these proposals, in keeping with the ambition of the Administration to consult and engage.</p>	<p>There were a range of consultation methods used in developing the proposals for the previous Plan, including surveys, user groups and stakeholder meetings.</p> <p>For the additional areas, consultation was undertaken with community groups, including women's groups, Trades unions and businesses.</p>	<p>Given the Delivery Plan has within it projects which are either about the creation of efficiencies (i.e. no impact on outcome but reduction in resource investment) or activities which will enhance quality of life there is no disproportionate impact of different groups.</p>	<p>with the affected groups, revising your proposals).</p> <p>No equalities issued identified</p>
<p>6. What other (local, regional, national research, reports, media) data sources that you have used to inform this assessment?</p> <p>List the Title of reports / documents and websites here.</p>		<p>N/A</p>	

Stage 3: Assessing Potential Disproportionate Impact

7. Based on the evidence you have considered so far, is there a risk that your proposals could potentially have a disproportionate adverse impact on any of the Protected Characteristics?

	Age (including carers)	Disability (including carers)	Gender Reassignment	Marriage and Civil Partnership	Pregnancy and Maternity	Race	Religion and Belief	Sex	Sexual Orientation
Yes									
No	X	X	X	X	X	X	X	X	X

YES - If there is a risk of disproportionate adverse Impact on any **ONE** of the Protected Characteristics, continue with the rest of the template.

- **Best Practice:** You may want to consider setting up a Working Group (including colleagues, partners, stakeholders, voluntary community sector organisations, service users and Unions) to develop the rest of the EqIA
- It will be useful to also collate further evidence (additional data, consultation with the relevant communities, stakeholder groups and service users directly affected by your proposals) to further assess the potential disproportionate impact identified and how this can be mitigated.

NO - If you have ticked 'No' to all of the above, then go to **Stage 6**

35

Although the assessment may not have identified potential disproportionate impact, you may have identified actions which can be taken to advance equality of opportunity to make your proposals more inclusive. These actions should form your Improvement Action Plan at Stage 7

Stage 4: Collating Additional data / Evidence

8. What additional data / evidence have you considered in relation to your proposals as a result of the analysis at Stage 3?

(include this evidence, including any data, statistics, titles of documents and website links here)

9. What further consultation have you undertaken on your proposals as a result of your analysis at Stage 3?

Who was consulted?	What consultation methods were used?	What do the results show about the impact on different groups / Protected Characteristics?	What actions have you taken to address the findings of the consultation? (This may include further consultation)

						with the affected groups, revising your proposals).

Stage 5: Assessing Impact and Analysis

10. What does your evidence tell you about the impact on different groups? Consider whether the evidence shows potential for differential impact, if so state whether this is an adverse or positive impact? How likely is this to happen? How you will mitigate/remove any adverse impact?

Protected Characteristic	Adverse ✓	Positive ✓	Explain what this impact is, how likely it is to happen and the extent of impact if it was to occur. Note – Positive impact can also be used to demonstrate how your proposals meet the aims of the PSED Stage 9	What measures can you take to mitigate the impact or advance equality of opportunity? E.g. further consultation, research, implement equality monitoring etc (Also Include these in the Improvement Action Plan at Stage 7)
Age (including carers of young/older people)				
Disability (including carers of disabled people)				

Gender Reassignment									
Marriage and Civil Partnership									
Pregnancy and Maternity									
Race									
Religion or Belief									
Sex									
Sexual orientation									
11. Cumulative Impact – Considering what else is happening within the							Yes	No impact	

Council and Harrow as a whole, could your proposals have a cumulative impact on a particular Protected Characteristic?										
If yes, which Protected Characteristics could be affected and what is the potential impact?		Yes		No						
<p>11a. Any Other Impact – Considering what else is happening within the Council and Harrow as a whole (for example national/local policy, austerity, welfare reform, unemployment levels, community tensions, levels of crime) could your proposals have an impact on individuals/service users socio economic, health or an impact on community cohesion?</p> <p>If yes, what is the potential impact and how likely is to happen?</p> <p>12. Is there any evidence or concern that the potential adverse impact identified may result in a Protected Characteristic being disadvantaged? (Please refer to the Corporate Guidelines for guidance on the definitions of discrimination, harassment and victimisation and other prohibited conduct under the Equality Act) available on Harrow HUB/Equalities and Diversity/Policies and Legislation</p>										
		Age (including carers)	Disability (including carers)	Gender Reassignment	Marriage and Civil Partnership	Pregnancy and Maternity	Race	Religion and Belief	Sex	Sexual Orientation
33	Yes									
33	No									
<p>If you have answered "yes" to any of the above, set out what justification there may be for this in Q12a below - link this to the aims of the proposal and whether the disadvantage is proportionate to the need to meet these aims. (You are encouraged to seek legal advice, if you are concerned that the proposal may breach the equality legislation or you are unsure whether there is objective justification for the proposal)</p> <p>If the analysis shows the potential for serious adverse impact or disadvantage (or potential discrimination) but you have identified a potential justification for this, this information must be presented to the decision maker for a final decision to be made on whether the disadvantage is proportionate to achieve the aims of the proposal.</p> <ul style="list-style-type: none"> If there are adverse effects that are not justified and cannot be mitigated, you should not proceed with the proposal. (select outcome 4) If the analysis shows unlawful conduct under the equalities legislation, you should not proceed with the proposal. (select outcome 4) 										
Stage 6: Decision										
<p>13. Please indicate which of the following statements best describes the outcome of your EqIA (✓ tick one box only)</p> <p>Outcome 1 – No change required: the EqIA has not identified any potential for unlawful conduct or disproportionate impact and</p>										
									X	

all opportunities to advance equality are being addressed.	
Outcome 2 – Minor adjustments to remove / mitigate adverse impact or advance equality have been identified by the EqIA. <i>List the actions you propose to take to address this in the Improvement Action Plan at Stage 7</i>	
Outcome 3 – Continue with proposals despite having identified potential for adverse impact or missed opportunities to advance equality. In this case, the justification needs to be included in the EqIA and should be in line with the PSED to have 'due regard'. In some cases, compelling reasons will be needed. You should also consider whether there are sufficient plans to reduce the adverse impact and/or plans to monitor the impact. (Explain this in 13a below)	
Outcome 4 – Stop and rethink: when there is potential for serious adverse impact or disadvantage to one or more protected groups. (You are encouraged to seek Legal Advice about the potential for unlawful conduct under equalities legislation)	
13a. If your EqIA is assessed as outcome 3 or you have ticked 'yes' in Q12 , explain your justification with full reasoning to continue with your proposals.	

Stage 7: Improvement Action Plan

14. List below any actions you plan to take as a result of this Impact Assessment. This should include any actions identified throughout the EqIA.					
Area of potential adverse impact e.g. Race, Disability	Action required to mitigate	How will you know this is achieved? E.g. Performance Measure / Target	Target Date	Lead Officer	Date Action included in Service / Team Plan
All	Ensure that where appropriate key initiatives set out within the Delivery Plan of the Corporate Plan have initial Equality Impact Assessments undertaken.	Documentation completed in accordance Council policy	Before the end of 2015/16	Rachel Gapp, (Head of Policy)	
All	The Council's Strategic Performance Report includes monitoring of the Council's key deliverables, including the delivery plan of the Corporate Plan. This is reviewed by Cabinet quarterly and also includes progress against the Council's agreed Equality Objectives.	Quarterly performance monitored through CSB and Cabinet	To fit with Quarterly performance cycle	Alex Dewsnap, Divisional Director, Strategic Commissioning	

Stage 8 - Monitoring

The full impact of the proposals may only be known after they have been implemented. It is therefore important to ensure effective monitoring measures are in place to assess the impact.

<p>15. How will you monitor the impact of the proposals once they have been implemented? What monitoring measures need to be introduced to ensure effective monitoring of your proposals? How often will you do this? <i>(Also Include in Improvement Action Plan at Stage 7)</i></p>	<p>The Council's Strategic Performance Report includes monitoring of the Council's key deliverables, including the delivery plan of the Corporate Plan. This is reviewed by Cabinet quarterly and also includes progress against the Council's agreed Equality Objectives.</p>
<p>16. How will the results of any monitoring be analysed, reported and publicised? <i>(Also Include in Improvement Action Plan at Stage 7)</i></p>	<p>As above, through the Strategic Performance Report</p>
<p>17. Have you received any complaints or compliments about the proposals being assessed? If so, provide details.</p>	<p>No</p>

Stage 9: Public Sector Equality Duty

18. How do your proposals contribute towards the Public Sector Equality Duty (PSED) which requires the Council to have due regard to eliminate discrimination, harassment and victimisation, advance equality of opportunity and foster good relations between different groups.

<p>40 Include all the positive actions of your proposals, for example literature will be available in large print, Braille and community languages, flexible working hours for parents/carers, IT equipment will be DDA compliant etc)</p>	<p>Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010</p>	<p>Advance equality of opportunity between people from different groups</p>	<p>Foster good relations between people from different groups</p>
<p>The Priorities agreed by Council encompass all the Protected characteristics, and the Delivery Plan if effectively delivered, will support the Council in eliminating discrimination, harassment and victimisation.</p>	<p>The Priorities agreed by Council encompass all the Protected characteristics, and the Delivery Plan if effectively delivered, will support the advancement of equality of opportunity.</p>	<p>The Priorities agreed by Council encompass all the Protected characteristics, and the Delivery Plan if effectively delivered, will support the fostering of good relations between different groups.</p>	<p>The Priorities agreed by Council encompass all the Protected characteristics, and the Delivery Plan if effectively delivered, will support the fostering of good relations between different groups.</p>

Stage 10 - Organisational sign Off (to be completed by Chair of Departmental Equalities Task Group)

The completed EqIA needs to be sent to the chair of your Departmental Equalities Task Group (DETG) to be signed off.

<p>19. Which group or committee considered, reviewed and agreed the EqIA and the Improvement Action Plan?</p>	None at this stage		
<p>Signed: (Lead officer completing EqIA)</p>	Rachel Gapp	Signed: (Chair of DETG)	Alex Dewsnap
<p>Date:</p>	13/01/15	Date:	13/01/15
<p>Date EqIA presented at the EqIA Quality Assurance Group</p>	19/01/15	Signature of ETG Chair	

This page is intentionally left blank

Date of Meeting: 19 February 2015

Subject: Final Revenue Budget 2015/16 and Medium Term Financial Strategy 2015/16 to 2018/19

Key Decision: Yes

Responsible Officer: Simon George, Director of Finance and Assurance

Portfolio Holder: Councillor Sachin Shah, Portfolio Holder for Finance and Major Contracts

Exempt: No

Decision subject to Call-in: No, as the decision is reserved to Council

Wards affected: All

Enclosures:

Appendices listed below:

App. 1	Proposed Savings & Growth 2015/16 to 2018/19 for member approval
App. 2	Medium Term Financial Plan 2015/16 to 2018/19
App. 3	2015/16 Budget Book detail
App. 4	Levies, contributions and subscriptions
App. 5	Policy on use of contingency
App. 6	Schools Budget 2015/16
App. 7	Public Health Budget 2015/16
App. 8	Risk Assessment
App. 9	Reserves Policy
App. 10	Reserves and Provisions forecast
App. 11	Report of the Chief Finance Officer
App. 12	Model Council Tax Resolution
App. 13	Members Allowance Scheme
App. 14	Annual Pay Policy Statement for 2015/16
App. 15	Stakeholder Consultation – minutes of meetings

Section 1 – Summary and Recommendations

This report sets out the final revenue budget for 2015/16 and Medium Term Financial Strategy (MTFS) for 2015/16 to 2018/19. In December 2014 Cabinet approved draft versions of the revenue budget and MTFS for general consultation.

Recommendations:

Cabinet is requested to:

- 1) Note the increase in the estimated budget gap for the four year period 2015/16 to 2018/19 from £75m to £83m following the final 2015/16 Local Government Financial Settlement and revised projections of Revenue Support Grant from London Councils (paragraph 1.5)
- 2) Recommend the 2015/16 budget to Council for approval, being mindful of the results of the various consultations and equality impact assessments, to enable the Council Tax for 2015/16 to be set (Appendix 2)
- 3) Approve the Medium Term Financial Strategy (MTFS) at Appendix 2 for referral to Council.
- 4) Note the current remaining budget gaps of £23.2m, £15.3m and £13.9m for 2016/17, 2017/18 and 2018/19 respectively (table 3)
- 5) Note the intention to increase Council Tax by 1.99% in 2015/16 (paragraph 1.13).
- 6) Recommend to Council the 2015/16 Schools Budget as set out in Appendix 6.
- 7) Note the 2015/16 Public Health Budget as set out in Appendix 7.
- 8) Agrees the risk assessment (Appendix 8) and refers it to the Governance, Audit and Risk Management and Standards Committee for consideration and monitoring.
- 9) Note the sum of Better Care Funding to be received by the Council in 2015/16 (£6.601m) (paragraph 1.29)
- 10) Recommends the 2015/16 Members Allowance Scheme to Council for approval (Appendix 13)
- 11) Recommends the 2015/16 Annual Pay Policy Statement to Council for approval (Appendix 14)

Reason: (For recommendations)

To ensure that the Council sets a balanced budget for 2015/16.

Section 2 – Report

INTRODUCTORY PARAGRAPH

- 1.0 This is the final report in a series of budget reports for the MTFS covering the period 2015/16 to 2018/19.
- 1.1 This report shows that the 2015/16 Revenue Budget is balanced and the MTFS has estimated budget gaps of £23.2m, £15.3m and £13.9m for 2016/17, 2017/18 and 2018/19 respectively. The MTFS has been updated to reflect the final 2015/16 Local Government Financial Settlement announced on 3 February and the revised projections of Revenue Support Grant (RSG) from London Councils for 2016/17 to 2018/19. The three year impact is an estimated further reduction in RSG of £6.7m which, along with funding additional pressures for homelessness and the impact of welfare reform, takes the overall four year indicative savings target from £75m to £83m.

CURRENT FINANCIAL CONTEXT

- 1.2 The budget process is designed to ensure that it is priority led so that resources are aligned with council priorities and statutory responsibilities. A new vision and set of Council priorities were agreed at Council in June 2014 and the draft budget for 2015/16 has been prepared in line with these.
- 1.3 The MTFS agreed by Cabinet and Council in February 2014 showed a balanced budget position for 2014/15 and an estimated budget gap of £24.74m for 2015/16 and £20.765m for 2016/17. This budget gap was based on an indicative central government grant settlement for 2015/16 alongside a number of assumptions on council tax, inflation and movements on government grants.
- 1.4 In July 2014 Cabinet received a budget planning process update report which looked forward to 2017/18 and 2018/19 and estimated an additional budget gap of £15m for each year taking the total estimated budget gap for the four year period 2015/16 to 2018/19 to £75m. This is an indicative amount which is subject to change based on announcements in the annual central government grant settlement and local factors. The July Cabinet report identified an indicative savings target of £30m for 2015/16. This is slightly higher than the reported MTFS budget gap position of £24.74m to provide an element of slippage for those saving proposals that may require a long lead in time. To ensure the target for 2015/16 is achieved Cabinet, in July and November 2014, agreed to savings of £1.732m being taken in-year (2014/15) which contribute towards the £30m.
- 1.5 The final 2015/16 Local Government Financial Settlement was announced on 3 February 2015. The MTFS has been updated to reflect:
- The impact of the settlement

- The revised projections of Revenue Support Grant (RSG) from London Councils for 2016/17 to 2018/19.
- Additional demand pressures

1.6 The financial impact is an increase in the estimated budget gap for 2015/16 to 2018/19 to £83m, an increase of £8m of which £6.7m is attributable to the estimated reduction in RSG and £1.2m to an increase in homelessness. Welfare Reform pressures of £740k have been mitigated by application of the Welfare Reform Contingency.

EXTERNAL FUNDING POSITION

1.7 Harrow is one of the lowest funded councils in London. A focused piece of work was recently commissioned from LG Futures to investigate Harrow's funding settlement and the reasons behind the variances from other London Boroughs and across England. The review identified that in 2015/16 Harrow's revenue spending power per head is projected to be £159 (or 17.3%) lower than the London average which ranks Harrow 26th out of 32. A similar comparison with the England average shows Harrow's revenue spending power per head is £127 (or 14.3%) below average and ranks Harrow 105th out of 120.

DELIVERY OF THE 2014/15 BUDGET

1.8 Delivery of the 2014/15 budget is critical to maintaining the Council's financial standing. The 2014/15 revenue budget includes a challenging savings target of £12.9m and investment of £7.712m. The Quarter 3 position (as at 31 December) is subject to a separate report on the agenda. Overall the Council is forecasting a balanced budget. This is the net effect of a forecast overspend of £1m within the directorates off set by a forecast underspend £860k against corporate budgets and a draw down on the central contingency for unforeseen items of £140k:

Table 1: 2014/15 Financial Performance at Quarter 3 (forecast)

	Revised Budget	Forecast Outturn	Quarter 3 Variance	Variance	Quarter 2 Variance
	£000	£000	£000	%	£000
Resources	26,638	26,400	(238)	-0.9%	(530)
Environment and Enterprise	41,111	40,602	(509)	-1.2%	(481)
Community, Health and Wellbeing	75,873	76,967	1,094	1.4%	462
Children and Families	47,171	47,830	659	1.4%	811
Total Directorate Budgets	190,793	191,799	1,006	0.5%	262
Corporate Items	(16,367)	(17,373)	(1,006)	6.1%	(350)
Total Budget Requirement	174,426	174,426	0	0.0%	(88)
HRA	(905)	(821)	84		268

1.9 Managers continue to try and manage down the pressures within their directorates to prevent any calls on contingency

BUDGET PLANNING PROCESS

1.10 Through the budget process there has been a very clear steer that officers must come forward with a range of saving proposals to give Members options to meet the original estimated budget gap of £75m for the four year period 2015/16 to 2018/19, as reported to Cabinet in July 2014.

DEVELOPMENTS IMPACTING UPON THE COUNCIL'S MEDIUM TERM FINANCIAL STRATEGY

1.11 The 2014/15 MTFs, covering the three year period 2014/15 to 2016/17, was approved by Council in February 2014. Though the MTFs is approved annually, it is reviewed on a continual basis as the Council's financial position is dynamic and could be affected by a number of financial uncertainties and adjustments that could affect its financial position over the medium term.

1.12 In preparing the draft budget for 2015/16 there were a number of adjustments to the MTFs which were reported to December Cabinet and are detailed in table 2 below:

Table 2: Adjustments to Year MTFs (2015/16 to 2018/19) (PRIOR to the Local Government Financial Settlement)

	2015/16	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000
Estimated budget gap February 2014	24,740	20,765	0 (*)	0 (*)
Adjustments:				
Revenue Support Grant	0	(4,195)	8,560	3570
Retained Business Rates	1,022	150	0	0
Council Tax Increase of 1.99% (net)	(854)	0	0	0
Council Tax base	(1,407)	(1)	(104)	(102)
Collection Fund Surplus	(1,900)	1,900	0	0
Technical Adjustments	(2,420)	2,290	10,037	12,979
Additional directorate saving proposals (net):				
Children and Families	(1,882)	0	0	0
Environment & Enterprise	(4,403)	(2,870)	(775)	(264)
Community, Health and Wellbeing	(7,152)	(834)	(100)	0
Resources	(3,515)	(1,500)	(1,652)	(1,345)
Pan Organisation	(1,500)	(220)	(350)	(2,000)
Business Support Services	(730)	0	0	0
Estimated budget gap – December 2014	0	15,484	15,616	12,838

(*) The current MTFs runs to 2016/17. It has been extended by two years hence a starting point of £0.

1.13 On 3 December 2014 Chancellor George Osborne delivered his 5th annual Autumn Statement followed by the provisional Local Government Finance Settlement on 18 December and the final settlement on 3 February. The announcements, along with other changes, have resulted in a number of adjustments to the MTFS which are summarised in table 3 and supported by explanatory text. The 2015/16 budget still includes a Council Tax increase of 1.99%. To raise the council tax by more than 2% would trigger a referendum which the Council would need to pay for.

Table 3: Adjustments to MTFS 2015/16 to 2018/19 (AFTER the Local Government Financial Settlement)

	2015/16	2016/17	2017/18	2018/19
	£'000	£'000	£'000	£'000
Estimated budget gap December 2014	0	15,484	15,616	12,838
Adjustments:				
Impact of Financial Settlement:				
Revenue Support Grant	(142)	5,986	(330)	1,061
New Homes Bonus	(478)	0	0	0
Education Support Grant	(171)	0	0	0
Freedom Passes	(89)	0	0	0
Technical Adjustments:				
E&E 34 Food / Garden waste	(430)	430	0	0
Revised Treasury Management estimate	(1,163)	1,163	0	0
Additional Pressures:				
Homelessness	1,000	200	0	0
Welfare Reform	740	(215)	0	0
Better Care Fund	1,349	0	0	0
Other:				
Use of Welfare Reform Contingency	(1,036)	0	0	0
Increase in Contingency to reflect Welfare reform risks	248			
Deletion of Trade Union Facilities saving (RES 11)	27			
Rephasing of Access Harrow / HR savings	145	150	0	0
E&E 03 School crossing patrol. Rephase all saving to 2016/17	32	-32		
E&E 08 Highways Maintenance. Rephase saving	-32	32		
CHW 17 Community festivals, reduction of subsidy	10			
Capital financing costs reduction	-10			
Estimated budget gap – February 2015	0	23,198	15,286	13,899

1.14 **Impact of Financial Settlement.** The overall impact of the grants announced as part of the Financial Settlement on 2015/16 is an increase in grant of £791k compared to the position reported to December Cabinet:

- The combined total of **Revenue Support Grant, Top-up grant and Council Tax Freeze Grant** shows an increase of £142k compared to what was assumed in the December Cabinet report. There has been a reduction of £93k of grant to reflect the ending of the Carbon Reduction Commitment Charge. There has also been an addition as part of the final settlement of £248k to reflect the costs of welfare reform and social care faced by councils. This has been added to the general contingency for unforeseen items, increasing it from £1m to £1.248m.
- The **New Homes Bonus** is £478k higher than estimated following an exercise to review the classification of properties previously shown as empty within the Council Tax system.
- The estimate of the **Education Services Grant** receivable is £171k higher than previously expected. This reflects the most up to date received from the DfE on rates and academy conversions. The grant allocation will be revised in-year to reflect any conversions that take place.
- London Council's update their forward looking RSG projections annually after the announcement of the local government financial settlement. Harrow uses these projections in its MTFs and London Councils are forecasting Harrow's RSG will reduce by a further £6.7m:
 - 2016/17 – Further reduction of £5.986m
 - 2017/18 – Additional grant of £330k
 - 2018/19 – Further reduction of £1.061m

It is accepted that these projections are an estimate, and will be subject to change, but it is considered prudent to include the grant reductions in the MTFs. This, along with other adjustments, increases the overall 4 year indicative savings target from £75m to £83m.

- In terms of **Freedom Passes**, the London Council's Transport and Environment Committee on 11 December agreed the final levy for 2015/16 at £9.838m which is £89k lower than previously provided for.

1.15 **Technical Adjustments:**

- **Food / Garden Waste saving proposal.** The Environment and Enterprise directorate are proposing a saving of £2.681m against food and garden waste collection (ref E&E 34). The year 1 saving value of £540k was net of one off revenue implementation costs of £430k. These one off costs will be funded from the MTFs

Implementation Reserve, the impact of which will be additional revenue in the financial model of £430k in 2015/16 which will be reversed out in 2016/17. The total value of the food and garden waste proposal remains the same at £2.681m but the saving has been re-profiled to £970k in 2015/16 and £1.711m in 2016/17. £430k will be drawn down from the MTFS Implementation Fund and transferred to E & E on 01/04/15.

- The Quarter 3 review of the 2014/15 Capital Programme has been completed and, due to additional slippage, a non recurrent saving on capital financing costs of £1.163m is achievable in 2015/16 and this is reflected in the MTFS.

1.16 Additional Pressures:

- **Homelessness.** One of the significant consequences of welfare reform is that homelessness pressures are continuing to grow as the gap between actual rents in the market and what is payable through housing benefit grows, with the result that many more families who would otherwise have been able to find their own housing solution are now priced out of accommodation in West London, and have to approach the Council for help to secure accommodation. The other main welfare reform pressure is the overall benefit cap that has resulted in about 200 families needing on-going financial support, mainly through the Discretionary Housing Payments fund (DHP), to sustain tenancies and avoid homelessness. This has depleted the DHP provision available to help other groups avoid homelessness by agreeing higher (realistic) rents with their landlords or be assisted to move into the private rented sector. The main homelessness budget has had to meet this additional cost, as it is still cheaper to do this than take even more families into bed and breakfast.

Despite interventions that have been implemented, the combined impact of these has been to give rise to a significant overspend in respect of Homelessness in 2014-15. Based on current projections, the trends are unlikely to change in 15-16 as there is no likelihood Housing Benefit will meet even bottom quartile rents locally, and legislation restricts us on where else we can accommodate most homeless households. The amount of DHP Harrow will receive in 2015-16 has been reduced by 40%, which further reduces the ability to meet these anticipated additional costs. It has therefore been necessary to include growth in the Homelessness budget to help meet the increased demand for the service. The saving of £200k included in the draft budget has therefore been removed, and a further £800k growth included in respect of homelessness, giving an overall increase of £1m.

The prospects remain uncertain for future years, and from the detailed modelling work carried out, it is possible that actual demand for the service may result in costs in excess of the budgeted amount in 2015-16, though it should be noted that officers continue to work to try to mitigate this growth, both through

the continuation of existing initiatives and the development of new ones.

Welfare Reform. A Welfare Reform Contingency of £1.036m was set aside which was funded from a reduction in the Council Tax Support Scheme spends. This has now been brought into the MTFS and applied as follows:

- £296k contribution to Homelessness pressures
- £275k contribution to the Emergency Relief Scheme (ERS). In 2014/15 the scheme is funded from a separate grant for Local Welfare Provision (Social Fund Growth). From 2015/16 this will be subsumed into the RSG and the £275k is allocated to partly off set the loss of the separate grant.
- £215k to fund 6 additional staff, experienced in Revenues and Benefits, to address concerns from members of the public at not being able to make contact with Access Harrow and experiencing long wait times. This funding is allocated for 2015/16 only, after which it will be applied to the homelessness pressures.
- £250k contribution to the Council Tax summons costs budget to reduce the income expectation. This will allow for flexibility in cost withdrawal / write off therefore removing the financial burden from those tax payers on council tax support and with limited financial means who can least afford to pay additional charges.

1.17 The saving proposal to reduce the **Trade Union facilities time** (RES 11) for £27k has been deleted.

1.18 **Rephasing of Access Harrow / HR Savings.** 4 saving's, already approved by Cabinet for 2015/16, within Access Harrow and HR are being re-phased within the MTFS:

- RES029 Channel shift through roll out of My Harrow account (£60k)
- RES030 Close face to face and telephony channels for public realm enquiries (£70k)
- RES031 Reconfigure one stop shop (£190k)
- RES042 Reduction in HR Development posts (£75k)

The growth allocated to address a change in legislation for local land charges (RES 14) has been reduced by £250k in 2015/16 to partly off set the impact of the re-phased savings.

1.19 The saving for **School Crossing Patrols** (E&E_03) has been rephased to 16/17. A consultation with all 12 schools affected by the proposal commenced at the beginning of 2015 with a view that SLAs will be put in place with the schools which choose to continue the service. This will give sufficient time for schools to consider the proposal are/or seek their own alternative arrangements beyond 2015/16. There is a compensating saving of £32K in 15/16 from rephasing the saving on the highways maintenance budget (E&E_08).

This is considered feasible as a result of additional capital investment made in highways infrastructure during the last quarter of 14/15.

- 1.20 **Community festivals.** It is proposed to reduce the subsidy to festivals by £10k rather than cease it.

ANALYSIS OF DIRECTORATE SAVINGS

- 1.21 The proposed 2015/16 budget includes savings totalling £30.9m. The MTFs process was guided by work under the themes of regeneration, commercialisation and procurement, public service integration, efficiency and management savings. Table 4 below analyses the savings between management savings, additional income, contractual savings, efficiency savings and service changes (MICES):

Table 4: Saving Proposals 2015/16 to 2018/19 MICES Analysis

	Management	Income	Contractual	Efficiency	Service Changes	Total
Directorate	£000	£000	£000	£000	£000	£000
Resources	150	410	1,798	4,672	1,205	8,234
Community, Health & Wellbeing	308	2,235	313	2,124	1,892	6,872
Environment & Enterprise	367	3,871	830	1,684	1,560	8,312
Children & Families	205	541	50	586	1,215	2,597
Pan Organisation	0	0	0	1,720	2,350	4,070
Business Support	0	0	0	730	0	730
Total	1,030	7,057	2,991	11,516	8,222	30,815

Table 4 does not account for the following four growth items which were not categorised:

- Children and Families – Social Worker growth of £715k
- Community, Health and Wellbeing – Care Act funding from the Better Care Fund of £545k
- Homelessness growth £800k
- Resources savings rephasing £395k

- 1.22 The saving proposals, as detailed in appendix 1, currently approximate to a reduction of 145 fte in 2015/16.

FEES AND CHARGES 2015/16

- 1.23 The proposed fees and charges for 2015/16 were agreed by January Cabinet. The estimated effect of the changes proposed has been accounted for in the MTFs.

SCHOOLS BUDGET 2015/16

- 1.24 The funding arrangements for the Dedicated Schools Grant and the Schools Budget for 2015/16 are detailed in Appendix 6. Cabinet are asked to recommend to Council the Schools Budget for 2015/16 which was presented to Schools Forum on 20 January 2015.

PUBLIC HEALTH FUNDING 2015/16

- 1.25 The Department of Health announced in September 2014 that local authorities would receive a £2.79 billion ring fenced public health grant for their public health duties, the same level as in 2014/15. The allocation for Harrow totals £9.146m for 2015/16. There will be further ring-fenced funding for 0-5 years public health services (health visiting) announced in due course in relation to the services that will transfer from NHS England to local authorities in October 2015.
- 1.26 During 2014/15 further contract efficiencies have been identified enabling wider determinants of public health to be charged to the grant. A programme of procurement will continue in 2015/16 and beyond and in particular, a collaborative approach to the commissioning of sexual health services across London, is expected to deliver further efficiencies (or as a minimum contain growth) from April 2018.
- 1.27 The commissioning intentions (detailed in Appendix 7) were presented, as part of the overall Council budget, to the Health and Wellbeing Board at its meeting on 08 January 2015.

BETTER CARE FUND

- 1.28 From April 2015 the NHS Funding Transfer will become the Better Care Fund (BCF) with funding of £3.8bn nationally. The allocation for Harrow, across the Health and Social Care economy is £14.373m. This represents a re-allocation of existing resources and includes £1.190m for capital expenditure (including Disabled Facilities Grants) together with the funding associated with a range of duties from the Care Act that comes into effect in April 2015.
- 1.29 Following extensive joint work and negotiations, the Health & Wellbeing Board on 8th January agreed the allocation of the BCF funding for 2015/16. The proposed budget now reflects a transfer to the Council of £6.601m comprising revenue funding of £5.411m to protect social care services (including resources for the Care Act) together with the full capital allocation of £1.190m.
- 1.30 A series of further conversations, outside of the BCF, were agreed on a number of other issues:
- To consider financial support for the Council for winter pressures
 - To consider the funding associated with the enhanced discharge scheme
 - A review process to ensure that the protection of social care is considered as part of the allocation of any health care resource available to the economy
- 1.31 The transfer now agreed, whilst greater than the existing NHS Funding Transfer amount, is less than was anticipated in the 2015/16 draft budget reported to Cabinet in December. Should additional funding to protect social care services be identified during 2015/16, this will be held corporately to offset the shortfall.

- 1.32 It is assumed that the BCF will, subject to national political decision, be ongoing. As a result, discussions will be necessary with the Harrow Clinical Commissioning Group (CCG) to agree the funding required for the protection of social care services in 2016/17 and will be included as appropriate in future draft budgets. The Council expectation is that discussions for 2016/17 will start at £6.5m, the anticipated transfer value for 2015/16.

DEMOGRAPHY

Adult Services

- 1.33 Adults demography, based on statistical information, has been required in the region of £2.5m to £2.8m in recent years and reflects largely the cost of supporting older service users in the community (106 additional placements at an average cost of £8,250 pa) and children transitioning to adult hood (£1m). The balance represents additional residential placements (17 additional placements at an average cost of £30kpa) and cases no longer meeting continuing care criteria. These demographic pressures are expected to continue into 2017/18 and beyond, at least at the level of the existing MTFS. It is possible that these demographic costs may need to be increased further to reflect the ongoing costs arising from the introduction of the Care Act. Whilst it is not yet possible to quantify with any certainty the likely costs in this respect, estimates indicate that this could be anywhere between £3.7m and £5m pa over the term of the MTFS.
- 1.34 The Care Act is expected to be funded in 2015/16 by a new burdens grant (£1.2m) and the BCF (£0.545m), a shortfall on the estimated costs. These costs will be closely monitored with any evidenced variations being reported at the earliest opportunity. Whilst the BCF funding is expected to be ongoing, it is not yet clear whether the new burdens grant will continue after April 2016, although the Council will be required to continue to support service users and their carers once assessed under the eligibility criteria.
- 1.35 The current MTFS assumes demographic growth of £2.8m in 2015/16 and £2.5m in 2016/17. For the final two years of the MTFS assumes that any demographic pressures will be offset by compensatory savings hence no growth is included. Given the pressures this will need to be kept under review.

Children and Families

- 1.36 Children's Services has received annual demographic growth totalling £413k. Of this, £260k funds client costs in relation to children with disabilities and accommodation costs for looked after children and care leavers. The remaining £153k supports the social care work force. Children's Services has seen a growth in demand for services, an example of which are shown as follows:
- 41% increase in the number of 0-4 year olds since 2001
 - 31% increase in Children in Need (CiN) from 2013 to 2014
 - 50% increase in Child Protection Plans (CPP) from 2013 to 2014

- 51% increase in referrals from 2013 to 2014
- 1.37 The current MTFs assumes demographic growth of £413k in 2015/16 but nothing beyond this. The MTFs assumes that any demographic pressures will be offset by compensatory savings hence no growth is included. Given the pressures this will need to be kept under review.
- 1.38 The MTFs includes a budget planning contingency of £3m for 2016/17, 2017/18 and 2018/19 which is intended to address budget pressures.

REGENERATION

- 1.39 Indicative net income is estimated to be realised from a long term regeneration strategy for the borough (saving proposal PO 03). The Harrow Regeneration Strategy and Action Plan was presented to December Cabinet.

RESERVES AND CONTINGENCIES

- 1.40 Reserves and contingencies need to be considered in the context of their need to protect the Council's good 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 and unforeseen events. As at the time of writing this report general non earmarked balances stand at £10m and those for specific purposes are detailed:
- Unforeseen contingency (including mitigation should decision makers want to make alternative decisions for equalities reasons) £777k
 - Pay and Energy Inflation contingency £1.400m with an anticipated draw down of £950k once the current year pay award is finalised
 - Transformation and Priorities Initiatives Fund £3.891m
 - Carry forwards £195k
 - Business Risk Reserve £2.859m
 - MTFs Implementation £5.112m
- 1.41 The report of the Director of Finance and Assurance which includes the adequacy of reserves is detailed in Appendix 11.

PROPOSALS FOR GENERAL RESERVES / BUDGET RISK ASSESSMENT

- 1.42 The detailed risk assessment of the budget has been updated and included in this report at Appendix 8. Cabinet agreed the following reserves policy in February 2014:

The risk assessment of the budget dictates the minimum level of general balances required.

One of the calls on any under spend at the end of the year will be a contribution to general balances. The value of the contribution will be determined with regard to the size of the underspend, the underlying strength of the balance sheet, the need to support the transformation programme and other priorities.

At the current time no amendments are required to the reserves policy which is detailed in Appendix 9.

COUNCIL TAX MODEL RESOLUTION

1.43 The draft Council Tax Model Resolution is attached at Appendix 12. This is still subject to confirmation of the GLA precept which is expected to be confirmed on 23 February. Any changes will be made for approval at Council on February 26.

MEMBERS ALLOWANCE

1.44 The proposed Members' Allowances scheme for 2015/16 is attached at Appendix 13. This has been prepared having regard to the report of the Independent Panel that considered the Remuneration of Councillors in London. It is proposed that the basic allowance and the different bands of Special Responsibility Allowance (SRA) and Mayoral Allowances, which have been in place since 2009/2010, be uprated in line with the Local Government Pay Settlement (2.2%) from those agreed in 2014/15. It is also proposed that the SRA banding for a number of roles be reduced and that the current Band 2 be deleted.

1.45 Cabinet is requested to recommend the scheme to Council for approval.

ANNUAL PAY POLICY STATEMENT

1.46 Under the Localism Act all public authorities must publish annual pay policy statements. The statement must set out the Authorities policies for the financial year relating to:

- Remuneration of its Chief Officers
- Remuneration of its lowest paid employees
- The relationship between the remuneration of its Chief Officers and the remuneration of those employees who are not Chief Officers

1.47 The proposed statement is attached at Appendix 14 and Cabinet is requested to recommend it to Council for agreement.

CONSULTATION

1.48 As a matter of public law the duty to consult with regards to proposals to vary, reduce or withdraw services will arise in 3 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

Where consultation is required to inform and equality impact assessment.

- 1.49 Regardless of whether the Council has a duty to consult, if it chooses to consult, such consultation must be carried out fairly. In developing saving proposals consultation has or is being undertaken with a significant number of stakeholder groups to inform proposals.
- 1.50 'Take Part' was the start of a conversation with residents about changes the council needs to make over the next four years to meet the significant budget gap. The consultation was carried out over an eight week period from 11 September to 8 November 2014 and the feedback and equality impact assessment (process) were fully reported to December Cabinet.
- 1.51 The Environment and Enterprise directorate has undertaken a public consultation on five key proposals over December and January:
E&E 23 Environmental Health out of hour's noise nuisance response service
E&E 25 Shopping Areas Street cleaning
E&E 26 Reduce Parks service to statutory minimum
E&E 27 Highways verge grass cutting
E&E 34 Garden waste

The results of the public consultation and the high level implementation plans for the 5 key proposals are detailed in the report 'Environment and Enterprise Medium Term Financial Strategy Implementation Plan' which is a separate item on this agenda.

- 1.52 The Children & Families directorate has undertaken a public consultation on proposed changes to the Children's Centres services (ref C&F12). The consultation was carried out over the period 11 November 2014 through to 4 January 2015. The results of the consultation and proposals for the future model of Children's Centres are detailed in the report 'Children's and Families – Children's Centres' which is a separate item on the agenda.
- 1.53 The Community, Health and Wellbeing directorate has undertaken two public consultations:
- Review of the Library Service (ref CHW16).** The consultation ran from November through to January and the results will be reported to March Cabinet as part of the 'Library Strategy 2015 – 2018' report.
- Review of Voluntary Sector Funding (ref CHW 11).** The consultation is currently running until 13 February and the results will be reported to March Cabinet as part of the 'Voluntary & Community Sector: Outcome of consultation on funding' report.
- 1.54 A number of specific stakeholder groups were held which are detailed in table 5 below and the minutes are detailed in appendix 15:

Table 5: Stakeholder Consultation in addition to the ‘Take Part’ consultation

Stakeholder	Meeting	Date
Trade Unions	Special Finance CJC – Trade Union consultation on budget	09 December 2014
Elected members and Trade Unions	Employee Consultative Forum	13 January 2015
Overview and Scrutiny	Special meeting of Overview and Scrutiny to review the budget.	20 January 2015
Local businesses	Harrow Business Consultative Panel	27 January 2015

- 1.55 The Council is currently holding a 4 week consultation so provide residents with the opportunity to comment on the draft revenue budget for 2015/16, the MTFS for 2015/16 to 2018/19 and the draft capital programme 2015/16 to 2018/19. The consultation closes on Sunday 15 February and interested parties can participate online. The results of the consultation will be considered by Cabinet.
- 1.56 Should the consultation and equalities process highlight any outcomes that the council will be unable to accept or demonstrates an adverse impact which cannot be justified, the Council’s balances allow for such proposals not to be proceeded with.

LEGAL IMPLICATIONS

- 1.57 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 in order 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.
- 1.58 Local authorities owe a fiduciary duty to council tax payers, which means it 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 tax payers 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.
- 1.59 When approving its budget, the Council must take into account all relevant material, including its fiduciary duty, consultation responses to the general budget consultation and potential equality implications in order to reach a decision. This report presents the 2015/16 revenue budget, following consultation on specific proposals and the budget overall. Cabinet must consider the results of the various consultations

and the equality impact assessment results, when deciding whether to approve the budget.

- 1.60 As an alternative to agreeing any of the proposals, the Council also has the option to maintaining the current level of services; however this will impact on the proposed budget. If savings are not made, the Council will have to consider what alternatives are available to meet its anticipated budgetary shortfall. Alternatives could include cutting services elsewhere, use of reserves and increasing council tax.

FINANCIAL IMPLICATIONS

- 1.61 Financial Implications are integral to this report.
- 1.62 Under the Local Government Act 2003 the Director of Finance and Assurance (in their capacity as the Chief Finance Officer under S151 of the Local Government Act 1972) is required to comment on the robustness of the budget and the adequacy of reserves. The overall view is that the budget is robust, the Council has suitable specific reserves and general balances are adequate. The Directors Report is set out in Appendix 11 and details the factors taken into consideration when forming the overall view.

PERFORMANCE IMPLICATIONS

- 1.63 The in-year measurement of the Council is reported in the Strategic Performance Report. The Corporate Plan, which will be developed alongside the Budget Report, will have measures within it which will set out how Council delivery in 2014/15 will be measured and this again will be reported through the Strategic Performance Report.

EQUALITIES IMPLICATIONS / PUBLIC SECTOR EQUALITY DUTY

- 1.64 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, in particular, to the need to:

- (a) *remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;*
- (b) *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;*
- (c) *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:

- (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*

1.65 All new directorate proposals have been subject to an initial equalities impact assessment followed by a full assessment where appropriate.

1.66 An assessment has been carried out on the whole budget, when all proposals have been identified, to ensure that decision makers are aware of any overall impact on any particular protected group.

1.67 Officers have indicated ways that these impacts can be mitigated. The individual equalities impacts will be kept under review as the projects are initiated and throughout the life time of the projects. Officers will put in place appropriate mitigation where this is possible.

1.68 If deemed appropriate, a project may be subject to future individual Cabinet decisions once the budget envelope has been set by Council. The equality impacts will be updated for these decisions. As an alternative to agreeing any of the proposals, the Cabinet would have

the option of maintaining the current level of services; however this will impact on the proposed budget.

RISK MANAGEMENT IMPLICATIONS

1.69 As part of the budget process the detailed budget risk register has been reviewed and updated. This helps to test the robustness of the budget and support the reserves policy. It is summarised below in table 6 and is attached in Appendix 8:

Table 6: Risk Assessment – Summary

	2015/16	2016/17	2017/18	2018/19
	£m	£m	£m	£m
Net Risk	10.718	14.252	14.037	14.372
Contingencies:				
Unforeseen events	(1.248)	(1.248)	(1.248)	(1.248)
Budget Planning		(3)	(3)	(3)
Remaining risk	9.470	10	9.789	10.124

1.70 As at March 2014 the level of General Reserves was £10m, which is within the recommended minimum level and is sufficient to cover the remaining risk as highlighted in table 6.

COUNCIL PRIORITIES

1.71 The Council's vision is **Working Together to Make a Difference for Harrow**. This is supported by the administration's priorities of:

- Making a difference for the vulnerable
- Making a difference for communities
- Making a difference for local businesses
- Making a difference for families

1.72 The budget for 2015/16 supports delivery of the Council's vision, the administrations priorities and is consistent with the Corporate Plan.

Section 3 - Statutory Officer Clearance

Name: Dawn Calvert	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 10/02/15		
Name: Jessica Farmer	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 10/02/15		

Ward Councillors notified:	NO* , as it impacts on all Wards <i>* Delete as appropriate.</i>
EqIA carried out:	To follow
EqIA cleared by:	

Section 4 - Contact Details and Background Papers

Contact: Dawn Calvert, Head of Strategic Finance and Business (Deputy S151), tel: 0208 424 1393, dawn.calvert@harrow.gov.uk

Background Papers:

[Report to Council 27 February 2014 - Final Revenue Budget 2014/15 and Medium Term Financial Strategy \(MTFS\) 2014/15 to 2016/17](#)

[Report to Cabinet 17 July 2014 – Budget Planning Process Update](#)

[Report to Cabinet 20 November 2014 – Budget Planning Process Update](#)

[Report to Cabinet 11 December 2014- Draft Revenue Budget 2015/16 and Medium Term Financial Strategy 2015/16 to 2018/19](#)

Call-In Waived by the Chairman of Overview and Scrutiny Committee	NOT APPLICABLE <i>[Call-in does not apply as the decision is reserved to Council]</i>
--	---

Resources			Savings - 4 Years							Type Analysis	
Ref	Service Area	Headline Description re: saving / reduction	2014/15 Service Budget	2014/15 Ongoing	2015/16	2016/17	2017/18	2018/19	Total	M - Management Savings I - Additional Income C - Contractual Savings E - Efficiency Savings S - Service Changes	Consultation Done General Specific
			£000	£000	£000	£000	£000	£000	£000		
Savings											
RES01	Finance and Assurance	Staff savings	2,636	30	304				334	E	Done
RES02	Finance and Assurance	Additional Charge to the Pension Fund to reflect time spent by the Director of Finance and other Finance and Assurance staff on Pension Fund matters.	2,636		80				80	I	N/A
RES03	Finance and Assurance	On going review of the Finance and Assurance structure for which proposals will need to be developed.	2,636		-	250	500	500	1,250	E	Specific
RES04	Finance and Assurance	Reduction in annual contribution to the Insurance Fund to reflect improved claims performance (lower level of claims paid out)	1,810		200				200	E	N/A
RES05	Finance and Assurance	Additional Treasury returns via lending to WLWA (Incinerator project - Loan approved by Council 4th July 2013)	2,636	50	350				400	I	N/A
RES06	Finance and Assurance	Business Continuity Additional Income	146		30				30	I	N/A
RES07	HR & Shared Services	Re-organisation of the HR, Development and Shared Service function which will result in the deletion of approximately 18 fte	2,644		495				495	E	Specific
RES08	HR & Shared Services	Further HR, Development and Shared Service savings for which detailed proposals will need to be developed	2,644				550	250	800	E	Specific
RES09	HR & Shared Services	Additional savings in delivery including efficiencies through the transfer of the Health & Safety function to Environment & Enterprise and the re-charging of relevant payroll expenditure to the Pension Fund (no estimated reduction in FTE).	2,644		270				270	E	N/A
RES10	HR & Shared Services	Reduce Occupational Health support	211		100				100	E	N/A
RES11	HR & Shared Services	Reduce Corporate Learning & Development for staff	292		100				100	E	N/A
RES12	Legal & Dem Services	Reduction in Legal cost, in the initial instance by growing the business		-	144	144	144	144	576	S	Specific
RES13	Legal & Dem Services	Amalgamation of two teams to become Democratic and Electoral Services and and staff reduction - Mayor Office	639		86				86	E	Staff Consultation

Resources			Savings - 4 Years							Type Analysis	
Ref	Service Area	Headline Description re: saving / reduction	2014/15 Service Budget	2014/15 Ongoing	2015/16	2016/17	2017/18	2018/19	Total	M - Management Savings I - Additional Income C - Contractual Savings E - Efficiency Savings S - Service Changes	Consultation Done General Specific
			£000	£000	£000	£000	£000	£000	£000		
RES14	Legal & Dem Services	Local land charges growth pressure. An element of the land charge function (including chargeable services) is expected to move to the Land Registry during 2015	-614		(250)	(100)			(350)	I	N/A
RES15	Procurement	Restructuring of the Commercial, Contracts and Procurement Division's function.	934		50		201	151	402	E	Specific
RES16	Strategic Commissioning	Retender of the Communications Service to take account of reductions in spend phased in the following way: 2015/16 - 20% reduction, 2016/17 - 10% reduction, 2017/18 - 10% reduction.	452		114	57	57		228	C	Specific
RES17	Strategic Commissioning	Retendering of the Healthwatch service, reducing the core spend by this amount.	185		80				80	C	Specific
RES18	Strategic Commissioning	Stop funding Harrow Senior Residents Assembly / Decommissioning of Scrutiny Projects Budget	21		21				21	S	Specific in progress
RES19	Strategic Commissioning	Stop the Objective Portal Contribution from the Division, used for online consultations.	8		8				8	S	N/A
RES20	Strategic Commissioning	Staff restructure of existing posts and making greater use of apprentices and graduate placements	2,452		129.5				129.5	E	Specific
RES21	Resources Wide	Management Savings				150			150	M	N/A
RES22	Customer Services & IT	Efficiency Savings – Staff reductions due to the implementation of more automation and self service forms in Revenues and Benefits	1,123		459				459	E	Done
RES23	Customer Services & IT	Increased Income from Harrow Helpline and reduction in staffing costs	467		200	50			250	I	Specific
RES24	Customer Services & IT	Project Management Office - staff savings. Deletion of 1 fte PMO (currently vacant) in 2014/15 to achieve a saving of £24k in 2014/15 and £22k in 2015/16.	259	24	22				46	E	N/A
RES25	Customer Services & IT	Procurement savings across the contracts managed within the division.	8,134		541	949			1,490	C	Specific

Resources			Savings - 4 Years							Type Analysis	
Ref	Service Area	Headline Description re: saving / reduction	2014/15 Service Budget	2014/15 Ongoing	2015/16	2016/17	2017/18	2018/19	Total	M - Management Savings I - Additional Income C - Contractual Savings E - Efficiency Savings S - Service Changes	Consultation Done General Specific
			£000	£000	£000	£000	£000	£000	£000		
RES26	Customer Services & IT	Reduce the cost of Access Harrow by migrating customers to more efficient channels. This will be delivered through improved self-service availability in the One Stop Shop, greater use of IVR over the telephone and enhanced functionality via the website and MyHarrow account. Resources will be aligned to the subsequent drop in demand and as channels are closed.	3,258		100		200	300	600	S	Specific
Total Savings				104	3,634	1,500	1,652	1,345	8,234		
Growth											
RESG01	Customer Services & IT	Welfare Reform contingency utilisation- ERS scheme £275k, 6FTE Revenues and benefits £215k, Council Tax summons costs £250k			740	(215)			525		
RESG02	Resources	Rephasing of Resources savings agreed Feb 2014			395	150			545		
Total Growth				-	1,135	(65)	-	-	1,070		
									-		
Net Savings				104	2,499	1,565	1,652	1,345	7,164		

Community, Health & Wellbeing			Savings - 4 Years							Type Analysis	
Ref	Service Area	Headline Description re: saving / reduction	2014/15 Service Budget	2014/15 Ongoing	2015/16	2016/17	2017/18	2018/19	Total	M - Management Savings I - Additional Income C - Contractual Savings E - Efficiency Savings S - Service Changes	Consultation Done General Specific
			£000	£000	£000	£000	£000	£000	£000		
Savings											
CHW01	CHW	Consolidate Transformation Team with other Council services	227		227				227	E	Done
CHW02	CHW	Delete two Adults management posts and fund one by the Better Care Fund	2,047		170				170	M	Done
CHW03	CHW	Review of Business Support Services	1,667		90				90	E	To complete
CHW04	CHW	Reversal of late growth items at February 2014 Council	240	230					230	E	N/A
CHW05	Adults	Protection of Social Care Services through the Department of Health Better Care Fund allocation	33,352		1,788				1,788	I	N/A
CHW06	Adults	Supporting People contract negotiation efficiency	2,530	99	300				399	S	To complete
CHW07	Adults	Recommissioning of inhouse transport provision to support the most vulnerable service users.	1,414		500				500	E	To complete
CHW08	Adults	Additional income to be generated though MyCEP Commercialisation			100				100	I	N/A
CHW09	Adults	Reduced funding following review of WLA programme	70			50			50	E	N/A
CHW10	Adults	Review of Inhouse Residential Provision	3,026		250				250	E	To complete
CHW11	Adults	Review of voluntary sector funding	1,755		550				550	S	Done
CHW12	Community & Culture	Redevelopment Harrow Leisure Centre Site	-609				100		100	I	N/A
CHW13	Community & Culture	School Music Service to fully recover costs	72		72				72	I	N/A
CHW14	Community & Culture	Strategic reorganisation of Sports Development team. Review to reduce by 1fte (remaining post funded from within Community & Culture budgets). Cease delivery of london Youth Games and further review sports development delivery in 2016/17.	87	47	30	10			87	E	Specific??

Community, Health & Wellbeing			Savings - 4 Years							Type Analysis	
Ref	Service Area	Headline Description re: saving / reduction	2014/15 Service Budget	2014/15 Ongoing	2015/16	2016/17	2017/18	2018/19	Total	M - Management Savings I - Additional Income C - Contractual Savings E - Efficiency Savings S - Service Changes	Consultation Done General Specific
			£000	£000	£000	£000	£000	£000	£000		
CHW15	Community & Culture	Reduce council subsidy to the Harrow Arts Centre & Museum, whilst developing business plan to eliminate subsidy in the longer term. In 2015/16 saving achieved by additional income and staff re-structure in 2014/15 (resulting in 2 redundancies)	615		100	515			615	E	Done???
CHW16	Community & Culture	In 2014-15 reduction in library book stock fund to spend consistent with previous years In 2015-16 to develop a library strategy which reduces the number of libraries from 10 to 6, and implement a range of improvements to the remaining libraries in the medium to longer term.	2,834	100	500				600	S	Done
CHW17	Community & Culture	Reduction of subsidy for community festivals	40		30				30	S	Done
CHW18	Community & Culture	CHW Management savings - 1 fte in Community & Culture 2015/16 and 1 fte in Housing 2016/17	2,047		79	59			138	M	To complete
CHW19	Public Health	Reduction in discretionary Health Checks	335		187				187	S	N/A
CHW20	Public Health	Efficiencies within Sexual Health & Family Planning Services	1,011		45				45	C	N/A
CHW21	Public Health	Efficiencies within School Nursing Service	725		18				18	C	N/A
CHW22	Public Health	Efficiencies within Harrow Drug & Alcohol (Young People & Adults) Services	2,712		250				250	C	N/A
CHW23	Public Health	Efficiencies within Smoking Cessation & Tobacco Control services	228		41				41	S	N/A
CHW24	Public Health	Reduce funding in Physical Activity Services (back - office change)	136		60				60	S	N/A
CHW25	Public Health	Reduce Sexual Planning & Family Planning Out of Borough Contingency Fund	151		25				25	S	N/A
CHW26	Housing	Reduction in training & other minor budgets following review of current usage and assessment of future budget requirements	46		34				34	E	N/A
CHW27	Housing	Additional salary recharges to the HRA to reflect work patterns	2,034		41				41	E	N/A

Community, Health & Wellbeing			Savings - 4 Years							Type Analysis	
Ref	Service Area	Headline Description re: saving / reduction	2014/15 Service Budget	2014/15 Ongoing	2015/16	2016/17	2017/18	2018/19	Total	M - Management Savings I - Additional Income C - Contractual Savings E - Efficiency Savings S - Service Changes	Consultation Done General Specific
			£000	£000	£000	£000	£000	£000	£000		
CHW28	Housing	Income from increased Charges for Bed & Breakfast / Private Sector Leasing accommodation. This is the 2015-16 estimated effect of an increase being implemented in 2014-15.	4,813		175				175	I	N/A
Total Savings				476	5,662	634	100	-	6,872		
Growth											
CHWG01	Adults	Care Act funding from the Better Care Fund			545				545		
CHWG02	Housing	Homelessness - Growth in homelessness			800				800		
Net Savings				476	4,317	634	100	-	5,527		

Environment & Enterprise			Savings - 4 Years							Type Analysis	
Ref	Service Area	Headline Description re: saving / reduction	2014/15 Service Budget	2014/15 Ongoing	2015/16	2016/17	2017/18	2018/19	Total	M - Management Savings I - Additional Income C - Contractual Savings E - Efficiency Savings S - Service Changes	Consultation Done General Specific
			£000	£000	£000	£000	£000	£000	£000		
Savings											
E&E_01	Commissioning Services	Trading Standards - Further cost reduction in Trading Standards service by re-negotiating the Service Level Agreement with London Borough of Brent	358			40	40		80	C	N/A
E&E_02	Commissioning Services - Community Engagement	Full reversal of the Neighbourhood Champions growth item	150	100					100	S	N/A
E&E_03	Commissioning Services - Community Engagement	School Crossing Patrols - service to be funded directly by schools via Service Level Agreement (SLA). If any school chooses not to enter into a SLA, the service for that school will cease.	64		-	64			64	S	Specific consultation with schools in progress
E&E_04	Commissioning Services - Contract Mgt	Staff Efficiencies across the Division - Deletion of contract manager post (currently vacant)	529		73				73	M	Done
E&E_05	Commissioning Services - Contract Mgt & Policy	Staff Efficiencies across the Division - Deletion of 3 posts	529		48		86		134	E	Done
E&E_06	Commissioning Services - Facilities Mgt	Reduction in Facilities Management costs - reduce the controllable budget by 20% in the first 2 years through re-structuring and changing ways of service delivery and a further 5% over Years 3 & 4 through additional efficiencies post re-structuring. Consultation with staff already underway and it is proposed to delete 8 posts, 3 of these are currently vacant.	2,000	100	300	44	44	22	510	E	Done
E&E_07	Commissioning Services - Facilities Mgt	Introduction of staff car parking charges	0		20	30	-	-	50	I	Specific consultation with staff TBC
E&E_08	Commissioning Services - Highway Services	Reduce highways maintenance budget - Changes to the response times on non urgent works i.e. respond to these in 48 hours instead of existing 24 hours.	1,186	60	127	84	45		316	E	Done
E&E_09	Commissioning Services - Highways	Highways Contract - Extend the scope of the Highways Contract to include scheme design and / or inspection services when the contract is re-procured (current contract will expire in 16/17).	639				120	120	240	E	NA
E&E_10	Commissioning Services - Highways	Review salary capitalisation of highway programme & TfL funded projects	-600			100	50	50	200	I	NA

Environment & Enterprise		Savings - 4 Years								Type Analysis	
Ref	Service Area	Headline Description re: saving / reduction	2014/15 Service Budget	2014/15 Ongoing	2015/16	2016/17	2017/18	2018/19	Total	M - Management Savings I - Additional Income C - Contractual Savings E - Efficiency Savings S - Service Changes	Consultation Done General Specific
E&E_11	Commissioning Services - Network Mgt	Additional income - from permitting scheme	-644	40	60	20	10		130	I	N/A
E&E_12	Commissioning Services - Street Lighting	Changes in Street Lighting Policy to include variable lighting solutions.	652		30	68	10	12	120	S	Done
E&E_13	Commissioning Services - Street Lighting and Drainage	Street lighting and Drainage budgets - capital investment allows for lower maintenance costs	786	25	60	25	40		150	E	N/A
E&E_14	Commissioning Services - Winter Gritting	Reduction in winter gritting budgets - renegotiation of winter gritting contract - adopt a risk sharing approach and move away from the current fixed pricing for the service	213		10	20		10	40	C	N/A
E&E_15	Directorate wide	Staff Efficiencies following the merger of the Business & Service Development and Commissioning Services Divisions.	1,098	40	124				164	M	Done
E&E_16	Directorate wide	Management Efficiencies - Reduce staff budget in Directorate Management by £130K.	1,100	77	53				130	M	Done
E&E_17	Directorate wide	Reversal of late growth items at February 2014 Council	110	110					110	S	N/A
E&E_18	Directorate wide	Staff Efficiencies following the merger of the Business & Service Development and Commissioning Services Divisions - Delete one performance management officer post and a cemetery superintendent post as of 31 March 2015. In addition, further efficiencies to be achieved in Environmental Services Delivery and Commissioning Divisions in 17/18.	1,098		72		30	50	152	E	Done
E&E_19	Directorate wide	Increase Fees & Charges - harmonise our cemetery charges with London Borough of Brent for the shared site at Carpenders Park, and increase the minimum charge for residual waste disposal by trade customers at CA site to cover the cost of disposal.			50				50	I	N/A
E&E_20	Directorate-wide	Contractual/commissioned/SLA savings - To seek maximum value in savings from existing contracts, Service Level Agreements and all services commissioned, from third parties by re-negotiating terms that will yield cashable savings. To secure on-going cashable benefits from gain share and third party income arrangements.			300	200	200		700	C	N/A

Environment & Enterprise			Savings - 4 Years							Type Analysis	
Ref	Service Area	Headline Description re: saving / reduction	2014/15 Service Budget	2014/15 Ongoing	2015/16	2016/17	2017/18	2018/19	Total	M - Management Savings I - Additional Income C - Contractual Savings E - Efficiency Savings S - Service Changes	Consultation Done General Specific
E&E_21	Directorate-wide	Efficiencies saving –Remove Supplies & Services budget in Directorate Management.	500		170				170	E	N/A
E&E_22	Environmental Services - Env Health	Environmental Health Staffing: Reduce professional staffing by 2 Environmental Health Officer posts and 2 Technical Officer posts reducing service levels to residents and businesses proportionately	1,610		175				175	S	N/A
E&E_23	Environmental Services - Env Health	Environmental Health out of hours noise nuisance response service. Delete this service.	50		50				50	S	Done
E&E_24	Environmental Services - Harrow Pride	Responsive zonal street cleaning for residential streets: Move to a more targeted approach of responsive street cleaning service away from the current rota of every four weeks. Reduction of 6 posts. One-off vehicle early termination costs (1 dropside tipper and 1 tipper) is estimated at £41K.	2,932	-	172				172	S	Done
E&E_25	Environmental Services - Harrow Pride	Beat sweepers: Remove dedicated beat sweepers from secondary shopping areas, remove weekend and late afternoon street cleansing from 1st April 2015.	2,932		150				150	S	Done
E&E_26	Environmental Services - Harrow Pride	Reduce Parks service to statutory minimum: Delete parks locking service, naturalise parks (except paid for fine turf), no green flag parks, litter picking reduced to once per week from 1st April 2015. Reduction of 4 Driver posts, 2 Operative posts and 5 Grounds Maintenance Specialist posts Parks Management. Through implementation of the previous savings proposal of reducing parks maintenance standards to the statutory minimum, there can be a further reduction in management and supervisory posts from the existing parks structure of 1 team leader and 2 charge-hands from 1st April 2015. One-off vehicle early termination cost (2 tippers) is estimated at £23K.	2,323		304	23			327	S	Done
E&E_27	Environmental Services - Harrow Pride	Highways verge grass cutting, moving from a three weekly to a six weekly cycle. Reduce quality of service from 1st April 2015. One-off vehicle de-hire cost (1 tipper) is estimated at £11K.	753		71	11			82	S	Done
E&E_28	Environmental Services - Parking	Parking Enforcement - Increase efficiency in civil enforcement team.	-6,564	100	100				200	I	N/A

Environment & Enterprise		Savings - 4 Years								Type Analysis	
Ref	Service Area	Headline Description re: saving / reduction	2014/15 Service Budget	2014/15 Ongoing	2015/16	2016/17	2017/18	2018/19	Total	M - Management Savings I - Additional Income C - Contractual Savings E - Efficiency Savings S - Service Changes	Consultation Done General Specific
E&E_29	Environmental Services - Parking	Review Parking charges to deal with capacity issues	-1,941		375				375	I	Specific Consultation TBC
E&E_30	Environmental Services - Public Protection	Licensing: Budget realignment to reflect forecast income from licensing activities.	-358	15	15				30	I	N/A
E&E_31	Environmental Services - Public Protection	Removal of late growth budget at February 2014 Council - On the spot fine for spitting, graffiti, littering and anti-social behaviour	50		50				50	S	N/A
E&E_32	Environmental Services - Waste Services	Clinical waste: Review of current waste composition to identify genuine clinical waste which will be collected by a specialist service	87	10	50				60	S	Done
E&E_33	Environmental Services - Waste Services	CA Site: Reduce assistance to public upper level at Civic Amenity site from 1st January 15. Reduction of 2 Waste Recycling Assistant posts (currently vacant).	590	12	38				50	S	Done
E&E_34	Environmental Services - Waste Services	<p>Change mixed organic waste collection system with separate collection of food waste and introduce charges for garden waste from 1st October 2015.</p> <p>Food Waste - Each household on 3 wheeled bin system will be provided with a new 23L food waste bin and a kitchen caddy which will be emptied weekly.</p> <p>Garden Waste - Garden waste will be collected fortnightly on a chargeable basis. Households that subscribe to the service will receive 25 lifts per year at a price of £75. Concessions will be provided to residents on means tested benefits.</p> <p>Introductory offer - £75 to cover the period between 1st oct 15 and 31st Mar 17. The saving figure assumes 40% of households will take up the chargeable service.</p> <p>One-off implementation costs are estimated as follows: Revenue costs of approx £430K, and Capital costs for new food waste bins and kitchen caddies (£720K); the construction of a bulking facility for food waste at the depot (£250K).</p>			970	1,711			2,681	I	Done

Environment & Enterprise			Savings - 4 Years							Type Analysis	
Ref	Service Area	Headline Description re: saving / reduction	2014/15 Service Budget	2014/15 Ongoing	2015/16	2016/17	2017/18	2018/19	Total	M - Management Savings I - Additional Income C - Contractual Savings E - Efficiency Savings S - Service Changes	Consultation Done General Specific
E&E_35	Planning - Development Mgt	Provision of Highways advice: seek advice directly from Transport team rather than via a transport planning liaison, removing potential for duplication	50	12					12	E	Done
E&E_36	Planning - Development Mgt	Planning Fees: following an increase in 2013, the government may increase the statutory planning fees at some point over the next four years	-1,032				100		100	I	N/A
E&E_37	Planning Policy	Non-renewal of Limehouse UCREATE module: The majority of Local Plan documents are adopted limiting the need for this publication and online interactive consultation tool.	10	10					10	C	N/A
E&E_38	Planning Policy	S106: increase the draw down on the s106 admin fee account balance to cover the costs of administration	-24	30					30	I	N/A
E&E_39	Planning Policy	CIL: increase the draw down on the CIL admin fee account balance to cover the costs of administration and monitoring.	-15	5					5	I	N/A
E&E_40	Planning Policy	Green Grid: seek true cost recovery on officers' time for delivery of the annual Green Grid capital programme	-30	20					20	I	N/A
E&E_41	Planning - Development Mgt	'Free-go' planning applications following refusals: significantly reduce 'free-go' applications through amendment of current 'no negotiation' policy on new planning applications.			50				50	S	N/A
		Total Savings		766	4,067	2,440	775	264	8,312		

Children & Families			Savings - 4 Years							Type Analysis	
Ref	Service Area	Headline Description re: saving / reduction	2014/15 Service Budget	2014/15 Ongoing	2015/16	2016/17	2017/18	2018/19	Total	M - Management Savings I - Additional Income C - Contractual Savings E - Efficiency Savings S - Service Changes	Consultation Done General Specific
			£000	£000	£000	£000	£000	£000	£000		
Savings											
C&F-01	Commissioning & Schools	Harrow Teacher's Centre Centre closed July 2014 as part of site vacation to enable school expansion of Whitefriars Community School (funded by Targeted Basic Needs Programme) to proceed in Autumn 2014. Staff have already left or been redeployed and redundancy costs funded	231		231				231	S	Done
C&F-02	Commissioning & Schools	Contracts Review Morning Lane contract by approx 16%	322		50				50	C	Specific
C&F-03	Commissioning & Schools	Governor Services Reduction in printing costs	71	10					10	E	N/A
C&F-04	Commissioning & Schools	Enhancing Achievement including Travellers Service Seek further grant income for non-statutory support for key Narrowing the Gap pupil groups and vulnerable Traveller community. This service has generated approx £75k in external funding in 2013-14	96		30				30	I	N/A
C&F-05	Commissioning & Schools	Capitalisation Capitalise salary Education Professional Lead	334		90				90	I	N/A
C&F-06	Cross Service	Review of management Reduce number of Service Managers & Divisional Directors. This would reduce the service one divisional director and one service manager. Redundancy costs not included	36,100		205				205	M	Specific
C&F-07	Cross Service	Reversal of Growth Reversal of late growth items at February 2014 Council	300	300					300	E	N/A
C&F-08	Cross Service	Private Finance Initiative Transfer the funding of the Schools PFI "affordability gap" to Dedicated Schools Grant. This is subject to consultation with Schools Forum and Harrow Schools and subject to approval by the Department for Education as it involves adding an additional factor into the Harrow Schools Funding Formula.	421		421				421	I	Specific consultation complete

Children & Families			Savings - 4 Years							Type Analysis	
Ref	Service Area	Headline Description re: saving / reduction	2014/15 Service Budget	2014/15 Ongoing	2015/16	2016/17	2017/18	2018/19	Total	M - Management Savings I - Additional Income C - Contractual Savings E - Efficiency Savings S - Service Changes	Consultation Done General Specific
			£000	£000	£000	£000	£000	£000	£000		
C&F-09	Targeted Services	In-house Fostering & Adoption Team restructuring - budget aligned to current practice.	799	55					55	E	Done
C&F-10	Targeted Services	Recruitment of Foster Carers Recruitment of an additional 13 in-house foster carers to reduce demand for external fostering agencies.	1,881		200				200	E	N/A
C&F-11	Early Intervention Service	Finance Post Delete 0.5FTE post.	21	21					21	E	N/A
C&F-12	Early Intervention Service	Early Years & Early Intervention Services Review of all services resulting in three proposed models: Option 1 - retain 3 children's centres & 4 delivery sites Option 2 - retain 3 children's centres & 6 delivery sites Option 3 - retain 2 children's centres & 10 delivery sites	4,735		984				984	S	Consultation in progress
Total Savings				386	2,211	-	-	-	2,597		
Growth											
C&FG01		Social Workers			715				715		
Net Savings				386	1,496	-	-	-	1,882		

Pan Organisation			Savings - 4 Years							Type Analysis	
Ref	Service Area	Headline Description re: saving / reduction	2014/15 Service Budget	2014/15 Ongoing	2015/16	2016/17	2017/18	2018/19	Total	M - Management Savings I - Additional Income C - Contractual Savings E - Efficiency Savings S - Service Changes	Consultation Done General Specific
			£000	£000	£000	£000	£000	£000	£000		
Savings											
PO 01	Pan Organisation	Using the Market - A package of saving proposals around total facilities management, supplier negotiations, revenue generation and consultancy have been identified which will provide better VFM to residents and reduce costs to the Council.				220			220	E	N/A
PO 02	Pan Organisation	Service Levels / Capital Programme - Proposed savings on capital financing costs.			1,500				1,500	E	N/A
PO 03	Pan Organisation	Regeneration - Indicative net income realised from a long term regeneration strategy for the borough, to be formalised following consultation launched in early 2015.		-	-	-	350	2,000	2,350	S	Specific - on going
Total savings				-	1,500	220	350	2,000	4,070		

Business Support Services		Savings - 4 Years								Type Analysis	
Ref	Service Area	Headline Description re: saving / reduction	2014/15 Service Budget	2014/15 Ongoing	2015/16	2016/17	2017/18	2018/19	Total	M - Management Savings I - Additional Income C - Contractual Savings E - Efficiency Savings S - Service Changes	Consultation Done General Specific
			£000	£000	£000	£000	£000	£000	£000		
Savings											
BSS01	Business Support	Review of Business Support Services			730				730	E	Done
Total				-	730	-	-	-	730		

This page is intentionally left blank

MEDIUM TERM FINANCIAL STRATEGY 2015/16 to 2018/19

	2014/15	2015/16	2016/17	2017/18	2018/19
	£000	£000	£000	£000	£000
Budget Requirement Brought Forward		174,426	167,381	154,373	146,247
Corporate & Technical		5,887	10,867	10,037	12,979
Community Health and Wellbeing		-2,021	1,866	-100	0
Children and Families		-1,469	413	0	0
Environment and Enterprise		-4,500	-1,676	-775	-264
Resources		-2,713	-1,060	-1,652	-1,345
Pan Organisation & Business Support Service		-2,230	-220	-350	-2,000
Total		-7,046	10,190	7,160	9,370
FUNDING GAP		0	-23,198	-15,286	-13,899
Total Change in Budget Requirement		-7,046	-13,008	-8,126	-4,529
Revised Budget Requirement	174,426	167,381	154,373	146,247	141,718
Collection Fund Deficit/-surplus	-1,676	-1,900	0	0	0
Revenue Support Grant	-42,628	-32,034	-20,388	-11,548	-6,174
Top Up	-20,546	-20,939	-21,375	-21,986	-22,727
Retained Non Domestic Rates	-14,509	-14,012	-14,012	-14,012	-14,012
Amount to be raised from Council Tax	95,067	98,496	98,598	98,702	98,804
Council Tax at Band D	£ 1,210.28	£ 1,234.36	£1,234.36	£1,234.36	£1,234.36
Increase in Council Tax (%)	0.00%	1.99%	0.00%	0.00%	0.00%
Tax Base	78,550	79,795	79,878	79,962	80,045
Collection rate	97.50%	97.50%	97.50%	97.50%	97.50%
Gross Tax Base	80,565	81,841	81,927	82,012	82,098

MTFS 2015/16 to 2018/19 – Proposed investments / savings

TECHNICAL BUDGET CHANGES		Proposed			
Item No		2015/16	2016/17	2017/18	2018/19
		£000	£000	£000	£000
MTFS Proposals Agreed in February 2014					
Capital and Investment					
Tech 001	Capital financing costs and investment income. Increased Minimum Revenue Provision costs of the capital programme and interest on balances changes	310	841	0	0
Total Capital and Investment Changes		310	841	0	0
Grant Changes					
Tech 002	New homes bonus - Top slice of New Homes Bonus to fund the London Local Enterprise Partnership (LEP) announced in Comprehensive Spending Review (CSR) 2013	1,200	-345	0	0
Tech 004	Education Support Grant. New grant in relation to Local Education Authority (LEA) functions, previously included in formula Grant	1,500	200	0	0
Tech 005	Council Tax Freeze Grant. Payable for setting 0% Council Tax increase 2015-16	-1,068	0	0	0
	S 31 Grant to replace Business Rates lost as a result of temporary reliefs to ratepayers Assumed end to scheme	375	0	0	0
Total Grant Changes		2,007	-145	0	0
Other Technical Changes					
Tech 012	Freedom Pass Levy increase. Cost of Freedom passes charged to Harrow by Transport for London	360	370	0	0
Tech 018	Budget planning contingency.	3,000	3,000	0	0
Tech 020	Saving from formula change on freedom passes - agreed at London Councils Transport and Environment Committee in December 2012 Reallocation of costs between London boroughs giving Harrow a reduction in costs	-81	-81	0	0
Total Other Technical Changes		3,279	3,289	0	0
Pay and Inflation					
Tech 023	Pay Award @ 1% 2014-15, then 2% pa	1,850	1,850	0	0
Tech 024	Employer's Pension Contributions. Increase in employer contribution rate to meet pension fund deficit	400	400	0	0
Tech 025	Inflation on goods and services @ 1.3% p.a.	1,210	1,210	0	0
Total Pay and Price Inflation		3,460	3,460	0	0
CROSS CUTTING TRANSFORMATION PROGRAMME					
Tech 029	Staff Terms and Conditions. Phasing out of protection on terms and conditions changes agreed with Staff from January 2013.	-187	-31	0	0
Total Transformation		-187	-31	0	0
Net Proposals Agreed in February 2014		8,869	7,414	0	0
Additional Changes now Proposed					
Capital and Investment					
	Capital financing costs and investment income Increased Minimum Revenue Provision costs of the capital programme and interest on balances changes	164	1,621	2,095	4,731
	Neighbourhood Investment Scheme	210	0	0	0
Total Capital and Investment Changes		374	1,621	2,095	4,731
Grant Changes					
	New Homes Bonus - Reduction in the top slice of New Homes Bonus to fund the London LEP per latest estimates and increase in number of new homes	-944	195	325	579
	Education Support Grant. Delay in the reduction in grant utilising latest projected pupil numbers and projected conversions to academies.	-1,120	345	545	545
	Council Tax Freeze Grant 2014-15 Grant ended as now consolidated into RSG	1,068			

MTFS 2015/16 to 2018/19 – Proposed investments / savings

TECHNICAL BUDGET CHANGES		Proposed			
		2015/16	2016/17	2017/18	2018/19
Item No		£000	£000	£000	£000
	Council Tax Freeze Grant 2015-16 Grant will not be received as Council Tax is increasing	1,068	0	0	0
	S 31 Grant Anticipated Grant to replace Business Rates lost as a result of temporary reliefs to ratepayers	-600	0	0	0
	Total Grant Changes	-528	540	870	1,124
	Other Technical Changes				
	Freedom Pass Levy increase. Cost of Freedom passes charged to Harrow by TfL - revised 2015-16 figure and extension to additional years of MTFS	-89	0	380	390
	Chief Executive post Cost of reinstating post	182	0	0	0
	Budget planning contingency Removal of budget in 2015-16 as budget proposals are now known. Extension to last 2 years of the MTFS	-3,000	0	3,000	3,000
	Contingency increase Increase of general contingency from £921k to £1.248m to reflect the additional risks around welfare reform	327	0	0	0
	Welfare Reform contingency from savings on Council Tax Support scheme	0			
	Total Other Technical Changes	-2,580	0	3,380	3,390
	Pay and Inflation				
	Pay Award @ 1% 2014-15, then 2% pa Recalculation of base and extension to 2 additional years MTFS	-50	-50	1,800	1,800
	Saving on pay award Jan 15 2.23% Estimated saving on the cost of the 2014-15 and 2015-16 pay awards compared to the previously budgeted amounts	-700	0	0	0
	Employer's Pension Contributions lump sum increases agreed with actuary Required to reduce the pension deficit	442	182	622	664
	Inflation on goods and services @ 1.3% p.a. Rebasing inflation and extension to 2 additional years of MTFS	60	60	1,270	1,270
	Increase in cost of NI for contracted out employees Ending of contracted out rebate - 3.4% on applicable salary range	0	1,100	0	0
	Total Pay and Price Inflation	-248	1,292	3,692	3,734
	Total Changes now Proposed	-2,982	3,453	10,037	12,979
	Total Corporate & Technical	5,887	10,867	10,037	12,979

MTFS 2015/16 to 2018/19 – Proposed investments / savings

CHILDREN'S SERVICES		Proposed			
Item No		2015/16	2016/17	2017/18	2018/19
		£000	£000	£000	£000
	MTFS Proposals Agreed in February 2014				
	Investment in Services				
CF 001	Increase in Children Looked After (CLA) placement budgets reflecting growth in child population and changing demographic	178	178	0	0
CF 002	Increase in Children with Disabilities (CWD) client costs reflecting growth in child population	82	82	0	0
CF 003	Increase in staffing costs reflecting growth in child population and changing demographic	153	153	0	0
	Total Investment in Services	413	413	0	0
	Net Proposals Agreed in February 2014	413	413	0	0
	Additional Savings and Growth now Proposed				
	See Detail in Appendix 2	-1,882	0	0	0
	Net Children & Families	-1,469	413	0	0

MTFS 2015/16 to 2018/19 – Proposed investments / savings

ENVIRONMENT & ENTERPRISE		Proposed			
Item No		2015/16	2016/17	2017/18	2018/19
		£000	£000	£000	£000
MTFS Proposals Agreed in February 2014					
Investment in Services					
E&E011 14/15	Parking review - New proposal for 20 minute free parking	100	0	0	0
E&E005	CCTV camera income decline	70	56	0	0
E&E008	West London Waste Authority (WLWA) Levy / Dry Recyclables Income	677	708	0	0
Total Investment in Services		847	764	0	0
Savings					
E&E011	Public Realm Integrated Service Model (PRISM) efficiencies. Towards Excellence Programme efficiencies	-375	0	0	0
E&E023	Consolidation of Civic Centre accommodation to secure utility cost savings. Transformation Project	-58	0	0	0
E&E043	Grounds maintenance: Annualised hours	-81	0	0	0
Total Environment & Enterprise Savings		-514	0	0	0
Net Proposals Agreed in February 2014		333	764	0	0
Additional Savings and Growth now Proposed					
See Detail in Appendix 2		-4,833	-2,440	-775	-264
Net Environment & Enterprise		-4,500	-1,676	-775	-264

MTFS 2015/16 to 2018/19 – Proposed investments / savings

COMMUNITY, HEALTH AND WELLBEING		Proposed			
		2015/16	2016/17	2017/18	2018/19
Item No		£000	£000	£000	£000
MTFS Proposals Agreed in February 2014					
Investment in Services					
Adults					
CHW001	Demographic Growth. Costs associated with increased demand for eligible users	2,800	2,500	0	0
Community & Culture					
CHW010 14/15	Under One Sky, celebrating with the 60th anniversary theme – one-off extra £10k	-10	0	0	0
Total Investment in Services		2,790	2,500	0	0
Savings					
Community and Culture					
CHW050	Libraries Transformation 2 Impact of final contract negotiations around profit share and short term use of Civic Centre by contractor	-18	0	0	0
Total CHW Savings		-18	0	0	0
Net Proposals Agreed in February 2014		2,772	2,500	0	0
Additional Savings and Growth now Proposed					
See Detail in Appendix 2		-4,793	-634	-100	
Net Community, Health & Wellbeing		-2,021	1,866	-100	0

MTFS 2015/16 to 2018/19 – Proposed investments / savings

RESOURCES		Proposed			
Item No		2015/16	2016/17	2017/18	2018/19
		£000	£000	£000	£000
MTFS Proposals Agreed in February 2014					
Investment in Services					
Strategic Commissioning					
RES009	Experian & LIS. Addition of new census data into LIS system and update of Experian profiles. Reversal of 1 off growth	-25	0	0	0
Collections and Benefits					
RES019	Department for Work and Pensions (DWP) Housing Benefit Reduction in Administration Grant. Following the introduction of Universal Credit administered by central government.	250	500	0	0
RES020	Loss of Housing Benefits Overpayments Income Stream. To reflect lower surplus currently being achieved and loss of the income stream following the introduction of Universal Credit administered by central government.	200	320	0	0
Total Investment in Services		425	820	0	0
Savings					
Customer Services					
RES029	Further channel shift through roll out of My Harrow account. Reduction in Access Harrow staffing resulting from self serve via MHA, website and IVR	-60	0	0	0
RES030	Close Face to Face (F2F) and Telephony Channels for Public Realm Enquiries. Over a 3 year period close face to face contact in Access Harrow for Public Realm queries and migrate to Internet contact.	-70	-50	0	0
RES031	Reconfigure One Stop Shop to self-serve area and close F2F (face to face) advice	-190	-100	0	0
HRD					
RES042	Reduction in HRD posts. Deletion of 2 posts.	-75	0	0	0
Collections and Benefits					
RES078	Deletion of 4 FTE posts in Housing Benefits	-140	0	0	0
RES082	Revenues Staffing Reductions	0	-40	0	0
RES083	Housing Benefits Staffing Reductions as Benefits moves to DWP. Reduced staffing required as Housing Benefits transfers to Universal Credit and is no longer administered by Harrow.	0	-125	0	0
Total Resources Savings		-535	-315	0	0
Net Proposals Agreed in February 2014		-110	505	0	0
Additional Savings and Growth now Proposed					
See Detail in Appendix 2		-2,603	-1,565	-1,652	-1,345
Net Resources		-2,713	-1,060	-1,652	-1,345

MTFS 2015/16 to 2018/19 – Proposed investments / savings

Pan Organisation & Business Support Service		Proposed			
Item No		2015/16	2016/17	2017/18	2018/19
		£000	£000	£000	£000
	Additional Savings and Growth now Proposed				
	Pan Organisation -See Detail in Appendix 2	-1,500	-220	-350	-2,000
	Business Support Service - See Detail in Appendix 2	-730			
	Net Pan Organisation & BSS	-2,230	-220	-350	-2,000

REVENUE BUDGET SUMMARY 2015-2016

	2014-15	2015-16				
	Net Budget	Gross Controllable Expenditure	Gross Income	Net Controllable Expenditure	Uncontrollable Expenditure	Net Budget
	£000	£000	£000	£000	£000	£000
Local Demand - Borough Services						
Environment and Enterprise	39,897	39,543	-21,036	18,507	14,550	33,057
Community, Health and Wellbeing	75,204	114,531	-51,827	62,704	13,410	76,114
Children and Families	46,258	166,450	-135,070	31,380	10,996	42,376
Resources	24,866	202,033	-160,321	41,712	-17,741	23,971
Total Directorate Budgets	186,225	522,557	-368,254	154,303	21,215	175,518
Inflation and Corporate Items	1,521					1,044
Contingency - General	921					1,248
Capital Financing adjustments	-6,678					-4,155
Provisions for debt/litigation	375					375
Interest on Balances	-1,052					-1,588
Council Tax Freeze Grant	-1,068					0
Education Services Grant	-2,751					-2,371
New Homes Bonus	-3,067					-2,690
Total Budget Requirement	174,426					167,381
BUDGET REQUIREMENT FUNDED BY						
Contribution re Collection Fund						
Deficit/Surplus(-) b/f	-1,676					-1,900
Revenue support Grant	-42,628					-32,034
Top-up	-20,546					-20,939
Retained Business Rates	-14,509					-14,012
Council Tax Income	-95,067					-98,496
Total Funding	-174,426					-167,381
Council Tax for Band D Equivalent						
Harrow (£)	1,210.28					1,234.36
GLA (£)	299.00					295.00
	1,509.28					1,529.36
<u>Increase</u>						
Harrow (%)	0.00%					1.99%
GLA (%)	-1.32%					-1.34%
Total (%)	-0.26%					1.33%
Taxbase	78,550					79,795
Collection Rate	97.50%					97.50%
Funds / Balances						
Balances Brought Forward	8,646					10,000
Adjustment to Balances	0					0
Balances Carried Forward	8,646					10,000

Objective Analysis 2015-2016

	Director of Environment & Enterprise	Enterprise	Commissioning Services	Environmental Service Delivery	Corporate Estate	Planning	Property & Infrastructure	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Employees	191	558	4,251	11,199	416	2,058		18,673
Premises related expenditure	0	0	2,967	1,041	77	3		4,088
Transport related expenditure	1	2	32	3,033	1	26		3,095
Supplies and services	312	48	1,008	9,439	31	289		11,127
Third Party Payments	47	0	2,206	303	0	4		2,560
Transfer payments								
Total Controllable Expenditure	551	608	10,464	25,015	525	2,380	0	39,543
Government grants	0	0	-51	0	0	0		-51
Other grants, reimbursements and contributions								0
External Fees, Charges and Receipts	0	0	-3,113	-14,677	-964	-2,055		-20,809
Internal Recharges (Income)	-89	-8	-13	-21	-9	-36		-176
Total Income	-89	-8	-3,177	-14,698	-973	-2,091	0	-21,036
Net Controllable Expenditure	462	600	7,287	10,317	-448	289	0	18,507
Capital financing	0	28	8,750	2,770	18	42		11,608
Support services	29	182	-2,296	4,386	-208	849		2,942
Total Uncontrollable	29	210	6,454	7,156	-190	891	0	14,550
Net Budget	491	810	13,741	17,473	-638	1,180	0	33,057

Movements from 2014-15 to 2015-16

	Director of Environment & Enterprise	Enterprise	Commissioning Services	Environmental Service Delivery	Corporate Estate	Planning	Property & Infrastructure	Total
	£000	£000	£000	£000	£000	£000	£000	£000
2014-15 Net budget	862	753	16,350	20,483	-603	1,517	535	39,897
Virement/restructuring	-266	11	97	-101	4	-120	-535	-910
Inflation	183	17	121	312	10	60	0	703
Investment	0	0	0	847	0	0	0	847
Efficiencies	-223	0	-1,246	-3,163	0	-50	0	-4,682
Terms and Conditions Savings	0	0	-11	-33	0	0	0	-44
Other	0	0	0	0	0	0	0	0
SSCs	-65	33	240	-700	-49	-33	0	-574
Capital financing	0	-4	-1,810	-172	0	-194	0	-2,180
2015-16 Net budget	491	810	13,741	17,473	-638	1,180	0	33,057

Objective Analysis 2015-2016

	Adults Social Care	Provider Services	Quality Assurance	Strategic Management	Adults Sub Total	Adults & Housing Transformation	Public Health	Business Support	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
Employees	5,586	5,312	2,166	932	13,996		2,977	2,756	19,729
Premises	249	329	0	0	578				578
Transport	61	843	6	1	911			1	912
Supplies & Services	7,453	4,354	1,185	859	13,851		4,521	341	18,713
third party payments	28,377	1,338	2,552	0	32,267		15,168	144	47,579
Transfer Payments	10,141	176	6	0	10,323				10,323
Total Controllable expenditure	51,867	12,352	5,915	1,792	71,926	0	22,666	3,242	97,834
Government Grants	-367	-966	-1,223	0	-2,556		-23,626		-26,182
Other Grants, Reimbursements & Contributions	-6,789	-121	-1	0	-6,911				-6,911
Customer & Client Receipts	-5,376	-884	-173	0	-6,433				-6,433
Internal Recharges	-1,921	-49	0	-140	-2,110		-44	-283	-2,437
Total Income	-14,453	-2,020	-1,397	-140	-18,010	0	-23,670	-283	-41,963
Net Controllable Expenditure	37,414	10,332	4,518	1,652	53,916	0		2,959	56,875
Capital Charges	42	128	359	20	549			322	871
Support Services	4,516	1,889	566	143	7,114		1,379	-1,189	7,304
Total Uncontrollable	4,558	2,017	925	163	7,663	0	1,379	-867	8,175
Net Budget	41,972	12,349	5,443	1,815	61,579	0	375	2,092	65,050

Movements from 2014-15 to 2015-16

	Adults Social Care	Provider Services	Quality Assurance	Strategic Management	Adults Sub Total	Adults & Housing Transformation	Public Health	Business Support	Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000
2014-15 Net budget	40,094	13,245	6,738	1,923	62,000	286	1,004	0	63,290
Inflation	165	219	44	91	519			107	519
Terms & Conditions Savings	0	-93	0	0	-93				-93
Virement/restructuring	364	540	-1,105	-840	-1,041	7	41	2,347	-993
Investment	2,838	0	507	0	3,345				3,345
Efficiencies	-1,701	-950	-722	0	-3,373	-226	-627	-820	-4,226
Inflation	0	42	0	500	542				542
Other	-63	-38	0	101	0			31	0
SSC's	293	-447	-81	40	-195	-67	-43	427	-305
Capital financing	-18	-169	62	0	-125				-125
2015-16 Net budget	41,972	12,349	5,443	1,815	61,579	0	375	2,092	61,954

Objective Analysis 2015-2016

	Arts & Heritage	Community & Culture Strategic Management	Community Learning	Community Sector Support	Libraries, sports & leisure	Total
	£000	£000	£000	£000	£000	£000
Employees	2,074	141	304	222	141	2,882
Premises related expenditure	258		22	68	142	490
Transport related expenditure			1			1
Supplies and services	402	47	423	353	12	1,237
Third Party Payments	0				2,151	2,151
Transfer payments						
Total Controllable expenditure	2,734	188	750	643	2,446	6,761
Government grants	-237		-688			-925
Other grants, reimbursements and contributions	-73					-73
External Fees, Charges and Receipts	-1,820		-61	-134	-59	-2,074
Internal Recharges (Income)		-30		-9	-750	-789
Total income	-2,130	-30	-749	-143	-809	-3,861
Net Controllable Expenditure	604	158	1	500	1,637	2,900
Capital financing	208			1	1,000	1,209
Support services	422	16	59	64	247	808
Total Uncontrollable	630	16	59	65	1,247	2,017
Net Budget	1,234	174	60	565	2,884	4,917

Movements from 2014-15 to 2015-16

	Arts & Heritage	Community & Culture Strategic Management	Community Learning	Community Sector Support	Libraries, sports & leisure	Total
	£000	£000	£000	£000	£000	£000
2014-15 Net budget	1,532	54	112	952	3,979	6,629
Virement/restructuring	54			19	-207	-134
Inflation	67	47	7	2	5	128
Investment						0
Efficiencies	-222			-350	-547	-1,119
Terms and Conditions Savings						
Other	28	71	-37	-37	-25	0
SSCs	-221	2	-22	-19	-75	-335
Capital financing	-4			-2	-246	-252
2015-16 Net budget	1,234	174	60	565	2,884	4,917

Objective Analysis 2015-2016

	Housing Needs	Housing Partnerships	Other Services	Watkins House	Travellers' site	Supporting People	Staying Put	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Employees	2,104	370	224	364			554	3,616
Premises related expenditure	17		5	2	9		1	34
Transport related expenditure								0
Supplies and services	5,684	7	35	63	3	440	54	6,286
Third Party Payments								0
Transfer payments								0
Total Controllable expenditure	7,805	377	264	429	12	440	609	9,936
Government grants								0
Other grants, reimbursements and contributions							-50	-50
External Fees, Charges and Receipts	-5,018	-5		-27			-181	-5,231
Internal Recharges (Income)	-586	-195	55	2	2			-722
Total Income	-5,604	-200	55	-25	2	0	-231	-6,003
Net Controllable Expenditure	2,201	177	319	404	14	440	378	3,933
Capital financing	50	375	1,500				82	2,007
Support services	848	85	77	35	1	20	145	1,211
Total Uncontrollable	898	460	1,577	35	1	20	227	3,218
Net Budget	3,099	637	1,896	439	15	460	605	7,151

Movements from 2014-15 to 2015-16

	Housing Needs	Housing Partnerships	Other Services	Watkins House	Travellers' site	Supporting People	Staying Put	Total
	£000	£000	£000	£000	£000	£000	£000	£000
2014-15 Net budget	2,365	469	1,999	440	15			5,288
Virement/restructuring	22	-24		2		464	523	987
Inflation	104	5	11	9		6	15	150
Investment	800							800
Efficiencies	-202	-6	-38	-1		-10	-3	-260
Terms and Conditions Savings								0
Other	1	2	-3					0
SSCs	145	21	-3	-11			119	271
Capital financing	-136	170	-70				-49	-85
2015-16 Net budget	3,099	637	1,896	439	15	460	605	7,151

Objective Analysis 2015-2016

	Business Support	Management	Early Intervention Services	Commissioning & Schools	Schools	Special Needs	Targeted Services	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Employees		224	2,653	2,939	118	5,946	9,830	21,710
Premises related expenditure			38	50	9	5	370	472
Transport related expenditure		3	20	35		1,639	112	1,809
Supplies and services		412	348	149		658	825	2,392
Third Party Payments			698	12,351		16,872	6,095	36,016
Transfer payments			88	288	100,865	1,178	1,632	104,051
Total Controllable expenditure	0	639	3,845	15,812	100,992	26,298	18,864	166,450
Government grants			-383	-12,448	-100,969	-16,312	-620	-130,732
Other grants, reimbursements and contributions				-1,239		-306	-53	-1,598
External Fees, Charges and Receipts				-166	-8	-98	-192	-464
Internal Recharges (Income)				-465	-23	-1,788		-2,276
Total income	0	0	-383	-14,318	-101,000	-18,504	-865	-135,070
Net Controllable Expenditure	0	639	3,462	1,494	-8	7,794	17,999	31,380
Capital financing			75	74	4,029	55	23	4,256
Support services		-20	884	958	445	2,131	2,342	6,740
Total Uncontrollable Expenditure	0	-20	959	1,032	4,474	2,186	2,365	10,996
Net Budget	0	619	4,421	2,526	4,466	9,980	20,364	42,376

Movements from 2014-15 to 2015-16

	Business Support	Management	Early Intervention Services	Commissioning & Schools	Schools	Special Needs	Targeted Services	Total
	£000	£000	£000	£000	£000	£000	£000	£000
2014-15 Net budget	2,347	2,658	5,982	3,524	4,645	10,065	19,384	48,605
Virement/restructuring	-2,347	-1,927	-85	87	36	27	-274	-4,483
Inflation		247	103	37		117	258	762
Investment						82	1,046	1,128
Efficiencies		-15	-1,186	-810			-200	-2,211
Terms and Conditions Savings							-24	-24
Other		-280		-51		100	200	-31
SSCs		-64	-388	-252	-188	-214	-19	-1,125
Capital financing			-5	-9	-27	-197	-7	-245
2015-16 Net budget	0	619	4,421	2,526	4,466	9,980	20,364	42,376

Objective Analysis 2015-2016

Sum of total	division									
	Director of Resources	Finance & Assurance	HRD & Shared Services	Legal & Governance	Procurement	Strategic Commissioning	IT & BTP	Access Harrow	Revenue & Benefits	Grand Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Employee	517	6,081	2,485	4,548	860	1,748	716	4,049	3,091	24,095
Premises	0	0	1	16	0	0	0	38	31	86
Transport	2	25	2	13	4	3	0	11	3	63
Supplies & Services	516	4,231	348	1,478	629	948	818	414	11,401	20,783
third party payments	0	20	147	4	0	3	6,753	85	30	7,042
Transfer Payments	0	0	32	0	0	0	0	0	149,932	149,964
Total Controllable expenditure	1,035	10,357	3,015	6,059	1,493	2,702	8,287	4,597	164,488	202,033
Government Grants	0	-5	0	-1	0	0	0	0	-152,751	-152,757
Other Grants, Reimbursements & Contributions	0	-127	0	0	0	0	0	-59	-500	-686
Customer & Client Receipts	0	-96	-10	-909	0	-192	0	-479	-40	-1,726
Recharges	0	-694	-1,223	-1,981	-601	-442	-211	0	0	-5,152
Total Income	0	-922	-1,233	-2,891	-601	-634	-211	-538	-153,291	-160,321
Expenditure	1,035	9,435	1,782	3,168	892	2,068	8,076	4,059	11,197	41,712
Capital Charges	0	31	210	11	83	11	3,342	754	180	4,622
Support services	401	-4,018	-2,084	-666	-975	-1,770	-11,418	-4,257	2,424	-22,363
Total Uncontrollable	401	-3,987	-1,874	-655	-892	-1,759	-8,076	-3,503	2,604	-17,741
Net Budget	1,436	5,448	-92	2,513	0	309	0	556	13,801	23,971

Movements from 2014-15 to 2015-16

	Director of Resources	Finance & Assurance	HRD & Shared Services	Legal & Governance	Procurement	Strategic Commissioning	IT & BTP	Access Harrow	Revenue & Benefits	Grand Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
	2014-15 Net budget	744	5,802	2	2,615	35	1,653	50	705	13,261
Inflation	10	94	76	165	28	54	22	124	102	675
Virement/restructuring	2	-176	-45	-29	-55	-10	-371	70	32	-582
Terms & Conditions Savings	0	0	0	-4	0	0	0	-22	0	-26
Investment	500	0	0	0	0	0	0	0	450	950
Efficiencies	-251	-500	-864	-230	-50	-377	-563	-300	-599	-3,734
Inflation	216	0	0	0	0	0	0	0	0	216
Other	182	0	0	4	0	7	0	0	705	898
Capital financing	0	-10	-447	6	0	-50	165	-99	-345	-780
SSCs	33	238	1,186	-14	42	-968	697	78	195	1,487
2015-16 Net budget	1,436	5,448	-92	2,513	0	309	0	556	13,801	23,971

This page is intentionally left blank

Levies, Contribution and Subscriptions

The table below shows the main levies, contributions to other bodies, and subscriptions that the Council will pay in 2015-16. These sums are set by other bodies and are outside the Council's control. With the exception of the subscriptions to London Councils and the Local Government Association, the payments are compulsory.

	£000	£000	£000	%	
West London Waste Authority Levy	1,858	1,721	-137	-7.4%	Final
Lee Valley Levy	264	269	5	1.9%	Estimated
London Councils subscription	172	167	-5	-2.9%	Final
London Boroughs Grants Scheme	239	260	21	8.8%	Provisional
Freedom Pass Levy	9,648	9,838	190	2.0%	Final
Environment Agency Levy	182	183	1	0.5%	Provisional
Coroners Court Levy	200	202	2	1.0%	Estimated
Traffic Control Levy	348	355	7	2.0%	Estimated
Local Government Association subscription	38	38	0	0.0%	Final
London Pension Fund Authority Levy	307	303	-4	-1.3%	Final

Note. The fixed cost levy for West London West Authority is reducing as costs are transferred to pay as you throw charges.

This page is intentionally left blank

Policy on Use of Contingency

General Principles

1. As a general principle, directorate budgets should be structured to cover business as usual, investment and efficiency programmes that have been agreed as part of the budget and service planning round and administration priorities.
2. Budgets which are “demand led” should be set to deal with the forecast level of activity. For example; the predicted client numbers and needs in Adults and Children’s social care; the usual level of activity for planning appeals; winter gritting average weather conditions
3. Income budgets should be set to take into account likely activity levels and any changes in fees and charges.
4. The contingency is there to deal with unforeseen/exceptional items and one-off projects that are approved during the year.

Appropriate uses

5. It is recommended that the contingency is used for the following purposes:
 - To deal with demographic risk, where the number of clients or cost per client varies from the estimate in Children’s or Adults services
 - To deal with unexpected increases in demand for services due to policy changes, for instance an increase in homelessness due to the housing benefit changes beyond what has been budgeted
 - To deal with seasonal risks, such as exceptionally bad weather or a flu pandemic
 - To deal with tonnage risk, where the number of tonnes disposed of via West Waste varies from the estimate in Environment and Enterprise
 - To deal with the consequences of a recession
 - To deal with major planning appeals and litigation
 - Cost pressures in relation to the services delivered jointly with Health partners
 - To deal with uncertainty due to consultation and equality impact on proposals
 - To deal with unexpected income shortfalls due to changes in the external environment or changes in the law/regulations
 - To fund small one-off projects which are high priority and have the portfolio holder for Finance’s approval
 - Any other unforeseen items / pressures

Criteria

6. Clear evidence will be required to support variations from estimated demand agreed as part of the budget review process.
7. Contingency funds will not be used where there has been a failure to deliver planned savings (except where this is due to the outcome of consultation) or properly manage spending.

Approval Process

8. Use of the contingency will be reported to Cabinet as part of the quarterly budget monitoring report by the s151 officer. The s151 officer will liaise with the Finance portfolio holder and make proposals to Cabinet for virements from Contingency as appropriate. .

Unspent balances

9. If there is an under spend at the end of the year a contribution to general balances will be considered with regard to the size of the under spend, the underlying strength of the balance sheet and the need to support other priorities.

Schools Budget 2015-16

1. Introduction

The Dedicated Schools Grant (DSG) is a ring fenced grant of which the majority is used to fund individual school budgets. It also funds certain central services provided by the local authority such as Early Years (private and voluntary sector nurseries) and fees for out of borough pupils at independent special schools.

In March 2012 the DfE announced their intention to introduce a new school funding methodology with effect from April 2013.

In 2015-16 the DSG will continue to be split into the following three blocks:

- Schools Block
- High Needs Block
- Early Years Block

The DfE issued the “Schools Revenue Funding 2015 to 2016: Operational guide” in July 2014 to enable local authorities and their Schools Forums in setting the 2015-16 DSG budgets.

2. DSG settlement 2015-16

The 2015-16 DSG is based on the number of pupils on the October 2014 school census. The total DSG for 2015-16 is £187,224,915. The High Needs Block has been updated to include the outcome of the High Needs Exceptional Cases review carried out in December 2014.

Table 1 below shows the breakdown of the 2015-16 DSG across the three blocks. The sections following the table provide a detailed explanation for each funding block and the adjustments made by the DfE. As previously advised, the DSG is not ring fenced to the specific blocks.

Table 1 – 2015-16 Dedicated Schools Grant allocation

Area	Per Pupil Funding (GUF) £	Pupil Numbers	Total £
Schools Block	£4,919.97	30,090	£148,041,897
Early Years Block	£4,320.96	2,303	£9,951,171
High Needs Block			£26,145,492
Sub Total			£179,439,647

Additional Amounts	
Induction for NQT	£45,130
Early Years Pupil Premium Grant	£180,969
Cash Transfer for Avanti House	£2,860,255
2015-16 DSG as at 17th December 2014	£187,224,915

The 2015-16 schools budget was presented to Schools Forum on 20th January 2015. The anticipated 2015-16 funding for each block is detailed in Table 2.

Table 2 – 2015-16 DSG Blocks

Category	2015-16 Budget
Schools Block – delegated	£146,291,693
Schools Block - centrally retained	£2,373,866
Early Years Block	£10,611,400
High Needs Block	£27,947,956
Total DSG	£187,224,915

3. Schools Block – Allocated to Schools

The 2015-16 school budgets are being prepared using the updated funding formula which has been consulted with Schools Forum in the autumn 2014 and approved by Cabinet in December 2014.

Schools are protected by the Minimum Funding Guarantee (MFG) which ensures that no school experiences a reduction in their school budget greater than 1.5% per pupil. In order to fund the MFG, a cap to schools whose budgets gain through the formula must be applied. This will be set at 0.8%.

The Schools Block currently includes the funding in respect of academies. Under the regulations the Council continues to calculate academy budgets. The DfE then recoup the DSG in respect of academy budgets and pass this funding on to the academies in their General Annual Grant.

4. Schools Block - Centrally Retained

Services currently funded from centrally retained DSG are included in either the High Needs block or Early Years block where appropriate, with the remaining falling into the Schools Block. All the funding in the schools block has to be passed to schools apart from the following named exceptions which can still be retained but are frozen at 2012-13 levels:

- Co-ordinated Admissions
- Servicing of Schools Forum

In addition, the following services will be delegated to schools:

- Behaviour Support Services
- Support to underperforming ethnic minority groups and bilingual learners
- Trade Union Facilities Time

Schools Forum has agreed to continue to de-delegate funding in respect of Trade Union Facilities Time.

At its meeting in November 2014 Schools Forum agreed to a ring fenced Growth Fund from the DSG in order to provide revenue funding for pupil growth including the planned expansion programme and temporary bulge classes running from September 2015. This provides for growth in both maintained and academy schools but not free schools. In addition, the growth fund will include pre- and post-opening grants in respect of schools extending the age range. In order to fund the overall cost of the formula and the growth fund for expansion approximately £1.5m will need to be funded from brought forward DSG balances.

5. High Needs Block

The high needs funding system has been designed to support a continuum of provision for pupils and students with special educational needs (SEN), learning difficulties and disabilities, from their early years to age 25.

In December 2014 the Local Authority submitted an Exceptional Case return to the EFA on the basis of an anticipated increase in the number of commissioned places for pre & post 16 from 2015-16.

The bid included a request for increase in places as follows:

- Special schools expansion
- New SEN ARM units
- Expansion of sixth form provision at Harrow College
- Increase in provision by Choices 4 All

On 19th December 2014 the EFA announced the outcome of this review. The EFA state that a large number of exceptional cases were received and applied the following principles

- Generally, elements of a case which were based on actual occupancy in the academic year 2014-15 **have been** supported
- Generally, elements of a case which were based on predictions of occupancy levels in the academic year 2015-16 **have not been** supported
- Where a case has been supported it has only been funded at the element of growth above the levels considered exceptional so as not to disadvantage those who have seen growth below those levels and decided not to make a case.

As a result of this review, Harrow have only been allocated approximately an increase of £225k as the majority of growth will start from September 2015 and therefore does not meet the EFA criteria for only funding existing growth. At the time of writing, the EFA has not published the detail behind the additional funding and therefore it is not clear which cases have been successful and which have not.

As a result, growth in budget required to meet the demand from September 2015 will need to be transferred from the Schools Block.

6. Early Years Block

The 2015-16 Early Years Block allocation is a provisional figure based on January 2014 census data. These allocations will be updated and finally be based on 5/12ths of the January 2015 census and 7/12ths of the January 2016 census.

Until the Early Years DSG funding is confirmed in the summer, there remains uncertainty around the funding available for 2015-16.

The Early Years Single Funding Formula (EYSFF) has been revised and approved by Cabinet on 15th January 2015 for implementation from 1st April 2015. The anticipated total cost of the new formula is affordable within the existing Early Years Block allocations and assumes that growth in funding through growth in pupil numbers will be also allocated to Early Years.

Included in the Early Years Block is funding of £617k for centrally provided Early Years services. This budget has been frozen for 3 years from 2013-14. This provides the following:

- Funding for Early Year SEN places and full time places
- Support and training to PVI sector including externally commissioned support

In addition, £181k has been transferred to local authorities to fund the Early Years Pupil Premium Grant. The grant will be paid to providers at a rate of £0.53 per hour per child upon evidencing that children in their settings meet the eligibility criteria.

From 2013-14 Early Years funding for 2 year old nursery places has been based on an estimated number of participating 2 year olds. From 2015-16 the funding will be based on participation. As with 3 & 4 year old nursery funding, the calculation will be based on 5/12ths of the January 2015 census and 7/12ths of the January 2016 census. As this data has not yet been collected, the DfE has been unable to provide an indicative sum, except to confirm the current continuing hourly rate of £5.53. Therefore this has been excluded for this paper and assumed that whatever funding is received for 2 year olds will be ringfenced to Early Years.

7. Pupil Premium Grant 2015-16

Schools also receive the Pupil Premium in respect of pupils who have ever been eligible for Free School Meals (FSM) in the last 6 years plus Children Looked After continuously for more than 6 months. Table 3 shows the Pupil Premium rates for 2015-16 and the comparative rates for 2014-15.

Table 3 - Pupil Premium rates agreed for 2015-16, per pupil

Area	2014-15	2015-16
FSM - Primary School Pupils	£1,300	£1,320
FSM - Secondary School Pupils	£935	£935
Service children	£300	£300
Children Looked After	£1,900	£1,900
Adopted children	£1,900	£1,900

Allocations per school will be available once the data from the January 2015 census has been collated.

This page is intentionally left blank

Public Health Funding 2015/16

	£		£	£	
Madatory Services	Feb		Dec	Movement	Comment
Sexual Health (incl Family Planning)	2,762,875		2,762,875	0	
Health Checks	147,250		147,250	0	
Supporting Child Health	706,387		706,387	0	
		3,616,512			
Discretionary Services					
Tobacco Control	186,814		186,814	0	
Drug & Alcohol Misuse	2,479,625		2,462,153	17,472	Identification & Brief Advice Pharmacies (funded by reduction in health improvement)
Physical Activity	76,073		76,073	0	
		2,742,512			
Staffing & Support Costs					
Staffing	1,111,496		1,111,496	0	
Non-Staffing	244,000		219,000	25,000	Procurement (£44k down from £84k), Health visiting commissioner (£80k), training deleted £15k
Overheads	245,525		270,525	-25,000	Overheads to Barnet Previously assumed at £52,260 now £27,260
		1,601,021			
Wider Determinants of Health (*)					
- Adults Prevention	151,880				
- Children's Prevention	150,000				
- Housing/Homelessness	250,000				
- Welfare to Work	75,000				
		626,880			
Health Improvement	386,389		535,509	-149,120	£131k now shown below - balance to D&A advice above
Young People's Public Health	131,000		0	131,000	Previously shown under health improvement (schools programme £100k, oral health £31k)
Contingency	41,686		41,000	686	
		559,075			
Total Expenditure		9,146,000		38	
Funded by					
Department of Health Grant	9,146,000				
MOPAC Funding	0				
Total Income		9,146,000			

(*) Preventative work across service directorates that lead to better health outcomes for residents.

This page is intentionally left blank

Budget Risk Assessment

Likelihood		A Very High	Green	Orange	Red	Red
	B High		Green 11,23	Orange 21	Red	Red
	C Significant	1	Green 8,9,10 12,27,29	Orange 18,20,22,26	Red	Red
	D Low	2,4	Green 3,7,14,16 19,25,30	Orange 31	Orange	Orange
	E Very Low	15	Green 13,17,24	Green	Green	Orange
	F Almost Impossible		Green 6	Green 5	Green	Green
			4 Negligible	3 Marginal	2 Critical	1 Catastrophic
			Impact			

1. By-election
2. Inflation – pay
3. Inflation - prices
4. Inflation – utilities
5. Treasury Management
6. Asset management
7. Income collection
8. Welfare Reform
9. Income from parking services
10. Changes to grant regime
11. Economic risk – demand for services
12. Litigation against the Council
13. Major Fraud
14. Increased Pension fund contributions
15. Levies, Precepts and Subscriptions
16. Financial control environment
17. Insurance claims
18. Demographic changes: additional demand for social care
19. System failure
20. Disaster recovery
21. New policy/legislation
22. Adult Social Care reform
23. Safeguarding
24. Natural disaster /accident/terrorist incident
25. Adverse weather conditions
26. Non achievement of savings
27. Workforce –loss of permanent staff
28. Budget Savings Programme
29. Breakdown of relationships - Strategic partnerships
30. Shared Services not meeting partner aspirations
31. Commercial partnerships

Risk Register 2015-16 to 2018-19

Ref	Risks	Risk rating	2015-16			Risk rating	2016-17			Risk rating	2017-18			Risk rating	2018-19			Mitigation/Comments
			Worst case £000	Like - lihood %	Net risk £000		Worst case £000	Like - lihood %	Net risk £000		Worst case £000	Like - lihood %	Net risk £000		Worst case £000	Like - lihood %	Net risk £000	
POLITICAL RISKS																		
1	By-Election	C 4	105	50%	53	C 4	105	50%	53	C 4	105	50%	53	C 4	105	50%	53	There is provision in the budget for the scheduled elections but not by-elections. Worst case is based on three by-elections in one year.
ECONOMIC / FINANCIAL RISKS																		
2	Inflation - Pay	D 4	100	17%	17	D 3	1,000	30%	300	D 3	1,200	30%	360	D 3	1,500	40%	600	The 2015-16 budget reflects the 2.2% award agreed from Jan 2015 to Mar 2016. From 2016-17 2% p.a. is assumed. There is some risk as general inflation is running at a higher level and there is pressure from the Trade Unions for higher increases. Given the current pressures on spending in the public sector and that the government has signalled the continuation of public sector pay restraint, there is likely to continue to be downwards pressure on public sector pay in particular. The longer pay restraint continues the more likely there will be a rebound when pay levels generally start to increase again.
3	Inflation - Prices	D 3	1,500	17%	255	D 3	1,500	17%	255	D 3	1,500	17%	255	D 3	1,500	17%	255	The budget assumes 1.3% for prices each year with an expectation that directorates will manage suppliers to keep within that. Inflation has been falling and at December 2014 CPI was 0.5%. There is still some risk as the items that the Council spends on are not necessarily the same as those covered by the index and prices and prices for services have been rising somewhat faster. It is however anticipated that given the general constraint on public spending that significant elements of the Council's spend can through negotiation be held below the general level of inflation. There are potential risks around fuel costs and major contracts with indexation terms. At this stage the medium term outlook for inflation is unclear.
4	Inflation - utilities	D 4	200	17%	34	D 4	200	17%	34	D 4	200	17%	34	D 4	200	17%	34	The 2015-16 budget reflects an allowance for an increase of 10% in energy prices. While energy costs have been reducing recently, the market is volatile and dependent on international events.

Ref	Risks	Risk rating	2015-16			Risk rating	2016-17			Risk rating	2017-18			Risk rating	2018-19			Mitigation/Comments
			Worst case £000	Like - lihood %	Net risk £000		Worst case £000	Like - lihood %	Net risk £000		Worst case £000	Like - lihood %	Net risk £000		Worst case £000	Like - lihood %	Net risk £000	
5	Treasury Management - investments and borrowing	F 2	10,000	2%	200	F 2	10,000	2%	200	F 2	10,000	2%	200	F 2	10,000	2%	200	The risk of losing a deposit is low given the use of a prudent lending list. The budget reflects the current base rate and anticipated borrowing costs. Note that Treasury Management decisions also affect the HRA and have the potential to impact the 30 year business plan. This in turn could impact homelessness.
6	Asset management.	F 3	1,500	10%	150	F 3	1,500	10%	150	F 3	1,500	10%	150	F 3	1,500	10%	150	Backlog maintenance is significant and the capital programme funds the highest priority work only. The creation of Academies has reduced the risk as these are no longer a Council responsibility. The School expansion programme will also reduce the backlog
7	Income collection: council tax, business rates, housing benefit overpayments, sundry debtors, rents and service charges	D 3	1,000	30%	300	D 3	1,250	30%	375	D 3	1,500	30%	450	D 3	1,750	30%	525	Collection performance has held up well since the introduction of Council Tax Support, and the bad debt provision is reviewed quarterly. There is an increased risk to the council as a result of Business Rate Retention if rateable value. Losses on Collection Fund items would impact the General Fund in the year after they were incurred
8	Welfare Reform	C 3	4,000	30%	1,200	C 3	4,000	30%	1,200	C 3	4,000	30%	1,200	C 3	4,000	30%	1,200	There are a number of areas of potential risk. Council Tax Collection has held up relatively well so far but might possibly worsen as further Welfare reforms impact low income households in the borough. Homelessness has started to increase and further increases are possible. Financially stressed clients may have increased Social Care interactions etc. Collection methods are being adapted to mitigate impacts and the Harrow HELP fund does mitigate this but there is a potential for increased costs and loss of income.
9	Income from parking services and parking enforcement	C 3	1,500	50%	750	C 3	1,500	50%	750	C 3	1,500	50%	750	C 3	1,500	50%	750	The Government's proposal to prohibit the use of CCTV cameras for parking enforcement and to introduce 'Grace' periods to allow motorists to return to their vehicles late and not immediately incur a penalty, will have an adverse impact on parking income. It is uncertain at this stage when this will come into effect. Mitigating actions are being formulated to prepare for the change. In addition, there is some ongoing risk given the historic volatility of the income.

Ref	Risks	Risk rating	2015-16			Risk rating	2016-17			Risk rating	2017-18			Risk rating	2018-19			Mitigation/Comments
			Worst case £000	Like - lihood %	Net risk £000		Worst case £000	Like - lihood %	Net risk £000		Worst case £000	Like - lihood %	Net risk £000		Worst case £000	Like - lihood %	Net risk £000	
10	Waste Disposal costs	C3	150	30%	45	C3	150	30%	45	C3	150	30%	45	C3	150	30%	45	Significant pricing fluctuation on dry recycling waste disposal has been experienced in the last couple of years (it changed from an income of circa £40 per tonne to a cost of £2 per tonne). It is anticipated the market condition for materials will remain sluggish and therefore the council may incur additional costs. A small fluctuation on residual waste tonnage could lead to significant cost increase. A 2% increase in tonnage would result in £100K additional costs. The tonnage forecast has taken into account the waste growth, however there is a risk the growth exceeds the forecast.
11	Economic risk - demand for services	B 3	750	65%	488	B 3	750	65%	488	B 3	750	65%	488	B 3	750	65%	488	There may be additional demands on services such as housing due to the recession. There are also risks to income earning services such as planning and building control from lower volumes. This is in addition to the risks specifically linked to Welfare Reform and identified separately.
12	Litigation against the Council	C 3	2,600	38%	988	C 3	2,000	38%	760	C 3	2,000	38%	760	C 3	2,000	38%	760	The MTFS includes an annual contribution to a provision for litigation including employment and planning related matters. Some of this risk will be covered by insurance, but individual cases can have significant cost. There is a heightened risk of a procurement challenge due to the EU remedies directive. There is also the potential for risk around the costs of Health and a possible risk of judicial review across a wide range of services, particularly Adult and Children's Social Care
13	Major fraud	E 3	500	6%	30	E 3	500	6%	30	E 3	500	6%	30	E 3	500	6%	30	No major cases in recent years.
14	Increased Pension Fund contributions	D3	400	20%	80	D 3	600	20%	120	D 3	700	20%	140	D 3	800	20%	160	The MTFS provides for increase in employers contributions as agreed with the actuary. There is some risk that higher contributions will be required because of fund performance although it is anticipated that any further increases will still be in stages. If numbers of fund members decrease then this will also increase the percentage contribution required to fund the deficit on the fund. There will also a requirement to fund any pension fund strain on non ill health early retirements.

110

Ref	Risks	Risk rating	2015-16			2016-17			2017-18			2018-19			Mitigation/Comments			
			Worst case £000	Like - lihood %	Net risk £000	Risk rating	Worst case £000	Like - lihood %	Net risk £000	Risk rating	Worst case £000	Like - lihood %	Net risk £000	Risk rating		Worst case £000	Like - lihood %	Net risk £000
15	Levies, Precepts and Subscriptions	E4	600	6%	36	E4	1,000	30%	300	E4	1,000	30%	300	E4	1,000	30%	300	The Council pays a range of levies, precepts and subscriptions. These are set by other bodies and usually known before the budget is approved. It is however possible for some of them to have in year financial problems requiring a supplementary levy.
16	Financial control environment	D 3	1,000	17%	170	D 3	1,000	17%	170	D 3	1,000	17%	170	D 3	1,000	17%	170	Risk mitigated by budget monitoring arrangements, refresher training, improvement boards. It is anticipated that the improvements being made currently to financial processes will further mitigate risks.
17	Insurance claims	E 3	500	6%	30	E 3	500	6%	30	E 3	500	6%	30	E 3	500	6%	30	An actuarial review is carried out at regular intervals, the annual contribution has been increased in recent years and the balance in the provision reflects the claims liability. MMI has gone into administration, however this has largely been provided for already.
	<u>SOCIAL RISKS</u>																	
18	Demographic changes: additional demand for social care.	C 2	2,000	40%	800	C 2	2,000	40%	800	C 2	2,000	40%	800	C 2	2,000	40%	800	The MTFS reflects anticipated demand for social care for both Children and Adults. However, small fluctuations can generate considerable cost. There continues to be the potential for Health funded continuing care cases to become Harrow's responsibility.
	<u>TECHNOLOGICAL RISKS</u>																	
19	System failure	D 3	200	38%	76	D 3	200	38%	76	D 3	200	38%	76	D 3	200	38%	76	Environment is being moved onto more stable infrastructure. Performance issues have occurred during transition; however, the migration is reducing the risk of catastrophic failure
20	Disaster recovery	C 2	600	1%	6	C 2	600	1%	6	C 2	600	1%	6	C 2	600	1%	6	The IT contract with the council's partner includes a comprehensive DR solution. The worst case represents the loss after allowing for insurance cover.
	<u>POLICY/LEGISLATIVE / REGULATORY</u>																	

111

Ref	Risks	Risk rating	2015-16			2016-17			2017-18			2018-19			Mitigation/Comments			
			Worst case £000	Like - lihood %	Net risk £000	Risk rating	Worst case £000	Like - lihood %	Net risk £000	Risk rating	Worst case £000	Like - lihood %	Net risk £000	Risk rating		Worst case £000	Like - lihood %	Net risk £000
21	New policy/legislation	B 2	1,000	10%	100	B 2	6,000	30%	1,800	B 2	6,000	30%	1,800	B 2	6,000	30%	1,800	Generally changes have a long lead in time, but there are risks due to the extensive policy agenda of the new government and the speed of implementation of changes in some areas. A particular area of concern is welfare reform.
22	Adult Social Care Reform	C2	1,000	25%	250	C2	3,000	25%	750	C2	2,000	25%	500	C2	2,000	25%	500	The Care Act became law in May 2014 and will come into force in April 2015. The Act creates a single route to establishing entitlement to care and support for all adults with needs for care and support. For the first time carers will be recognised in the law in the same way as those they care for. The Act sets out a clearer approach to charging and financial assessment and requires the Council to have a Deferred Payments Policy so that service users are not forced to sell their home to pay for their care. New burdens funding has been provided for 2015/16 however, it is not yet clear if this will be sufficient to fund the additional responsibilities placed on the Council. Further reforms are expected, subject to legislation, from April 2016 making the Council responsible for care costs once a cap has been reached.
<u>SERVICE RISKS</u>																		
23	Safeguarding - recent high profile cases have resulted in a significant increase in referrals	B 3	1,000	65%	650	B 3	1,000	65%	650	B 3	1,000	65%	650	B 3	1,000	65%	650	Detailed plans put in place in Children's services including case reviews. There is a potential for significant costs in both Adults and Children particularly in relation to Deprivation of Liberty Standards
<u>EMERGENCIES</u>																		
24	Natural disaster, accident or terrorist incident costing £4m in total.	E3	3,000	15%	450	E3	3,000	15%	450	E3	3,000	15%	450	E3	3,000	15%	450	The government has a scheme (the Bellwin scheme) that covers authorities for 85% of eligible costs of a major disaster over a threshold (£620k in 2014-15). This is due to increase to 100% above the threshold in 2015-16. The risk to the Council is currently 100% of costs below the threshold together with any costs that are not eligible.

Ref	Risks	Risk rating	2015-16			2016-17			2017-18			2018-19			Mitigation/Comments			
			Worst case £000	Like - lihood %	Net risk £000	Risk rating	Worst case £000	Like - lihood %	Net risk £000	Risk rating	Worst case £000	Like - lihood %	Net risk £000	Risk rating		Worst case £000	Like - lihood %	Net risk £000
25	Adverse weather conditions	D 3	400	20%	80	D 3	400	20%	80	D 3	400	20%	80	D 3	400	20%	80	There is some provision in the budget for seasonal work. This risk relates to exceptionally bad weather, which tends to be more frequent than previously.
	<u>EFFICIENCY RISKS</u>																	
26	Non-achievement of allocated savings included in the budget	C 2	3,000	40%	1,200	C 2	500	40%	200	C 2	200	40%	80	C 2	200	40%	80	The MTFS includes efficiency savings totalling £17m in 2015-16. Progress will be carefully monitored.
27	Workforce risk of loss of permanent staff requiring more expensive interims due to adverse reaction to terms and conditions changes, public sector pay restraint and increasing stress as workforce reduces but demands increase	C 3	1,000	30%	300	C3	1,000	30%	300	C3	1,000	30%	300	C3	1,000	30%	300	The impact of any problems is likely to be uneven given the different labour markets that apply within the Council. Problems being mitigated by the council's workforce strategy.
28	Budget savings programme fails to deliver substantial contribution to the funding gap in years 2 and 3 of the MTFS					C 2	5,000	38%	1,900	C 2	5,000	38%	1,900	C 2	5,000	38%	1,900	There will clearly need to be a fundamental transformation of public sector services, including those provided by the Council over the next few years.
	<u>PARTNERSHIP / CONTRACTUAL RISKS</u>																	
29	Breakdown of relationships with strategic partners (Health, Police, businesses, voluntary sector)	C 2	4,000	38%	1,520	C 2	4,000	38%	1,520	C 2	4,000	38%	1,520	C 2	4,000	38%	1,520	The HSP governance arrangements have been revised. Good working relationships exist between partners. There are ongoing concerns about the CCG's financial position, particularly given the level of savings that they are expected to deliver together with the pressures in the acute sector and wider integration agenda.
30	Shared Services not meeting each of partner's aspirations	D 3	300	20%	60	D 3	300	20%	60	D 3	300	20%	60	D 3	300	20%	60	Harrow is developing partnerships with other boroughs for shared services such as Public Health and Legal Services. Governance arrangements exist to identify and resolve any issues should these arise, however these as these arrangements are fairly new there is the potential that they may not work as effectively as planned causing cost to the partners.

Ref	Risks	Risk rating	2015-16			Risk rating	2016-17			Risk rating	2017-18			Risk rating	2018-19			Mitigation/Comments
			Worst case £000	Like - lihood %	Net risk £000		Worst case £000	Like - lihood %	Net risk £000		Worst case £000	Like - lihood %	Net risk £000		Worst case £000	Like - lihood %	Net risk £000	
31	Commercial Partnership failure	D 2	2,000	20%	400	D 2	2,000	20%	400	D 2	2,000	20%	400	D 2	2,000	20%	400	There is a potential for either contractual problems with partners or failure of commercial partners to cause the council to incur additional costs.
	TOTAL		45,905		10,718		56,555		14,252		55,805		14,037		56,455		14,372	
	Contingencies				-1,248				-4,248				-4,248				-4,248	
	Remaining risk				9,470				10,004				9,789				10,124	

Reserves Policy

The recommended reserves policy is as follows:

The risk assessment of the budget dictates the minimum level of general balances required.

The first call on any under spend at the end of the year will be to fund the one off cost to transition. A contribution to general balances will then be considered with regard to the size of the under spend, the underlying strength of the balance sheet and the need to support other priorities.

The rationale for this policy is set out below.

Councils need balances so that they can deal with unforeseen calls on resources without disrupting service delivery. It is the responsibility of each authority to set its level of reserves based on local conditions, but taking into account national factors. Although advice can be sought from the external auditor, it is not their responsibility to prescribe the appropriate level.

It is good practice for a risk assessment to be carried out to determine the level of reserves and the External Auditor expects the Council to review its reserves on an annual basis.

The risk assessment above shows that the total risk identified has been quantified at £9.478m for 2015-16 after allowing for the contingency. However, the appropriate level of reserves for a council to hold is extremely subjective. It is important to find a balance between being at risk of wiping out all reserves in a single bad year and having excessive reserves and thereby wasting taxpayer's money.

The Council should at least be able to cope with a modest overspend in any one year and still be in a stable financial position.

The target level of reserves depends on:

- The degree of risk contained in the budget
- The effectiveness of budget monitoring during the year
- The effectiveness of balance sheet management during the year
- The extent to which the Council has earmarked reserves and provisions to deal with specific items

The Council is continually working to improve financial management and the emphasis in 2015-16 will be on the accuracy of capital budget management and forecasting. In addition more emphasis will be placed on delivery of in-year savings and the delivery of new savings proposals.

The Council has built up more appropriate annual contributions to provisions for debt, litigation and insurance in the last few years, and strengthened its balance sheet, but still has few earmarked reserves.

There is greater risk arising from the continuing recession and the ongoing requirement for large savings targets over a prolonged period.

Taking all this together, the target level for reserves should be £10 - £12.5m.

As at 31 March 2014 the level of General Fund Reserves was £10m, which is within the recommended minimum level.

A decision will be made at year end on the best use of any available capacity.

Forecast reserves and provisions

Earmarked Reserves	Estimated Reserves at start of year 1 April 2015	Planned Contributions included in MTFS	Estimated Use of reserves in-year	Estimated Reserves at year end 31 March 2016
	£000	£000	£000	£000
Transformation & Priority Initiatives Fund	3,800	0	1,000	2,800
Business Risk Reserve	2,100	0	1,700	400
MTFS Implementation Reserve	4,000	0	2,000	2,000

Provisions	Estimated Provision at start of year 1 April 2015	Planned Contributions included in MTFS	Estimated Use of provisions in-year	Forecast Balances at year end 31 March 2016
	£000	£000	£000	£000
Insurance provision	6,500	1,660	1,660	6,500
Employee & Litigation Provision	800	375 (base)	575	600
Bad Debt Provision (Sundry debts and Housing Benefit Overpayments)	6,500	1,100	1,250	6,350

This page is intentionally left blank

Report of the Chief Finance Officer

Under the Local Government Act 2003 the Director of Finance and Assurance (in his capacity as the Chief Finance Officer under S151 of the Local Government Act 1972) is required to comment on the robustness of the budget and the adequacy of reserves. The Directors report is set out below.

Robustness of the Budget

Clearly the economic climate and the Local Government Settlement make this budget round particularly challenging and there is considerable uncertainty about inflation, interest rates, the property market, employment levels and the impact of the economic climate. All these issues affect the Council's own finances and every effort has been made to ensure that the technical assumptions underpinning the budget are robust. The economic climate also has major implications for Harrow's residents and businesses and may therefore create additional demand on services.

In my view the budget is robust.

I have taken a number of factors into account in arriving at my opinion:

- Reasonable assumptions have been made in relation to inflation
- Service managers have made reasonable assumptions about demand led pressures and taken a prudent view of volatile areas
- Savings proposals have been explored and scrutinised in some detail by varied forums and Directorates have confirmed that they are achievable. The MTFs has been extended to cover the four period 2015/16 to 2018/19 in line with the Capital Programme.
- The final 2015/16 Local Government Financial Settlement was announced on 3 February (with some grants still to be announced)
- Prudent assumptions have been made about capital financing costs and investment income
- The recommended increases in fees and charges are in line with the assumptions in the budget
- A risk assessment has been conducted
- The budget for 2015/16 includes a general contingency of £1.248m

A sensitivity analysis for the key assumptions is attached.

Adequacy of Reserves

The Council has suitable provisions and some earmarked reserves to deal with particular issues such as insurance claims, bad debts, litigation and employment matters.

General balances are adequate and, dependent upon the outturn position, consideration will be given to making a contribution to general balances in view of the significant financial challenges ahead.

Budget Monitoring

The Local Government Act 2003 also introduced requirements in relation to budget monitoring and management action. Budget monitoring arrangements are in place in Harrow. These arrangements are continually being developed, and the risk areas identified in the assessment will be kept under review. The financial position can change relatively quickly and any adverse variations must be identified and addressed promptly by service managers to avoid further calls on reserves.

2015/16 Budget Sensitivities

Steve to update

Budget area	Assumption in 2015/16budget	Change	Impact
Pay	Increase of 1%	+ 0.5%	+ £475k
General Prices Inflation	Increase of 1.3%	+/- 0.5%	+/- £465k
Energy Inflation	Increases in gas and electricity prices of 10%	+/- 1%	+/- £22k
Investment Income	Base rate is 0.5% for the year	+/- 0.5%	+/- £250k
Council Tax Collection Rate	Collection rate of 97.5%	+/- 0.25%	+/- £243k
Business Rate Collection Rate	Collection rate of 98%	+/- 0.25%	+/- £36k
Homelessness	Cost per year for family	+/- 1	+/-£2k

Note that a variation in the collection rates for council Tax and Business Rates would be managed within the collection fund in-year and have an impact on the revenue budget the following year

Model Council Tax Resolution

Harrow Council

Council Tax Resolution 2015-2016

To approve as part of the Summons for Council, the model budget and Council Tax resolutions reflecting the recommendations of Cabinet and the GLA precept.

Council is requested to determine the level of the Council Tax for 2015-2016 in the light of the information on the precept and make the calculations set out in the resolution shown below.

- (1) To note that at its meeting on 11 December 2014 the Council calculated the amount of 79,795 as its Council Tax Base for the year 2015-2016 in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 2012 made under Section 31B(3) of the Local Government Finance Act 1992 (The Act).
- (2) That the following amounts be now calculated by the Council for the year 2015-2016, in accordance with Sections 31A, 31B and 34 to 36 of the Local Government Finance Act 1992:
- (i) Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) [(a) to (f)] of the Act. **(Gross expenditure)** £588,500,000
 - (ii) Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3)[(a) to (d)] of the Act. **(Gross income including use of reserves)** £435,131,532
 - (iii) Being the amount by which the aggregate at (i) above exceeds the aggregate at (ii) above, calculated by the Council, in accordance with Section 31A(4) of the Act, **as its Budget requirement for the year.** £153,368,468
 - (iv) Being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of Revenue Support Grant and Business Rates Top-up grant, increased by the amount of the sums which the Council estimates will be transferred in the year from its Collection Fund in accordance with Section 97(4) of the Local Government Finance Act 1988 (Collection Fund Surplus) £54,872,712

(v) Being **the amount to be raised from Council Taxes** Calculated as the amount at 2 (iii) above less the amount at 2 (iv.) above.

£98,495,756

(vi) Being the amount at (v) divided by the Council Tax Base, calculated by the Council at its meeting on 11 December 2014 in accordance with Section 31B(1) of the Local Government Finance Act 1992, as the basic amount of its Council tax for the year. (**The average Band D Council Tax**)

£1,234.36

(vii) Valuation Bands

	A	B	C	D	E	F	G	H
£	822.90	960.06	1,097.21	1,234.36	1,508.66	1,782.97	2,057.26	2,468.72

Being the amounts given by multiplying the amount at (vi.) above by the number which, in the proportion set out in Section 5(1) of the Local Government Finance Act 1992, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Local Government Finance Act 1992, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

(3) That it be noted that for 2015-2016 the Greater London Authority stated the following amount in precept issued to the Council, in accordance with section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below

Valuation Bands

	A	B	C	D	E	F	G	H
£	196.67	229.44	262.22	295.00	360.56	426.11	491.67	590.00

(4)

That, having calculated the aggregate in each case of the amounts at (2)(vii) and (3) above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2015-2016 for each of the categories of dwellings shown below

Valuation Bands

	A	B	C	D	E	F	G	H
£	1,019.57	1,189.50	1,359.43	1,529.36	1,869.22	2,209.08	2,548.93	3,058.72

(5)

Determine for the purposes of 52ZB and Section 52ZC of the Local Government Finance Act that the Council's basic amount of Council Tax for 2015-16 is not excessive in accordance with the principles approved under Section 52ZB and 52ZC of the Local Government Finance Act 1992 and the Referendums Relating to Council Tax Increases (Principles) Report (England) 2015/2016.

This page is intentionally left blank

Appendix 13

Members' Allowances Scheme

1. This scheme shall have effect until 31st March 2016. It replaces all former schemes.

Basic Allowance

2. A basic allowance of £8,340 per annum shall be paid to each Councillor.

Special Responsibility Allowances and Mayoral Allowances

3. (1) A special responsibility allowance shall be paid to those Councillors who have the special responsibilities in relation to the posts specified in Schedule 1 to this scheme. The amount of each such allowance shall be the amount specified against that special responsibility in that schedule.
(2) An allowance of £10,475 per annum shall be paid to the Mayor and an allowance of £2,085 per annum shall be paid to the Deputy Mayor.
(3) No Member may receive special responsibility allowances in respect of more than one post. For the purposes of this paragraph, the mayoral allowances referred to in 3(2) above are considered to be special responsibility allowances.

Uprating the Basic and Special Responsibility Allowances

4. The basic allowance and special responsibility allowances may be uprated annually in line with an index approved by the London Councils Independent Panel. The index to be used will be the level of the Local Government Pay Settlement. When making the scheme for 2016/17, the indexing arrangements will be reviewed.

Travel and Subsistence Allowances

5. The reimbursement of travel and subsistence expenses incurred in respect of **approved duties** (as set out in Schedule 2) **undertaken outside the Borough boundaries** can be claimed by Members, co-optees to formal Council committees and Independent Members of the Standards Committee at the rates paid and on the conditions specified in the officer scheme for travel and subsistence allowances.

Carers' Allowance

6.
 - (1) The allowance shall only be paid for attendance at approved duties as listed in Appendix A.
 - (2) The maximum basic rate of pay is £2.90 per half hour for the duration of the meeting together with the Member's travel time between home and the place of the meeting and the carer's reasonable travelling time.
 - (3) The allowance is claimable in respect of children aged 15 or under or where a professional carer is required to meet a specialist need (eg a nurse for an elderly person).
 - (4) Actual costs will be paid **on production of an invoice or receipt**.
 - (5) Where the length of the meeting cannot be predicted and payment to the carer is necessarily contractually committed then a payment of up to 4 hours will be made. (For day time quasi-judicial meetings, payment of up to 8 hours may be made if the estimated length of the meeting is for the whole day).
 - (6) In addition, the reasonable travelling expenses of the person taking care of the dependent shall be reimbursed either at the appropriate public transport rate, or in cases of urgency or where no public transport is available, the amount of any taxi fare actually paid.
 - (7) The allowance is not to be paid where the carer is a member of the Member's household.
 - (8) Any dispute as to the entitlement and any allegation of abuse should be referred to the Governance, Audit, Risk Management and Standards Committee for adjudication.

Co-optees' Allowance

7. A basic allowance of £445 per annum shall be paid to co-optees to formal Council Committees and Independent Members of the Governance, Audit, Risk Management and Standards Committee.

Claims and Payments

8. (1) A claim for allowances or expenses under this scheme shall be made in writing within two months of the date of undertaking the duty in respect of which the entitlement to the allowance or expense relates.
- (2) Payment shall be made
 - (a) in respect of basic and special responsibility allowances, in instalments of one-twelfth of the amount specified in this scheme each month;
 - (b) in respect of out-borough travel and subsistence expenses and Carers' Allowance, each month in respect of claims received up to one month before that date.

Backdating

9. Any changes made to this scheme during the year may be backdated to 1st April 2015 by resolution of the Council when approving the amendment.

Pensions

10. Allowances paid under the Harrow Members' Allowances Scheme will **not** be pensionable for the purposes of the Superannuation Act.

Renunciation

11. A person may, by notice in writing given to the Director of Legal and Governance Services, elect to forgo any part of his/her entitlement to an allowance under this scheme.

Approved duties for Carers' Allowance

- ◆ A meeting of the Executive.
- ◆ A meeting of a committee of the Executive.
- ◆ A meeting of the Authority.
- ◆ A meeting of a Committee or Sub-Committee of the Authority.
- ◆ A meeting of some other body to which the Authority make appointments or nominations.
- ◆ A meeting of a committee or sub-committee of a body to which the Authority make appointments or nominations.
- ◆ A meeting which has both been authorised by the Authority, a committee, or sub-committee of the Authority or a joint committee of the Authority and one or more other authorities, or a sub-committee of a joint committee and to which representatives of more than one political group have been invited (if the Authority is divided into several political groups) or to which two or more councillors have been invited (if the authority is not divided into political groups).
- ◆ A meeting of a Local Authority association of which the Authority is a member.
- ◆ Duties undertaken on behalf of the Authority in pursuance of any Procedural Rule of the Constitution requiring a member or members to be present while tender documents are opened.
- ◆ Duties undertaken on behalf of the Authority in connection with the discharge of any function of the Authority conferred by or under any enactment and empowering or requiring the Authority to inspect or authorise the inspection of premises.
- ◆ Duties undertaken on behalf of the Authority in connection with arrangements made by the authority for the attendance of pupils at a school approved for the purposes of section 342 of the Education Act 1996.

Schedule 1

Special Responsibility Allowances (SRAs)

There are 6 bands of SRAs:

Band	Post	SRA - £/annum
1	Chief Whips of the two largest Groups Performance Lead Members for Scrutiny Policy Lead Members for Scrutiny Chairman of Licensing and General Purposes Committee Portfolio Holder Assistants	£2,100
2	Nominated Member of the party not holding the Chair of the Planning Committee Chairman of the Traffic Advisory Panel Chairman of Governance, Audit, Risk Management and Standards Committee Chairman of the Pension Fund Committee Chairman of the Performance and Finance Scrutiny Sub Chairman of the Health and Social Care Scrutiny Sub Nominated Member of the largest party not holding the Chair of the Performance and Finance Scrutiny Sub	£4,700
3	Nominated Member of the largest party not holding the Chair of the Overview and Scrutiny Committee Non Executive Members of Cabinet	£6,780
4	Chairman of the Overview and Scrutiny Committee Leader of the Second Largest Group	£8,860
5	Cabinet Members	£20,100
6	Leader of the Council	£31,400

NOTE

The Groups are as follows:-

Largest Group = Labour Group

Minority Group = Conservative Group

Schedule 2

Claims for Out-Of-Borough Travel and Subsistence Expenses

Duties Undertaken Out-of-Borough

Claims for travel and subsistence expenses incurred can normally only be paid in respect of approved duties undertaken at venues out of the Borough. Expenses will be reimbursed at the rates paid and on the conditions specified in the officer scheme for travel and subsistence allowances.

1. Members may claim travel and subsistence expenses in respect of the following **out-of-Borough** duties:-
 - (a) Attendance at any meeting which may be convened by the Authority provided that Members of at least two groups are invited and the meeting is not convened by officers.
 - (b) Attendance at a meeting of an outside body to which the Member has been appointed or nominated as a representative of the Council, where the Outside Body does not itself operate a scheme to reimburse travel and subsistence expenses.
 - (c)
 - (i) attendance at an appropriate out-of-Borough conference, seminar, meeting or other appropriate non-political event as a representative of an Outside Body to which that Member has been either nominated or appointed by Council to serve in a role with a specific pan-Authority remit;
 - (ii) attendance at meetings in the capacity of a direct appointee of a Local Authority Association, joint or statutory body or other London-wide or national body subject to the following proviso:

that the Member serves on the appointing body by virtue of an appointment made by Council to an authorised Outside Body;

subject in either case to the Outside Body/Bodies concerned themselves not making provision for any travel and subsistence expenses necessarily incurred.
 - (d) Attendance at a meeting of any association of local authorities of which the Authority is a member and to which the Member has been appointed as a representative.

- (e) Attendance at a training session, conference, seminar or other non-political event, the attendance fees for which are being funded by the Council through a Departmental or a corporate budget.
 - (f) Attendance at any training session, conference, seminar or other non-political event for which there is either no attendance fee or any attendance fee is being met by the Member him/herself (or from the relevant political group secretariat budget) subject to the relevant Director confirming that the content of the training, conference, seminar or event is relevant to the Member's responsibilities in respect of the services provided by the Authority or to the management of the Authority.
2. Duties for which out-of-Borough travel and subsistence expenses may not be claimed include:-
- (a) Political meetings or events.
 - (b) Any meetings of 'Outside Bodies' to which the Member has not been appointed or nominated by the Council as its representative.
 - (c) Meetings of the Governing Bodies of Schools.

This page is intentionally left blank

HARROW COUNCIL PAY POLICY STATEMENT 2015/16

Harrow Council supports openness and accountability and is pleased to publish its Pay Policy Statement for 2015/16. In compliance with the Localism Act 2011 this statement outlines the Council's policy on pay and benefits for Council employees (excluding Schools)¹ and specifically for its senior management for 2015/16.

Context

The Council's vision is: 'Working Together to Make a Difference for Harrow' and the Workforce Strategy is focused on supporting delivery of the Council's vision and priorities by ensuring an efficient and effective organisation; continuing to build the people maturity of the Council and developing the organisational capability to meet our changing future needs.

We want to be a modern and efficient Council, able to meet the challenges ahead. In order to help protect frontline services we will continue to deliver support functions in the most cost effective way, improving the working between services within the Council and continuing to collaborate with regional bodies and other boroughs on shared services and procurement opportunities. We will protect people and Council assets from risks and retain our customer services in Harrow where possible, modernising and simplifying the access channels to the Council, making more services available online and therefore accessible on a more 24/7 basis.

Our Workforce Strategy reflects that the Council of the future may be very different and having the right people *engaged* with the Council will be vital for our future success. We already compete for people across London and this will increase as the needs of the organisation change and the search for talent in local government increases.

We will establish the people we want, the skills they need and the performance we require and develop recruitment and retention packages that maximise our employment offer. Our Pay Policy supports this by ensuring that fair and transparent processes are in place to determine the grading and pay for all jobs and that remuneration packages enable the attraction and retention of people with the skills we need. We will also look to create opportunities for staff to benefit through organisational change.

As a Council we are committed to ensuring equality and diversity is integral to everything we do so our Pay Policy seeks to reduce income inequality and ensure that the pay, terms and conditions of Council employees comply with the Council's duties under the Equality Act. The Council recognises that a significant proportion of our workforce lives locally² and that therefore our Pay Policy helps support a strong local economy.

Modernising Terms & Conditions Review 2011/12

In 2011/12 the Council undertook a review of pay and terms and conditions for employees. The objectives of the review, which were agreed by Cabinet, were to:

- Modernise: to support the future needs of the Council

¹ The Pay Accountability provisions of the Localism Act 2011 do not apply to staff employed in Schools

² Circa 60% of employees have a permanent address with a Harrow (HA) postcode

- Simplify: wherever possible, to make terms and conditions easier to understand and reduce administration
- Reduce cost: to reduce the costs of terms and conditions of employment as part of its plan to make savings over the next 3 years
- Give greater choice: to continue to have core terms and conditions but to provide each individual with an element of choice beyond that.

The modernising review was completed in 2012 and the Council reached a collective agreement with the relevant recognised trade unions, which established new pay and terms and conditions for all employees covered by this Pay Policy, including those of senior management, from January 2013.

The collective agreement is published at:

http://www.harrow.gov.uk/downloads/file/5879/collective_agreement

The changes introduced through the collective agreement were in accordance with the Council's Pay Policy Statement 2012/13 and include the following key provisions:

- 2.5% pay cut for the Chief Executive and Corporate Directors
- 1% pay cut for staff earning £21,375 and above
- Revised grading structure so that the Council's lowest paid employees are paid not less than the London Living Wage.³
- A scheme making incremental pay progression subject to satisfactory performance
- No enhancements for overtime or weekend working except for Bank Holidays and night work
- Reduced redundancy compensation payments
- Improved salary sacrifice schemes and other employee benefits

Council Pay Rates / Scales

The Council considers it important to be able to locally determine pay rates. This enables it to respond to regional and local labour market conditions. The Council benchmarks its pay rates with other London Boroughs to ensure that it is able to recruit and retain qualified and competent employees.

The following Council pay scales were revised by the Council in January 2013 as a result of the modernising review:

- Harrow pay scale
- Senior Professional & Managerial pay scale
- Chief Officer pay scales⁴

³ London Living Wage is set periodically by the Mayor of London and is implemented from 1 April. The rate rose to £9.15 per hour in November 2013, which will be implemented from 1 April 2015.

⁴ In April 2013 the Council took over specific public health functions from the NHS and was required to appoint a statutory Chief Officer post of Director of Public Health. The current post holder is paid on NHS pay scales.

- Chief Executive pay scale

The Council also revised the pay scales for employees who are Education Psychologists (Soulbury), and Youth & Community Workers.

The Council's pay scales are subject to any pay awards agreed through the relevant national and regional negotiating bodies. The current pay scales are published at:

http://www.harrow.gov.uk/downloads/file/5882/jan_15_salaries

Remuneration of Senior Management (Chief Officers)

The Council defines its senior management as the top 3 tiers in the management structure commencing with the Chief Executive (Tier 1), Corporate Directors (Tier 2) and Directors (Tier 3), this includes all statutory and non-statutory Chief Officer and Deputy Chief Officer posts.

The senior management structure is published at:

http://www.harrow.gov.uk/downloads/file/5880/org_chart_feb_2015

Senior management pay is published at: [Senior manager salaries - Further info | Harrow Council](#)

The Council's policy is to optimise the senior management pay bill. The pay rates and numbers of senior managers reduced in 2012/13 and following the Council's decision to reinstate the post of Chief Executive in 2014, an appointment has been made on a salary less than the previous Chief Executive received. The new Chief Executive will be undertaking a review of the Council's senior management structure and pay.

The Council may, in exceptional circumstances, employ senior managers under contracts for services. The Council publishes details of all payments made under contracts for services in excess of £500 at:

http://www.harrow.gov.uk/info/100004/council_and_democracy/555/council_spending

Remuneration of Lowest Paid Employees

The Council defines its lowest paid employees as those paid at the lowest pay spine column point on the lowest Harrow pay grade, excluding trainees and apprentices. The Council's lowest paid employees are paid not less than the London Living Wage.

Pay Multiple

The 'pay multiple' is the ratio between the highest paid employee's pay and the median average pay of the Council's workforce. The Council's highest paid post is the Chief Executive and the current pay multiple is published at:

[Senior manager salaries - Further info | Harrow Council](#)

Pay Grading

In 2004 the Council entered into a single status agreement with its recognised trade union, introducing common job evaluation schemes⁵ and pay scales for the Council's former manual workers, administrative, professional, technical and clerical employees with the exception of

⁵ The Greater London Provincial Council (GLPC) Scheme is used for all Harrow grade jobs and the Hay Scheme for senior professional and managerial jobs.

Education Psychologists, Nursery Nurses, Youth & Community Workers, Chief Officers and the Chief Executive.

In 2007 job evaluation was extended to include Chief Officers.

From April 2013 the Council took over specific public health functions from the NHS and staff who transferred from the NHS to the Council remain on NHS grades and pay scales. New posts are being recruited to on the local government grades and pay scales.

Pay on Appointment

All employees, including Chief Officers are normally appointed on the lowest pay spine column point for their job evaluated grade. In exceptional circumstances employees may be appointed at a higher point within the evaluated grade.

The Council delegates authority to the Chief Officers' Employment Panel to make recommendations to Council on the appointment of the Head of Paid Service and make appointments of Chief Officers in accordance with the Council's Pay Policy.

The Council's delegations to the Chief Officers' Employment Panel also include, determination of any remuneration package of £100,000 or greater

Remuneration packages of £100,000 or greater are also reported to full Council

Pay Progression

All employees are able to incrementally progress through the pay spine column points for their job evaluated grade.

Progression will normally be one increment (pay spine column point) on the 1st of April each year until they reach the top of their grade.

Progression for Chief Officers is subject to the following qualifications:

- i. increments may be accelerated within a Chief Officer's scale at the discretion of the council on the grounds of special merit or ability.
- ii. an increment may be withheld following an adverse report on a Chief Officer (subject to that Chief Officer's right of appeal). Any increment withheld may be paid subsequently if the Chief Officer's services become satisfactory.

The criteria for pay progression for other staff were changed as a result of the modernising review so that progression for all staff is now subject to satisfactory performance.

Performance Related Pay

Council employees including the Chief Executive and Chief Officers do not currently receive performance related payments or bonuses.

The Council operates a Reward and Recognition Scheme for employees who, subject to meeting the criteria of the scheme, may receive payments of £250 or £500. Details of Reward and Recognition payments to senior management are published at:

[Senior manager salaries - Further info | Harrow Council](#)

National / Regional Pay Agreements

The Council supports the national (JNC/NJC⁶ and Soulbury) and regional (GLPC) collective bargaining arrangements for pay and conditions of service and the pay scales for all employees, including the Chief Executive and Chief Officers, are increased in line with national and regional pay agreements. Some conditions of service are negotiated locally.

The last pay agreement increasing pay scales for the Chief Executive and Chief Officers was implemented in 2008/9. Since then there have been no increases for this group.

The most recent pay agreement increasing pay scales for other non-teaching employees was implemented in 2014/15.

Market Supplements

The Council may apply market supplement payments to jobs with recruitment or retention difficulties. Details of market supplement payments to senior management are published at: [Senior manager salaries - Further info | Harrow Council](#)

Fees for Election Duties

The Council's policy for payment of fees for election duties is published at: http://www.harrow.gov.uk/info/687/election_information/689/election_fees_and_charges

Details of fees for election duties paid to senior management are published at: [Senior manager salaries - Further info | Harrow Council](#)

Other Payments

The Head of Paid Service may authorise other payments as necessary, in accordance with the Council's delegations.

Details of any other payments to senior management are published at: [Senior manager salaries - Further info | Harrow Council](#)

Pension

All employees are auto enrolled into the Local Government Pension Scheme and employees who remain in the Scheme receive benefits in accordance with the provisions of that Scheme as applied by the Council. Details of the Council's policy and decisions in respect of discretionary elements of the Scheme are published at:

http://www.harrow.gov.uk/download/downloads/id/5338/discretionary_policy_statement-pensions_2014

http://www.harrow.gov.uk/download/downloads/id/2545/pension_fund_accounts_2012-2013

From April 2013 the Council took over specific public health functions from the NHS and staff who transferred from the NHS to the Council and were members of the NHS Pension Scheme continue to be members of that Scheme and receive benefits in accordance with the provisions of that Scheme.

⁶ Joint Negotiating Committee / National Joint Council

Other Terms and Conditions of Employment

The pay, terms and conditions of council employees are set out in employee handbooks. Handbooks are produced for all employees, including managers and senior professionals, Chief Officers and the Chief Executive and the latest editions are published at:
http://www.harrow.gov.uk/downloads/download/1016/employee_handbooks

Payments on Termination of Employment

In the event that the Council terminates the employment of an employee, including a Chief Officer, on the grounds of redundancy or efficiency of the service they will be entitled to receive compensation and benefits in accordance with the Council's Redundancy and Early Retirement schemes, which are published at:
http://www.harrow.gov.uk/downloads/download/1016/employee_handbooks and
http://www.harrow.gov.uk/download/downloads/id/5338/discretionary_policy_statement-pensions_2014

The Council's Redundancy scheme was changed as a result of the modernising review and compensation payments to employees reduced in 2014 and will be reduced again from April 2015.

The Council delegates authority to the Chief Officers' Employment Panel, determination of any payments on termination of £100,000 or greater.

Details of compensation payments paid to senior management are published at:
[Senior manager salaries - Further info | Harrow Council](#)
http://www.harrow.gov.uk/downloads/file/5881/red_payments_agreed

Severance payments of £100,000 or greater are also reported to full Council

Re-employment of Employees

Section 7 of the Local Government and Housing Act 1989 requires that every appointment to paid office or employment in a local authority shall be made on merit.

Further Information

For further information on the Council's pay policy please contact the Council's Human Resources & Development Service email StaffBenefits@harrow.gov.uk DD 0208 424 1110

EMPLOYEES' CONSULTATIVE FORUM MINUTES

13 JANUARY 2015

Chair:	* Mr G Martin	
Councillors:	* Jeff Anderson	* Ms Mina Parmar
	* Mrs Camilla Bath (2)	* Pritesh Patel
	* Graham Henson	* David Perry
	* Barry Kendler	
Representatives of HTCC:	Ms L Snowdon	
Representatives of UNISON:	* Mr D Butterfield	* Mr J Royle
	* Mr S Compton	* Mr D Searles
Representatives of GMB:	* Ms P Belgrave	

* Denotes Member present
(2) Denotes category of Reserve Member

RESOLVED ITEMS

7. INFORMATION REPORT - Draft Revenue Budget 2015/16, Medium Term Financial Strategy 2015/16 to 2018/19 and Capital Programme 2015/16 to 2018/19

The Forum received a report of the Director of Finance and Assurance which set out the Council's proposals for the draft Revenue Budget and Medium Term Financial Strategy 2015/16 to 2018/19 and the Draft Capital Programme 2015/16 to 2018/19.

Following a question from a Representative regarding the Council Tax Freeze Grant of £1.068m, an officer advised that the current Medium Term Financial

Strategy was based on the implementation of a Council Tax increase of 1.99% in 2015/16 which would generate an estimated income of £1.922m and therefore the Freeze Grant would no longer be applicable.

A Representative commented that charging residents for the disposal of organic waste would deter residents from recycling, which would impact on the landfill charges the Council paid. He added that the new 23 litre caddies supplied to households had caused injuries to staff and would lead to increased sickness absence and personal injury claims. He suggested that households should be charged for additional residual bins. Another Representative asked whether residents had been consulted about the charge and stated that those residents who chose not to pay for this service would still need to dispose of their waste. The Portfolio Holder for Finance and Major Contracts stated that the introduction of a charge for organic waste had been a difficult decision, made only after extensive discussions and was part of the overall savings the Council was required to make over coming years. It was anticipated that the scheme would require a 40% take up rate to make it viable and those residents who did not pay the charge had the alternative of composting or taking their waste to the Civic Amenity Site (CAS). Savings could be made by separating organic waste from dry waste and disposing of them separately and officers would continue to monitor the situation. He added that he would welcome further discussions with the Representative regarding the supply of a second bin to all households.

The Director of Finance and Assurance stated that comparable London boroughs had a similar 40% target and that, in his view, this was achievable and would deliver savings. A Representative added that the CAS saw a high volume of use by residents at weekends, often with long queues building up.

The Chair asked what plans were in place to reduce the funding gap and how this fitted into the Council's overall commercialisation agenda. The Director of Finance and Assurance stated that he anticipated that savings planned for future years would help reduce the funding gap and he would be working closely with the Portfolio for Finance and Major Contracts on this issue.

The Chair asked about the Council's contribution to West London Waste (WLW). Harrow residents were actively engaged in recycling and 50% of all waste was recyclable. However, this had not led to a reduction in the £7m figure. The Portfolio Holder advised that there was a 'pay as you throw' element to the charge which meant lower charges for less waste.

A Representative queried whether there was any data regarding the gradings of the posts which would be lost as part of the efficiency and managements savings. The Director of Finance and Assurance advised that the 'management savings' would be made through a reduction in the number of posts. However, not all the 'efficiency savings' related to loss of posts and not all of these posts were lower grade posts. Some proposals were still at the consultation stage and therefore data relating to the grading of posts identified for deletion was not available.

The Chair asked how many of the identified FTEs (full time equivalent) were senior posts and how many were agency staff. The Director of Finance and

Assurance advised that the posts were a mixture of permanent, agency-filled and vacant posts.

A Representative asked why the £10m reserve was not being used to save jobs under threat. The Portfolio Holder advised that Harrow was in the lowest quartile in London in terms of its reserves and using this to save jobs would not be a permanent solution as the savings would still need to be made in subsequent years.

The Chair asked whether there was a contingency fund for the commercialisation agenda and how far it was reliant on government funding. The Portfolio Holder advised that the sum of £3m per annum had been allocated for this from the Transformation Fund. He added that the aim of the Council's commercialisation agenda was to make it less reliant on government funding.

The Chair queried whether there were robust procurement and management procedures in place for the Council's procurement contracts to ensure these were value for money and cited the recent example of issues with the timely sign-off for the dry recyclables contract. The Portfolio Holder advised that the procurement team was highly skilled in contract management and that delivering value for money was central to its function.

A Representative expressed his concern regarding the impact of reduced staff and resources on frontline services and asked how the commercialisation agenda would help mitigate against this. The Portfolio Holder advised that the Council would need to make £75m worth of savings over coming years. With this in mind, the administration had identified areas of efficiency, such as loss of posts and areas of priority, such as supporting the borough's vulnerable residents, employing more social workers and tackling homelessness.

A Representative queried the £100k savings to be made from Occupational Health Service (OHS), the review of the time and facilities afforded to the Unions and the re-tendering of the Communications contract. The Director of HRD and Shared Services advised that the OHS assessment of pre-employment health questionnaires would be replaced by a declaration of fitness by applicants and management referrals would be more tightly controlled. Staff and their family members would continue to have access to the Employee Assistance Programme (EAP). The amount of administration time and facilities afforded to the Unions would be reviewed. The Director of Finance and Assurance added that the Communications contract was being re-tendered following a full review of the service area.

The Leader advised that the Communications section were responsible for producing the Harrow People and Homing In magazines, disseminated internal council communiqués, and had facilitated a number of recent consultations, for example, the Take Part initiative, the School Expansion Programme and had encouraged resident participation and engagement with these. He added that £30k had already been invested in sports and the Council, local sports organisations, health providers and other stakeholders were working collaboratively in this area.

He further added that the council depended on its Reserves to deal with un-anticipated expenses, for example, homelessness. With regard to commercialisation, he was in close communication with the new Chief Executive regarding the Council's future challenges and priorities.

The Chair asked about the non-renewal of the Council's contract with Wiseworks printing. The Director of Finance and Assurance advised that the Council was committed to reducing its printing costs and all Councillors had been issued with IPADs as part of this drive. The Council followed a strict procurement process that was designed to be open and transparent and the bidding process was open to all.

A Representative stated that the establishment of Business Support services was a fairly recent initiative that had received a considerable start-up investment. He advised that a very large proportion of the BS workforce was female and asked about the anticipated savings from this service area the likely impact of job losses. The Director of Finance and Assurance stated that the savings in BS equated to the loss of 12 posts, and that there were changes planned to the service provided by the print unit and the mail room.

RESOLVED: That the report be noted.

HARROW BUSINESS CONSULTATIVE PANEL MINUTES

27 JANUARY 2015

Chair: * Councillor Keith Ferry

Councillors: * Jeff Anderson * Bharat Thakker
* Pritesh Patel (1)

* Denotes Member present
(1) Denote category of Reserve Members

RESOLVED ITEMS

6. INFORMATION REPORT - Draft Revenue Budget 2015/16, Medium Term Financial Strategy 2015/16 to 2017/18 and Capital Programme 2015/16 to 2018/19

The Panel received a report of the Director of Finance and Assurance which set out the Council's proposals for the draft Revenue Budget and Medium Term Financial Strategy 2015-16 to 2017-18 and the Draft Capital Programme 2015-16 to 2018-19 for consultation.

The Chair welcomed local business representatives to the meeting and explained that it was a statutory requirement that the Council consulted with the business community before setting the budget and Council Tax for the forthcoming year.

In response to an enquiry, the Director of Finance and Assurance confirmed that small businesses could be entitled to discounts and exemptions in respect of business rates, and described the criteria governing these.

The Chair advised that bills for business rates would be issued at the end of February, and that the funds were passed directly to government, apart from 20% which the Council was now entitled to retain, following a change in the rules introduced a year ago. Discounts and exemptions for businesses were determined by government in a national scheme.

He further advised that the Council's controllable budget would be reduced by £25m over each of the coming three years, resulting in revenue being reduced by half, despite increasing burdens on the Council's statutory and discretionary budgets. He stated that the Council had opted to retain the Economic Development Team as it was considered important to support and promote local businesses for the benefit of residents and the wider community. Councillors had moved from choosing where to direct funds and prioritising services, to identifying which services could be cut or reduced with the least negative impact.

In response to a query, he said that he did not think the result of the forthcoming general election would necessarily change the economic situation for the Council. In the light of this, he believed it was important to change attitudes about what Councils could and should do, and the public could no longer assume a particular function was the Council's responsibility. Statutory obligations would have to be discharged, and monies were often ring-fenced for this, but discretionary services would need to be looked at carefully and prioritised.

In response to a question, the Director of Finance and Assurance explained that the funding formula was highly complex, and that Harrow received less in funding grants than many of its neighbours. There was a range of reasons for this, from the deprivation index to the amount of green space within the borough. When deciding where to introduce charges for certain services, it was helpful to benchmark among other authorities.

He informed those present that the draft budget would go to cabinet for consideration on 19 February, and to Council for decision on 26 February. He reminded business representatives that the public could attend meetings and hear the debate.

Business representatives commented that it was easier to understand the need for cuts once the financial situation was explained, and the Council's priorities were outlined. The Chair added that sometimes the scale of reduction required in a service resulted in a closure, as there would come a point when the service was unsustainable and resources were better directed elsewhere or rationalised. A Member used the Library Service to illustrate this point, describing the range of criteria that might be used in deciding which to close and which to keep open, including: attendance and usage, the demographic profile of users, transport links, accessibility issues, the viability and fitness for purpose of the premises, and the proximity of other libraries and alternative resources.

In conclusion, the Chair stated that the consultation on the budget was still open and all suggestions and ideas would be welcome and noted. He thanked those present for their contribution.

RESOLVED: That the report be noted.

This page is intentionally left blank

LONDON BOROUGH OF HARROW

CABINET – 19 FEBRUARY 2015

REFERENCE FROM OVERVIEW AND SCRUTINY COMMITTEE (SPECIAL) – 20 JANUARY 2015

QUESTION AND ANSWER SESSION WITH THE LEADER OF THE COUNCIL AND HEAD OF PAID SERVICE ON BUDGET 2015/16

The Chair welcomed the Leader of the Council, Portfolio Holder for Finance, the Head of Paid Service and the Director of Finance and Assurance to the meeting and explained that any questions which could not be answered at the meeting would receive a written response.

The Leader of the Council gave a brief introduction and confirmed that, whilst agreeing the budget had been a very difficult process, particularly in view of a £25m deficit, his Group had achieved a balanced budget. Staff and residents had been engaged with through a range of initiatives, including the 'Take Part' programme and public consultations on Harrow Libraries and Harrow Museum. The budget was still a work in progress, and all petitions and suggestions received would be noted before the February Cabinet meeting. He had been open about the difficult decisions now faced by the Council, and he believed the reductions in services were not as severe as they could have been. He stressed the importance of consultation with the public in order to ensure that their views were heard and to be mindful that councillors were here to serve the residents of Harrow.

The Head of Paid Service was pleased that a balanced budget had been achieved, despite the scale of reductions, and noted that steps had been taken towards achieving savings in future years. There was scope for income generation and increasing work with partners. He was pleased that the 'Take Part' programme had given a voice to the community.

The Portfolio Holder for Finance reiterated that the budget process had been difficult this year, given the need to find savings of £75m over 4 years. Recent revised figures suggested that the total figure could be closer to £82m, which would pose an even greater challenge.

Members asked a series of questions and received responses as follows:

Can you provide a fully costed budget for waste collection, including information on the separate charge for garden waste? Does the budget fully reflect possible costs in respect of vehicles and operational equipment?

The Portfolio Holder stated that the budget included both savings and income generation. The income assumed a 40% take up of the garden waste scheme, which was a prudent estimate when benchmarked against other authorities, and he was consulting on discounts for residents on means tested benefits. The Leader stated that a written answer would be provided to give greater detail on the operational costings.

A number of savings are predicated on increased use of IT for engagement with the Council and services, eg via Access Harrow. Currently residents can use libraries to avail of IT facilities, but if they close then this option will be lost.

The Portfolio Holder agreed that this was an important point and it was intended to use the welfare contingency fund to provide more staff on telephone services. The Leader added that some investment in more response resources was already taking place, eg there were 5 extra staff in the Revenues and Benefits team.

Some libraries earmarked for closure were in areas of deprivation, why had these been chosen, and had the knock-on effect been considered, particularly in respect of residents' ability to interact with the Council?

The Leader responded that those libraries with the lowest attendance, and reducing year on year, had been identified. There would inevitably be adverse impacts, but any possible mitigating measures would be considered. The Chief Executive advised that there would be an Equality Impact Assessment on the budget in its entirety which would consider such issues.

The loss of school crossing patrols would achieve a very small saving but could have a very significant impact on those affected – what was the feedback on this proposal?

The Leader agreed that there were a number of proposals which affected schools, and Members were working with schools to consider if they could take over the cost.

On what basis was the assumption made of a 40% take up of the garden waste scheme, and how would the charge be collected?

The Leader explained that models in other boroughs had been looked at, and the figure was a conservative estimate of what the minimum take-up might be. Residents could opt-in to the scheme at any time.

How was the charge of £75 decided? Residents would often clear leaves outside their properties themselves in the autumn, but a charge for disposing of the waste was a disincentive. If there was a reduction in street cleaning and maintenance in parks, other costs could arise as a result. Had these factors been considered in a risk register?

The Leader noted that there was a £172k saving from the cut in street cleansing, which might not seem significant when set against the total figure, but was more about a shift in priorities as the council could not continue with existing commitments. Similarly, maintenance in parks was not a priority against other identified needs, although it was hoped to increase community activity in these areas. The Council would need to communicate effectively about its straitened financial circumstances and difficult choices. The Portfolio Holder stated that cuts had been imposed by government and that the Council's priorities were important in deciding which services to protect, for instance, there would be more social workers and more adult social care provided for in the budget.

The Leader stated that all proposals had been assessed for risk, and he believed risk assessment was something local authorities did very well. The £75 charge for garden waste collection was not yet final, but compared sensibly with charges by other boroughs.

Had the teenage perspective been taken into account when proposing the closure of libraries and loss of security in parks, as this group would be particularly affected?

Proposals in the budget would affect all age groups. While libraries were heavily used at certain times, attendances were declining, probably as a result of greater internet use. All parts of the community had been encouraged to give their views. The Portfolio Holder stated that libraries were not closing because they were not valued, but because the Council had lost half its budget and cuts had to be made. He believed it was right to maintain services for the most vulnerable, but was aware that other proposals would also have an impact. The Head of Paid Service said that there were initiatives, such as the 'Community Clicks' scheme and the housebound library service, to address issues of isolation, which were covered in other budget areas.

Would the Council have sufficient funds to fully implement the requirements of the Care Act from April 2015, and what was the impact of government funding cuts?

The Leader replied that the funding formula had been disappointing and insufficient, with an ageing population and more people eligible for care packages. The Portfolio Holder added that the impact was devastating and would affect the most vulnerable.

Had the capital programme been completed within the financial year? It was difficult to find the £75m savings, how would the £82 be achieved?

The Director of Finance and Assurance explained that each February Members agreed a capital programme and the current programme now spanned 4 years. There had been a history of slippage, and it was not always possible or desirable to spend according to a timetable, as Members' priorities could change, or planning obstacles could arise. Slippage was acceptable if it arose from operational issues. The current programme stood at 60-70% achieved in the third quarter. The Portfolio Holder said the extra £7m of savings would be extremely difficult to achieve; there was no contingency for this, and it would have to be looked at going forward.

What had been the impact of welfare reforms on the Council in the last year, and would this continue going forward? Had the high level of interest in the 'Take Part' programme contributed to a 'participatory' budget?

The Portfolio Holder stated that welfare reforms had had a massive impact on the budget and increased the burden on the Council. Residents could not avoid incurring penalties as a result of the 'bedroom tax' as they had nowhere to move to, and only the bottom 5% of housing stock had entitlement to benefit. The Leader said it was right to be honest with residents and involve them in budget decisions. He hoped discussions with the voluntary sector would lead to new ways of working, and co-designing services.

What provision was there for people with autism arising from the Autism Act 2010?

The Head of Paid Service replied that while there were no specific proposals, the department was undertaking an 'autism self-assessment' and the budget had built in growth for young people with disabilities and transition to adult provision. There were plans to develop 'personalisation' with a range of services, and he could provide further information on this outside the meeting.

Can you rule out council tax rises over the next 3 years?

The Leader replied that this could only be considered on a year by year basis

Given that a prospective Labour administration has said that there would need to be £500m of cuts, funding will be reduced regardless of who wins the general election – what options are there for savings if contracts are better managed?

The Leader stated that it was clear where 'back office' savings could be made. The Portfolio Holder added that a procurement team had been created with a view to secure savings in contracts, and that these skills should become mainstream throughout the organisation.

The charge for garden waste could impact on other areas, eg more leaves on the ground could result in a greater flood risk if drains became blocked. If a policy had the potential to impact on another area, had this been fully costed? Would it be possible to have a full business case for street cleansing and waste services, including gritting?

The Leader replied that costings on waste collection would be provided, if possible by Friday as requested. All budget lines had been considered; if a particular pressure point arose, then a one-off investment could be made.

What is the statutory minimum provision for the Parks Service? Would reductions in service at Canons Park breach the terms of the agreement for receipt of lottery funding?

The Leader explained that maintenance of parks could not continue as before, and that a programme of 'naturalisation' would replace tree pruning and other tasks. He was not familiar with the details of statutory obligation, but this could be provided. The proposals for Canons Park had been given legal clearance and must therefore be lawful.

If Community Champions, whose role is to empower the community, report problems to the Council but no action is taken, this will demotivate them.

The Leader agreed that a nil response could demotivate Community Champions and that if this occurred it would be looked into.

Had the police been consulted on proposals such as non-closure of parks at night, which could lead to a rise in crime?

The Leader confirmed that regular consultation took place with the police, who were statutory partners in a number of areas.

Would the budget be cut for consultancy and agency staff?

The Leader stated that while they would like to reduce the use of agency staff where possible, it would continue if necessary.

Are there plans to generate income? Would the Council involve more young people in community work, and consider greater use of social media to interact with them?

The Leader stated that income generation was a priority for the Council. The Council would use its relationship with the youth parliament and the voluntary sector to promote greater involvement and co-design services.

Cabinet has already moved to paperless meetings, would other committee meetings follow?

The Portfolio Holder stated he hoped that committees would be paperless by the end of the year, but noted that opposition members were not committed to this.

The Chair thanked the Leader, Portfolio Holder and Head of Paid Service for their attendance and responses, and all present for their contribution

RESOLVED: That the Committee's comments be forwarded to Cabinet for consideration.

FOR CONSIDERATION

Background Documents:

Minutes of the Overview and Scrutiny Committee (Special) – 20 January 2015

Contact Officer:

Una Sullivan, Democratic and Electoral Services Officer

Tel: 020 8424 12785

Email: una.sullivan@harrow.gov.uk

This page is intentionally left blank

CUMULATIVE EQUALITY IMPACT ASSESSMENTS

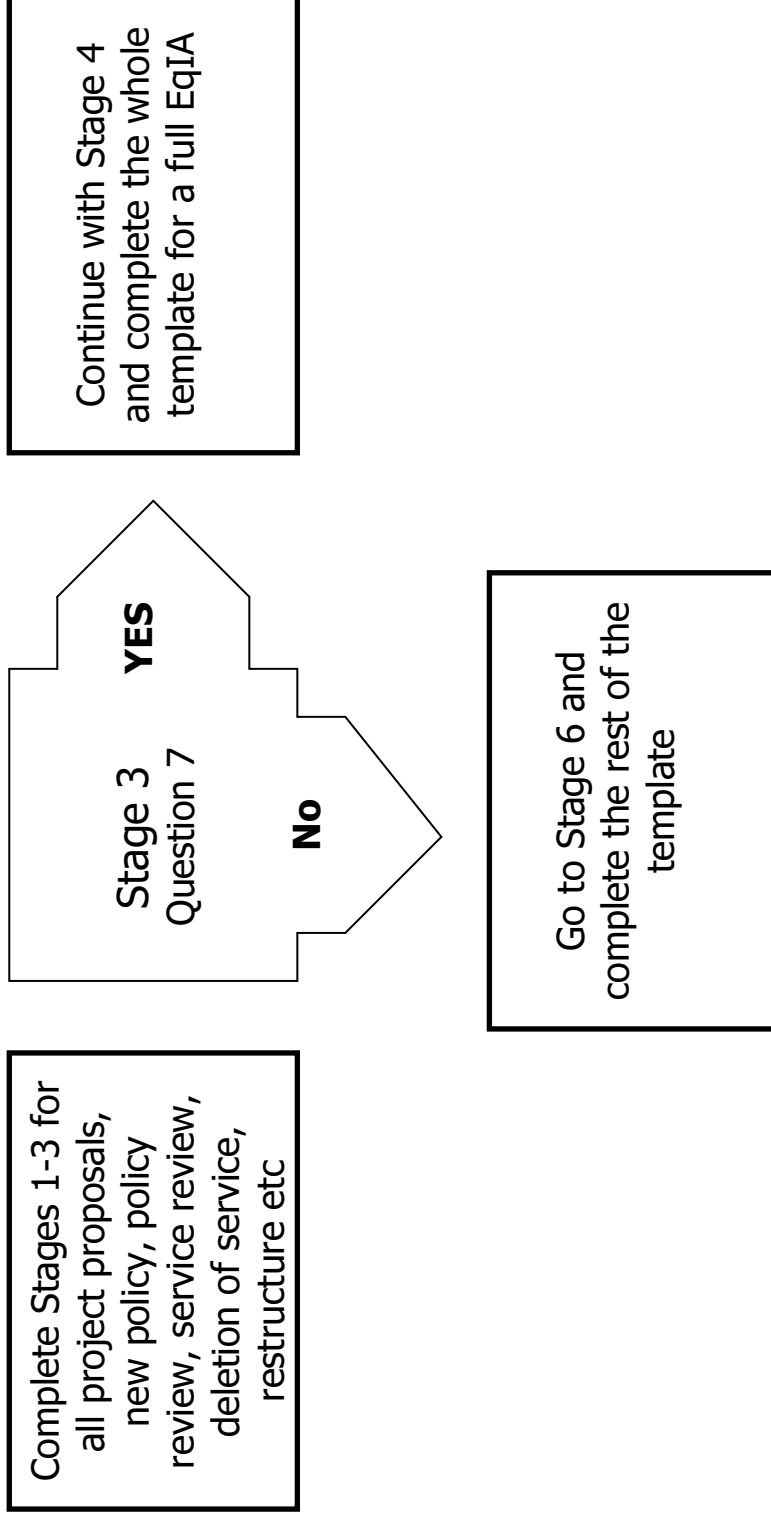
Ref	Headline Description	EQIA	15-16 Saving	Impact before and after mitigation	Age (including carers)	Disability (including carers)	Gender Reassignment	Marriage and Civil Partnership	Pregnancy and Maternity	Race	Religion and Belief	Sex	Sexual Orientation
Resources													
RES01	Staff Savings	Yes	Y	Impact	No	No	No	No	No	No	No	No	No
RES02	Additional charge to the Pension Fund	Not required	Y										
RES03	On going review of the Finance and Assurance structure	Not required at this stage	N										
RES04	Reduction in annual contribution to Insurance Fund	Not required	Y										
RES05	Additional Treasury returns	Not required	Y										
RES06	Business Continuity additional income	Not required	Y										
RES07	Re-organisation of HR, Development and Shared Service function	Yes	Y	Impact before Mitigation	Yes	Yes	No	No	No	Yes	Yes	Yes	No
RES07	Re-organisation of HR, Development and Shared Service function	Yes	N	Impact after Mitigation	No	No	No	No	No	No	No	No	No
RES08	Further HR, Development and Shared Service savings	Not required at this stage	N										
RES09	Additional savings and efficiencies through transfer of Health & Safety function and re-charging relevant expenditure to the Pension Fund	Yes	Y	Impact	No	No	No	No	No	No	No	No	No
RES10	Reduce Occupational Health Support	Yes		Impact	No	No	No	No	No	No	No	No	No
RES11	Reduce Corporate Learning & Development for staff	Yes	Y	Impact	No	No	No	No	No	No	No	No	No
RES12	Reduction in Legal cost	Yes	Y	Impact	No	No	No	No	No	No	No	No	No
RES13	Reduction in committee meetings and staff reduction - Mayor Office	Yes	Y	Impact	No	No	No	No	No	No	No	No	No
RES14	Local Land Charges growth pressure	Not required	Y										
RES15	Restructuring of the Commercial, Contracts and Procurement Division	Yes	Y	Impact	No	No	No	No	No	No	No	No	No
RES16	Retender of Communications Service	Yes	Y	Impact	No	No	No	No	No	No	No	No	No
RES17	Retender of the Healthwatch Service	Yes	Y	Impact	No	No	No	No	No	No	No	No	No
RES18	Stop funding Harrow Senior Residents Assembly / Recommissioning of Scrutiny Projects budget	Yes	Y	Impact	Yes	No	No	No	No	No	No	No	No
RES19	Stop the Objective Portal contribution	Not required	Y										
RES20	Staff restructure of existing posts	Yes	Y	Impact	No	No	No	No	No	No	No	No	No
RES21	Management savings	Not required at this stage	N										
RES22	Efficiency savings - Revenues and Benefits	Yes	Y	Impact before Mitigation	Yes	No	No	No	No	No	No	No	No

Ref	Headline Description	EQIA	15-16 Saving	Impact before and after mitigation	Age (including carers)	Disability (including carers)	Gender Reassignment	Marriage and Civil Partnership	Pregnancy and Maternity	Race	Religion and Belief	Sex	Sexual Orientation
CF10	Recruitment of Foster Carers	Early saving July 2014 Cabinet	Y	Impact	No	No	No	No	No	No	No	No	No
CF11	Finance post	Early saving July 2014 Cabinet	N										
CF12	Early Years & Early Intervention Services	Refer to separate Cabinet report (February 2015) 'Childrens and Families - Children's Centres'	Y	Impact before Mitigation	Yes	Yes	No	No	Yes	No	No	Yes	No
CF12			Y	Impact after Mitigation	Yes	No	No	No	No	No	No	Yes	No
Pan Organisation													
PO01	Using the market	Not required	N										
PO02	Service / Levels	Not required	Y										
PO03	Regeneration	Not required at this stage	N										
Business Support Services													
BSS01	Review of Business Support Services	Yes	Y	Impact before Mitigation	Yes	No	No	No	No	Yes	No	Yes	No
BSS01	Review of Business Support Services		Y	Impact after Mitigation	Yes	No	No	No	No	Yes	No	Yes	No

This page is intentionally left blank

Equality Impact Assessment Template

The Council has revised and simplified its Equality Impact Assessment process. There is now just one Template. Project Managers will need to complete **Stages 1-3** to determine whether a full EqIA is required and the need to complete the whole template.



Equality Impact Assessment (EqIA) Template

In order to carry out this assessment, it is important that you have completed the EqIA E-learning Module and read the Corporate Guidelines on EqIAs. Please refer to these to assist you in completing this assessment.

It will also help you to look at the EqIA Template with Guidance Notes to assist you in completing the EqIA.

Type of Project / Proposal:	Tick ✓	Type of Decision:	Tick ✓
Transformation	✓	Cabinet	✓
Capital		Portfolio Holder	
Service Plan		Corporate Strategic Board	
Other		Other	
Title of Project: Revenue Budget 2015/16 and the Medium Term Financial Strategy 2015/16 to 2018/19			
Directorate/Service responsible: Resources			
Name and job title of lead officer: Simon George			
Name & contact details of the other persons involved in the assessment: Dawn Calvert; Mike Howes, Alex Dewsnap			
Date of assessment: 5 th February 2015			

Stage 1: Overview

<p>1. What are you trying to do? (Explain proposals e.g. introduction of a new service or policy, policy review, changing criteria, reduction/removal of service, restructure, deletion of posts etc)</p>	<p>To set the revenue budget for 2015/16 and the Medium Term Financial Strategy (MTFS) for 2015/16 to 2018/19.</p> <p>The budget process is designed to ensure that it is priority led so that resources are aligned with council priorities and statutory responsibilities. A new vision and set of Council priorities were agreed at Council in June 2014 and the budget for 2015/16 has been prepared in line with these.</p> <p>The MTFS agreed by Cabinet and Council in February 2014 showed a balanced budget position for 2014/15 and an estimated budget gap of £24.74m for 2015/16.</p> <p>In July 2014 Cabinet received a budget planning process update report which</p>
--	--

looked forward to 2017/18 and 2018/19 and estimated an additional budget gap of £15m for each year taking the total estimated budget gap for the four year period 2015/16 to 2018/19 to £75m. This is an indicative amount which is subject to change based on announcements in the annual central government grant settlement and local factors. The July Cabinet report identified an indicative saving target of £30m for 2015/16. This is slightly higher than the reported MTFS budget gap position of £24.75m to provide an element of slippage for those saving proposals that may require a long lead in time. To ensure the target for 2015/16 is achieved Cabinet, in July and November 2014, agreed to savings of £1.732m being taken in-year (2014/15) which contribute towards the £30m.

The estimated budget gap for the four year period 2015/16 to 2018/19 has increased from £75m to £83m following the final 2015/16 Local Government Financial Settlement and revised projections of Revenue Support Grant from London Councils.

163

A package of savings and growth items which produce a net £28.4m reduction in the Council's forecast expenditure for 2015/16 is set out in the revenue budget report. Each element of the spending reduction is supported by an individual EqIA which looks at the impact that the change in the form or level of service provision is likely to have on people who share one or more of the protected equality characteristics.

This overall EqIA seeks to identify any cumulative equality impact of the proposals considered together which might not be discernible from consideration of the EqIAs for each of the individual proposals.

2. Who are the main people/Protected Characteristics that may be affected by your proposals? (✓ all that apply)	Residents/Service Users	✓	Partners		Stakeholders
	Staff	✓	Age		Disability
	Gender Reassignment		Marriage and Civil Partnership		Pregnancy and Maternity

	65+	2.33%	2.69%	3.10%	3.20%	3.75%	4.70%	14.1%	
Disability (including carers of disabled people)	Whole Council		Excluding Schools		Harrow Census data 2011				
	2012	2013	2014	2012	2013	2014			
	5061	5125	5093	2403	2375	2192			
	Yes	2.02%	1.81%	1.59%	3.33%	3.10%			
	No	97.77%	93.66%	87.57%	96.30%	96.25%	94.80%		
	Not known	0.22%	4.53%	10.84%	0.12%	0.42%	2.10%		
	The Census does not collect disability data in the same format as the Council's employee data. The Census did record that 16.4% of the population self classified their health to be not good – but this is not the same as the definition of disability								
1651	The decision has been taken not to report on this protected characteristic as the low level of data available may mean that individuals could be identified								
Marriage / Civil Partnership									
There is no data available on this characteristic									
Pregnancy and Maternity	Whole Council		Excluding Schools						
		2013	2014	2013	2014				
		5125	5093	2375	2192				
	Percentage of the workforce who have been pregnant and/or taken maternity leave in the two years to March	4.02%	3.83%	4.13%	4.01%				

		2013								
		Whole Council			Excluding Schools			Harrow Census data 2011		
		2012	2013	2014	2012	2013	2014			
		5061	5125	5093	2403	2375	2192			
	Asian	23.77%	24.08%	23.44%	20.52%	21.60%	21.58%			42.59%
	Black	9.33%	9.00%	8.50%	14.32%	14.11%	14.37%			8.24%
	Mixed	2.21%	2.15%	2.02%	1.87%	1.89%	2.05%			3.97%
	Any other ethnic group	1.19%	0.86%	0.73%	1.29%	0.80%	0.68%			2.95%
	Total BAME	36.49%	36.08%	34.69%	37.99%	38.40%	38.69%			57.75%
	White	54.46%	52.08%	47.52%	55.06%	54.44%	52.14%			42.25%
	Not Known	9.05%	11.84%	17.79%	6.95%	7.16%	9.17%			0
	The high number of unknowns was due to a computer interface issue which has now been resolved.									
		Whole Council			Excluding Schools			Harrow Census data 2011		
		2013	2014	2014	2013	2014	2014			
		5125	5093	5093	2375	2192	2192			
	Religion and Belief									

Race

	Christianity	9.17%	11.00%	13.09%	12.09%	37.30%	
	Hinduism	3.83%	4.12%	4.00%	4.11%	25.30%	
	Islam	1.16%	1.44%	1.64%	1.46%	12.50%	
	Judaism	0.47%	0.57%	0.59%	0.50%	4.40%	
	Jainism	0.47%	0.51%	0.42%	0.41%	No data	
	Sikh	0.37%	0.39%	0.51%	0.50%	1.20%	
	Buddhism	0.20%	0.20%	0.25%	0.27%	1.10%	
	Zoroastrian	0.02%	0.02%	0%	0%	No data	
	Other	0.75%	0.86%	0.97%	1.00%	2.50%	
	No Religion	1.81%	2.09%	2.78%	2.78%	9.6%	
	Unknown	81.76%	78.81%	75.75%	76.87%	6.20%	
		Whole Council			Excluding Schools		Harrow Census data 2011
Sex / Gender		2012	2013	2014	2012	2013	2014
		5061	5125	5093	2403	2375	2192
	Male	23.34%	22.36%	21.58%	38.95%	37.68%	38.28%
	Female	76.66%	77.64%	78.42%	61.05%	62.32%	61.72%
		Whole Council			Excluding Schools		
Sexual Orientation		2013	2014	2013	2014		
						2014	

	5125	5093	2375	2192
Heterosexual	15.92%	14.55%	18.11%	18.57%
Lesbian	0.06%	0.06%	0.08%	0.09%
Gay	0.08%	0.08%	0.08%	0.14%
Bi-sexual	0.14%	0.14%	0.21%	0.27%
Prefer not to say	1.07%	0.92%	0%	0%
Other	0.04%	0.04%	0%	0%
Unknown	82.69%	84.21%	80.34%	79.79%

Socio Economic

108 What consultation have you undertaken on your proposals?

Who was consulted?	What consultation methods were used?	What do the results show about the impact on different groups / Protected Characteristics?	What actions have you taken to address the findings of the consultation? (This may include further consultation with the affected groups, revising your proposals).
Take Part residents' consultation yielded 3,451 total responses	Paper and online surveys	The survey showed that the top three public priorities were bringing together health and social care services; delivering new jobs and apprenticeships and building affordable homes for sale and rent. The proposals for savings which	

		<p>were identified as having the most impact were introducing a weekly separate food waste collection and a charge for garden waste collection, closing some libraries and the Arts Centre, switching off some Streetlights and children's centres. 52% of residents said that they would support a Council tax increase. Details of those responding to the consultation by protected characteristics are Attached.</p>	
<p>Individual consultations on particular service changes</p>	<p>Paper and on line</p>	<p>The findings from these are reported through their specific equality impact assessments and therefore feed into this cumulative assessment.</p>	
<p>6. What other (local, regional, national research, reports, media) data sources that you have used to inform this assessment? List the Title of reports / documents and websites here.</p>			
<p>Stage 3: Assessing Potential Disproportionate Impact 7. Based on the evidence you have considered so far, is there a risk that your proposals could potentially have a disproportionate adverse impact on any of the Protected Characteristics? The numbers input below set out where disproportionate impact has been assessed to exist in the budget proposals. They therefore show which protected characteristics are most impacted:</p>			

	Age (including carers)	Disability (including carers)	Gender Reassignment	Marriage and Civil Partnership	Pregnancy and Maternity	Race	Religion and Belief	Sex	Sexual Orientation
Yes	15	10	2	2	3	8	5	8	2
No									

The cumulative budget equalities assessment has taken account of 61 individual assessments which are shown on the table attached to this document. For those savings where a full assessment has been undertaken the impact both before and after mitigating actions is known. In these cases if the initial assessment has highlighted a negative impact, the assessments show mitigating actions which officers believe will reduce the impact of the proposal on the protected characteristics. For these assessments it is the impact after mitigating actions that has been used to identify the cumulative impact. For the other assessments, one impact has been identified and incorporated into the cumulative assessment.

15 assessments, or 25%, are highlighting a negative impact on one or more of the protected groups, with age, disability and sex being the most impacted upon groups. The impact per group is shown in the table above. In the attached table to this assessment, those saving proposals that are showing a negative impact on any of the characteristics are highlighted in blue. However, set out below is a short paragraph on each of the 15 assessments which impact outlining the group impacted and the mitigating action(s):

Res 18 (Stop funding Senior Residents Assembly). The impact is on older people, The initial impact assessment recognised an impact on this group on the basis of four assemblies being held a year and an attendance of around 80 people. However, this is a small budget reduction in the context of the Council's spend supporting older people, so the impact is considered to be small.

Res 23 (Increased Income from Harrow Helpline and reduction in staffing costs). The impact will be on age, disability, marriage and civil partnership, race, religion & belief and sex. The proposal is to increase income levels, but this will be subject to consultation with users, which has not taken place yet. Therefore Members are asked to note that in taking this proposal forward there is likely to be an impact on these groups, and investigations will be considered as part of the finalisation of the proposal subject to the consultation.

CHW 03 (Review of Business Support Services - BSS). This is an internal service to the Council and therefore impacts on staff. The precise impact of this proposal upon staffing is not possible to gauge at this point as delivery arrangements have not been finalised, so therefore it is considered to impact potentially on all protected characteristics, given the current make-up of the BSS, although the BSS teams are statistically over-represented in the following groups: female; older age groups; BAME. It has been decided to provide support tailored to the needs of individuals in those groups who may be affected by the proposals of the BSS review and to gather further data on those areas where there is no data.

CHW 10 (Review of in-house residential care). This proposal will largely impact on staff and therefore is likely at this stage to potentially impact all characteristics. The proposal through its delivery should have no adverse impact on service users. The mitigating action will be for consultation to take place in accordance with the Council's Reorganisation procedure and the Council's Protocol for Managing Organisation Change and following this to carry out further analysis of the staff group to collate and understand the impact on staff.

CHW 11 (Review of Voluntary Sector). This proposal impacts on a number of protected characteristics, but is still in consultation. The findings of the consultation and delivery of the saving, with mitigations outlined will be reported to Cabinet in March 2015.

CHW 16 (Library Strategy). This proposal impacts on a number of protected characteristics, but is still in consultation. The findings of the consultation and delivery of the saving, with mitigations outlined will be reported to Cabinet in March 2015.

CHW 18 (CHW Management Savings). This proposal will only impact on staff and therefore is likely at this stage to impact potentially all characteristics. The proposal through its delivery should have no adverse impact on service users. The mitigating action will be for consultation to take place in accordance with the Council's Reorganisation procedure and the Council's Protocol for Managing Organisation Change and following this to carry out further analysis of the staff group to collate and understand the impact on staff.

CHW 19 (Reduction in discretionary health checks). The proposal will affect age and race. It will affect residents between the age of 40 – 74 with no pre-existing CV condition. Groups that have high prevalence of CV (i.e. older people, those who have a family history and are of South Asian origin) and those who are under-represented on the programme (men and those who are aged 40-55) are likely to be disproportionately affected by these proposals. In implementing this saving, the service take up will be monitored as part of the mitigation.

CHW 23 (Efficiencies with Smoking Cessation & Tobacco control). Smoking disproportionately affects certain groups. These include babies, children and young people, pregnant women, people with a disability, the LBGT community, some BAME groups and people in routine and annual social groups where smoking rates are higher. This would increase health inequalities within the borough. It is likely that people in routine and manual groups will be affected by these changes more than others. Smoking rates are higher in these groups. Although it seems counterintuitive, times of financial hardship often show an increase in smoking rates. The mitigation will be to monitor the smoking prevalence data to see if this is happening locally.

CHW 24 (Reduce Funding in Physical Activity Services). The proposal is likely to impact on low income groups, people living in areas of social deprivation, black and minority ethnic communities and disabled people, which includes people with learning difficulties, people with mental health problems, people with physical or sensory impairments and people with long-term limiting conditions. Removal of these initiatives will further reduce available support. Officers will consider mitigations on the basis of analysis of uptake.

EE03 (School crossing patrols). The proposal is likely to impact on young people and disability. The proposal is to work with schools to have provision met whilst reducing the cost to the Council. Therefore the mitigation is to maintain school crossing patrols but for the service to be funded from elsewhere, therefore having no impact on protected characteristics.

EE07 (Introduction of staff car parking). This proposal may have an impact on elderly or disabled staff who may struggle to use alternative modes of transport and have little choice but to drive and as a result may find that they are adversely affected by the proposals. The mitigation is to consult with staff on a preferred scheme and therefore make any changes where disproportionate impact is found as a result.

EE 26 (Reduce parks service to statutory minimum / Parks management). This proposal will impact upon staff and the protected characteristics of age and disability. Consultation feedback has identified key priorities for any targeted maintenance to direct mitigations. Mitigations being put forward currently are: Path borders and accessible fencelines will be cut and/or pruned at current standards to ensure safe passage from vegetation and possibly hidden litter and natural surveillance in terms of reducing fear of crime; More efficient use of mobile teams to deal with excessive accumulation; There will remain rapid response teams who will be able to address fly tips and unacceptably excessive amounts of litter and other debris in between any scheduled cleansing operation, maintaining the existing SLA time for addressing such issues; and, if monitoring indicates continuing issues in key parks, they can be reviewed under the Council's Zonal cleansing approach.

173 E 34 (Food and Garden Waste). This proposal will impact upon age, disability and pregnancy & maternity. The proposal is to alter the current garden waste recycling collection to a chargeable service. The scheme will be introduced in October subject to budget approval and the consultation will consider the mitigating actions that are necessary to manage any disproportionate impacts which are found. The operation of the scheme will then be reviewed to explicitly consider mitigations for low income groups and the associated EQIA for this proposal will be updated accordingly to advise Members.

CF 12 (Early Years and Early Intervention Services). This proposal following mitigations will impact on age (young people) and sex. The proposal is to remodel and to close some Children's Centres and Children's Centre delivery sites. Revised options following consultation will include some opportunities to reduce impact and generate income e.g. keeping additional buildings for income generation and social enterprise. Specific issues raised will be collated so that a paper can be written to support increased understanding of the centres and the reasons why decisions are made. Myths and misunderstandings were evident and the CC strategic group will take forward a piece of work to that effect. As mitigation, Hub Managers along with Performance intelligence staff reporting to the Children's centre committees and strategic group. Quarterly reports are currently produced these offer access to information to scrutinise. Feedback protocols are in place and will be increased for a period of 6 months with outcomes analysed.

Impact on Staff

There may be a disproportionate cumulative impact on staff in one or more of the protected characteristic groups when all of the staffing re-organisations envisaged as part of the budget proposals are fully worked up. Each proposal impacting on staff will be the subject of a full EqIA before the proposal can be implemented. The council will look for redeployment opportunities for staff.

Stage 4: Collating Additional data / Evidence

8. What additional data / evidence have you considered in relation to your proposals as a result of the analysis at Stage 3?
(include this evidence, including any data, statistics, titles of documents and website links here)

9. What further consultation have you undertaken on your proposals as a result of your analysis at Stage 3?

Who was consulted?	What consultation methods were used?	What do the results show about the impact on different groups / Protected Characteristics?	What actions have you taken to address the findings of the consultation? (This may include further consultation with the affected groups, revising your proposals).
174			

Stage 5: Assessing Impact and Analysis

10. What does your evidence tell you about the impact on different groups? Consider whether the evidence shows potential for differential impact, if so state whether this is an adverse or positive impact? How likely is this to happen? How you will mitigate/remove any adverse impact?

Protected Characteristic	Adverse ✓	Positive ✓	Explain what this impact is, how likely it is to happen and the extent of impact if it was to occur. Note – Positive impact can also be used to demonstrate how your proposals meet the aims of the PSED Stage 9	What measures can you take to mitigate the impact or advance equality of opportunity? E.g. further consultation, research, implement equality monitoring etc (Also Include these in the Improvement Action Plan at Stage 7)
Age (including carers of young/older people)				
Disability (including carers of disabled people)				
Gender Reassignment				
Marriage and Civil Partnership				
Pregnancy and Maternity				

	carers)	carers)	Partnership			
Yes						
No						

If you have answered "yes" to any of the above, set out what justification there may be for this in Q13a below - link this to the aims of the proposal and whether the disadvantage is proportionate to the need to meet these aims. (You are encouraged to seek legal advice, if you are concerned that the proposal may breach the equality legislation or you are unsure whether there is objective justification for the proposal)

If the analysis shows the potential for serious adverse impact or disadvantage (or potential discrimination) but you have identified a potential justification for this, this information must be presented to the decision maker for a final decision to be made on whether the disadvantage is proportionate to achieve the aims of the proposal.

- If there are adverse effects that are not justified and cannot be mitigated, you should not proceed with the proposal. **(select outcome 4)**
- If the analysis shows unlawful conduct under the equalities legislation, you should not proceed with the proposal. **(select outcome 4)**

Stage 6: Decision

13. Please indicate which of the following statements best describes the outcome of your EqIA (✓ tick one box only)

Outcome 1 – No change required: the EqIA has not identified any potential for unlawful conduct or disproportionate impact and opportunities to advance equality are being addressed.	✓
Outcome 2 – Minor adjustments to remove / mitigate adverse impact or advance equality have been identified by the EqIA. <i>List the actions you propose to take to address this in the Improvement Action Plan at Stage 7</i>	
Outcome 3 – Continue with proposals despite having identified potential for adverse impact or missed opportunities to advance equality. In this case, the justification needs to be included in the EqIA and should be in line with the PSED to have 'due regard'. In some cases, compelling reasons will be needed. You should also consider whether there are sufficient plans to reduce the adverse impact and/or plans to monitor the impact. (Explain this in 13a below)	
Outcome 4 – Stop and rethink: when there is potential for serious adverse impact or disadvantage to one or more protected groups. (You are encouraged to seek Legal Advice about the potential for unlawful conduct under equalities legislation)	
13a. If your EqIA is assessed as outcome 3 or you have ticked 'yes' in Q12 , explain your justification with full reasoning to continue with your proposals.	

Stage 7: Improvement Action Plan

14. List below any actions you plan to take as a result of this Impact Assessment. This should include any actions identified throughout the EqIA.

Area of potential adverse impact e.g. Race, Disability	Action required to mitigate	How will you know this is achieved? E.g. Performance Measure / Target	Target Date	Lead Officer	Date Action included in Service / Team Plan
All proposals that have indicated a potential impact.	On going review during and after implementation.	For each proposal where there is an impact identified mitigating actions are set out and these will be followed up.	As per the individual assessments	As per the individual assessments	As per the individual assessments

178

Stage 8 - Monitoring

The full impact of the proposals may only be known after they have been implemented. It is therefore important to ensure effective monitoring measures are in place to assess the impact.

<p>15. How will you monitor the impact of the proposals once they have been implemented? What monitoring measures need to be introduced to ensure effective monitoring of your proposals? How often will you do this? (<i>Also Include in Improvement Action Plan at Stage 7</i>)</p>	<p>The full EqIAs relating to staffing changes necessary to implement the proposals contained in the budget will be considered by the Quality assurance Group that examines all relevant Equality Impact assessments to ensure that the necessary rigour has been applied to their development and ensure that the process in each individual staffing change is undertaken fairly.</p>
<p>16. How will the results of any monitoring be analysed, reported and publicised? (<i>Also Include in Improvement Action Plan at Stage 7</i>)</p>	
<p>17. Have you received any complaints or compliments about the</p>	

proposals being assessed? If so, provide details.

Stage 9: Public Sector Equality Duty

18. How do your proposals contribute towards the Public Sector Equality Duty (PSED) which requires the Council to have due regard to eliminate discrimination, harassment and victimisation, advance equality of opportunity and foster good relations between different groups.

(Include all the positive actions of your proposals, for example literature will be available in large print, Braille and community languages, flexible working hours for parents/carers, IT equipment will be DDA compliant etc)

Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010

Advance equality of opportunity between people from different groups

Foster good relations between people from different groups

The Council maintains the commitment through its daily actions.

Stage 10 - Organisational sign Off (to be completed by Chair of Departmental Equalities Task Group)

The completed EqIA needs to be sent to the chair of your Departmental Equalities Task Group (DETG) to be signed off.

17. Which group or committee considered, reviewed and agreed the EqIA and the Improvement Action Plan?

Signed: (Lead officer completing EqIA) M Howes, D Calvert, A Dewsnap

Signed: (Chair of DETG)

Date: February 2015

Date:

Date EqIA presented at the EqIA Quality Assurance Group

Signature of DETG Chair

Survey monitoring information



Monitoring Question	Harrow Council Monitoring Data Respondents to Consultation Survey			Census Monitoring Data Harrow Borough data	
	Detail	Online	Paper	Detail	2011
Age	Under 16 years	0.43%	0.33%	0-17 years	19.96%
	16-24 years	3.83%	2.77%	18-24 years	8.97%
	25-44 years	32.17%	19.14%	25-49 years	30.41%
	45-64 years	36.61%	23.09%	45-59 years	18.65%
	65 years & over	21.83%	42.59%	60-74 years	12.31%
	[No Response]	5.04%	0.00%	75 years & over	6.79%

Survey monitoring information



Monitoring Question	Harrow Council Monitoring Data Respondents to Consultation survey			Census Monitoring Data Harrow Borough data	
	Detail	Online	Paper	Detail	2011
Disability	No	81.22%	57.35%		
	Yes, affecting mobility	5.86%	14.17%	Receiving DLA	3.5%
	Yes, affecting hearing	2.29%	4.47%	People who classify themselves as having disability	17.3%
	Yes, affecting vision	0.85%	2.83%	Not stated	
	Yes, a learning disability	0.17%	3.21%	Not stated	
	Yes, mental ill-health	1.02%	4.92%	Not stated	
	Yes, another form of disability	1.95%	2.86%	Not stated	
	[No Response]	6.63%	11.78%	Not stated	

Survey monitoring information



Monitoring Question	Harrow Council Monitoring Data Respondents to Consultation Survey			Census Monitoring Data Harrow Borough data	
	Detail	Online	Paper	Detail	2011
Marriage	Yes	63.87%	54.40%	Marriage/Civil Partnership	53.83%
	No	24.09%	16.21%	Single	32.26%
	[No Response]	7.04%	29.40%	Separated/Divorced /Dissolved	7.73%
Civil Partnership	Yes	2.96%	2.04%	Widowed/Single partner	6.19%
	No	76.00%	20.28%		
	[No Response]	21.04%	77.69%		
Pregnancy or maternity	Yes	8.09%	5.54%	Not stated	
	No	78.61%	64.33%	Not stated	
	[No Response]	13.30%	30.13%	Not stated	

Survey monitoring information



Monitoring Question	Harrow Council Monitoring Data Respondents to Consultation Survey			Census Monitoring Data Harrow Borough data	
	Detail	Online	Paper	Detail	2011
Ethnic Origin	Asian or Asian British	15.04%	23.37%	Asian or Asian British	42.59%
	Black or Black British	2.61%	4.07%	Black or Black British	6.24%
	Mixed ethnic background	2.26%	1.23%	Mixed	3.97%
	Other ethnic Background	2.70%	0.61%	Arab and Other Group	2.95%
	White or White British	69.39%	57.33%	White or White British	42.24%
	[No Response]	6.00%	12.21%		

Survey monitoring information



Monitoring Question	Harrow Council Monitoring Data Respondents to Consultation survey			Census Monitoring Data Harrow Borough data	
	Detail	Online	Paper	Detail	2011
Religion	Please select...	12.70%	14.33%		
	Buddhism	0.70%	0.49%	Buddhism	1.13%
	Christianity (all denominations)	40.17%	44.14%	Christianity	37.31%
	Hinduism	8.00%	12.70%	Hinduism	25.27%
	Islam	2.70%	4.23%	Not stated	
	Jainism	1.04%	1.87%	Not stated	
	Judaism	8.78%	5.13%	Judaism	4.41%
	Sikh	0.96%	0.81%	Sikh	1.15%
	Zoroastrian	0.09%	0.33%	Not stated	
	No religion / Atheist	20.78%	13.19%	No religion	9.57%
	Other -please specify	4.09%	2.77%	Other	2.49%
	[No Response]	0.00%	0.00%	Muslim	12.53%

Survey monitoring information



	Harrow Council Monitoring Data Respondents to Consultation Survey			Census Monitoring Data Harrow Borough data	
Monitoring Question	Detail	Online	Paper	Detail	2011
Sex	Male	37.04%	32.41%	Male	49.37%
	Female	56.09%	55.54%	Female	50.63%
	[No Response]	6.87%	12.05%		
Gender identity	Yes	89.22%	78.83%	Not stated	
	No	0.70%	0.65%	Not stated	
	[No Response]	10.09%	20.52%	Not stated	
Sexual Orientation	Please select...	18.09%	27.12%		
	Bisexual	1.91%	2.36%	Not stated	
	Gay Woman / Lesbian	0.00%	0.16%	Not stated	
	Gay Man	0.62%	0.73%	Not stated	
	Heterosexual	77.13%	66.61%	Not stated	
	Other – Please specify	2.35%	3.01%	Not stated	
[No Response]	0.00%	0.00%	Not stated		

This page is intentionally left blank

2015-16 Draft Budget Consultation summary report

Summary:

The council held a 4 week consultation so that residents could have the opportunity to provide comment on the 2015-16 Draft Council Budget.

The consultation closed on Sunday 15 February 2015 with the Final Budget to be approved on 26 February with consideration of the feedback collected as part of the consultation.

The Draft Budget consultation was promoted in the following ways:

- Harrow Council Home Page banner
- Harrow E Newsletter distributed to 65,000 residents
- Harrow Times advertorial on Thursday 5th February 2015
- Harrow Council's Twitter and Facebook accounts.

The survey was provided in an online format and held 2 main questions which were followed with the council's equality monitoring information.

The equality monitoring data is not analysed in this report.

The consultation received 88 responses.

This brief summarises these findings. For a full copy of the consultation data visit www.harrow.gov.uk/draftbudget or contact communications@harrow.gov.uk to be sent a copy of the responses.

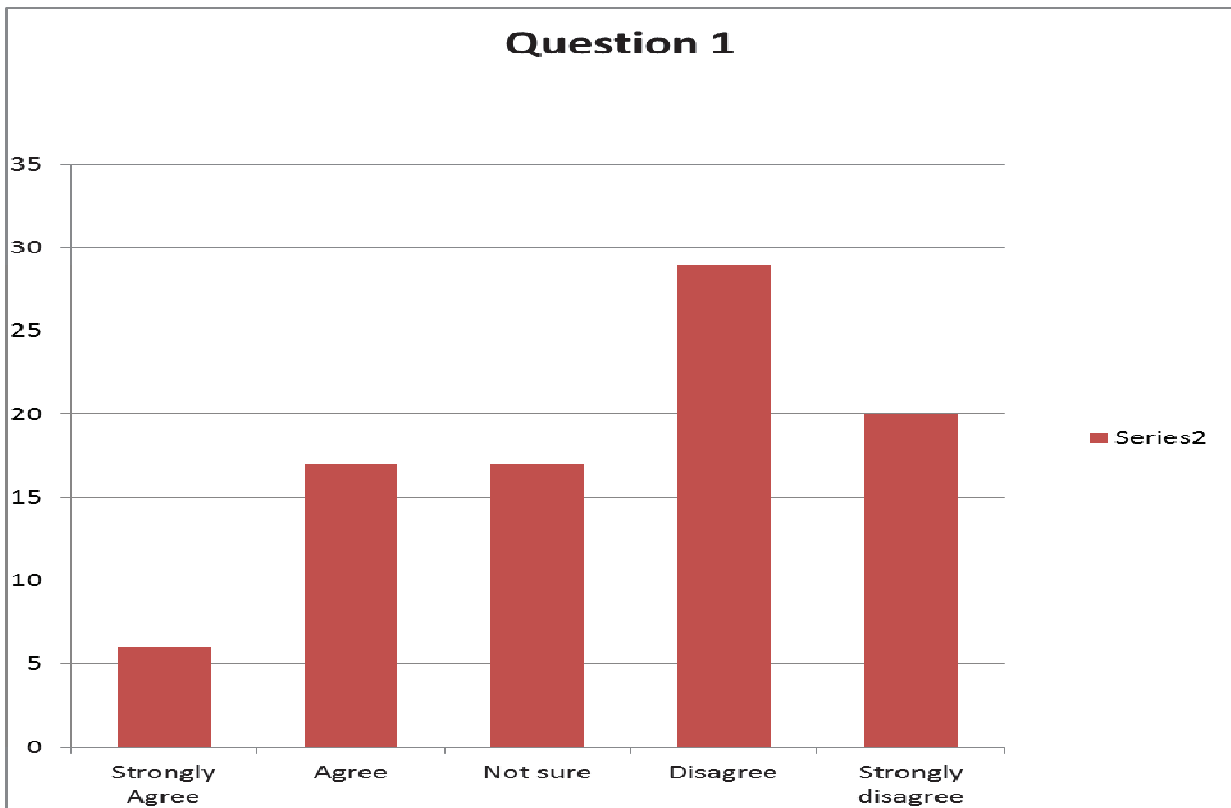
Findings:

Question 1: Do you agree with the changes that the council have made to the budget in response to the Take Part consultation as listed on www.harrow.gov.uk/draftbudget ?

98% of the consultation respondents answered this question, with 54.44% disagreeing or strongly disagreeing with the changes the council has made to the budget in response to the Take Part Consultation.

However 25.56% of the respondents agreed or strongly agreed with the changes, leaving 18.89% of respondents not sure.

The breakdown of this is as follows:



Question 2: Do you have any further comments on any aspects of the 2015-16 Draft Council Budget?

The council received 48 responses to this question. For the purpose of this report, these responses have been broken down according to style and topic of response.

Concerns with the proposal:

The main issue coming out of this consultation was residents concern for changes to Harrow Council Waste services. 22 of the responses addressed their concern with this area with issues cited including (but not limited to):

- It is unfair to charge more for this service at a time of Council Tax rise
- Concerns about and increase in fly tipping, people contaminating other bins
- Fairness between garden owners and non-garden owners
- Collection regularity
- Costs involved with policing compliance

5 respondents as part of their response suggested concern with fly tipping in response to this proposal.

Some quotes from the respondents included:

“A large wheelie (bin) is not required for household organic waste and council tax is already v(erry) high. I would not pay’

“I strongly disagree with garden refuse being collected fortnightly, especially from June until the end of November. During the rest of the year fortnightly collections would be sufficient.”

“Introducing A£75 annual Garden Waste charge is effectively a charge for having a garden, and is stated will reduce the burden on those who do not have gardens. However most properties in Harrow that do not have gardens are flats and as such not participating in recycling provisions the way that non-flat residents do therefore subsidising those who live in flats.”

“Fly tipping will increase, if you charge to collect garden waste.”

The second biggest concern was the issue of a Council Tax increase. 12 responders suggested that they were **not** happy with the council tax rise, with 3 saying they found the increase in council tax as a **good** thing, with one of those people suggesting only if service is maintained.

Some of the response quotes:

“Why does the council tax have to be increased when we are paying a lot as it is?”

“How come neighbouring councils can manage without increasing council tax?”

“You have a high populated area with very few services left. If you intend to increase council tax but not retain the level of service or indeed terminate certain services then why should we pay the additional council Tax.”

3 responder’s commented on the costs of re-introducing the Chief Exec role.

Other concerns highlighted by the responders include (but not limited to):

- Cuts to Environmental health service
- Libraries closures (with equal amount of people saying council should close them)
- Street cleaning and parks maintenance being compromised
- Respite for disabled carers
- Parking costs for Harrow Council employee
- Insufficient funding of cycling
- Voluntary sector cuts
- Pavements and potholes

Suggested ways to reduce costs or limit cuts proposed:

3 responders suggested cutting down on senior managers would be a way to handle cuts, with a further 2 respondents suggesting to cut senior management pay.

2 respondents suggested cutting subcontractor and 1 suggested mayoral costs.

1 responder suggested charging council staff for parking.

Other comments:

That the budget document was too hard to read/ understand as it was too long.

That the survey questions were not sufficient given the size of the budget document.

There was a call for more transparency.

A number of respondents asked for more information and the opportunity to comment on more detailed proposals e.g.: Environmental Health Officer Post, Voluntary sector cuts.

Cuts to front line services appear to be politically motivated.

Harrow should receive a fairer grant.

Appendix:

1. 2015/16 Draft Budget Consultation Data
2. 2015/16 Draft Budget Equalities data.

<p>Question 1 - Do you agree with the changes that the council have made to the budget in response to the Take Part consultation as listed on www.harrow.gov.uk/draftbudget ?</p>	<p>Question 2 - Do you have any further comments on any aspects of the 2015-16 Draft Council Budget?</p>
<p>Not sure; Disagree</p>	
<p>Not sure</p>	
<p>Strongly disagree</p>	<p>Why does the council tax have to be increased as we are paying alot as it is.</p>
<p>Strongly Agree</p>	
<p>Strongly disagree</p>	<p>You have a highly populated area with very few services left. If you intend to increase council tax but not retain the level of service or indeed terminate certain services then why should we pay the additional council tax. Street cleaning and park maintenance are essential so that at least people can enjoy open spaces which cost nothing.</p>
<p>Disagree</p>	<p>charging extra for garden waste collection seems v unreasonable. A large wheely in is not required for household organic waste and council tax is already v high . I would not pay.</p>
<p>Strongly disagree</p>	
<p>Disagree</p>	<p>Cuts to front line services appear to be politically motivated rather than rational. There does not appear to be any effort into reducing the cost to residents of the Council in administration and reduction in the amount of waste and excessive running costs of the organisation. It would be good to see more transparency, especially on the website, of salaries for example and the number of people employed.</p>

Disagree	This is an awful consultation. Where is the real value in one question?
Strongly disagree	
Strongly disagree	
Strongly disagree	
Not sure	
Strongly disagree	This is the 2nd year the Council is proposing to increase the Council Tax. How come the neighbouring Councils can manage without increasing the Council Tax. Also, how do you propose to save money and manage the 'green ' agenda of recycling garden waste if you start charging for this service. What guarantee do you have that there will be 100 % take -up? There will be more fly tipping and Council will end up clearing this thus costing ratepayers more money. This document is also so long that its impossible to read it all on the screen.
Not sure	
Strongly Agree	
Agree	
Disagree	Insufficient funding and priority has been giving to cycling: in particular cross-harrow cycle routes.
Agree	
Strongly disagree	
Disagree	Council Tax should not be increased. Instead the Council should reduce wastage and unnecessary spending in its own operations.
Disagree	rising council tax is not good. cutting voluntary sector especially CAB is not good.
Agree	I strongly disagree with garden refuse being collected fortnightly, especially from June until around the end of November. During the rest of the year fortnightly collections would be sufficient.
Strongly disagree	

Disagree	Very unhappy with yet another council tax increase as Harrow already has one of the highest rates of all London boroughs.
Agree	Fly tipping will increase, if you charge to collect garden waste,
Disagree	Get rid of unnecessary position of CEO ASAP, with no more "compensation" paid out. Cap all Council salaries at £70,000 p.a. Expenses to be no more than Â£3,000 a year at most.
Disagree	The proposal to charge for Brown bins will lead to potential fly tipping as well as garden waste being buried in green bins and ending up in land fill. In our area the Brown bins are filled from September to December with blown leaves from council trees on council land the council has not indicted how these will be collected I fail to see why I should pay extra for leaves from council land?
Strongly disagree	Introduction of Â£75 annual Garden Waste charge is effectively a charge for having a garden, and is stated will reduce the burden on those who do not have gardens. However, most properties in Harrow that do not have gardens are flats and as such are not participating in recycling provisions the way that non-flat residents do - therefore in effect those living in houses in Harrow are subsidising those who live in flats - this charge is further penalising those residing in homes with gardens - a choice they made without knowledge of this new charge. This should be reviewed with this in mind.
Not sure	Council tax should not be increased.
Not sure	By all means collect our brown bin fortnightly but we do not have food waste as we either eat everything or the vegetable trimmings go on the compost heap. This is an EXTRA TAX that presumably you cannot put on the council tax. The money is wasted supplying these bins and in our case will be used for something else and as you are collecting them weekly why not our garden waste (mainly wood).

Agree	I have concerns about reducing the respite care facility for disabled children and carers as this could end up costing more in health and social care for these families. There is great pressure when caring for a child with special needs. Shouldn't staff be charged for parking space at Civic Centre as no one these days expects to have their travel to work paid for from public's money. People who travel to work on public transport do not have their fares paid, people are expected to make their own way to work and at own cost including parking. There is no free parking in car parks for visitors to civic nor any public car parks in Borough. This is unrealistic when other services are being cut which are higher priority and help EVERYONE who lives here.
Strongly disagree	
Strongly disagree	I am happy with the council tax increase. Cut the benefits and senior manager's pay.
Disagree	
Agree	I'm concerned at the proposed charge for the disposal of garden waste. Â£75 might not be excessive, but I think the figure should be set in stone at that level: as things stand it looks like it might be that for the first year and then shoot up in future years.
Strongly disagree	Please streamline the Council's management structure first - that is very costly. Also, lucrative sub-contracting such as road works/repairs are very poor quality and last only a few months!
Not sure	Think the proposal to charge an extra Â£75 a year for the recycling bin is ridiculous particularly when planning to raise council tax. I live in a maisonette and pay the same concil tax as those who live in the houses on my road but I'm pretty sure I earn significantly less.

Disagree	the council is measured on how it manages its responsibilities for public realm which includes roads, paths, public spaces, in terms of safety, attractiveness, cleanliness, tidiness, maintenance. As you have said the biggest cost in the in bureaucracy of the Civic centre. Other councils have taken the knife to their organisations. It seems as if you are not facing up to the real issues of cost reduction and fiddling on the edges and trying to prove how painful it must be for the general public.
Disagree	Charges for garden collection. Incredible a session on council taxes, closure of museum libraries and upkeep of parks
Strongly Agree	More attention be paid to the forget area of the borough, that is Sudbury Hill area including Cavendish Avenue where the pavements are a disgrace, the potholes are numerous especially the newly surfaced area. There are achohol fuelled parties at the junction of Cavendish, Hartington close and the Greenford Road. This leaves rubbish all over the place at weekends and yet it is supposed to be an achohol free zone!
Disagree	There is going to be a lot of flytipping of garden waste if residents are given a choice about whether to pay for extra collections. There is already going to be an increase of the council tax, Â£75 is a lot to be asked to pay on top of that.
Agree	It would be useful to be able to express views on the more detailed proposals at department level as well as just the headline budget, maybe as the budget moves from top line to actual action.
Strongly Agree	
Disagree	
Strongly disagree	
Agree	
Disagree	Don't agree with stealth tax regarding rubbish collection - the cost of policing compliance will be another cost passed on to taxpayers.
Disagree	

Disagree	Do not increase council tax fr 2015/16, we have been paying enough over many years, fight with central govt. like Brent Council did a few years ago and get more subsidies. Harrow may not have as many council properties as Brent does, but Harrow certainly have plenty of residents renting privately owned homes and claim all the benefits, this is no fault of honest hard working people who has always paid their way.
Disagree	
Not sure	I strongly object to having to pay for garden refuse removal. There are a good number of services I have to pay you for which I never use, so I consider your argument that a number of residents don't use garden disposal so shouldn't have to pay for it as trumped up and inappropriate.
Not sure	
Not sure	
Strongly disagree	Strongly disagree with bin charges and library closures.
Not sure	
Disagree	Close the Libraries
Disagree	
Not sure	
Not sure	
Agree	1. I welcome the proposal to increase council tax by 1.99%. 2. I would have wanted clearer evidence of the risks to the public (if any) arising from the proposal to cut environmental health posts 3.I would have welcome further clarification of the justification and vfm analysis associated with the decision to reinstate the post of Chief Executive (and the previous incumbent) 4.I strongly believe many Harrow residents would welcome cessation of Labour - Conservative hostilities and petty snipping and instead would warmly welcome an agreed approach, to the greatest extent possible, to deal with the urgency of the financial situation that the borough faces for many years to come.
Strongly Agree	

Not sure	The suggestion to charge for garden waste collection is ill thought out and inappropriate. This will simply lead to more fly tipping etc and deterioration of the urban environment. The proposal is simply a way to massage the council tax increase to pretend the increase in council revenue is below the set limit.
Agree	A heavy heart, but it seems it has to be done.
Strongly disagree	I strongly disagree in the charge of Â£75.00 to collect garden waste. My rate bands are higher than those in properties without gardens ie. flats and for those who had a garden and converted it into a drive should surely be paying more rates than they are now. Also because of all the converted gardens into drives - WHERE HAVE ALL THE PAVEMENTS GONE for people, young, old disabled etc. to walk on safely!!
Agree	Increasing the Taxes while the Borough remains as it had been up to now will not help the Tax Payers. If the Council budget cannot accommodate its financial requirements, the excessive salaries drawn by the Executives of the Council should be reduced considerably rather than putting further burdens on the Tax Payers .Specifically the Garden Refuse Tax of Â£75 should be completely avoided as the small householders with small gardens will be badly affected by it. Increasing the Taxes while the Tax Payers are left without any benefits accruing to them by the imposition of additional tax burdens on them
Strongly disagree	

Not sure	<p>I am concerned that the number of Environmental Health Officers are being cut. If there are no Environmental Health Officers to help ensure the planning system is rigorously enforced, with the technical expertise to make sure planning decisions are sound, I am concerned that public health will suffer. Indeed, it is estimated that 114 people died prematurely in Harrow during 2008 as a result of poor air quality, due to the elevated concentrations of PM2.5 (not considering the other pollutants associated with poor air quality and lung problems) (Miller, 2010). However, when I requested up-to-date monitoring data (which the Council SHOULD have collected in order to comply with the Air Quality Standards Regs. and Environmental Protection Act), I was told that the Air Quality Progress reports utilising 2012-2014 data have not been written. It is concerning that the Council feels that cutting staff, who are clearly already constrained, will enable to meet their day-to-day duties. Asking Consultancies to do these jobs on the Councils' behalf will only cost the taxpayer more (at least that's what Defra think regarding Air Quality). And the same officer would then be able to review planning applications with regards to a range of environmental issues, whilst reducing expenditure in social care and the NHS.</p>
Strongly disagree	The document is over 200 pages long, it is unreasonable to expect anyone to read a document that long and make fair comment.
Disagree	
Agree	
Not sure	
Strongly Agree	Harrow should receive a fairer grant

	<p>kept Harrow Arts Centre and Harrow Museum open for a further year. - How often are these used by general public. Expensive luxury? Reduced the level of cuts to the voluntary sector - Better evaluation which should be shared with general public to allow us to have an influence on what should be cut. Services for vulnerable adults and children to be prioritized. Reduced the level of cuts in the Children's and Family Services - agreed. Suggested a 1.99 per cent rise in Council Tax - Only happy to do so if services are improved and maintained. Suggest a Councillor contact the Council on trying to change council tax registration, see how long that takes and poor service provided. Invested £715,000 in social workers - What are the improved outcomes, and how will these be measured. £715,000 doesn't really go that far over time. Reducing temps and having full time social workers will have an impact, but is increase in staff numbers sustainable.</p>
Disagree	
Agree	test
Disagree	
Agree	
Disagree	
Disagree	

	<p>You have stated an increase to council tax to help make relevant savings, yet now also suggested charging for garden waste. Why wasn't that increase just incorporated into the overall council tax increase. There's a suggestion that staff may now be charged for parking - well that seems irrational when many staff are also Harrow residents so will be hit multiple times with increase in council tax, garden waste charging, parking charges & worst of all restructures/regrading to their jobs!! It seems that councillors have been very lax in displaying the honest truth. Facts and figures should have been provided at the start of take part so we could all see the bigger picture. Slipping extra charges in here & there & expecting all of us to stay calm over them was expecting too much. I still don't see what cuts will befall councillors as we obviously have too many who don't necessarily earn their keep. Don't know what changes Michael Lockwood's return will bring - could be positive or negative - these decisions were obviously thought through by someone but have not been transparent to us. What cuts are being brought to mayoral services. He doesn't need that car & chauffeur he could travel on public transport as many of us do. If he does need a car - it could be a smaller & cheaper electric one - that would save costs ultimately too. Don't hit residents with as much as you are planning. You need to learn how to budget better many other neighbouring councils do a better job. Don't talk about the fair grant as that will take time to resolve and perhaps in reality it was poor housekeeping on Harrow's part that has failed everyone?</p>
Disagree	
Not sure	
Strongly disagree	There is one one topic, one agenda and one decision - CUT, cut and more cuts
Disagree	Disagree with fortnightly collections for garden waste and charging for this service.
Disagree	Don't agree with stealth tax regarding rubbish collection - the cost of policing compliance will be another cost passed on to taxpayers.

Strongly disagree	View with great concern the proposals to reduce grass cutting in public parks. I live next door to Harrow Weald Park and remember only too well the overgrown state of the park and the growing problem with rats entering my own back garden and those of my neighbours from the long grass in the park. Public parks should be a pleasant amenity for local people to enjoy. They should NEVER become a wilderness and a health hazard. Any council that stints in the maintenance of its open spaces in my opinion is in negation of its duty. Worse than that they are openly showing contempt for their public, and deserve to be removed from office at the earliest opportunity. I would also be concerned at any renewed attempts to dispense with the Park Patrol. Doing this would leave local residents vulnerable to crime, resulting from open access to the park at night - e.g. prospective burglars having access to property via adjacent back gardens, and the park becoming a site of other anti social activities such as gang culture and drug dealing. Ideas that have been mooted in the past, such as giving keys to local residents to lock and unlock the park gates, amount to little more than inviting the residents to put themselves into potential danger. Again, a negation by the council of its duty to the paying public. As a runner I regularly access the parks and green spaces in Harrow. I would hate to see any lawful access to such places in any way compromised. I'm only too aware that the council tried to implement similar ideas back in 2013, and that after public pressure such ideas were, rightly, shelved. It's sad to see these proposals being put forward again. But I hope and believe that the local public can speak with a strong enough voice to let the council see the error of its ways, and once again step away from such potentially catastrophic action. I also view with dismay the proposal to impose additional charges on the public for the disposal of garden waste. Lastly, Harrow Arts Centre is a wonderful local amenity. An enhancement to the quality of life in our borough, I hope you will keep it open for the indefinite future.
Agree	
Agree	
Agree	council tax must not increase. it should remain same.

This page is intentionally left blank

Equalities monitoring responses- 2015-16 Draft Budget Consultation

Age - What is your age group?	Disability - Are your day-to- day activities limited because of a health problem or disability which has lasted or is expected to last at least 12 months?	Disability other - If you have another form of disability, please specify	Marriage - Are you married/widowed?	Civil Partnership - Are you in a Civil Partnership?	Pregnancy or maternity - Have you been pregnant and/or on maternity leave during the past 2 years?
25-44 years	No		No	Yes	No
16-24 years	No		No	No	No
45-64 years	No		No	No	No

25-44 years	No		No	No	No
45-64 years	No		Yes		No
45-64 years	Yes, affecting mobility				
Please select...					
25-44 years	No		No	No	No
25-44 years	No		No	No	No
Please select...					
Please select...					
Please select...					
45-64 years	No		No	No	No

45-64 years	No		Yes		No	No
25-44 years	No		No		No	No
45-64 years	No		Yes		No	No
Please select...						
25-44 years	No		Yes		No	No
45-64 years	No		Yes		No	No
45-64 years	No		Yes		No	No
45-64 years	No		Yes		No	No
25-44 years	No		Yes		No	No

65 years & over	Yes, affecting hearing; Yes, affecting vision	No	No	No
45-64 years	Yes, another form of disability	Yes	Yes	No
45-64 years	No	Yes		No
65 years & over	No	Yes	No	No
5 years & over	No	Yes	No	No
45-64 years	No	Yes	No	No
25-44 years	No	Yes	No	Yes

45-64 years	Yes, affecting mobility		Yes	No	No	No
65 years & over	Yes, affecting mobility		Yes	No	No	No
Please select...						
45-64 years	No		Yes	No	No	No
45-64 years	No		Yes	No	No	No
5-64 years	No		Yes	No	No	No
45-64 years	No		No	No	No	No
45-64 years	No		No	No	No	No
25-44 years	No		No	No	No	No

45-64 years	No		Yes	Yes	No
45-64 years	No		Yes	No	No
65 years & over	No		Yes	No	No
45-64 years	No		Yes	No	No
65 years & over	No		Yes	No	No
45-64 years	No			No	No
45-64 years	No		No	No	No
25-44 years	Yes, mental ill-health		No	No	No

65 years & over	No		Yes		No	No
25-44 years	No		Yes		No	No
25-44 years	No		Yes		No	No
45-64 years	No		Yes		No	No
65 years & over	No		No		No	No
25-44 years	No		Yes		No	No
45-64 years	No		Yes		No	No
45-64 years	No		Yes		No	No

25-44 years	No		Yes		No
45-64 years	No		Yes	No	No
45-64 years	No		No	No	No
			Yes		
45-64 years	No		Yes	No	No
65 years & over	No			No	No
45 years & over	No		Yes	No	No
45-64 years	No		Yes	No	No
Please select...					
45-64 years	No		Yes	No	No

65 years & over	No		Yes	Yes	No
25-44 years	No		Yes	No	No
16-24 years	No		No	No	No
45-64 years	No		No	No	No
Please select...					
45-64 ears	No		No	No	No
45-64 years	No		Yes	No	No
45-64 years	Yes, affecting hearing		Yes		
25-44 years	No		Yes	No	No

45-64 years	Yes, affecting mobility	No	No	No	No	No
25-44 years	No	Yes	Yes	No	No	No
65 years & over	No	Yes	Yes	No	No	No
45-64 years	No	No	No	No	No	No
15-64 years	No	Yes	Yes	No	No	No
25-44 years	No	Yes	Yes	No	No	No
65 years & over	No					

Equalities Monitoring- 2015-16 Draft Budget Consultation data

25-44 years	No	Yes	No	No
45-64 years	No	Yes	No	No
45-64 years	No	Yes	No	No
25-44 years	No	Yes	Yes	No

Ethnic Origin - What is your ethnic origin?	Ethnic Origin - Asian - Which group do you belong to or identify with?	Ethnic group other Asian - Please specify your ethnic background.	Ethnic Origin - Asian - Which group do you belong to or identify with?	Ethnic group other Asian - Please specify your ethnic background.	Ethnic Origin - Mixed - Which group do you belong to or identify with?	Ethnic group other Mixed - Please specify your ethnic background.	Ethnic Origin - Other - Which group do you belong to or identify with?	Ethnic group other - Please specify your ethnic background.	Ethnic Origin - White - Which group do you belong to or identify with?	Ethnic group White - Please specify your ethnic background.
Asian or Asian British	Indian									
Asian or Asian British	Indian									
Asian or Asian British	Indian									

White or White British										English	
Asian or Asian British	Indian										
White or White British										English	
White or White British										English	
White or White British										English	
White or White British										English	
White or White British										Other White background	

White or White British										English	
White or White British										English	
White or White British										English	
Asian or Asian British											
White or White British										English	
White or White British										English	
Asian or Asian British											
White or White British										English	

White or White British										Other White background	UK
Asian or Asian British	Indian										
White or White British										English	
White or White British										English	
White or White British										English	
Asian or Asian British	Indian										
White or White British										English	
Mixed ethnic background											

White or White British											Romanian	
White or White British											English	
White or White British											English	
Asian or Asian British												
White or White British											English	
White or White British											English	
White or White British											English	

White or White British											English		
Asian or Asian British	Other Asian background												
Asian or Asian British	Indian										English		
White or White British													
Asian or Asian British	Indian												
Asian or Asian British	Other Asian background												
White or White British											English		

Religion and belief - What is your religion?	Religion specify - If other, please specify.	Sex - Are you...?	Gender identity - Is your gender identity the same as the gender you were assigned at birth?	Sexual orientation - What is your sexual orientation?	Sexual orientation - specify - If other, please specify.
Sikh		Male	Yes	Heterosexual	

Jainism		Female	Yes	Heterosexual	
Hinduism		Female	Yes	Heterosexual	
Hinduism		Male	Yes	Heterosexual	
Christianity (all denominations)		Female	Yes	Heterosexual	
Please select...					
Please select...				Please select...	
No religion / Atheist		Male	Yes	Other	mind your own business
Other -please specify		Male	Yes	Other	
Please select...					
Please select...					
Please select...					

Christianity (all denominations)		Female	Yes	Heterosexual	
Please select...		Female			
Christianity (all denominations)		Female	Yes	Heterosexual	
Christianity (all denominations)		Female	Yes	Heterosexual	
Please select...					
No religion / Atheist		Male	Yes	Heterosexual	
No religion / Atheist		Male	Yes	Heterosexual	
Christianity (all denominations)		Male	Yes	Heterosexual	
Islam		Male	Yes	Heterosexual	

Islam	Male	Yes	Heterosexual	
Judaism	Female	Yes	Heterosexual	
Hinduism	Male	Yes		
Christianity (all denominations)	Female	Yes	Heterosexual	
Christianity (all denominations)	Male	Yes	Heterosexual	
Christianity (all denominations)		Yes		
Christianity (all denominations)	Male	Yes	Heterosexual	

Judaism	Female	Yes	Heterosexual	
Christianity (all denominations)	Male	Yes	Heterosexual	
Christianity (all denominations)	Female			
Please select...				
No religion / Atheist	Male	Yes	Heterosexual	
Christianity (all denominations)	Male	Yes	Heterosexual	
Please select...	Female	Yes		
Christianity (all denominations)	Male	Yes	Heterosexual	
Hinduism	Male	Yes	Heterosexual	

Christianity (all denominations)		Female	Yes	Gay Man	
Christianity (all denominations)		Male	Yes	Heterosexual	
Christianity (all denominations)		Male	Yes	Heterosexual	
Christianity (all denominations)		Male	Yes	Heterosexual	
Christianity (all denominations)		Female	Yes	Heterosexual	
Christianity (all denominations)		Male	Yes	Heterosexual	
Hinduism		Male	Yes	Heterosexual	
Christianity (all denominations)		Female	Yes	Heterosexual	

Christianity (all denominations)		Female	Yes	Other	
Hinduism		Male	Yes	Heterosexual	
Jainism		Male	Yes	Heterosexual	
Islam			Yes	Heterosexual	
Jainism		Male	Yes	Heterosexual	
Please select...					
Christianity (all denominations)		Male	Yes		
Hinduism		Male	Yes	Heterosexual	
Islam		Male	Yes	Bisexual	

Christianity (all denominations)	Male	Yes	Heterosexual	
Christianity (all denominations)	Female	Yes	Heterosexual	
Christianity (all denominations)	Male	Yes	Other	Jedi
Judaism	Male		Heterosexual	
Please select...				
Hinduism	Female	Yes	Heterosexual	
No religion / Atheist	Male	Yes	Heterosexual	
No religion / Atheist	Male	Yes	Heterosexual	
Please select...	Male			
Please select...				

Christianity (all denominations)		Female	Yes	Heterosexual	
Hinduism		Male	Yes	Heterosexual	
No religion / Atheist		Male	Yes	Heterosexual	
Other -please specify	Agnostic Christian (Roman Catholic)	Male	Yes		
No religion / Atheist		Female	Yes	Heterosexual	
Please select...					
Christianity (all denominations)		Female	Yes	Heterosexual	
Christianity (all denominations)		Female	Yes	Heterosexual	
No religion / Atheist		Male	Yes	Heterosexual	

Christianity (all denominations)	Male	Yes	Heterosexual	
Please select...				
Christianity (all denominations)	Female	Yes	Heterosexual	
Islam	Male	Yes	Heterosexual	
Please select...	Male	Yes	Heterosexual	
Judaism	Female	Yes	Heterosexual	
No religion / Atheist	Female	Yes	Heterosexual	
Please select...			Please select...	
Islam	Female	Yes	Heterosexual	

Christianity (all denominations)	Male	Yes	Heterosexual	
Jainism	Male	Yes	Heterosexual	
Please select...				
Christianity (all denominations)	Male	Yes	Heterosexual	
Christianity (all denominations)	Female	Yes	Heterosexual	
Hinduism	Male	Yes	Heterosexual	

This page is intentionally left blank

REPORT FOR: CABINET

Date of Meeting:	19 February 2015
Subject:	Treasury Management Strategy Statement including Prudential Indicators, Minimum Revenue Provision Policy Statement and Annual Investment Strategy for 2015/16
Key Decision	Yes
Responsible Officer:	Simon George, Director of Finance and Assurance
Portfolio Holder:	Councillor Sachin Shah, Portfolio Holder for Finance and Major Contracts
Exempt:	No
Decision subject to Call-in:	No, as the decision is reserved to Council
Wards affected:	All
Enclosures:	Appendix 1 - Legislation and Regulations Impacting on Treasury Management Appendix 2 - Treasury Management Delegations and Responsibilities Appendix 3 - Interest Rate Forecasts Appendix 4 - Economic Background

Section 1 – Summary and Recommendations

This report sets out the Council's Treasury Management Strategy Statement including Prudential Indicators, Minimum Revenue Provision Policy Statement and Annual Investment Strategy 2015/16.

Recommendation:

Cabinet is asked to recommend to Council that they approve the Treasury Management Strategy Statement for 2015/16 including:

- the Prudential Indicators for 2015/16;
- Minimum Revenue Provision Policy Statement for 2015/16;
- Annual Investment Strategy for 2015/16;
- The upper limit for borrowing of under 12 months be increased to 30%;
- The lower limit for borrowing of 5 to under 10 years be reduced to 0%;
- The deletion of the "Viability" criteria for Specified and Non-specified investments.

Reason

To promote effective financial management and comply with the Local Authorities (Capital Finance and Accounting) Regulations 2003 and other relevant guidance.

Section 2 – Report

1. INTRODUCTION

1.1 Background

1. The Chartered Institute of Public Finance and Accountancy (CIPFA) defines treasury management as:

"The management of the local authority's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

The Council has adopted this definition.

2. The Council operates a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low risk counterparties or instruments

commensurate with the Council's low risk appetite, providing adequate liquidity initially before considering investment return.

3. The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer term cash flow planning to ensure that the Council can meet its capital spending obligations. This management of longer term cash may involve arranging long or short term loans, or using longer term cash flow surpluses. On occasion, any debt previously drawn may be restructured to meet Council risk or cost objectives.
4. The Local Government Act 2003 and supporting regulations require the Council to 'have regard to' the CIPFA Prudential Code and Treasury Management Code of Practice, to set Treasury and Prudential Indicators for the next three years and to ensure that the Council's capital investment plans are affordable, prudent and sustainable.
5. The Act, the Codes and subsequent Investment Guidance (2010) requires the Council to set out its Treasury Strategy for Borrowing and to prepare an Annual Investment Strategy that establishes the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments. In 2011 CIPFA updated both their Code of Practice and Prudential Code and, in 2013 issued revised guidance notes. All the changes are fully reflected in this strategy statement. At the request of the former Governance, Audit and Risk Management Committee a summary of the relevant legislation, regulations and guidance is included as Appendix 1.
6. The budget for each financial year includes the revenue costs that flow from capital financing decisions. Under the Code of Practice, increases in capital expenditure should be limited to a level whereby increases in charges to revenue from:
 - increases in interest charges caused by increased borrowing to finance additional capital expenditure, and
 - any increases in running costs from new capital projectsare affordable within the projected income of the Council for the foreseeable future.
7. The Council regards compliance with the relevant legislation, regulations, codes and prudential indicators as the prime criterion by which the effectiveness of its treasury management activities will be measured. The effective management and control of risk, recognising the primacy of security and liquidity over yield, is a key component in this compliance.
8. The Council recognises that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of effective risk management.

1.2 CIPFA Requirements

9. The Council has formally adopted CIPFA's Code of Practice on Treasury Management (revised November 2011). The primary requirements of the Code are as follows:
- Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
 - Creation and maintenance of Treasury Management Practices ("TMPs") that set out the manner in which the Council will seek to achieve those policies and objectives.
 - Receipt by the full Council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Half-year Review Report and an Annual Report (stewardship report) covering activities during the previous year.
 - Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
 - Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body.

1.3 Reporting Requirements

10. As introduced above, the Council is required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals.

Prudential and treasury indicators and treasury strategy (this report) - The first, and most important report covers:

- the capital plans (including prudential indicators);
- a minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time);
- the treasury management strategy (how the investments and borrowings are to be organised) including treasury indicators; and
- an investment strategy (the parameters on how investments are to be managed).

A mid year treasury management report – This will update members with the progress of the capital position, amending prudential indicators as necessary, and identifying whether the treasury strategy is meeting the objectives or whether any policies require revision.

An annual treasury report – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy.

Scrutiny - The above reports are required to be adequately scrutinised before being recommended to the Council. This role is undertaken by the Cabinet and the Governance, Audit, Risk Management and Standards Committee (GARMSC).

11. The Council has delegated responsibility for the implementation and regular monitoring of its treasury management policies and treasury management practices to the Section 151 officer. The Section 151 Officer chairs the Treasury Management Group (TMG), which consists of the Head of Technical Finance and Accountancy and the Treasury and Pension Fund Manager, to monitor the treasury management activity and market conditions.
12. Further details of responsibilities are given in Appendix 2.

1.4 Training

13. The CIPFA Code requires the responsible officer to ensure that Members with responsibility for treasury management receive adequate training in treasury management. This especially applies to Members responsible for scrutiny.
14. The Council's Treasury Management consultants will be asked to provide a training session for all Members of GARMSC and other interested Members and other training opportunities will be offered as appropriate.
15. The training needs of treasury management officers are periodically reviewed as part of the Learning and Development programme. The officers attend various seminars and conferences throughout the year.

1.5 Treasury management consultants

16. The Council has engaged Capita Asset Services, Treasury Solutions as its external treasury management adviser.
17. The Council recognises that responsibility for treasury management decisions remains with itself at all times and will ensure that undue reliance is not placed upon external service providers.
18. It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Council will ensure that the terms of their appointment and the methods by which their value is assessed are properly agreed and documented, and subjected to regular review.

1.6 Treasury Management Strategy for 2015/16

19. The Strategy covers:-

Capital issues

- the capital plans and the prudential indicators;
- the MRP policy.

Treasury management issues

- policy on use of external service providers;
- the current treasury position;
- the borrowing strategy;

- treasury indicators which limit the treasury risk and activities of the Council;
- prospects for interest rates;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy.

20. These elements cover the requirements of the Local Government Act 2003, the CIPFA Prudential Code, the Department for Communities and Local Government (DCLG) Minimum Revenue Provision Guidance, the CIPFA Treasury Management Code and DCLG Investment Guidance.

21. It is not considered necessary to produce a separate treasury strategy for the Housing Revenue Account (HRA) in light of the co-mingling of debt and investments between HRA and the General Fund. Where appropriate, details of allocations of balances and interest to HRA are contained in this report.

1.7 Options considered

22. No options were considered beyond those discussed in the report due to the statutory and risk management constraints inherent in treasury management.

2. CAPITAL PRUDENTIAL INDICATORS 2015/16 – 2017/18

23. The Council's capital expenditure plans are the key drivers of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist Members' overview and confirm capital expenditure plans. The values shown in the tables for 2013-14 and 2014-15 are actual and forecast outturn respectively and not the strategy for those years.

2.1 Capital expenditure

24. This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously and those forming part of this budget cycle. Amendments may be necessary in the light of decisions taken during the budget cycle.

Table 1 Capital Expenditure and Funding

	2013/14	2014/15	2015/16	2016/17	2017/18
	Actual	Forecast Outturn	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
Expenditure					
Non - HRA	29,069	68,156	57,061	48,102	38,672
HRA	6,261	6,771	21,656	13,137	15,315
TOTAL	35,330	74,927	78,717	61,239	53,987
Funding:-					
Grants	9,404	37,853	29,142	19,457	12,967
Capital receipts	4,434	2,417	9,359	1,125	3,913
Revenue financing	6,748	6,058	9,638	8,302	9,046

Section 106 / Section 20 contributions	76	499	923	110	2,356
TOTAL	20,662	46,827	49,062	28,994	28,282
Net financing need for the year	14,668	28,100	29,655	32,245	25,705

2.2 The Council's borrowing need (Capital Financing Requirement)

25. The second prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is the total outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any new capital expenditure, which has not immediately been paid for, will increase the CFR.
26. The CFR does not increase indefinitely, as the Minimum Revenue Provision (MRP) is a statutory annual revenue charge which broadly reduces the borrowing need in line with each asset's life.
27. The CFR includes any other long term liabilities (e.g. PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Council's borrowing requirement, these types of scheme include a funding facility and so the Council is not required to borrow separately for these schemes. The Council currently has £22m of such schemes within the CFR.

Table 2 Capital Financing Requirement

	2013/14	2014/15	2015/16	2016/17	2017/18
	Actual	Forecast Outturn	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
Capital Financing Requirement as at 31 March					
Non – HRA	244,215	256,168	270,118	282,616	290,380
HRA	149,538	149,508	151,214	154,784	154,754
TOTAL	393,753	405,676	421,332	437,400	445,134
Annual change in CFR					
Non – HRA	26	11,953	13,950	12,498	7,764
HRA	-36	-30	1,706	3,570	-30
TOTAL	-10	11,923	15,656	16,068	7,734

Table 3 Capital Financing Requirement – reasons for annual change

	2013/14	2014/15	2015/16	2016/17	2017/18
	Actual	Forecast Outturn	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
Net financing need	14,114	27,600	29,155	31,745	25,205
Lease liability	554	500	500	500	500
Less MRP for PFI and Leases	-2,040	-2,035	-2,034	-2,035	-2,035
Less MRP	-12,638	-14,142	-11,965	-14,142	-15,936
TOTAL	-10	11,923	15,656	16,068	7,734

a) General Fund CFR increases over the five years from £244m to £290m reflecting the schools re-building and improvements programme and environmental improvements. Through a special determination the debt limit for the HRA has been increased to £154.8m and work will be carried out in line with this increase.

b) It is anticipated over this period that the increase in CFR requirements and the additional HRA expenditure can be met from existing cash balances.

2.3. Minimum Revenue Provision

28. Capital expenditure is generally defined as expenditure on assets that have a life expectancy of more than one year e.g. buildings, vehicles, machinery etc. The accounting approach is to spread the cost over the period during which such assets are used to provide services to the local community. The mechanism for spreading these costs is through an annual MRP. The MRP is the means by which capital expenditure which is financed by borrowing or credit arrangements is funded by Council Tax and housing rents.

29. The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 (the Regulations) require the Council to approve a Minimum Revenue Provision (MRP) Statement setting out what provision is to be made in the General Fund for the repayment of debt, and how the provision is to be calculated. The purpose of the Statement is to ensure the provision is prudent, allowing the debt to be repaid over a period reasonably commensurate with that over which the capital expenditure benefits. The Council is recommended to approve the following MRP Statement:

- For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, the MRP policy will be the 'Regulatory Method' (option 1) outlined in CLG guidance on MRP. This option provides for an approximate 4% reduction in the borrowing need (CFR) each year.
- For all capital expenditure financed from unsupported (prudential) borrowing (including PFI and finance leases), MRP will be based upon an asset life method in accordance with Option 3 of the guidance.
- In some cases where a scheme is financed by prudential borrowing it may be appropriate to vary the profile of the MRP charge to reflect the future income streams associated with the asset, whilst retaining the principle that the full amount of borrowing will be charged as MRP over the asset's estimated useful life.
- A voluntary MRP may be made from either revenue or voluntarily set aside capital receipts.
- Estimated life periods and amortisation methodologies will be determined under delegated powers. To the extent that expenditure is not on the creation of an asset and is of a type that is subject to estimated life periods that are referred to in the guidance, these periods will generally be adopted by the Council. However, the Council reserves the right to determine useful life periods and prudent MRP in exceptional circumstances where the recommendations of the guidance would not be appropriate.
- Freehold land cannot properly have a life attributed to it, so for the purposes of Asset Life method it will be treated as equal to a maximum of 50 years. But if there is a structure on the land which the authority considers to have a life longer than 50 years, that same life estimate will be used for the land.

- As some types of capital expenditure incurred by the Council are not capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure. Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure and will only be divided up in cases where there are two or more major components with substantially different useful economic lives.
- Repayments included in annual PFI or finance leases are applied as MRP.
- Where borrowing is undertaken for the construction of new assets, MRP will only become chargeable once such assets are completed and operational.
- Under Treasury management best practice the Council may decide to defer borrowing up to the capital financing requirement (CFR) and use internal resources instead. Where internal borrowing has been used, the amount chargeable as MRP may be adjusted to reflect the deferral of actual borrowing.

2.4 Affordability Prudential Indicators

30. The previous sections cover the overall capital expenditure and financing requirements but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Council's overall finances.

2.5 Ratio of Financing Costs to Revenue Stream

31. This indicator identifies the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) against the net revenue stream. The estimates of financing costs include current commitments and the proposals in the budget report.

Table 5 Ratio of Financing Costs to Revenue Stream

	2013/14	2014/15	2015/16	2016/17	2017/18
	Actual	Forecast Outturn	Estimate	Estimate	Estimate
	%	%	%	%	%
Non - HRA	13	14	13	15	17
HRA	45	45	41	40	39

2.6 Incremental Impact of Capital Investment Decisions on Council Tax and Housing Rents

32. This indicator identifies the revenue costs associated with proposed capital programme and the impact on Council Tax and Housing Rents.

Table 6 Incremental Impact of Capital Investment Decisions

	2013/14	2014/15	2015/16	2016/17	2017/18
	Actual	Forecast Outturn	Estimate	Estimate	Estimate
	£	£	£	£	£
Incremental impact of capital investment decisions					
Increase in Council Tax (band D) per annum	21.71	42.04	42.49	44.59	33.35
Increase in average housing rent per week	2.65	-2.92	1.34	-0.04	-0.07

2.7 Local HRA indicators

33. The latest CIPFA guidance suggests that the Council be aware of the following ratios when making its treasury management decisions.

Table 7 HRA Ratios

	2013/14	2014/15	2015/16	2016/17	2017/18
	Actual	Forecast Outturn	Estimate	Estimate	Estimate
Debt (CFR) (£m)	149.5	149.5	151.2	154.8	154.8
Gross Revenue Stream (£m)	31.1	31.9	32.2	33.2	34.1
Ratio of Gross Revenue Stream to Debt (%)	21	21	21	21	22
Average Number of Dwellings	4,933	4,898	4,877	4,867	4,843
Debt outstanding per dwelling (£)	30,306	30,560	31,000	31,806	31,964

The ratio of gross revenue stream to debt is stable. As the number of dwellings reduces over the period, the debt outstanding per dwelling is estimated to increase. However, the annual increases are only marginal and the ratio compared to the average value of each dwelling is low enough for the measure to raise no concern.

2.8 Housing Revenue Account (HRA) Major Repairs Allowance (MRA)

34. The National Subsidy system was replaced by Self Financing on 01 April 2012 as part of the Government's reform of the HRA. As a result, the Council will make a charge for depreciation in respect of its dwellings calculated on a componentised basis, which will be counted as a genuine charge against the HRA. Under the National Subsidy system, the Council made a charge equal to the Major Repairs Allowance receivable from Central Government thereby ensuring a nil overall effect for depreciation.

35. As the value of housing stock is expected to increase HRA debt as a proportion of the value of housing stock will decline.

3. BORROWING

36. The capital expenditure plans set out in Section 2 provide details of the service activity of the Council. The treasury management function ensures that the Council's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity. This involves both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing

facilities. The strategy covers the relevant treasury indicators, the current and projected debt positions and the annual investment strategy.

3.1 Current portfolio position

37. The latest position on actual borrowings and investments is as shown below:

Table 8 Treasury Position as at 31 December 2014

		Principal		Ave. rate
		£m	£m	%
Fixed rate funding	PWLB	218.5		4.25
	Market	115.8	334.3	
Variable rate funding			0	
Other long term liabilities (PFI & leases)			21.8	
Total Debt			356.1	
Total Investments			132.5	1.06

38. The Council has borrowed £83.8 million under Lender Option, Borrower Option (LOBO) structures with maturities between 2050 and 2078. In exchange for an interest rate that was below that offered on long term debt by the PWLB, the lender has the option at the end of five years (and half yearly thereafter) to reset the interest rate. If the rate of interest changes, the Council is permitted to repay the loan at no additional cost.

39. The Council's treasury portfolio position with forward projections is summarised below. The table shows the actual external debt, against the underlying capital borrowing need, highlighting any over or under borrowing.

Table 9 Changes to Gross Borrowing

	2013/14	2014/15	2015/16	2016/17	2017/18
	Actual	Forecast Outturn	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
Debt 1st April	350,358	340,293	334,293	334,293	334,293
Expected change in debt	-10,065	-6,000	0	0	-10,000
Other long term liabilities (OLTL) 1st April	23,923	21,841	20,306	18,772	17,237
Expected change in OLTL	-2,082	-1,535	-1,534	-1,535	-1,535
Actual gross debt at 31st March	362,134	354,599	353,065	351,530	339,995
Capital Financing Requirement 31st March	393,753	405,676	421,332	437,400	445,134
Under / (over) borrowing	31,619	51,077	68,267	85,870	105,139

40. Debt outstanding should not normally exceed CFR.

41. Within the prudential indicators there are a number of key indicators to ensure that the Council operates its activities within well defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the total of

the CFR in the preceding year plus the estimates of any additional CFR for 2015/16 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue purposes.

42. The Director of Finance and Assurance reports that the Council complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes into account current commitments, existing plans, and the proposals in the budget report.
43. The table below shows the net borrowing after investment balances are taken into account. Net debt is forecast to increase as the capital programme continues to be financed from existing cash resources.

Table 10 Net Borrowing

	2013/14	2014/15	2015/16	2016/17	2017/18
	Actual	Forecast Outturn	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
brought forward 1 April	273,284	230,942	269,107	282,736	297,695
carried forward 31 March	230,942	269,107	282,736	297,695	306,031
Change in net borrowing	-42,342	38,165	13,629	14,959	8,336

3.2 Treasury Indicators: limits to borrowing activity

The Operational Boundary

44. This is the limit which external debt is not normally expected to exceed.
45. The boundary is based on current debt plus anticipated net financing need for future years.

The Authorised Limit for External Debt.

46. This is a further key prudential indicator which represents a control on the maximum level of borrowing. It represents a limit beyond which external debt is prohibited. It reflects the level of external debt which, while not desired, could be afforded in the short term, but may not be sustainable in the longer term. It relates to the financing of capital plans by both external borrowing and other forms of liability, such as credit arrangements.
47. This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.

Table 11 Operational boundary and authorised limit

	2013/14	2014/15	2015/16	2016/17	2017/18
	£m	£m	£m	£m	£m
Authorised Limit for external debt					
Borrowing and finance leases	394	406	421	437	445
Operational Boundary for external debt					
Borrowing	340	334	334	349	347
Other long term liabilities	22	21	19	17	16
Total	362	355	353	366	363
Upper limit for fixed interest rate exposure					
Net principal re fixed rate borrowing	340	406	421	437	445
Upper limit for variable rate exposure					
Net principal re variable rate borrowing	0	0	0	0	0
Upper limit for principal sums invested over 364 days*	25	40.5	40.5	40.5	40.5

* From 2014/15 includes a potential loan facility of £0.5m for HB Public Law Ltd.

HRA Debt Limit

48. Separately, the Council is also limited to a maximum HRA CFR (Debt limit) through the HRA self-financing regime. This limit is shown in the table below.

Table 12 HRA Debt Limit

	2013/14	2014/15	2015/16	2016/17	2017/18
	Actual	Forecast Outturn	Estimate	Estimate	Estimate
	£'000	£'000	£'000	£'000	£'000
HRA Debt Limit	149,648	149,648	151,384	154,984	154,984
HRA CFR	149,537	149,525	151,231	154,801	154,771
Headroom	111	123	153	183	213

3.3 Prospects for Interest Rates

49. The treasury management adviser has provided the commentary in the remainder of this section 3.3 and a more detailed economic commentary is included as Appendices 3 and 4.

The commentary was produced on 7 January 2015.

The Council has appointed Capita Asset Services as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. The following table gives Capita's view.

Annual Average %	Bank Rate %	PWLB Borrowing Rates % (including certainty rate adjustment)		
		5 year	25 year	50 year
Mar 2015	0.50	2.20	3.40	3.40
Jun 2015	0.50	2.20	3.50	3.50
Sep 2015	0.50	2.30	3.70	3.70
Dec 2015	0.75	2.50	3.80	3.80
Mar 2016	0.75	2.60	4.00	4.00
Jun 2016	1.00	2.80	4.20	4.20
Sep 2016	1.00	2.90	4.30	4.30
Dec 2016	1.25	3.00	4.40	4.40
Mar 2017	1.25	3.20	4.50	4.50
Jun 2017	1.50	3.30	4.60	4.60
Sep 2017	1.75	3.40	4.70	4.70
Dec 2017	1.75	3.50	4.70	4.70
Mar 2018	2.00	3.60	4.80	4.80

UK GDP growth surged during 2013 and the first half of 2014. Since then it appears to have subsided somewhat but still remains strong by UK standards and is expected to continue likewise into 2015 and 2016. There needs to be a significant rebalancing of the economy away from consumer spending to manufacturing, business investment and exporting in order for this recovery to become more firmly established. One drag on the economy has been that wage inflation has only recently started to exceed CPI inflation, so enabling disposable income and living standards to start improving. The plunge in the price of oil brought CPI inflation down to a low of 1.0% in November, the lowest rate since September 2002. Inflation is expected to stay around or below 1.0% for the best part of a year; this will help improve consumer disposable income and so underpin economic growth during 2015. However, labour productivity needs to improve substantially to enable wage rates to increase and further support consumer disposable income and economic growth. In addition, the encouraging rate at which unemployment has been falling must eventually feed through into pressure for wage increases, though current views on the amount of hidden slack in the labour market probably means that this is unlikely to happen early in 2015.

The US, the biggest world economy, has generated stunning growth rates of 4.6% (annualised) in Q2 2014 and 5.0% in Q3. This is hugely promising for the outlook for strong growth going forwards and it very much looks as if the US is now firmly on the path of full recovery from the financial crisis of 2008. Consequently, it is now confidently expected that the US will be the first major western economy to start on central rate increases by mid 2015.

The current economic outlook and structure of market interest rates and government debt yields have several key treasury management implications:

- Greece: the general election on 25 January 2015 is likely to bring a political party to power which is anti EU and anti austerity. However, if this eventually results in Greece leaving the Euro, it is unlikely that this will directly destabilise the Eurozone as the EU has put in place adequate firewalls to contain the immediate fallout to just Greece. However, the indirect effects of the likely strengthening of anti EU and anti austerity political parties throughout the EU is much more difficult to quantify;

- *As for the Eurozone in general, concerns in respect of a major crisis subsided considerably in 2013. However, the downturn in growth and inflation during the second half of 2014, and worries over the Ukraine situation, Middle East and Ebola, have led to a resurgence of those concerns as risks increase that it could be heading into deflation and prolonged very weak growth. Sovereign debt difficulties have not gone away and major concerns could return in respect of individual countries that do not dynamically address fundamental issues of low growth, international uncompetitiveness and the need for overdue reforms of the economy (as Ireland has done). It is, therefore, possible over the next few years that levels of government debt to GDP ratios could continue to rise to levels that could result in a loss of investor confidence in the financial viability of such countries. Counterparty risks therefore remain elevated. This continues to suggest the use of higher quality counterparties for shorter time periods;*
- *Investment returns are likely to remain relatively low during 2015/16 and beyond;*
- *Borrowing interest rates have been volatile during 2014 as alternating bouts of good and bad news have promoted optimism, and then pessimism, in financial markets. The closing weeks of 2014 saw gilt yields dip to historically remarkably low levels after inflation plunged, a flight to quality from equities (especially in the oil sector), and from the debt and equities of oil producing emerging market countries, and an increase in the likelihood that the ECB will commence quantitative easing (purchase of EZ government debt) in early 2015. The policy of avoiding new borrowing by running down spare cash balances has served well over the last few years. However, this needs to be carefully reviewed to avoid incurring higher borrowing costs in later times, when authorities will not be able to avoid new borrowing to finance new capital expenditure and/or to refinance maturing debt;*
- *There will remain a cost of carry to any new borrowing which causes an increase in investments as this will incur a revenue loss between borrowing costs and investment returns.*

3.4 Borrowing Strategy

50. As shown in Table 9 above, currently the Council has a debt portfolio of £334m, mainly long term, with an average maturity of 37 years. Cash balances have remained high and at 31 December 2014 were £132.5m. With the investment portfolio yielding around 1% and the average cost of debt 4.2%, there is a substantial short term cost to carrying excessive debt. The same picture is true if investment rates are compared with new borrowing rates.
51. As shown in Table 9 above the Council is currently maintaining an under-borrowed position. This means that the capital borrowing need (CFR), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent with investment returns low and counterparty risk relatively high.
52. For the next three years the capital programme will continue to be funded to a large extent from grants and revenue resources and there is not likely to be a need for further borrowing. The only foreseen circumstances in which new long term borrowing in the next three years might be required therefore, are either if part of the LOBO portfolio had to be refinanced early, or if made available to fund new affordable

housing development on the basis that there was no revenue impact on the General Fund. Even then, the preference would be to reduce investment balances unless the gap between investment and borrowing rates has narrowed.

53. It may be necessary to resort to temporary borrowing from the money markets or other local authorities to cover mismatches in timing between capital grants and payments. However with several Government grants now paid early in the financial year this is not very likely.
54. Against this background and the risks within the economic forecast, caution will be adopted with the 2015/16 treasury management operations. The Director of Finance and Assurance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances.
55. The Council has adopted a single pooled approach for debt. Allocations to HRA are based on its CFR, with interest charged to HRA at the average rate on all external borrowing. Longer term, the HRA's ability to repay borrowing will depend on future revenues and capital expenditure plans.

3.5 Treasury Management Limits on Activity

56. There are three debt related treasury activity limits. The purpose of these are to restrain the activity of the treasury function within certain limits, thereby managing risk and reducing the impact of any adverse movement in interest rates. However, if these are set to be too restrictive they will impair the opportunities to reduce costs and improve performance.

Upper limit on variable interest rate exposure

57. This identifies a maximum limit for variable interest rates based upon the debt position net of investments. As shown in Table 11 above the Council does not expect to undertake any borrowing on this basis.

Upper limit on fixed interest rate exposure

58. This identifies a maximum limit for fixed interest rates based upon the debt position net of investments. The Council's limits are shown in Table 11 above

Maturity Structure of Borrowing

59. These gross limits are set to reduce the Council's exposure to large fixed rate sums falling due for refinancing, and are required for upper and lower limits.
60. The Council has no variable rate borrowing and the comments below relate only to its fixed rate portfolio.
61. In the table below, the maturity structure for the LOBO debt, in accordance with CIPFA Guidance, is shown as the first date that the interest rate can be increased.

Table 13 Maturity Structure of Fixed Rate Borrowing

	As at 31.12.2014 %	Upper limit %	Lower limit %
Under 12 months	25.1	20	0
12 months to 23 months	0.0	20	0
24 months to under 5 years	9.6	30	0
5 years to under 10 years	1.5	40	5
10 years and over	63.8	90	30

62. The current limits do not fully reflect the maturity structure of the LOBOs all of which could theoretically be repayable within a year. Additionally, adjusting the borrowing profile at this stage is not considered to be either economic or desirable hence the opportunity to comply with some of the limits is very constrained.

63. Cabinet is therefore asked to recommend to Council to agree:

- The upper limit for borrowing of under 12 months be increased to 30%
- The lower limit for borrowing of 5 to under 10 years be reduced to 0%

3.6 Policy on Borrowing in Advance of Need

64. The Council will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved CFR estimates, and will be considered carefully to ensure that value for money can be demonstrated and that the Council can ensure the security of such funds.

65. Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

3.7 Debt rescheduling

66. The reasons for any rescheduling to be considered will include:

- the generation of cash savings and / or discounted cash flow savings;
- helping to fulfil the treasury strategy;
- enhancing the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

67. Opportunities to reduce the cost of debt by premature repayment or to improve the maturity profile are kept under review in discussion with the Council's treasury management adviser. Early repayment of market loans is by negotiation. For PWLB loans, there are daily published prices for early repayment that allows analysis of the opportunities for restructuring. There is currently a spread which has generally made restructuring uneconomic. With capital expenditure plans being constrained, the level of required debt will be monitored and if deemed excessive, early redemption will be considered.

68. Should any of the LOBO loans with interest rate reset dates in 2015-16 (£83.8 m) require refinancing, the most likely source will be a combination of internal cash and external borrowing to protect the budget. The ratio will depend on the relative cost of the existing and replacement debt.
69. All rescheduling will be reported to Cabinet at the earliest meeting following the exercise.

4 ANNUAL INVESTMENT STRATEGY

4.1 Investment policy

70. The Council's investment policy has regard to the DCLG's Guidance on Local Government Investments ("the Guidance") and the revised CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities will be security first, liquidity second, then return.
71. In accordance with the above guidance and in order to minimise the risk to investments, the Council below clearly stipulates the minimum acceptable credit quality of counterparties for inclusion on the lending list. The creditworthiness methodology used to create the counterparty list fully accounts for the ratings, watches and outlooks published by all three ratings agencies. The treasury management adviser monitors counterparty ratings on a real time basis with knowledge of any changes advised electronically as the agencies notify modifications.
72. Further, the Council's officers recognise that ratings should not be the sole determinant of the quality of an institution and that it is important to assess continually and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To this end the Council will engage with its adviser to maintain a monitor on market pricing such as "credit default swaps" and overlay that information on top of the credit ratings.
73. The aim of the strategy is to generate a list of highly creditworthy counterparties which will provide security of investments, enable divestification and minimise risk.
74. Investment instruments identified for current use are listed in paragraphs 83 and 84 under the 'specified' and 'non-specified' investments categories. Counterparty limits will be as set through the Council's treasury management practices.

4.2 Creditworthiness policy

75. The primary principle governing the Council's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle, the Council will ensure that:
- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the specified and non-specified investment sections below; and

- It has sufficient liquidity in its investments. For this purpose it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Council's prudential indicators covering the maximum principal sums invested.

76. The Director of Finance and Assurance will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Council for approval as necessary. These criteria are separate to those which determine which types of investment instrument are either specified or non-specified as they provide an overall pool of counterparties considered high quality which the Council may use, rather than defining what types of investment instruments are to be used.

77. The minimum rating criteria uses the lowest common denominator method of selecting counterparties and applying limits. This means that the application of the Council's minimum criteria will apply to the lowest available rating for any institution. For instance, if an institution is rated by two agencies, one meets the Council's criteria, the other does not, the institution will fall outside the lending criteria.

78. Credit rating information is supplied by the treasury management adviser on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating watches (notification of a likely change), rating outlooks (notification of a possible longer term change) are provided to officers almost immediately after they occur and this information is considered before dealing. For instance, a negative rating watch applying to a counterparty at the minimum Council criteria will be suspended from use, with all others being reviewed in light of market conditions.

79. *Recently the Council's treasury management adviser has provided advice affecting some of the Council's most significant counterparties as follows:*

The main rating agencies (Fitch, Moody's and Standard & Poor's) have, through much of the financial crisis, provided some institutions with a ratings "uplift" due to implied levels of sovereign support. More recently, in response to the evolving regulatory regime, the agencies have indicated they may remove these "uplifts". This process may commence during 2014/15 and / or 2015/16. The actual timing of the changes is still subject to discussion, but this does mean immediate changes to the credit methodology are required.

It is important to stress that the rating agency changes do not reflect any changes in the underlying status of the institution or credit environment, merely the implied level of sovereign support that has been built into ratings through the financial crisis. The eventual removal of implied sovereign support will only take place when the regulatory and economic environments have ensured that financial institutions are much stronger and less prone to failure in a financial crisis.

Both Fitch and Moody's provide "standalone" credit ratings for financial institutions. For Fitch, it is the Viability Rating, while Moody's has the Financial Strength Rating. Due to the future removal of sovereign support from institution assessments, both agencies have suggested going forward that these will be in line with their respective Long Term ratings. As such, there is no point monitoring both Long Term and these "standalone" ratings.

Furthermore, Fitch has already begun assessing its Support ratings, with a clear expectation that these will be lowered to 5, which is defined as "A bank for which there is a possibility of external support, but it cannot be relied upon." With all institutions likely to drop to these levels, there is little to no differentiation to be had by assessing Support ratings.

As a result of these rating agency changes, the credit element of our future methodology will focus solely on the Short and Long Term ratings of an institution. Rating Watch and Outlook information will continue to be assessed where it relates to these categories. This is the same process for Standard & Poor's that we have always taken, but a change to the use of Fitch and Moody's ratings. Furthermore, we will continue to utilise CDS prices as an overlay to ratings in our new methodology

80. The Council's criteria for an institution to become a counterparty are:

Specified Investments

81. These are sterling investments of a maturity period of not more than 364 days, or those which could be for a longer period but where the lender has the right to be repaid within 364 days if it wishes. These are low risk assets where the possibility of loss of principal or investment income is negligible. The instruments and credit criteria to be used are set out in the table below.

Instrument	Minimum Credit Criteria	Use
Debt Management Agency Deposit Facility	Government backed	In-house
Term deposits – other LAs	Local Authority issue	In-house
Term deposits – banks and building societies	AA- Long Term F1+Short-term 2 Support AA- Viability UK or AAA Sovereign	In-house
Money Market Funds	AAA	In-house

Non-Specified Investments

82. Non-specified investments are any other type of investment (i.e. not defined as Specified above). They normally offer the prospect of higher returns but carry a higher risk. The identification and rationale supporting the selection of these other investments are set out in the table below.

	Minimum Credit Criteria	Use	Max % of total investments	Max. maturity period
Term deposits – banks and building societies	A Long Term F1 Short-term 1 Support A Viability UK or AAA Sovereign	In-house	50%	3 months
Callable Deposits	A Long Term F1 Short term 1 Support	In-house	20%	3 months
UK nationalised Banks [Lloyds / HBOS]	F1 Short-term 1 Support	In-house	50%	36 months
UK nationalised Banks [RBS]	F2 Short-term 1 Support	In-house	50%	36 months
Enhanced Cash Funds	AAA	In-house	25% (maximum £10m per fund)	Minimum monthly redemption
HB Public Law Ltd		In house	£0.5m	36 months

Unless specified above, individual bank & building society counterparty limits that are consistent with the above limits are approved by the Section 151 Officer in accordance with the Council's Treasury Management Practices.

83. In view of the advice given by the treasury management adviser and quoted in paragraph 79 Cabinet is recommended to agree to the deletion of the "Viability" criteria included in the tables in paragraphs 81 and 82.

4.3 Country limits

84. The Council has determined that it will only use approved counterparties from the UK or from countries with a minimum sovereign credit rating of AAA. Currently the only countries meeting this criterion are Australia, Canada, Denmark, Germany, Luxembourg, Norway, Singapore, Sweden and Switzerland. The current UK rating is the second level of AA+. This list will be added to, or deducted from, by officers should ratings change in accordance with this policy.

4.4 Investment strategy

85. **In-house funds.** The Council's funds are mainly cash flow derived primarily the General Fund and HRA. Balances are also held to support capital expenditure. From 1st April 2011, pension fund cash balances have been held separately from those of the Council. However, a separate investment strategy has not been developed for the pension fund and all its cash is held on overnight call account with RBS. Investments are made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

86. **Investment returns expectations.** Bank Rate has remained unchanged at 0.50% since March 2009 and is not forecast to rise until quarter 4 of 2015. Bank Rate forecasts for financial year ends are:

- 2014/15 0.50%
- 2015/16 0.75%
- 2016/17 1.25%
- 2017/18 2.00%

87. As regards returns and potential returns key points made by Capita in Section 3.3 above and of prime significance in the Council's investment strategy are:

- *Counterparty risks therefore remain elevated. This continues to suggest the use of higher quality counterparties for shorter time periods; and*
- *Investment returns are likely to remain relatively low during 2015/16 and beyond.*

88. The only amendment proposed to the counterparty policy is explained in paragraph 85 above though close attention will be paid to Government intentions to sell off its stake in Lloyds and RBS. This will gradually remove the additional security offered by Government ownership which is a key element in sustaining the Council's current investment strategy.

89. **Investment treasury indicator and limit** - total principal funds invested for greater than 364 days. These limits are set with regard to the Council's liquidity requirements and to reduce the need for early sale of an investment. The Council's limit for investments of over 364 days is £40.5m.
90. Throughout 2014-15 to date interest rates for periods of up to a year have remained stable with the Council receiving about 1% for 364 days' investments with Lloyds and 0.25% for the RBS Special Interest Bearing Account. Yields available for periods of 1-3 years have fallen during the year to date.
91. As a consequence of these rates and the maturity of several higher yielding investments the Council's return for the whole year is likely to be close to 1%. Whilst this compares well with the LIBOR benchmark and peer authorities it represents a substantial reduction from the 1.5% earned in 2013-14 and 1.8% earned in 2012-13.
92. As a result of the Council's strategy and the interest rates available the only counterparties actively in use during 2014-15 have been Lloyds and Royal Bank of Scotland Group, Enhanced Money Market Funds and Svenska Handelsbanken. The investment portfolio has inevitably remained concentrated with RBS and Lloyds with 83% of the total portfolio invested with them on 31st December 2014. When opportunities arise consistent with the Council's policies diversification will be sought but it is not anticipated that there will be any significant change during 2015-16.
93. Due to the low interest rates environment and uncertainties around Government funding for banks, setting expected income levels for 2015-16 and beyond is imprecise. Investment income (net of allocations and excluding interest from West London Waste Authority) has been budgeted at £699,000 for 2015/16 (2014/15 £1,052,000).

Implications of the recommendations

94. The recommendations primarily relate to the requirements for the Council to comply with statutory duties. However, the content of the report, covering borrowing and investment strategy, has implications for the Council's ability to fund its capital projects and revenue activities.
95. The recommendations do not directly affect the Council' staffing/workforce.

Performance issues

96. The Council meets the requirements of the CIPFA Code of Practice for Treasury Management and, therefore, is able to demonstrate best practices for the Treasury Management function.
97. As part of the Code the Council must agree a series of prudential indicators and measure its performance against them. Success is measured by compliance with the indicators and the accuracy of future estimates so far as they are within the control of the Treasury Management function.

Environmental Implications

98. There are no direct environmental implications.

Risk Management Implications

99. The identification, monitoring and control of risk are central to the achievement of treasury management objectives and to this report. Potential risks are identified, mitigated and monitored in accordance with Treasury Management Practice Notes approved by the Treasury Management Group.

100. Risks are included in the Directorate Risk Register.

Legal Implications

101. The relevant legal provisions are contained within the body of the report.

Financial Implications

102. Financial matters are integral to the report.

Equalities Implications / Public Sector Equality Duty

103. Officers have considered possible equalities impact and consider that there is no adverse equalities impact as there is no direct impact on individuals

Council Priorities

104. This report deals with the Treasury Management Strategy which is a key to delivering the Council's corporate priorities

Section 3 - Statutory Officer Clearance

Name: Simon George	<input checked="" type="checkbox"/>	Chief Financial Officer
Date: 26 January 2015		
Name: Caroline Eccles	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 22 January 2015		

Ward Councillors notified:	NO, as it impacts on all Wards
EqIA carried out:	NO
EqIA cleared by:	N/A

Section 6 - Contact Details and Background Papers

Contact: Ian Talbot (Treasury and Pension Fund Manager)
Tel: 020-8424-1450 / Email: ian.talbot@harrow.gov.uk

Background Papers: N/A

Call-In Waived by the Chairman of Overview and Scrutiny Committee	NOT APPLICABLE <i>[Call-in does not apply as the decision is reserved to Council]</i>
--	---

LEGISLATION AND REGULATION IMPACTING ON TREASURY MANAGEMENT

The following items numbered 1 - 4 show the sequence of legislation and regulation impacting on the treasury management function. The sequence begins with primary legislation, moves through Government guidance and Chartered Institute of Public Finance and Accountancy (CIPFA) codes of practice and finishes with implementation through the Council's own Treasury Management Practices.

1. Local Government Act 2003

Link below

[Local Government Act 2003](#)

Below is a summary of the provisions in the Act dealing with treasury management.

In addition the Secretary of State is empowered to define the provisions through further regulations and guidance which he has subsequently done through statutory instruments, Department of Communities and Local Government Guidance and CIPFA codes of practice.

Power to borrow

The Council has the power to borrow for purposes relevant to its functions and for normal treasury management purposes – for example, to refinance existing debt.

Control of borrowing

The main borrowing control is the duty not to breach the prudential and national limits as described below.

The Council is free to seek loans from any source but is prohibited from borrowing in foreign currencies without the consent of Treasury, since adverse exchange rate movements could leave it owing more than it had borrowed.

All of the Council's revenues serve as security for its borrowing. The mortgaging of property is prohibited.

It is unlawful for the Council to 'securitise', that is, to sell future revenue streams such as housing rents for immediate lump-sums.

Affordable borrowing limit

The legislation imposes a broad duty for the Council to determine and keep under review the amount it can afford to borrow. The Secretary of State has subsequently defined this duty in more detail through the Prudential Code produced by CIPFA, which lays down the practical rules for deciding whether borrowing is affordable.

It is for the Council (at a meeting of the full Council) to set its own 'prudential' limit in accordance with these rules, subject only to the scrutiny of its external auditor. The Council is then free to borrow up to that limit without Government consent. The Council is free to vary the limit during the year, if there is good reason.

Requirements in other legislation for the Council to balance its revenue budget prevents the long-term financing of revenue expenditure by borrowing.

However the legislation does confer limited capacity to borrow short-term for revenue needs in the interests of cash-flow management and foreseeable requirements for temporary revenue borrowing are allowed for when borrowing limits are set by the Council.

The Council is allowed extra flexibility in the event of unforeseen needs, by being allowed to increase borrowing limits by the amounts of any payments which are due in the year but have not yet been received.

Imposition of borrowing limits

The Government has retained reserve power to impose 'longstop' limits for national economic reasons on all local authorities' borrowing and these would override authorities' self-determined prudential limits. Since this power has not yet been used the potential impact on the Council is not known.

Credit arrangements

Credit arrangements (eg property leasing, PFI and hire purchase) are treated like borrowing and the affordability assessment must take account not only of borrowing but also of credit arrangements. In addition, any national limit imposed under the reserve powers would apply to both borrowing and credit.

Power to invest

The Council has the power to invest, not only for any purpose relevant to its functions but also for the purpose of the prudential management of its financial affairs.

2. Department for Communities and Local Government Investment Guidance (March 2010)

The Local Government Act 2003 requires a local authority “.....to have regard (a) to such guidance as the Secretary of State may issue.....” and the current guidance became operative on 1 April 2010.

The Guidance recommends that for each financial year the Council should prepare at least one investment Strategy to be approved before the start of the year. The Strategy must cover:

- **Investment security –**
Investments should be managed prudently with security and liquidity being considered ahead of yield
Potential counterparties should be recognised as “specified” and “non-specified” with investment limits being defined to reflect the status of each counterparty

- **Investment risk**
Procedures should be established for monitoring, assessing and mitigating the risk of loss of invested sums and for ensuring that such sums are readily accessible for expenditure whenever needed.
The use of credit ratings and other risk assessment processes should be explained
The use of external advisers should be monitored
The training requirements for treasury management staff should be reviewed and addressed
Specific policies should be stated as regards borrowing money in advance of need

- **Investment Liquidity**
The Strategy should set out procedures for determining the maximum periods for which funds may prudently be committed

The Strategy should be approved by the full Council and made available to the public free of charge. Subject to full Council approval, or approved delegations, the Strategy can be revised during the year.

3. Treasury Management in the Public Services: Code of Practice and Cross Sectoral Guidance Notes (CIPFA 2011)

The primary requirements of the Code are:

- Creation and maintenance of a Treasury Management Policy Statement which sets out the policies and objectives of the Council's treasury management activities.
- Creation and maintenance of Treasury Management Practices ("TMPs") that set out the manner in which the Council will seek to achieve those policies and objectives.
- Receipt by the full Council of an annual Treasury Management Strategy Statement - including the Annual Investment Strategy and Minimum Revenue Provision Policy - for the year ahead, a Half-year Review Report and an Annual Report (stewardship report) covering activities during the previous year.
- Delegation by the Council of responsibilities for implementing and monitoring treasury management policies and practices and for the execution and administration of treasury management decisions.
- Delegation by the Council of the role of scrutiny of treasury management strategy and policies to a specific named body.

4. The Prudential Code for Capital Finance in Local Authorities (CIPFA 2011)

Compliance with the objectives of the Code by the Council should ensure that:

- Capital expenditure plans are affordable in terms of their implications on Council Tax and housing rents
- External borrowing and other long term liabilities are within prudent and sustainable levels
- Treasury management decisions are taken in accordance with good professional practice

As part of the two codes of practice above the Council is required to:

- agree a series of prudential indicators against which performance is measured
- produce Treasury Management Practice Notes for officers which set out how treasury management policies and objectives are to be achieved and activities controlled.

Treasury Management Delegations and Responsibilities

The respective roles of the Cabinet, GARMCS, the Section 151 officer, the Treasury Management Group and the Treasury Team are summarised below. Further details are set out in the Treasury Management Practices.

The main responsibilities and delegations in respect of treasury activities are:

Council

Council will approve the annual treasury strategy, including borrowing and investment strategies. In doing so Council will establish and communicate their appetite for risk within treasury management having regard to the Prudential Code

Cabinet

Cabinet will recommend to Council the annual treasury strategy, including borrowing and investment strategies and receive a half-year report and annual out-turn report on treasury activities.

Cabinet also approves revenue budgets, including those for treasury activities.

Governance, Audit, Risk Management and Standards Committee

GARMSC is responsible for ensuring effective scrutiny of the Treasury strategy and policies.

Section 151 Officer

Council has delegated responsibility for the implementation and monitoring of treasury management decisions to the Section 151 Officer to act in accordance with approved policy and practices. In particular, the Sector 151 Officer:

- Approves all new borrowing, investment counterparties and limits and changes to the bank mandate,
- Chairs the Treasury Management Group (“TMG”), and
- Approves the selection of treasury advisor and agrees terms of appointment.

Treasury Management Group

Monitors the treasury activity against approved strategy, policy, practices and market conditions.

Approves changes to treasury management practices and procedures.

Reviews the performance of the treasury management function using benchmarking data on borrowing and investment provided by Sector.

Monitors the performance of the appointed treasury advisor and recommends any necessary actions.

Ensures the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function.

Monitors the adequacy of internal audit reviews and the implementation of audit recommendations.

Treasury and Pension Fund Manager

Has responsibility for the execution and administration of treasury management decisions, acting in accordance with the Council's Treasury Policy Statement and CIPFA's 'Standard of Professional Practice on Treasury Management'.

Treasury Team

Undertakes day to day treasury investment and borrowing activity in accordance with strategy, policy, practices and procedures and recommends changes to these to the TMG.

Interest Rate Forecasts 2015 – 2018

APPENDIX 3

269

Capita Asset Services Interest Rate View													
	Mar-15	Jun-15	Sep-15	Dec-15	Mar-16	Jun-16	Sep-16	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18
Bank Rate View	0.50%	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.75%	1.75%	2.00%
3 Month LIBID	0.50%	0.50%	0.60%	0.80%	0.90%	1.10%	1.10%	1.30%	1.40%	1.50%	1.80%	1.90%	2.10%
6 Month LIBID	0.70%	0.70%	0.80%	1.00%	1.10%	1.20%	1.30%	1.50%	1.60%	1.70%	2.00%	2.10%	2.30%
12 Month LIBID	0.90%	1.00%	1.10%	1.30%	1.40%	1.50%	1.60%	1.80%	1.90%	2.00%	2.30%	2.40%	2.60%
5yr PW IB Rate	2.20%	2.20%	2.30%	2.50%	2.60%	2.80%	2.90%	3.00%	3.20%	3.30%	3.40%	3.50%	3.60%
10yr PW IB Rate	2.80%	2.80%	3.00%	3.20%	3.30%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.20%
25yr PW IB Rate	3.40%	3.50%	3.70%	3.80%	4.00%	4.20%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%
50yr PW IB Rate	3.40%	3.50%	3.70%	3.80%	4.00%	4.20%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%
Bank Rate													
Capita Asset Services	0.50%	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	1.50%	1.75%	1.75%	2.00%
Capital Economics	0.50%	0.50%	0.75%	0.75%	1.00%	1.00%	1.25%	1.25%	-	-	-	-	-
5yr PW IB Rate													
Capita Asset Services	2.20%	2.20%	2.30%	2.50%	2.60%	2.80%	2.90%	3.00%	3.20%	3.30%	3.40%	3.50%	3.60%
Capital Economics	2.20%	2.50%	2.70%	3.00%	3.10%	3.20%	3.30%	3.40%	-	-	-	-	-
10yr PW IB Rate													
Capita Asset Services	2.80%	2.80%	3.00%	3.20%	3.30%	3.50%	3.60%	3.70%	3.80%	3.90%	4.00%	4.10%	4.20%
Capital Economics	2.80%	3.05%	3.30%	3.55%	3.60%	3.65%	3.70%	3.80%	-	-	-	-	-
25yr PW IB Rate													
Capita Asset Services	3.40%	3.50%	3.70%	3.80%	4.00%	4.20%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%
Capital Economics	3.25%	3.45%	3.65%	3.85%	3.95%	4.05%	4.15%	4.25%	-	-	-	-	-
50yr PW IB Rate													
Capita Asset Services	3.40%	3.50%	3.70%	3.80%	4.00%	4.20%	4.30%	4.40%	4.50%	4.60%	4.70%	4.70%	4.80%
Capital Economics	3.30%	3.50%	3.70%	3.90%	4.00%	4.10%	4.20%	4.30%	-	-	-	-	-

Please note – The current PWLB rates and forecast shown above have taken into account the 20 basis point certainty rate reduction effective as of the 1st November 2012

The commentary was produced on 7 January 2015.

Economic Background

UNITED KINGDOM

After strong UK GDP growth in 2013 at an annual rate of 2.7%, and then in 2014 0.7% in Q1, 0.9% in Q2 2014 (annual rate 3.2% in Q2), Q3 has seen growth fall back to 0.7% in the quarter and to an annual rate of 2.6%. It therefore appears that growth has eased since the surge in the first half of 2014 leading to a downward revision of forecasts for 2015 and 2016, albeit that growth will still remain strong by UK standards. For this recovery to become more balanced and sustainable in the longer term, the recovery needs to move away from dependence on consumer expenditure and the housing market to exporting, and particularly of manufactured goods, both of which need to substantially improve on their recent lacklustre performance. This overall strong growth has resulted in unemployment falling much faster than expected. The MPC is now focusing on how quickly slack in the economy is being used up. It is also particularly concerned that the squeeze on the disposable incomes of consumers should be reversed by wage inflation rising back significantly above the level of inflation in order to ensure that the recovery will be sustainable. There also needs to be a major improvement in labour productivity, which has languished at dismal levels since 2008, to support increases in pay rates. Unemployment is expected to keep on its downward trend and this is likely to eventually feed through into a return to significant increases in wage growth at some point during the next three years. However, just how much those future increases in pay rates will counteract the depressive effect of increases in Bank Rate on consumer confidence, the rate of growth in consumer expenditure and the buoyancy of the housing market, are areas that will need to be kept under regular review.

Also encouraging has been the sharp fall in inflation (CPI), reaching 1.0% in November 2014, the lowest rate since September 2002. Forward indications are that inflation is likely to remain around or under 1% for the best part of a year. The return to strong growth has helped lower forecasts for the increase in Government debt over the last year but monthly public sector deficit figures during 2014 have disappointed until November. The autumn statement, therefore, had to revise the speed with which the deficit is forecast to be eliminated.

EUROZONE

The Eurozone is facing an increasing threat from weak or negative growth and from deflation. In November 2014, the inflation rate fell further, to reach a low of 0.3%. However, this is an average for all EZ countries and includes some countries with negative rates of inflation. Accordingly, the ECB took some rather limited action in June and September 2014 to loosen monetary policy in order to promote growth. It now appears likely that the ECB will embark on full quantitative easing (purchase of EZ country sovereign debt) in early 2015.

Concern in financial markets for the Eurozone subsided considerably after the prolonged crisis during 2011-2013. However, sovereign debt difficulties have not gone away and major issues could return in respect of any countries that do not dynamically address fundamental issues of low growth, international uncompetitiveness and the need for overdue reforms of the economy, (as Ireland has done). It is, therefore, possible over the next few years that levels of government debt to GDP ratios could continue to rise for

some countries. This could mean that sovereign debt concerns have not disappeared but, rather, have only been postponed. The ECB's pledge in 2012 to buy unlimited amounts of bonds of countries which ask for a bailout has provided heavily indebted countries with a strong defence against market forces. This has bought them time to make progress with their economies to return to growth or to reduce the degree of recession. However, debt to GDP ratios (2013 figures) of Greece 180%, Italy 133%, Portugal 129%, Ireland 124% and Cyprus 112%, remain a cause of concern, especially as some of these countries are experiencing continuing rates of increase in debt in excess of their rate of economic growth i.e. these debt ratios are likely to continue to deteriorate. Any sharp downturn in economic growth would make these countries particularly vulnerable to a new bout of sovereign debt crisis. It should also be noted that Italy has the third biggest debt mountain in the world behind Japan and the US.

Greece: the general election due to take place on 25 January 2015 is likely to bring a political party to power which is anti EU and anti austerity. However, if this eventually results in Greece leaving the Euro, it is unlikely that this will directly destabilise the Eurozone as the EU has put in place adequate firewalls to contain the immediate fallout to just Greece. However, the indirect effects of the likely strengthening of anti EU and anti austerity political parties throughout the EU is much more difficult to quantify. There are particular concerns as to whether democratically elected governments will lose the support of electorates suffering under EZ imposed austerity programmes, especially in countries which have high unemployment rates. There are also major concerns as to whether the governments of France and Italy will effectively implement austerity programmes and undertake overdue reforms to improve national competitiveness. These countries already have political parties with major electoral support for anti EU and anti austerity policies. Any loss of market confidence in either of the two largest Eurozone economies after Germany would present a huge challenge to the resources of the ECB to defend their debt.

USA.

The U.S. Federal Reserve ended its monthly asset purchases in October 2014. GDP growth rates (annualised) for Q2 and Q3 of 4.6% and 5.0% have been stunning and hold great promise for strong growth going forward. It is therefore confidently forecast that the first increase in the Fed. rate will occur by the middle of 2015.

CHINA

Government action in 2014 to stimulate the economy appeared to be putting the target of 7.5% growth within achievable reach but recent data has indicated a marginally lower outturn for 2014, which would be the lowest rate of growth for many years. There are also concerns that the Chinese leadership has only started to address an unbalanced economy which is heavily over dependent on new investment expenditure, and for a potential bubble in the property sector to burst, as it did in Japan in the 1990s, with its consequent impact on the financial health of the banking sector. There are also concerns around the potential size, and dubious creditworthiness, of some bank lending to local government organisations and major corporates. This primarily occurred during the government promoted expansion of credit, which was aimed at protecting the overall rate of growth in the economy after the Lehmans crisis.

JAPAN

Japan is causing considerable concern as the increase in sales tax in April 2014 has suppressed consumer expenditure and growth to the extent that it has slipped back into recession in Q2 and Q3. The Japanese government already has the highest debt to GDP ratio in the world.

CAPITA ASSET SERVICES FORWARD VIEW

Economic forecasting remains difficult with so many external influences weighing on the UK. Our Bank Rate forecasts, (and also MPC decisions), will be liable to further amendment depending on how economic data transpires over 2015. Forecasts for average earnings beyond the three year time horizon will be heavily dependent on economic and political developments. Major volatility in bond yields is likely to endure as investor fears and confidence ebb and flow between favouring more risky assets i.e. equities, or the safe haven of bonds. The overall longer run trend is for gilt yields and PWLB rates to rise, due to the high volume of gilt issuance in the UK, and of bond issuance in other major western countries. Increasing investor confidence in eventual world economic recovery is also likely to compound this effect as recovery will encourage investors to switch from bonds to equities.

The overall balance of risks to economic recovery in the UK is currently evenly balanced. Only time will tell just how long this current period of strong economic growth will last; it also remains exposed to vulnerabilities in a number of key areas.

The interest rate forecasts in this report are based on an initial assumption that there will not be a major resurgence of the EZ debt crisis. There is an increased risk that Greece could end up leaving the Euro but if this happens, the EZ now has sufficient fire walls in place that a Greek exit would have little immediate direct impact on the rest of the EZ and the Euro. It is therefore expected that there will be an overall managed, albeit painful and tortuous, resolution of any EZ debt crisis that may occur where EZ institutions and governments eventually do what is necessary - but only when all else has been tried and failed. Under this assumed scenario, growth within the EZ will be weak at best for the next couple of years with some EZ countries experiencing low or negative growth, which will, over that time period, see an increase in total government debt to GDP ratios. There is a significant danger that these ratios could rise to the point where markets lose confidence in the financial viability of one, or more, countries, especially if growth disappoints and / or efforts to reduce government deficits fail to deliver the necessary reductions. However, it is impossible to forecast whether any individual country will lose such confidence, or when, and so precipitate a sharp resurgence of the EZ debt crisis. While the ECB has adequate resources to manage a debt crisis in a small EZ country, if one, or more, of the larger countries were to experience a major crisis of market confidence, this would present a serious challenge to the ECB and to EZ politicians.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Geopolitical risks in Eastern Europe, the Middle East and Asia, increasing safe haven flows.
- UK strong economic growth is weaker than we currently anticipate.

- Weak growth or recession in the UK's main trading partners - the EU, US and China.
- A resurgence of the Eurozone sovereign debt crisis.
- Recapitalisation of European banks requiring more government financial support.
- Monetary policy action failing to stimulate sustainable growth and to combat the threat of deflation in western economies, especially the Eurozone and Japan.

The potential for upside risks to current forecasts for UK gilt yields and PWLB rates, especially for longer term PWLB rates include: -

- An adverse reaction by financial markets to the result of the UK general election in May 2015 and the economic and debt management policies adopted by the new government
- ECB either failing to carry through on recent statements that it will soon start quantitative easing (purchase of government debt) or severely disappointing financial markets with embarking on only a token programme of minimal purchases which are unlikely to have much impact, if any, on stimulating growth in the EZ.
- The commencement by the US Federal Reserve of increases in the central rate in 2015 causing a fundamental reassessment by investors of the relative risks of holding bonds as opposed to equities, leading to a sudden flight from bonds to equities.
- A surge in investor confidence that a return to robust world economic growth is imminent, causing a flow of funds out of bonds into equities.
- UK inflation returning to significantly higher levels than in the wider EU and US, causing an increase in the inflation premium inherent to gilt yields.

This page is intentionally left blank

REPORT FOR: CABINET

Date of Meeting:	19 February 2015
Subject:	Capital Programme 2015/16 to 2018/19
Key Decision:	Yes
Responsible Officer:	Simon George, Director of Finance and Assurance
Portfolio Holder:	Councillor Sachin Shah, Portfolio Holder for Finance and Major Contracts
Exempt:	No
Decision subject to Call-in:	No, as the decision is reserved to Council
Wards affected:	All
Enclosures:	Appendix 1 - Proposed Capital Programme 2015/16 to 2018/19

Section 1 – Summary and Recommendations

This report sets out the proposed capital programme for 2015/16 to 2018/19.

Recommendations:

Cabinet is requested to approve the proposed capital programme, as detailed within Appendix 1 for recommendation to Council,

Reason: To enable the Council to have an approved capital programme for 2015/16 to 2018/19.

Section 2 – Report

Development of the Capital Programme

1. This report sets out the Council's proposals for capital investment over the next four years. These provide for a very substantial investment of £239m in infrastructure on General Fund and Housing Revenue Account services.
2. The proposed capital programme has been prepared in the current climate of increased demand pressures, reduced external funding from Central Government as well as current challenging property market conditions.
3. The existing capital programme is a four year rolling programme with first year approved budgets and the subsequent three years provisional budgets subject to confirmation. The proposed programme extends the existing programme by one year, to align it with the four year Medium Term Financial Strategy (MTFS).
4. Service directorates were invited to bid for capital resources, as part of their service proposals for 2015/16 to 2018/19. The starting point for this exercise was a refresh of the existing programme to 2017/18 and the extension of programmes to 2018/19. The proposals were scored using an updated scoring matrix to take account of the council's new priorities and in order to give a higher weighting to projects that generate revenue savings. These were then subject to challenge by officers and members.
5. A draft Capital Programme was reported to Cabinet in December 2014 and was agreed for consultation, together with the Revenue budget and MTFS. .
6. As well as the pressures highlighted in the first paragraph, flexibility in the capital programme is also constrained by a number of factors:
 - Unavoidable spending requirements such as the need to provide school places for the increasing school population, and major repairs to the Council's buildings and carriageway and footway resurfacing.
 - Restrictions in the way funding can be used e.g. ring fenced funding such as Transport for London and DfE grants for schools.
 - The limited availability of capital receipts.
 - A limited capacity to fund borrowing. Although there are no specific limits to borrowing in order to fund capital expenditure, since the introduction of the prudential borrowing framework, Councils must however consider the revenue implications in the context of the overall revenue budget commitments in the medium term. Proposals must be affordable.
7. A list of the proposed projects is detailed in appendix 1.

Changes To The Programme Since December Cabinet

8. The following changes have been made to the programme considered at December Cabinet. These add £8.729m to the Harrow funded programme in 2015/16, £14.004m in total.

Table 1

Amendments To The Capital Programme	2015-16	2016-17	2017-18	2018-19	Total
	£000	£000	£000	£000	£000
Children & Families					
Addition to schools programme financed by contributions from schools and s106 planning developer contributions	1,964	-150	-60	0	1,754
Less External funding	-1,964	150	60	0	-1,754
Net Change to Children's Harrow Funded programme	0	0	0	0	0
Resources					
* Amended indicative ICT budget to reflect potential costs of new ICT contract	7,229	-1,775	525	525	6,504
Regeneration					
Haslam House	1,500	6,000			7,500
Net Addition to Harrow Funded Programme	8,729	4,225	525	525	14,004
HRA - adjustments to programme detailed in HRA report elsewhere on this agenda	397	1,900	0	0	2,297
* The final spend will be dependant on the outcome of contract negotiations.					

9. The gross value of the proposed General Fund programme is £67.2m for 2015/16, with external funding of £31.1m and a net cost to the Council of £36.1m.

Backlog Maintenance

10. The Council has considerable backlog maintenance – the figures from the latest Asset Management Plan are as follows:
- Corporate, Education and Miscellaneous buildings - £5m
 - Highways – £80m

The level of investment contained within this programme does not clear the full backlog. It should be noted that the Council cannot afford to fully address the backlog in the short-term, however, the Council will do at least what is necessary in order to comply with health and safety legislation. The programme does include projects which address some of the backlog. The investment that has taken place in the Civic Centre is freeing up buildings for disposal and hence removing some of the backlog maintenance requirement.

Environment and Enterprise

11. There has been significant reprofiling of projects across the first 3 years, with £1.120m being brought forward to 2015/16 from 2016/17, mainly to fund waste bins. There has been a reduction in the highways programme of £750k from 2016/17 and the net is a reduction of £920k in 2017/18. The programme added for 2018/19 totals £9.095m in respect of rolling programmes.

12. The draft programme allows for substantial highways works, to address some of the backlog, improvement to the ageing street lighting and drainage infrastructure.
13. The programme also provides for investment in Parks improvements and Parks buildings.
14. There is provision for a number of Carbon reduction schemes. Carbon reduction schemes result in savings in energy costs.
15. There is provision for collaboration with the GLA/TfL on a project to enhance the quality and safety of Harrow on the Hill station and bus station including provision of step free access. The Council contribution of £3m is earmarked for 2017/18, and is aimed at (and conditional upon) leveraging in the significant investment required by GLA/TfL to deliver the project over a series of phases.
16. There is provision for Station Road Highway and Environmental improvements. This reflects a bid that has been made to the GLA's High Street fund with a council contribution of £100k with the balance coming from the High Street fund, TfL and s106.

Children's Services

17. The existing programme for Children & Families is budgeted to be funded entirely from grant. The proposed programme, both re-profiles the programme and also adds to the programme to reflect the requirements of the school expansion programme, not all of which is funded from grant. The net increase in Harrow funded expenditure is £6.120m in 2015/16, £11.355m in 2016/17, £8.715m in 2017/18 but with an assumption that grant will exceed expenditure by £2.615m in 2018/19. The total of Harrow funded expenditure over the four years is £23.575m.
18. The existing programme has been re-profiled to reflect the anticipated spend profile as a result of all of the Agreed Maximum Price schedules for the School Expansion Programme Phase 2 schemes being finalised in December 2014.
19. In addition it is proposed to increase the existing capital programme by £1.754m to reflect contributions from schools of £1.385m and s106 funds totalling £369k for which the cost of the works in relation to these is included in the overall programme. This is a net nil cost to Harrow.

Community, Health and Wellbeing

20. The net proposed programme changes are -£793k in 2015/16, -£843k in 2016/17 and £798k in 2017/18. £1.670m has been added in 2018/19 in respect of rolling programmes.
21. The programme provides for a targeted programme of improvements to the Council's leisure and library facilities. There will be ongoing contractual commitments around the replacement of Lifecycle gym equipment which will need to be included in future planning years.
22. The Government's reforms of Health and Social Care require significant investment in IT systems to support them. Provision for this has been included, with an assumption that 50% of the costs will be supported by grant. There is a further scheme not included in the draft programme

which is still under consideration. Should the grant funding not be allocated as anticipated, the schemes will be funded within overall available resources.

23. Provision has been made for Disabled Facility Grants (received via the Better Care Fund) to provide adaptations for vulnerable residents.
24. Provision of £1m has been made in 2017/18 for a refit of the Central Library and for Library refurbishments.

Resources

25. The Council outsourced the provision of IT services to Capita in November 2010. This contracts ends in October 2015 and the procurement of a new partner is currently being undertaken.
26. The proposed Resources programme has been updated to include potential additional indicative capital costs of £6.8m in 2015/16 arising from the ending of the Capita contract and transfer to the new service provider. The new provider has not yet been selected and the appointment will be the subject of a separate report to cabinet, in which the final revenue and capital costs will be set out.
27. The programme provides for further enhancement of existing systems.

Regeneration

28. A series of projects will be designed within the overarching Regeneration programme to deliver the Council's priorities. The Cabinet report in December 2014 presented the draft Regeneration Strategy and approval was obtained to progress a number of core components of the Strategy. External consultancy support will be required to take forward the programme and is estimated at £250K per year. One of the core components is to develop several of council's own sites for housing to provide both affordable housing and private rented sector (PRS) housing. A wide range of sites in Council ownership are being evaluated. Haslam House site has been identified as a pilot scheme for the PRS project with the potential of providing 25-40 housing units depending on the option chosen. The work undertaken so far has allowed more robust costing including construction and professional fees of £7.5M to be built in to the 2015/16 capital programme.

Capital Receipts

29. Historically the timing and value of capital receipts has proved difficult to forecast, and have tended to be later than anticipated. The draft capital programme does not assume any capital receipts in future years. To the extent that capital receipts are actually received, this will enable a reduction in capital financing costs, commencing in the year following their receipt. However the council is planning to move away from disposals towards developing its own assets and delivering a sustainable revenue stream.

Housing Revenue Account (HRA)

30. The HRA Capital Programme is detailed in a separate report to Cabinet elsewhere on this agenda.

Capital Funding

31. The capital programme is funded from a number of sources. These include:

- External Funding of the order of £31m in 2015/16, £75m across the four year programme period, primarily from the DfE and Transport for London;
- Borrowing;
- Capital receipts;
- s106 planning agreements in relation to specific schemes;
- Direct Revenue Financing (Housing Revenue Account).

It is anticipated that the General Fund programme will be financed as follows:

Table 2: New borrowing requirement

General Fund Programme				
	2015-16	2016-17	2017-18	2018-19
	£m	£m	£m	£m
Planned spending	67.255	51.677	38.637	21.807
External funding	-31.107	-19.307	-12.907	-11.407
Net Prudential Borrowing	36.148	32.370	25.730	10.400

32. The revenue implications of this new borrowing, in the context of the Council's treasury management activity, are set out in the table below. The revenue implications are factored into the revenue budget report for 2014/15 to 2018/19 being considered by Cabinet elsewhere on this agenda. The table below shows for each year what the full year's effect of that year's capital programme and capital receipts are. The table only includes the revenue effects of the programme that is proposed and excludes the revenue implications of previous years' capital programmes. It also excludes the impact of other changes to funding the existing programme e.g. interest rate changes.

Table 3: Capital Financing Implications of Capital Programme

	2015-16	2016-17	2017-18	2018-19	2019-20
	£000	£000	£000	£000	£000
MRP		2,207	4,554	6,131	7,357
Interest	581	1,178	1,131	744	209
Total	581	3,385	5,685	6,875	7,566

33. The table above reflects the cost in each year of financing 2015/16 to 2018/19 programme. There is no MRP impact in 2015/16 as MRP in relation to expenditure in 2015/16 does not commence until 2016/17. The Council as at 20 January 2015 had cash balances of £142m and as such it is very likely that for 2015/16 any borrowing would be made internally (That is to say from Council cash balances rather than taking on an additional external loan).

34. There is no new planned borrowing in respect of the HRA programme. This is because under HRA Reform, the HRA is allowed to keep all of its net income rather than transferring some to the Government. This income will allow the HRA to maintain its capital programme without the need for further borrowing. In addition, the HRA will be at its “borrowing cap” so cannot borrow any more. These issues are more fully explained in the HRA budget report elsewhere on the agenda.
35. It should be noted that the capital financing costs are based on a number of assumptions about the level of capital expenditure, level of capital receipts, timing of any borrowing, interest rates, and use of the minimum revenue provision. The revenue budget reflects the best estimate based on these assumptions.

Harrow's Community Infrastructure Levy (CIL)

36. Harrow's CIL came into effect on 1st October 2013 and enables the Council to levy a charge on certain types of new development to help fund improvements to local infrastructure such as schools, transport, green spaces, health and leisure facilities. To date Harrow has receipts in respect of CIL total £128k. Harrow's CIL is an additional levy on top of the London Mayor's existing Crossrail CIL. The Harrow CIL is underpinned by the Infrastructure Delivery Plan (IDP) which sets out the infrastructure required to enable investment and planned growth in the Borough. Against an infrastructure bill, estimated to be at least £150m, CIL is expected to account for circa £20-30m by 2026, depending upon the level development permitted and the ability of the development industry to bring new proposals forward. It is likely that a significant proportion of the CIL contributions may be made in kind – for example through the provision of new social & community facilities within new developments. In this context, CIL is additional top-up funding, but is not the primary source of funding for infrastructure and, even with CIL funding, there will still remain a funding gap that requires choices and priorities to be made.
37. To date, no firm arrangements have been made regarding the governance for spending CIL receipts. Based upon experience with tariffs previously, officers consider that the most transparent and appropriate means of managing infrastructure delivery in future, is through a single but expanded and dynamic IDP process that addresses the following requirements:
 - Long (10 year+) and short term (1-3 year) strategic infrastructure delivery programmes
 - A clear and transparent approval process for all infrastructure projects
 - Consultation with the community on infrastructure delivery (including the obligation to pass CIL to the local communities impacted by development)

- Engagement with the development industry about priorities and capacity, including their potential role in assisting delivery
- Effective monitoring of progress against the infrastructure plans and the effective implementation of the spatial vision for the borough set out in the adopted Local Plan

Harrow's Infrastructure Delivery Plan (IDP)

38. The IDP identifies the types and quantum of social, physical and environmental infrastructure required to support development and growth within the Borough to 2026, and sets this out in a detailed delivery plan. In particular it:
- Provides a benchmark of existing infrastructure provision, identifying how well existing needs are met;
 - Identifies what new infrastructure is being planned as well as future infrastructure requirements to support existing population change as well as the new housing and employment growth planned for through the Council's Spatial Strategy;
 - Provides an indication of the potential costs and means of funding the required infrastructure through public funding, developer contribution and other sources;
 - Establishes responsibilities for delivery of individual projects, when and where infrastructure will be provided, and provides a basis for collaborative and effective working between stakeholders.
39. The effectiveness of the IDP is in capturing Harrow's future infrastructure improvements and requirements in one place. As such, the IDP represents the beginning of a long-term (10 year) capital works programme for the Council, providing an overarching framework for the consideration of a coordinated programme of delivery across all service areas and rational basis for the evaluation and prioritisation of individual project bids for capital investment.
40. The proposed capital programme for 2015/16 to 2018/19 will deliver a number of the infrastructure improvements identified in the IDP. Going forward, closer alignment of the capital programme to the delivery against the IDP will significantly aid in Council's communication of a clear and coherent picture around its strategic investment choices and decisions.
41. However, it is not intended that the IDP be a static document, rather it will be subject to periodic review and updated as necessary to take account of improvements already delivered, new population projections, changes in demands for different infrastructure provision, development completions and changes in service delivery and/or service funding. Such information will routinely be feed-in from the various service areas, enabling the IDP to provide a 'top-down' approach to Council's strategic decision-making about its future investment in capital improvements alongside other funding initiatives and property disposals.

Governance Structure For Delivery Of The Programme

42. The processes and procedures implemented surrounding the governance of the capital programme have continued to be developed. All capital projects are now included in VERTO, the Council's project management system.
43. Governance of the Capital Programme in 2015/16 will continue to include monthly monitoring and review, the Capital Forum process and reporting to Cabinet at the end of each quarter.

Options considered

44. These are as detailed in paragraph 6.

Legal Implications

45. Included in the body of the report.

Financial Implications

46. Financial matters are integral to the report.

Performance Issues

47. The capital programme proposed represents a significant investment by the Council in infrastructure. This will have an impact on a range of performance indicators across the Council's services.
48. Monitoring of the approved programme, including Capital Forum, is ongoing and is essential for good financial management. As well as performing project assessments on completed projects it will be important to develop and track performance measures to ensure that the Council can evidence and demonstrate good value for money (VFM).
49. Target for spend. It is proposed that a performance target is set of 90% of the approved budget for the programme being spent in 2015/16. Having approved an investment programme it is important that the programme is then substantially delivered in the planned timeframe, in line with member priorities.

Environmental Impact

50. The Council adopted the climate change strategy in September 2009 and set an annual target to reduce corporate and borough carbon emissions by 4% a year.
51. Capital expenditure of this scale will have an environmental impact on the Council's operations (and the wider borough). The investment carries the risk of increasing carbon emissions. Hence each proposed project is required to consider their respective carbon impacts and include measures to ensure that the above target is supported.

52. Some of the projects will specifically support the strategy in terms of mitigation and adaptation.

Risk Management Implications

53. The individual schemes within the programme will either be incorporated within departmental registers or have individual registers. A significant consideration in developing the programme has been the risks arising from not keeping our infrastructure in good order. Not doing so would lead to an increase in health and safety risks and additional costs in replacing assets when they deteriorate too much to repair.

Equalities implications/Public Sector Equality Duty

54. One of the aims of the Capital Strategy is to ensure the responsible allocation of funding in line with the Council's priorities and legislative requirements such as equalities legislation. Equalities implications form part of the way that the projects are prioritised. All of the schemes benefit either all protected characteristic groups through improving general service provision, or particular groups such as those connected by their age in relation to the school expansion schemes and age and disability in relation to carer and residential establishment investments. Where individual scheme design could have a less than positive impact on certain protected characteristic groups, a full EqIA will be undertaken.

55. Decision makers should have due regard to the public sector equality duty in making their decisions. 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 material in the press and letters from residents. 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.*

The relevant protected characteristics are:

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

Council Priorities

The Council's vision is:

Working Together to Make a Difference for Harrow

56. This report deals with the use of financial resources which is key to delivering the Council's new priorities:

- Making a difference for the vulnerable
- Making a difference for communities
- Making a difference for local businesses
- Making a difference for families

Section 3 - Statutory Officer Clearance

Name: Dawn Calvert	<input checked="" type="checkbox"/>	on behalf of Chief Financial Officer
Date: 5 February 2015		
Name: Linda Cohen	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 10 February 2015		
Ward Councillors notified:	NO, as it impacts on all Wards	
EqIA carried out:	NO	
EqIA cleared by:	No direct equalities impact from this report. Any projects with potential impacts will separately be required to do an impact assessment.	

Section 6 - Contact Details and Background Papers

Contact: Dawn Calvert, Head of Strategic Finance and Business
Email: dawn.calvert@harrow.gov.uk

Background Papers: None

Call-In Waived by the Chairman of Overview and Scrutiny Committee	NOT APPLICABLE <i>[Call-in applies]</i>
--	---

Capital Programme

Outline Capital Bids 2015/16 to 2018/19

Project Title	Description	2015/16			2016/17			2017/18			2018/19			TOTAL		
		Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Bid Value	Grant Funding	Net Bid Value
Children & Families - New																
Primary Expansion Phase 3 - additional 3 schools	The original capital programme included 3 expansions in Phase 3. Latest projections indicate the need for an additional 3 expansions in Phase 3. This phase will cover September 2015 and September 2016. These are likely to be expensive solutions as we have already expanded the schools with simpler solutions. Without scoping based on specific schools, an estimate of £2.5m is being allowed for each of 3 expansions.	5,280		5,280	2,805		2,805	165		165			0	8,250	0	8,250
Primary Expansion Phase 4 - 4 schools	Latest projections indicate the need for a Phase 4 primary expansion programme, requiring 4 additional forms of entry. This phase will cover September 2017 and September 2018. These are likely to be expensive solutions as we have already expanded the schools with simpler solutions. Without scoping based on specific schools, an estimate of £2.5m is being allowed for each of 3 expansions.	420		420	4,200		4,200	4,200		4,200	1,680		1,680	10,500	0	10,500
Secondary Expansion	The growth in demand for primary places will progress to secondary schools and it is projected that there will be a shortfall of Year 7 places from 2018. Additional capacity has been secured through the expansion of two schools, Bentley Wood and Whitefriars and the permanent location of Avanti House will contribute to an overall increase in places. In addition, a further 6 forms of entry has been secured through the successful free school bid opening on the Heathfield School site. However, there will still be a shortfall of places from September 2020 rising to approx. 13 forms of entry in September 2023.			0			0			0	525		525	525	0	525

Outline Capital Bids 2015/16 to 2018/19

Project Title	Description	2015/16			2016/17			2017/18			2018/19			TOTAL		
		Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Bid Value	Grant Funding	Net Bid Value
SEN Expansion	There is pressure for special educational needs (SEN) provision places, which will be alleviated in the medium term as additional places will become available from 2015 following successful TBNP applications in accordance with Harrow's Special Schools and SEN Placement Planning Framework. However, in light of the projections and in light of the Government's Special Educational Needs and Disability reform agenda, consideration needs to be given to the next phase of expansion. A time limited task and finish group has been established, which will drive forward work on producing a refresh of the Harrow SEN strategy.	420		420	4,200		4,200	4,200		4,200	1,680		1,680	10,500	0	10,500
Capital Maintenance	Five years ago a comprehensive survey of all schools a significant maintenance backlog on our school premises. Since then, the majority of our High Schools and a small number of primary schools have transferred to academy status, and recently the condition of some of our primary schools has led to them being accepted on a national programme for school rebuilds. However, a backlog remains in our remaining primary and high schools which needs to be addressed as well as trying to develop an ongoing proactive maintenance			0			0			0	1,350		1,350	1,350	0	1,350
Bulge Classes	The pupil numbers in Harrow have risen rapidly in recent year, particularly at primary intake level. This has given rise to the School Expansion Programme which is covered in other bids. However, until permanently expanded schools are available, the short term measure has been to provide 'bulge classes' in multiple schools across the borough. These are where an additional form of entry are placed in a particular year which then passes through the school without being followed by additional classes.			0	150		150	150		150	150		150	450	0	450
Capital Maintenance funding estimate 2018-19	Estimated allocation for Capital Maintenance to contribute to schools capital programme for 2018-19			0			0			0		2,000	-2,000	0	2,000	-2,000
Basic Need funding estimate 2018-19	Estimated allocation for Basic Need to contribute to schools capital programme for 2018-19			0			0			0		6,000	-6,000	0	6,000	-6,000

Outline Capital Bids 2015/16 to 2018/19

Project Title	Description	2015/16			2016/17			2017/18			2018/19			TOTAL		
		Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Bid Value	Grant Funding	Net Bid Value
Devolved Formula capital	Devolved Formula capital is an allocation of funding on a formulaic basis based on school census data collected in January each year. Local authorities are required to pass on the funding to each of its maintained schools. Voluntary Aided schools receive their allocation directly from the EFA. Local authorities have no control over this funding	361	361											361	361	0
Sub Total New Programme		6,481	361	6,120	11,355	0	11,355	8,715	0	8,715	5,385	8,000	-2,615	31,936	8,361	23,575
Existing programme rephased																
School Expansion Phase 2 Programme 2014-16	This project is the second phase of the School Expansion Programme and will involve the permanent expansion of 12 primary schools and the associated capital works. Two of the project will be delivered through the Priority Schools Building Programme and will have little or no budget. The remaining 10 are delivered using Basic Need and Targeted Basic Need funding from the EFA. There is a deadline for the delivery of the TBNP-funded schools of September 2015.	8,611	8,611	0			0			0			0	8,611	8,611	0
School Expansion Phase 3 Programme 2014/16	The latest round of projections are showing yet another increase in the final expected sustainable peak in primary numbers. There will be further analysis before Phase 3 is taken forward, but based on current projection it would lead to a further 3 expansions being required. These are likely to be expensive solutions as we have already expanded the schools with simpler solutions. Without scoping based on specific schools, an estimate of £2.5m is being allowed for each of 3 expansions.	4,500	4,500	0	2,550	2,550	0	150	150	0			0	7,200	7,200	0
SEN Expansion Programme	Three special schools are being expanded and three mainstream schools will open additional places for pupils with special educational needs. These will be delivered by September 2015 in accordance with TBNP timescales	4,338	4,338	0			0			0			0	4,338	4,338	0
Secondary School Expansion Programme	The existing secondary expansion programme is being delivered by the successful TBNP bids to expand Bentley Wood School and extend the age range at Whitefriars Community School to fund a new secondary school. These will be delivered by September 2015 in accordance with TBNP timescales	6,582	6,582	0			0			0			0	6,582	6,582	0

Outline Capital Bids 2015/16 to 2018/19

Project Title	Description	2015/16			2016/17			2017/18			2018/19			TOTAL		
		Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Bid Value	Grant Funding	Net Bid Value
Children's Capital Maintenance Programme 2014-18	Five years ago a comprehensive survey of all schools revealed an £85m maintenance backlog on our school premises. Since then, the majority of our High Schools have transferred to academy status, and recently the condition of some of our primary schools has led to them being accepted on a national programme for school rebuilds. However, a backlog remains in our remaining primary and high schools which needs to be addressed as well as trying to develop an ongoing proactive maintenance	906	906	0	1,350	1,350	0	1,350	1,350	0			0	3,606	3,606	0
Bulge Classes 2014-18	The pupil numbers in Harrow have risen rapidly in recent year, particularly at primary intake level. This has given rise to the School Expansion Programme which is covered in other bids. However, until permanently expanded schools are available, the short term measure has been to provide 'bulge classes' in multiple schools across the borough. These are where an additional form of entry are placed in a particular year which then passes through the school without being followed by additional classes.	0	0	0	0	0	0			0			0	0	0	
School expansion programme contingency	5% contingency added to Phase 2, SEN expansion and existing secondary expansion programmes	204	204		0	0	0	0	0	0			0	204	204	0
Sub Total		25,141	25,141	0	3,900	3,900	0	1,500	1,500	0	0	0	0	30,541	30,541	0
Total Children & Families		31,622	25,502	6,120	15,255	3,900	11,355	10,215	1,500	8,715	5,385	8,000	-2,615	62,477	38,902	23,575
Community, Health & Wellbeing																
Housing GF																
Better Care Fund - Disabled Facilities Grant	Grants to fund adaptations to private properties to help enable residents to remain in their existing homes	1,500	650	850	1,500	650	850	1,500	650	850	1,500	650	850	6,000	2,600	3,400
Improvement Grant	Grants to private landlords to improve the condition of their properties, generally in exchange for a lease agreement	70	0	70	70	0	70	70	0	70	70	0	70	280	0	280
Empty Property Grants	Grants to help bring empty properties back into use, generally in exchange for nomination rights for a period of time	250		250	250		250	250		250	250	0	250	1,000	0	1,000
Sub Total		1,820	650	1,170	1,820	650	1,170	1,820	650	1,170	1,820	650	1,170	7,280	2,600	4,680
Community & Culture																

Outline Capital Bids 2015/16 to 2018/19

Project Title	Description	2015/16			2016/17			2017/18			2018/19			TOTAL		
		Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Bid Value	Grant Funding	Net Bid Value
Leisure & Libraries Capital Infrastructure 14-18	Capital to be invested in a targeted programme to improve the infrastructure of the Council's leisure and library facilities. There is a high risk, particularly with Harrow Leisure Centre, that failure to maintain the infrastructure will inevitably lead to a building closure if a major fault occurs and be a risk to leisure income. The libraries' self service kiosks will also need to be refreshed by 2016-17.	300	0	300	300	0	300	150	0	150	150	0	150	900	0	900
Central Library Refit & Library Refurbishments	Investment in library estate to be detailed and agreed in the planned library services strategy in April 2015.	0	0	0	0	0	0	1,000	0	1,000	0	0	0	1,000	0	1,000
Sub Total		300	0	300	300	0	300	1,150	0	1,150	150	0	150	1,900	0	1,900
Adults																
Integrated Health Model	Develop a connection to the Health N3 Secure Network Integrating IT systems (MOSAIC and Jade) to develop an integrated care record across health and social care Development of buildings (existing or new) to allow the set up of shared treatment facilities for health and social care IT infrastructure to support a move to 24/7 availability of care	500	250	250	500	250	250	500	250	250	500	250	250	2,000	1,000	1,000
Carers Service Charges	The investment will include the development of a Resource Allocation System for Informal Carers and new Information & Advice on-line systems. An On-line self assessment system will also be required to manage the scale of demand likely to approach the Council.	100	50	50	100	50	50	0	0	0	0	0	0	200	100	100
Reform of Social Care Funding	The Capital funding will be used to support the implementation of the Dilnot Commission and build new information system(s) to support the requirements including self-assessment tools to mitigate the large increase in demand for assessment and financial modelling.	575	191	384	475	191	284	0	0	0	0	0	0	1,050	382	668
Adult Projects funded from Community Capacity Grant	A range of projects to be identified to develop community capacity with a view to reducing revenue costs on an ongoing basis	49	49	0	49	49	0	290	290	0	290	290	0	678	678	0
In-house Residential Establishments	Investment to maintain the infrastructure of the Council's internal residential and day care facilities.	100	0	100	100	0	100	100	0	100	100	0	100	400	0	400
Sub Total		1,324	540	784	1,224	540	684	890	540	350	890	540	350	4,328	2,160	2,168
Total Community, Health & Wellbeing General Fund		3,444	1,190	2,254	3,344	1,190	2,154	3,860	1,190	2,670	2,860	1,190	1,670	13,508	4,760	8,748
Resources Directorate																

Outline Capital Bids 2015/16 to 2018/19

Project Title	Description	2015/16			2016/17			2017/18			2018/19			TOTAL		
		Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Bid Value	Grant Funding	Net Bid Value
Capital cost of transition and transformation of ICT service	This represents an indicative value of the likely capital cost of transition and transformation of IT Services to the new supplier, based on the previous transformation programme undertaken by the current supplier.	6,800		6,800			0			0			0	6,800		6,800
Purchase of existing IT assets	This is the purchase of assets from existing supplier for new supplier to run ICT Services. This is based upon the written down value of existing assets	500		500			0			0			0	500		500
Ongoing refresh & enhancement of ICT	Replacement, upgrades and enhancements to applications, infrastructure and end user devices, not included within the agreed supplier service charges or transformation programme	2,000		2,000	2,000		2,000	2,000		2,000	2,000		2,000	8,000		8,000
Other potential costs of implementation of new ICT contract	This is to cover potential costs associated with successful implementation for example: Council side costs including costs of employing Capita to complete works required	1,000		1,000			0			0			0	1,000		1,000
<i>Total required for new ICT Contract</i>		<i>10,300</i>	<i>0</i>	<i>10,300</i>	<i>2,000</i>	<i>0</i>	<i>2,000</i>	<i>2,000</i>	<i>0</i>	<i>2,000</i>	<i>2,000</i>	<i>0</i>	<i>2,000</i>	<i>16,300</i>	<i>0</i>	<i>16,300</i>
IT Mobile & Flex	Council side costs for ongoing deployment and potential third party costs for further development	320		320			0			0			0	320		320
IT BTP Refresh	Refresh of hardware for past BTP projects as included in original project cost models. Ongoing benefits realised through original implementation are dependent upon systems continuing to function.			0	300		300			0			0	300		300
<i>Sub Total ICT</i>		<i>10,620</i>	<i>0</i>	<i>10,620</i>	<i>2,300</i>	<i>0</i>	<i>2,300</i>	<i>2,000</i>	<i>0</i>	<i>2,000</i>	<i>2,000</i>	<i>0</i>	<i>2,000</i>	<i>16,920</i>	<i>0</i>	<i>16,920</i>
West London Waste Infrastructure Loan	Loan to part finance a new energy from waste facility.	3,883		3,883	915		915						0	4,798		4,798
Total Resources		14,503	0	14,503	3,215	0	3,215	2,000	0	2,000	2,000	0	2,000	21,718	0	21,718
Environment & Enterprise																
Flood Defence	Renewal of ageing drainage infrastructure to reduce the risk of flooding impact on residents, properties and business continuity.	300		300	300		300	300		300	300		300	1,200	0	1,200
Waste & Recycling	Replacement of aged, damaged and/or lost wheeled bins, as well as bins provision for new residential developments within the borough.	1,190		1,190	200		200	200		200	200		200	1,790	0	1,790
Highways Programme	Renewal and replacement of highways and footways.	5,500		5,500	4,850		4,850	4,800		4,800	4,800		4,800	19,950	0	19,950
Highways Drainage	Improvements to critical drainage areas identified in Surface Water Management Plan as required by The Flood & Water Management Act 2010.	225		225	200		200	200		200	200		200	825	0	825
Local Impementation Plan (TfL) including CPZs	Implementation of the Mayor of London's Transport Strategy as well as Harrow's Transport Local Implementation Plan & parking management programmes.	2,374	2,074	300	2,374	2,074	300	2,374	2,074	300	2,374	2,074	300	9,496	8,296	1,200

Outline Capital Bids 2015/16 to 2018/19

Project Title	Description	2015/16			2016/17			2017/18			2018/19			TOTAL		
		Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Bid Value	Grant Funding	Net Bid Value
Parks Buildings	Improvements to parks buildings which are most in need of repair, and key strategic buildings to be made fit for purpose.	200		200	200		200	200		200	200		200	800	0	800
Parks Improvements	Improvements to parks to provide safe access and use of facilities for all.	500		500	475		475	475		475	475		475	1,925	0	1,925
Street Trees	Replacement of trees stock which poses a risk in terms of safety and potential damage to properties, and new trees planting to support Climate Change strategy.	75		75	75		75	75		75	75		75	300	0	300
Street Lighting	Replacement of aged and dangerous lighting columns as well as investment in new lighting to support Climate Change strategy.	1,500		1,500	1,500		1,500	1,500		1,500	1,500		1,500	6,000	0	6,000
Corporate Accommodation	Improvements to civic buildings to provide a safe and secure environment in which to operate its business.	246		246	231		231	155		155	155		155	787	0	787
High Priority Planned Maintenance	Improvements to corporate properties (excluding schools) to ensure that they are in a safe condition for occupants.	420		420	450		450	275		275	275		275	1,420	0	1,420
Carbon Reduction (Corporate sites)	Provision of retro-fit energy efficiency measures in corporate buildings.	300		300	300		300	300		300	300		300	1,200	0	1,200
Replacement of Parks Litter Bins	Replacement of aged and damaged waste bins in parks with bins of appropriate size in the right locations.	65		65	65		65	65		65	65		65	260	0	260
Green Grid Programme	Improvements to Harrow's green infrastructure to provide a network of interlinked and multifunctional open spaces.	343	143	200	343	143	200	343	143	200	343	143	200	1,372	572	800
Harrow on the Hill Station	Improvements to the station and surrounding area to create step free access	2,000	2,000	0	12,000	12,000	0	11,000	8,000	3,000			0	25,000	22,000	3,000
Station Road Highway and Environmental Improvements	Improvement scheme totalling £408k for which a bid has been made to the GLA High Streets fund of £190k. £8k is s106 funding and £110k has been agreed froms part of the TFL LIPprogramme shown as part of that programme	298	198	100										298	198	100
5 Digital Audio Tape (DAT) machines	Purchase of noise nuisance recording systems to support noise investigations.	50		50			0			0			0	50	0	50
Green Gyms	Installation of outdoor gym equipment within parks to promote health and well being.	150		150	50		50	50		50	50		50	300	0	300
Harrow Card	Introduction of a discount card to support local businesses and to increase local employment opportunities.	200		200			0			0			0	200	0	200
Total Environment & Enterprise		15,936	4,415	11,521	23,613	14,217	9,396	22,312	10,217	12,095	11,312	2,217	9,095	73,173	31,066	42,107
Regeneration																
Regeneration Programme	Regeneration Development expenditure, working towards delivery of 25 year strategy with specific Capital investment proposals to follow consultation launched in early 2015.	250	0	250	250	0	250	250	0	250	250	0	250	1,000	0	1,000

Outline Capital Bids 2015/16 to 2018/19

Project Title	Description	2015/16			2016/17			2017/18			2018/19			TOTAL		
		Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Bid Value	Grant Funding	Net Bid Value
Haslam House redevelopment	This is a pilot project for the Council's private rented sector housing programme and will deliver between 25 and 40 units depending on the option chosen.	1,500		1,500	6,000		6,000							7,500		7,500
Total Regeneration		1,750	0	1,750	6,250	0	6,250	250	0	250	250	0	250	8,500	0	8,500
Total General Fund		67,255	31,107	36,148	51,677	19,307	32,370	38,637	12,907	25,730	21,807	11,407	10,400	179,376	74,728	104,648
HRA capital programme	Continued investment in the Council's existing housing stock, as well as the commencement of a programme of new build housing	21,656	923	20,733	13,137	110	13,027	15,315	2,356	12,959	9,139	0	9,139	59,247	3,389	55,858
Total Programme		88,911	32,030	56,881	64,814	19,417	45,397	53,952	15,263	38,689	30,946	11,407	19,539	238,623	78,117	160,506

REPORT FOR: CABINET

Date of Meeting:	19 February 2015
Subject:	Housing Revenue Account Budget 2015-16 and Medium Term Financial Strategy 2016-17 to 2018-19
Key Decision:	Yes
Responsible Officer:	Simon George, Director of Finance and Assurance Paul Najsarek, Corporate Director of Community, Health and Wellbeing
Portfolio Holder:	Councillor Glen Hearnden, Portfolio Holder for Housing Councillor Sachin Shah, Portfolio Holder for Finance and Major Contracts
Exempt:	No
Decision subject to Call-in:	Yes, except for the Recommendations to Council
Wards affected:	All
Enclosures:	Appendix 1 – HRA Budget 2015-16 Appendix 2 – Average Rents & Service Charges (Tenants) Appendix 3 – Garage & Parking Space Charges Appendix 4 – Facility Charges Appendix 5 – Water charges Appendix 6 – Community Centre Charges Appendix 7 – Capital Programme Appendix 8 – HRA Growth Fund Bid

Section 1 – Summary and Recommendations

This report sets out the Housing Revenue Account (“HRA”) Budget for 2015-16 and Medium Term Financial Strategy (“MTFS”) for 2016-17 to 2018-19.

Recommendations:

- 1) That Cabinet approves:
 - a. the Medium Term Financial Strategy for the HRA as attached in Appendix 1;
 - b. the proposed increase of 2.2% to housing rent charges for 2015-16, resulting in an average rent of £114.97 per week for 2015-16;
 - c. a service charge increase of 2.2% (an average of £0.06) resulting in an average tenant service charge of £2.91 per week;
 - d. that garage and car parking rents be frozen for a further year pending development of a usage and differential charging policy (Appendix 3);
 - e. an increase in energy [heating] charges of 5% from 1 April 2014 as detailed in Appendix 4;
 - f. an increase in annual water charges of 4% as detailed in Appendix 5;
 - g. increases in Community Centre charges of 4% as set out in Appendix 6;
 - h. The four year capital programme set out in Appendix 7
- 2) That Cabinet recommends Council approve:
 - a. The HRA Budget for 2015-16;
 - b. The HRA capital programme (as detailed in appendix 7)

Reason: (For recommendation)

To publish the final HRA budget and set Council rents and other charges for 2015-16

Section 2 – Report

Introductory paragraph

The Council has a statutory obligation to agree and publish the HRA budget for 2015-16. This report sets out the budget proposals along with the MTFS to 2018-19, which sets out the indicative income and expenditure for the HRA for this period and shows how the income collected will be spent in the management and maintenance of the Council's stock and in meeting its landlord obligations. The MTFS indicates a sustainable position in the medium term, consistent with the updated 30 year HRA business plan approved by Cabinet in July 2014.

Options considered

Alternative rent options were considered during the preparation of this report and were consulted on at a meeting of the Tenants, Leaseholders and Residents' Consultative Forum on 7th October 2014. The view expressed was not to change from the current rent-setting policy.

Background

1. Cabinet received a report in July 2014 that set out the updated 30-year business plan for the HRA. This report updated the HRA element of the Housing business plan approved in June 2013, and set out a 30-year forecast of the income and expenditure anticipated to occur within the HRA, based on an agreed set of assumptions.
2. The starting point for the updated business plan was the HRA budget and MTFS approved by Cabinet in February 2014, and the first four years of the plan mirrored the MTFS. Thereafter, a set of fairly prudent assumptions were used to project income and expenditure for the remainder of the 30-year period. The cash flows resulting from the projections indicated that the HRA remained in a very sound position and was forecast to generate significant balances over the life of the business plan.
3. Further work has been undertaken regarding the options available to the Council to deliver new affordable housing, and to deliver estate regeneration within the HRA. This has resulted in approval being granted to commence work on developing a comprehensive set of proposals to regenerate the Grange Farm estate, as well as further proposals for a modest Purchase and Repair programme and phase 2 of the HRA development programme being developed. Phase 1 of the HRA development programme is anticipated to be on site towards the end of 2014-15.
4. The business plan is intended to form a framework within which future budgets are set, and the budget and MTFS information

contained within this report are largely in line with the forecasts contained within the business plan approved in July. Some minor variations have resulted from changes in inflation used to calculate rent increases, changes to the assumed levels of Right-to-Buy sales, and from pressures within some of the budgets. This is to be expected, as the business plan should be a guide to future budgets, and must retain the ability to flex to meet changing requirements.

5. A further change that has impacted on the HRA is the changes to national rent-setting policy proposed last year and subsequently confirmed in 2014. These changes mean that the rent convergence process that has been going on since 2001 has now ceased following the 2014-15 increase, and that the basis for rent increases from 2015-16 onwards is now the Consumer Prices Index (CPI) plus 1% each year, rather than the Retail Prices Index (RPI) plus 0.5% plus £2 each year until convergence was reached. As previously the inflation figure is as at September of the previous year.

The inflation figures we had used in constructing the MTF5 and Business Plan had already assumed that the government would seek to implement some form of reduction in the long-term inflation uplift, and so the HRA was not badly affected by this change, and remains in a sound position. For the purposes of this budget, we are assuming increases based on CPI + 1%, but have considered and modelled several alternative rent scenarios based on varying rates of CPI, as well as whether rent policy is likely to change further following the end of the government's 10-year "guarantee" period.

6. The HRA budget and MTF5 detailed in Appendix 1, is based on these principles, and is consistent with the approved 30 year business plan for the HRA approved by Cabinet in July 2014. The HRA budget proposed reflects the costs of delivering services at current levels and takes account of areas of identified pressures and savings.
7. The key assumptions that continue to underpin the financial strategy are set out in the following sections.

Consultation

8. Under s.105 of the Housing Act 1985, the Council is required to maintain arrangements as it considers appropriate to enable secure tenants to be informed and consulted about housing management matters which substantially affect them. However, rent and other charges for facilities are specifically excluded from the definition of housing management; therefore there is no statutory requirement to consult secure tenants on proposed rent changes. The Council has however, always consulted through the Tenants' Leaseholders' and Residents' Consultative Forum (TLRCF).

9. The TLRCF has the remit to consider and submit observations to Cabinet on the annual HRA budget and in particular on the consequent rent implications. At the TLRCF meeting held on 7th October 2014, a report was presented outlining several rent options that the Council could potentially adopt for 2015-16, and seeking guidance from the meeting as to whether there was any wish to consider an option other than compliance with national policy (the Council's existing strategy). There was no evidence at the meeting of any desire to change the current policy, so this has been assumed to continue for the purposes of this report.

Balances

10. HRA Balances are currently forecast to be £4.4m at the end of March 2015. The budget estimates that balances in the region of £5.0m will remain at the end of March 2016. Increased depreciation charges in the last two years have already had the effect of moving resources out of the revenue account and into the Major Repair Reserve for capital funding purposes, meaning less contributions from revenue are now required.
11. Over the period of the MTFs, balances are estimated to increase to around £7.5m, or around 21% of gross annual income. Decisions regarding future levels of balances need to be taken in conjunction with considerations around future levels of capital investment, availability of Right-to-Buy receipts for use in the HRA, the Council's plans for new affordable housing as these become more developed, and the potential impact of welfare reform as the proposals are phased in. It is felt that a prudent minimum level of balances would be in the region of 4.5-6% of gross income, approximately £1.5 - £2.0m in today's prices, though this will depend on the level of risk at any given point and will need to be reviewed periodically.

Income

Dwelling rents

12. As indicated above, TLRCF considered several options for setting rents in 2015-16 at its meeting in October 2014, but there was no suggestion that there should be any change from current rent policy for setting rents, i.e. in line with the national social rent policy increase of CPI + 1%. We have therefore assumed that this approach would be followed. The CPI figure to be used for rent setting is the September figure, which was 1.2%. This then results in an average rent increase of 2.2% in 2015-16, meaning an average rent of £114.97 per week (the 2014-15 current average is £112.45). Average rents and service charges under the existing strategy are detailed in Appendix 2.

Alternative Rent Options

13. The HRA business plan approved by Cabinet on 19th July 2014 was formulated on the basis of prudent long term inflation figures for both income and expenditure, with rents being forecast to increase by CPI + 1% throughout. Our working assumption was that the long term CPI figure would be 1.5%, which is below the government's long term assumption of 2.0%.
14. For the purposes of the four-year MTFS projections, the proposal is to continue with this assumption for rent increases. Over the longer term, however, it is appropriate to consider both alternative long-term CPI figures and also whether the government may decide to make further changes to national policy following the end of the 10-year "guarantee period", and these could significantly impact on the level of resources generated by the HRA over the long- term.
15. Whilst these alternatives do not affect the MTFS position, they are an important factor in determining the long-term health of the HRA, and so the resources likely to be available for future investment in new affordable housing. We will therefore model a range of scenarios for the next version of the HRA Business Plan based on the approved budget and MTFS to illustrate the sensitivity of the Plan to changes in future levels of rent increase and to assist in decision-making around further new build/acquisition.

Right-to-Buy sales

16. There have been thirty-one sales under Right-to-Buy so far in 2014-15 as a result of the increased discounts and a further four sales are anticipated by the year end. A stock level of 4,880 at the start of April 2015 is therefore assumed. It is envisaged the HRA will continue to be viable if Right-to-Buy sales continue at these levels. There is potentially a risk issue if we experience a sustained increase in sales and this is referenced in the risk section.
17. To assist with managing this risk, and to provide immediate assistance to ease homelessness pressures, a policy has been developed to enable the buy-back of ex Local Authority properties.
18. During the consultation on the feasibility for regeneration and/or redevelopment of a number of council estates between January and March 2014, a number of leaseholders expressed concern that the sale of their properties may have been blighted by potential proposals to develop some of our estates. There is no evidence to justify these concerns and all of the council's communications made clear we were only considering options and no firm decisions had been made. However, a number of

leaseholders have expressed interest in selling their property back to the council.

19. In July 2014, Cabinet made the decision to proceed with the regeneration of the Grange Farm estate and approved the early buy backs of leasehold properties on the estate which would then be used as either temporary accommodation for homeless households or for decants during the Grange Farm regeneration before demolition.
20. There is a continuing demand for both permanent and temporary affordable housing within Harrow. We continue to see an increase in demand from homeless households. Whilst the vast majority are offered a private sector housing solution either in Harrow or beyond, the number of families housed in expensive temporary Bed and Breakfast accommodation has increased significantly.
21. A bid was therefore submitted for additional HRA borrowing to the HRA Growth Fund which included proposals to purchase 20 properties which would then be refurbished and let as permanent accommodation. Purchasing existing homes provides a quicker solution to increasing the supply of affordable housing than new build and offers an interim solution pending the completion of our infill new build programme. Unfortunately this element of the bid was unsuccessful, but there are sufficient resources available elsewhere to enable this programme to proceed without additional borrowing. The buy-back of ex-Harrow property could be included within this programme.
22. The Capital provision to enable buy backs is currently included in the Purchase & Repair element of the Growth fund bid, and is included in the Capital Programme. Further provision may need to be made from within HRA resources should the scheme prove successful, and a bid would be made in that event in accordance with Financial Regulations.

Service charges: Tenants & Leaseholders

23. Tenants who benefit from specific estate based services will pay a charge to the Council on a weekly basis in addition to their weekly rent charge. This service charge will increase by 2.2% on average resulting in an average weekly charge of £2.91 (2014-15 current service charge £2.85), an increase of £0.06 on the current weekly charge.
24. Leaseholders are no longer charged an estimated service charge but are invoiced annually by the end of September for the previous financial year, based on actual recovery of costs (resulting in the leasehold financial year spanning the 1st September to 31st August rather than the financial year of 1st April to 31st March) Leaseholders are required to settle these

invoices within 30 days, but in practice the challenge process and the payment options available to leaseholders results in some leaseholders not settling their accounts until well into the following financial year. The total income expected to be recovered from leaseholders in 2015-16 (excluding s20 income in relation to capital schemes) is £566k and reflects the recovery of costs associated with estate based costs, communal lighting, repairs, ground maintenance, insurance premiums and administration charges.

Other income

25. Historically other rental income from garages, car parking, and facilities charges are recommended to increase by an annual percentage, consistent with fees & charges across the Council. The charge for garage rents has been held since 2011-12 pending finalisation of the Garage Strategy Review. Progress on the review has been slow as there are some complex issues to address, garages are no longer in demand and individual consultation with residents locally is necessary on the future of each site. A pilot storage project is also being considered that could make good use of existing garage sites, whilst still generating an income to the HRA. Given the work that is in progress, and evidence from a recent marketing exercise for some refurbished garages that letting garages at existing rent levels is now proving problematic, let alone at higher rents, we are proposing to continue this policy by freezing rents for HRA garages and car parking for a further year. We anticipate that once it is clear how many garages will be retained there may be a proposal for including alternative pricing strategies for garages and car parking, and that a further report will be presented following completion of this work.
26. Details of the proposed rents for garages and parking, facility charges and charges for community centres are set out in appendices 3, 4, 5 and 6 respectively.

Expenditure

Employee Costs

27. The HRA budgets are based on the staffing establishment, and assume a pay & superannuation increase of 3.07% reflecting the overall increase expected for 2014-15 and 2015-16, then 2% thereafter.
28. Salary allocations between the HRA and the General Fund have been reviewed and a small amount of additional salaries (in the region of £40,000) in respect of more recent staff members currently charged to the General Fund were found to be attributable to HRA. These have therefore been adjusted.

29. Given the increasing focus on the delivery of new housing going forward, it has been necessary to develop proposals to restructure the way that services are delivered for Housing as a whole in order to ensure that we have the capacity in the appropriate areas to ensure we can meet the ever-increasing demand. The proposed new structure is anticipated to be in place for 2015-16 financial year, and will include additional support for delivering the new build and regeneration proposals, the majority the cost of which will be chargeable to the capital schemes being supported.

Utility Costs

30. These budgets have been uplifted by 5% in 2015-16 and subsequent years, as this is the corporate assumption on the general level of increases for utilities costs.

Support Service Charges

31. The costs of Support Service Charges (SSCs) have been assumed to increase by 2.6%, comprising an inflationary uplift of 1.3% and a reallocation of expenditure from recharges to SSCs although this reallocation has a neutral effect in the HRA overall as recharges are reduced by the same amount.

Repairs

32. Increased provision for response and void repairs to reflect enhanced standards and works required for temporary accommodation partially offset by reduction in the external decorations programme as this is now delivered largely through the capital programme. Additional costs arising from use of HRA property as temporary accommodation are anticipated to be recovered via enhanced service charges.

Charges for Capital

33. Capital charges to the HRA are assumed to continue to be charged at the rate of 4.2978% of the HRA borrowing from the General Fund. This figure is £149.6m at the start of 2015-16, but during the year it is anticipated that additional borrowing of £1.736m will be made following the successful bid to the Local Growth Fund for additional HRA borrowing capacity to help fund the development of new affordable housing. A further bid for additional borrowing capacity of £5.6m to help fund property purchases and additional new build was made in October 2014, of which £3.6m was successful and assumed to apply in 2016-17. This amount has therefore been assumed within the HRA capital charges assumptions. Any additional borrowing is assumed to be at the same rate of interest as that charged for the original HRA debt.

34. As part of the ongoing business planning activity, consideration will be given to the ability to repay debt, and to reduce capital charges to the HRA. Interest rate risk is one of the key risks associated with the longer term planning of the HRA finances, and whilst the risk is relatively small as the loans pool is predominantly comprised of long-term fixed rate loans, the main risk will be as a result of the rates available as existing loans are re-financed on maturity.
35. Interest on HRA balances, including the Major Repairs Reserve are expected to be earned at a rate of 0.5% for 2015-16. Interest is also earned at this rate on the s106 Affordable Housing reserve.

Capital Investment

36. In February 2014 Cabinet agreed the first 4 year Capital Programme for Housing, and since then officers have been working on improving the delivery of the capital programme from 2015-16 onwards in two ways:
- Developing a broader “Better Homes Standard” that will enable us to include in future programmes some works we were not able to do under the government imposed Decent Homes standard. The new standard will include more works to the exterior of properties, communal areas and the environment surrounding homes as well as doing more inside homes when we upgrade kitchens and bathrooms to “future proof” these works
 - Developing the detailed four year programme that will enable contractors to be procured over a longer term, reducing the lead in time to starting the programme of works each year
37. Due to a combination of the progress already made in respect of internal improvement works to properties, and because we continue to be proactive in achieving value for money through procurement, annual programmes are projected to be smaller than they have been over recent years. The result of this is that it will be possible to deliver this enhanced standard of investment from within existing levels of budget.
38. The details of the new standard have been consulted on, both informally with a group of residents who have been assisting us in identifying priorities for the future and formally at the Tenants’, Leaseholders’ and Residents’ Consultative Forum meeting on 10th December 2014. The HRA capital programmes for 2015-16 to 2018-19 are in line with those previously approved in the business plan, with the addition of further budgets for the purchase of properties and phase 2 of the HRA new build programme as set out in the Homes for Harrow section below. These additional budgets represent the

maximum cost of the proposals. The four-year capital programme is attached as Appendix 7.

39. The programme as it is currently constructed is anticipated to deliver in the region of:

- 500 kitchens and/or bathrooms
- 200 heating systems
- 90 electrical re-wires

As indicated above, these numbers have fallen from those in previous years as the significant investment we have been able to deliver in those years means that we have caught up with backlog repairs and are now able to invest more in a broader range of areas from within the same level of resources. To this end we are targeting investment towards improving the environment in which our residents live by undertaking:

- Enveloping works
- Replacing door entry systems
- Environmental works
- Works to communal areas

40. In line with the approach taken last year, Housing Services propose to use the scheme of delegation to implement variations to the HRA Capital programme within agreed limits and following appropriate consultation, to meet the requirements of the Housing Asset Management Strategy and ensure delivery against programme can be maximised. As is currently the case, the HRA Capital programme would continue to be funded from HRA revenue resources, and therefore any such variations would not affect the Council's borrowing position or General Fund resources.

Homes for Harrow

41. As a result of the additional resources retained within the HRA following the introduction of self-financing in April 2012, it has been possible to commence planning for a programme to deliver new housing within the HRA for the first time in decades, initially largely on infill plots or vacant/underused garage sites. The first sites in phase 1 are currently being worked up for the purposes of gaining planning permission, and are likely to commence on site at the end of 2014/15 with the remaining sites coming on stream in 2015 and completions from 2016 onwards. This will deliver a minimum of new 50 homes, of which 10 are anticipated to be shared ownership, and the remainder let at affordable rents. The capital budgets for the development of these homes have already been approved, and additional borrowing capacity of £1.74m was secured from the Local Growth Fund earlier this year to assist in funding the new homes.

42. Following the outcome of the bidding process used to allocate the additional borrowing (above), it was apparent that there was still a significant proportion of additional borrowing capacity that remained unallocated, and so the deadline for bids was extended. Following discussions with the Greater London Authority, it was determined that a further bid should be submitted, and that the amounts bid for per unit should be increased from those assumed in the first round. A bid was therefore submitted comprising two strands. The first was in respect of a 20-property purchase and repair programme, whereby properties would be purchased on the open market and which could include buy back of ex LA council properties, repaired to Harrow's letting standards and then let at affordable rents. This was intended to supplement the phase 1 new build programme and assist in relieving pressure on homelessness budgets within the General Fund. Unfortunately this element of the bid was unsuccessful. The second strand of the round 2 bid was a phase 2 new build programme, with the additional borrowing enabling previously-identified sites to be brought forward quicker than had previously been anticipated. This element of the bid was successful, with £3.6m having been allocated to the Council. Outline scheme costs and indicative funding sources are set out in Appendix 8, and are summarised below:

Additional Growth bid					
	Total Costs	HRA Borrowing	Other Affordable Housing Resources	Total Funding	No Of Units
Purchase & Repair	6,232,000		6,232,000	6,232,000	20
Phase 2 new build	6,901,000	3,600,000	3,301,000	6,901,000	30
	13,133,000	3,600,000	9,533,000	13,133,000	50

43. In addition to starting to build new homes within the HRA, proposals are currently being developed to completely regenerate Grange Farm, one of the worst condition estates within the Borough. This is likely to involve some land assembly to maximise the development opportunities, and a design-led proposal to significantly increase density and make best use of the available land to generate cross subsidy from market sales necessary to enable the scheme to proceed. It is envisaged that there will be no net loss of affordable housing, and that the replacement affordable homes will be retained and managed within the HRA. Housing has previously been given approval to engage architects to develop a viable proposal for Grange Farm based on the previous study by PRP, and in addition has approval to commence the buying back of properties on the estate as they become available. This has the two-fold effect of reducing the requirement to use compulsory purchase to

facilitate the regeneration, and providing additional properties for use as temporary accommodation in the meantime, which helps to reduce the cost of homelessness in the General Fund. Further reports will be made in respect of this scheme as proposals are developed.

44. Within the Grange Farm Estate a number of tenants have already indicated that a permanent move off the estate would be their preference rather than potentially moving twice before becoming settled in a new property. Where we are able to facilitate an early move of this nature, it would be desirable to progress it now and in the process make the necessary Home Loss disturbance payments. Currently Home Loss payments are set nationally at £4,900, and disturbance costs cover the associated costs of removal. These costs can initially be met from within the existing budgets approved to progress the Grange Farm proposals.
45. The final strand of the Homes for Harrow current proposals is firmly linked to the Council's wider regeneration proposals, and will follow on from a wholesale review of HRA and non-HRA assets and land not currently included in any other programme, with a view to assessing whether there is any potential for future use/development for housing purposes, either within or outside the HRA. This is currently referred to as phase 3 of the Homes for Harrow programme, but in reality will be the start of several more phases of work to maximise the ability for the Council to develop properties for rent, and to ensure that resources are identified and allocated appropriately to maximise numbers of homes delivered, whether this be within or outside of the HRA. As yet this strand is unquantifiable, but resources are anticipated to be available within the HRA to progress further development opportunities in years to come.
46. The Phase 1 and Phase 2 new build programmes, along with the Purchase & Repair scheme will require a significant investment from Housing resources to complement the additional borrowing. This will use the majority of the capital resources available of the period, although some is currently being held in reserve to cover risks around build-cost inflation, as well as to provide resources to help deliver the Grange Farm regeneration project, should this not achieve a break-even position.

Impairment Allowance

47. Current tenant arrears continue to remain under control, and action has been taken to write off a significant amount of former tenant arrears where all options for recovery of the debts have been exhausted. Whilst a number of payment arrangements are in place in respect of the remaining former tenant arrears, prudence dictates that provision should be made for the non-recovery of the majority of these arrears via an impairment allowance. The ongoing impact of welfare benefit changes are

likely to continue to have an impact on arrears, although it is difficult to quantify at this stage. The annual provision has reduced from the £400k allowed for in 2014-15 and is budgeted at £300k for 2015-16 per annum and subsequent years. The Council is, however, setting aside further funding to mitigate the impacts of welfare reforms by the establishment of a hardship fund.

Hardship Fund

48. £100k will be set aside in 2015-16 and subsequent years to mitigate the worst impacts of benefit changes arising from the continuing welfare reforms.

General Contingency

49. In addition to the HRA balances, an annual amount of £200k is set aside to cover unforeseen expenditure that may arise in the management and maintenance of the housing stock.

Variation to MTFs 2015-16

50. The MTFs approved by Cabinet and Council in March 2014 estimated an in year surplus of £1.565m for 2015-16. The proposed budget changes result in a surplus of £0.567m. The decrease in surplus of £0.998m is explained below :

- +£0.348m – Depreciation & capital charges, a transfer of resources from revenue to capital reserves to fund future capital expenditure therefore no overall impact on financial resources
- +£0.178m – Repairs, increase in budget for responsive and void repairs, reflecting new standards and works on properties used for temporary accommodation to alleviate General Fund pressures; partially offset by reduction in external decorations delivered largely through capital programme
- +£0.128m – Affordable Housing, mainly revenue costs relating to Grange Farm redevelopment approved by Cabinet in 17 July 2014
- +£0.100m – Hardship Fund, resources set aside to mitigate impact of ongoing Welfare Reforms on tenants in line with Corporate priorities
- +£0.085m – Revisions in dwelling and non-dwelling income estimates
- +£0.074m – Supplies & Services, mainly tenant expenses associated with removals and decants resulting from the impact of Welfare Reforms

- +£0.171m – Employee costs, reallocation of staff time reflecting a shift in work to the Council's landlord function
- -£0.086m – Central service & other charges, central charges, pending a comprehensive review, are expected to reduce by £0.038m and other costs by £0.048m

Summary

51. The HRA Budget and MTFs detailed in Appendix 1 continues to reflect the significantly improved position reported in last year's budget as a result of HRA reform. The 30-year HRA business plan approved by Cabinet in July 2014 has been used as the framework within which this budget has been developed, and the outcome of the budget process will be used to re-state the business plan. Current forecasts suggest that significant balances are still likely to be generated within the HRA over the period of the business plan, depending on expenditure and income decisions made in the future, with current levels of projected investment expenditure being fully funded over this period. This remains an extremely positive position for the Council to be able to report and will enable the Council to meet both the challenges faced by the service from the Government changes and the increasing expectations of its tenants and Members.

Performance Issues

During Q2 of 2014/15 we have successfully sustained, and in many areas improved performance despite the continued impacts of welfare reform. We continue to proactively work with those most affected by the welfare reform changes to mitigate where possible, the impact and to manage budgetary demands arising from the reforms as well as customer needs and expectations. A snapshot of the Q2 performance data for HRA and affordable housing-related services is shown below.

Housing Scorecard No	Reporting frequency	Measure (cumulative for the year unless stated otherwise)	Corporate scorecard	Corporate priority	Corporate Equalities Objective	Polarity - good to be high / low	Q1 actual 2014/15	R A G	Q1 target 2014/15	Q2 actual 2014/15	R A G	direction of travel since Q1 applic	Q2 Target 2013/14	Q4 / year end target	Current Assessment	Measure owner
1	qtrly	Tenant satisfaction with responsive repairs service (telephone survey carried out by Access Harrow)	yes	E&E		high	82%	HR	95%	98.96	LG	↑	95%	96%	This is the first time, following a resident led audit of contractors KPIs that we have relied on data produced by the contractors for this figure, rather than a much smaller sample from surveys undertaken by Access Harrow. As it is a much larger sample it is a more robust assessment of the true figure for customer satisfaction.	M Challoner
2	qtrly	Council adaptations: average time from assessment to completion of work (weeks) quarterly performance	yes	V		low	22	HG	30	20	HG	↑	30	30	Performance continues within target	M Challoner
4	annual	To support the local economy Responsive Repairs contractors to employ 5 apprentices by March 2015		-	yes	high	-	-	-	-	-		-	5		M Challoner
5	annual	Number of Council homes retrieved by anti-fraud action (annual)	yes	F, V & C		high	0	-	-	2	-		-	10	2 properties recovered this quarter to provide homes for families in need of 2 bedroomed properties.	T Burke
6	qtrly	100 most vulnerable tenants have bespoke action plans in place with named housing officer to co-ordinate in each case by March 2016. (Yr 1 - 45, Yr 2 - 55)		-	yes	high	-	-	0	25	HG	↑	10	45	Extremely good achievement by this new housing post. On track to exceed annual target	T Burke
7	annual	Assist a minimum of 15 tenants move to more affordable accommodation by March 2015		-	yes	high	-	-	-	-			-	15		T Burke
8	qtrly	90% of Housing anti social behaviour cases resolved per quarter.		-	yes	high	93%	LG	90%	100%	HG	↑	90%	90%	Good performance but on limited number of cases	T Burke
9	qtrly	Number of cases where positive action is taken to prevent homelessness		-	yes	high	383	HG	300	678	HG	↑	625	1300	Still being very successful in preventing homelessness	J Dalton
10	qtrly	Total no of households to whom we have accepted a full homeless housing duty (eligible and priority need)	yes	F		low	46	HG	55	145	HR	↓	105	220	We anticipated a significant increase in acceptances due to the housing market and welfare reform	J Dalton
14	qtrly	Number of affordable homes delivered (gross)	yes	F	yes	high	13	HG	0	25	LG	↑	25	140	Currently projecting to exceed 140 Q4 target with 157 units. Slippage into next year is a risk which is being monitored.	A Pegg
15	qtrly	No of affordable family sized rented homes completed	yes	F	yes	high	3	HG	0	15	A	↑	18	18	3 more family sized units projected to complete by Q4 to meet 18 target. Slippage risk as above.	A Pegg
17	qtrly	Total no of social housing homes freed up - grants2move (including all downsizing)	yes	F & LB		high	16	HG	14	28	LG	↑	28	56	In Q2 GTM, 3 to Home ownership and 2 to private rented sector. 7 Under occupiers moved. Currently on target.	J Fernley
			Corporate Priorities Making a difference for the Vulnerable V Making a difference for Communities C Making a difference for Local Businesses LB Making a difference for families F Efficient & effective organisation E&E				RAG (Red, Amber, Green) High Green - excellent HG Low Green - good LG Amber - adequate A Low Red - poor LR High Red - needs prompt attention HR									

Environmental Implications

The HRA Budget 2015-16 includes investment in a number of areas such as new heating systems, enveloping and cladding of thermally inefficient properties that will improve the energy efficiency of the Council's housing stock and thus make a contribution towards delivering the Council's Climate Change Strategy. The Asset Management Strategy action plan addresses elements of the "Delivering Warmer Homes" (HECA) strategy which was reported to the Department for Energy and Climate Change (DECC) in March 2013. We were successful in obtaining a grant from DECC to help reduce fuel poverty in the privately-owned stock within the Borough, and have contractors in place to deliver this important work. Resources are available within the HRA to supplement this investment in the private sector with similar works to the Council's own stock, subject to progress on delivery of the grant-funded scheme.

Risk Management Implications

The key risks which should be highlighted, and which are referenced in the main body of the report, are those associated with the changes in the RTB arrangements and, for the longer-term HRA business plan, interest rate risk. Whilst these are real risks to the HRA these are not considered to be significant in the short term.

Current regulations require impairments of non-dwelling assets in excess of balances held on the revaluation reserves to be charged to revenue. These regulations are due to be extended to cover dwelling assets from April 2017 when transitional measures for self-financing are due to come to an end. This could result in significant charges to HRA revenue reserves which run counter to the Government's stated objectives of encouraging new build. This issue would have an impact on all Councils with housing stock and the Council has already requested the Department of Communities & Local Government to address this anomaly as a matter of urgency.

These risks are detailed on the Housing risk register.

Legal Implications

Under section 103 of the Housing Act 1985 (as amended) the terms of a secure tenancy which is a periodic tenancy may be varied by the landlord by a notice of variation served on the tenant. The landlord authority is required to serve a preliminary notice on the secure tenant giving them advance notification of any change proposed to be made to the terms of their tenancy and inviting their comments. However, rent and other charges for facilities are specifically excluded from this requirement.

Section 105 of the Housing Act 1985 requires a landlord authority to maintain such arrangements as it considers appropriate to enable those secure tenants who are likely to be substantially affected by matters of housing management, to be informed and consulted about them, and before deciding on the matter, the landlord authority has to consider any representations made. However, rent and other charges for facilities are specifically excluded from the definition of housing management.

Therefore there is no statutory requirement to consult secure tenants on proposed rent changes. However, as noted earlier in this report, the Council has historically consulted the Tenants Leaseholders and Residents Consultative Forum (TLRCF) and intends to do so again.

Financial Implications

Financial matters are integral to this report.

Equalities implications / Public Sector Equality Duty

Pursuant to the Equality Act 2010 (“the Act”), the council, in the exercise of its functions, has to have ‘due regard’ to (i) eliminating discrimination, harassment, victimisation and any other conduct that is prohibited by or under the Act; (ii) advancing equality of opportunity between those with a relevant protected characteristic and those without; and (iii) fostering good relations between those with a relevant protected characteristic and those without. The relevant protected characteristics are age, race, disability, gender reassignment, pregnancy and maternity, religion or belief, sex and sexual orientation. The duty also covers marriage and civil partnership, but to a limited extent.

When making decisions, the Council must take account of the equality duty and in particular any potential impact on protected groups. There are no new equality impacts of the recommended rent increase option as this represents a continuation of existing rent policy, having consulted with our tenant, leaseholder and resident representative groups on the proposal. Overall there is no proposed change to the current rent policy.

Council Priorities

The Council’s vision:

Working Together to Make a Difference for Harrow

52. This report incorporates the following council priorities:

Making a difference for the vulnerable – through providing support in finding appropriate affordable housing solutions to meet need, and developing new housing to meet future assessed need.

Making a difference for communities – through engaging residents in decisions around regeneration of estates and the wider communities, and delivering housing that people want to live in, in areas they are proud to call home.

Making a difference for local businesses – through supporting the council-wide regeneration agenda, and maximising the contribution that new housing can make towards delivering the regeneration vision and objectives.

Making a difference for families – through providing good quality housing and safe neighbourhoods, and targeting our resources as best we can so that families can feel the full benefits of economic growth. Our priority for every family is to ensure that they can live in a neighbourhood which has a real sense of community, in a house they can be proud to call their home.

Section 3 - Statutory Officer Clearance

Name: Simon George	<input checked="" type="checkbox"/>	Chief Financial Officer
Date: 3 February 2015		
Name: Ian Goldsmith	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 3 February 2015		

Ward Councillors notified:	NO, as it impacts on all Wards
EqIA carried out:	NO There are no new equality impacts of the recommended rent increase option as this represents a continuation of existing rent policy, having consulted with our tenant, leaseholder and resident representative groups on the proposal.

Section 4 - Contact Details and Background Papers

Contact:

Dave Roberts, Finance Business Partner – Housing Services
Tel: 0208 420 9678 (Ext 5678)

Background Papers:

- [HRA Business Plan Update Report Cabinet July 2014](#)

**Call-In Waived by the
Chairman of Overview
and Scrutiny
Committee**

NOT APPLICABLE

*[Call-in applies, except for the
Recommendations to Council]*

HRA Budget 2015-16 and MTFS 2016-17 to 2018-19 – Expenditure

All figures in £s	Budget 2015-16	Budget 2016-17	Budget 2017-18	Budget 2018-19
Operating Expenditure:				
Employee Costs	2,573,100	2,623,920	2,626,970	2,630,050
Supplies & Services	918,380	927,200	936,290	945,520
Utility cost	668,490	677,180	685,980	694,900
Estate & Sheltered Services	2,887,360	2,901,400	2,915,320	2,929,420
Central Recharges	3,528,270	3,574,440	3,620,330	3,666,820
Operating Expenditure	10,575,600	10,704,140	10,784,890	10,866,710
Repairs Expenditure:				
Repairs - Voids	1,076,000	1,089,990	1,104,160	1,118,510
Repairs - Responsive	3,645,500	3,692,890	3,740,890	3,789,520
Repairs – Other	2,026,760	2,034,590	2,042,370	2,050,260
Repairs Expenditure	6,748,260	6,817,470	6,887,420	6,958,290
Other Expenditure:				
Contingency - General	200,000	200,000	200,000	200,000
Investment in Services	200,000	200,000	200,000	200,000
Impairment allowance	300,000	300,000	300,000	300,000
RCCO	0	0	824,860	2,308,040
Affordable Housing	127,970	102,960	104,300	105,660
Grants to Move	162,870	164,580	166,320	168,080
Charges for Capital	6,361,150	6,383,980	6,640,000	6,664,480
Depreciation	6,906,360	6,896,780	6,878,980	6,831,080
Hardship fund	100,000	100,000	100,000	100,000
Other Expenditure	14,358,350	14,348,300	15,414,460	16,877,340
Total Expenditure	31,682,210	31,869,910	33,086,770	34,702,340

Appendix 1 (continued)
HRA Budget 2015-16 and MTFs 2016-17 to 2018-19 – Income

All figures in £s	Budget 2015-16	Budget 2016-17	Budget 2017-18	Budget 2018-19
Income				
Rent Income – Dwellings	(28,985,570)	(29,896,430)	(30,694,520)	(31,410,300)
Rent Income – Non Dwellings	(648,330)	(659,400)	(670,910)	(682,880)
Service Charges - Tenants	(1,173,960)	(1,194,760)	(1,213,150)	(1,234,730)
Service Charges – Leaseholders	(566,020)	(567,820)	(569,650)	(571,490)
Facility Charges	(603,000)	(633,150)	(664,810)	(698,050)
Interest	(3,600)	(3,600)	(3,600)	(3,600)
Other Income	(105,560)	(105,560)	(105,560)	(105,560)
Recharge to General Fund	(163,000)	(163,000)	(163,000)	(163,000)
Total Income	(32,249,040)	(33,223,720)	(34,085,200)	(34,869,610)
In Year Deficit / (Surplus)	(566,830)	(1,353,810)	(998,430)	(167,270)
BALANCE brought forward	(4,395,120)	(4,961,950)	(6,315,760)	(7,314,190)
BALANCE carried forward	(4,961,950)	(6,315,760)	(7,314,190)	(7,481,460)

Average Rent & Service Charges

Appendix 2

Description	No. units	2014-15 Total Weekly Charge	2015-16 Rent	2015-16 Service Charge	2015-16 Total	Increase £
Bedsit bungalow	20	£103.40	£103.05	£2.63	£105.67	£2.27
1 Bed bungalow	116	£114.16	£114.46	£2.22	£116.68	£2.51
2 Bed bungalow	25	£129.82	£129.21	£3.46	£132.67	£2.86
Bedsit flat	84	£89.59	£87.61	£3.95	£91.56	£1.97
1 bed flat	1,213	£99.49	£98.20	£3.48	£101.68	£2.19
2 bed flat	819	£113.16	£111.66	£3.99	£115.65	£2.49
3 bed flat	43	£124.64	£122.63	£4.75	£127.38	£2.74
1 bed Maisonette	6	£92.79	£94.43	£0.40	£94.83	£2.04
2 bed Maisonette	51	£112.51	£111.38	£3.61	£114.98	£2.47
3 bed Maisonette	46	£124.91	£123.49	£4.17	£127.66	£2.75
4 bed Maisonette	1	£132.41	£135.32	£0.00	£135.32	£2.91
2 bed Parlour House	34	£124.84	£126.38	£1.21	£127.59	£2.75
3 bed Parlour House	541	£138.10	£139.44	£1.69	£141.14	£3.04
4 bed Parlour House	57	£149.61	£150.54	£2.36	£152.90	£3.29
5 & 6 bed Parlour House	10	£158.72	£161.05	£1.16	£162.21	£3.49
2 bed Non Parlour House	516	£121.67	£122.36	£1.98	£124.35	£2.68
3 bed Non Parlour House	740	£133.34	£134.16	£2.12	£136.28	£2.93
4 bed Non Parlour House	31	£147.32	£147.57	£2.99	£150.56	£3.24
5,6 & 7 bed Parlour House	6	£159.85	£162.23	£1.14	£163.37	£3.52
Sheltered bedsit	55	£90.00	£89.36	£2.62	£91.97	£1.98
Sheltered – other units	501	£97.24	£96.23	£3.15	£99.38	£2.14
Total	4,915	£115.30	£114.97	£2.91	£117.88	£2.58

The average charge during 2014-15 was £115.30 per week comprising £112.45 rent and £2.85 service charge compared to the budgeted £112.43 and £2.85 per week respectively.

The rent increase for 2015-16 is based on the latest Government Guidance which requires rents to increase by the Consumer Prices Index (CPI) plus 1%. This yields an average rent of £114.97 and an average service charge of £2.91 per week, representing an average increase of 2.2%.

Average rents for the additional 50 Phase 1 properties expected to be constructed 2015-16 to 2016-17 (not included in the above table) are expected to be £180.64 per week for the 40 at affordable rent, and £36.06 per week for the 10 shared ownership properties. Average rents for Phase 2 and Purchase & Repair are expected to be £169.89 & £159.43 respectively.

Garages & parking space charges**Appendix 3**

	Current Weekly Rental	Proposed Weekly Rental
	2014-15	2015-16
	£	£
Garages	14.05	14.05
Car Spaces	9.16	9.16

Facility Charges

Appendix 4

Sheltered Block	No. of properties	Current average weekly facility charge (Heating) 2014-15	Proposed average weekly facility charge (Heating) 2015-16 5% increase
Alma Court	30	13.29	13.95
Belmont Lodge	30	13.26	13.92
Boothman House	30	13.26	13.92
Cornell House	30	13.31	13.98
Durrant Court	27	13.26	13.92
Edwin Ware Court	30	11.17	11.73
Goddard Court	30	13.31	13.98
Grahame White House	30	13.31	13.98
Grange Court	30	11.11	11.67
Harkett Court	30	13.26	13.92
Harrow Weald Park 0 Bed	12	9.02	9.47
Harrow Weald Park 1 Bed	19	12.10	12.71
John Lamb Court	32	13.97	14.67
Meadfield	30	13.31	13.98
Sinclair House	27	13.31	13.98
Tapley Court	26	13.26	13.92
Thomas Hewlett House	30	13.31	13.98
Watkins House	43	13.94	14.64
William Allen House	29	12.05	12.65
Resident Warden Accommodation	11	17.99	18.89
Other Non-Sheltered	95	11.72	12.31

Water Charges

Appendix 5

Sheltered Block	No.of flats	Current Range Water Charge 2014-2015		Proposed Range Charge at 4% increase for 2015-2016		Amount of increase	Average Charge 2015-2016	% Increase	Income per Week per Block 2015-2016
		Lower	Higher	Lower	Higher				
Alma Court	30	£4.41	£4.41	£4.59	£4.59	£0.18	£4.59	4.00%	£137.59
Belmont Lodge	30	£4.53	£4.53	£4.71	£4.71	£0.18	£4.71	4.00%	£141.34
Boothman House	30	£4.68	£4.68	£4.87	£4.87	£0.19	£4.87	4.00%	£146.02
Cornell House	30	£4.62	£4.82	£4.80	£5.01	£0.19	£4.91	4.00%	£147.26
Durrant Court	27	£4.41	£4.88	£4.59	£5.08	£0.19	£4.83	4.00%	£130.43
Edwin Ware Court	30	£3.92	£4.88	£4.08	£5.08	£0.18	£4.58	4.00%	£137.28
Goddard Court	30	£4.53	£4.53	£4.71	£4.71	£0.18	£4.71	4.00%	£141.34
Grahame White House	30	£4.68	£4.68	£4.87	£4.87	£0.19	£4.87	4.00%	£146.02
Grange Court	30	£3.72	£4.68	£3.87	£4.87	£0.17	£4.37	4.00%	£131.04
Harkett Court	30	£4.68	£4.68	£4.87	£4.87	£0.19	£4.87	4.00%	£146.02
Harrow Weald Park	31	£3.72	£5.00	£3.87	£5.20	£0.17	£4.53	4.00%	£140.57
John Lamb Court	32	£4.68	£4.68	£4.87	£4.87	£0.19	£4.87	4.00%	£155.75
Meadfield	30	£4.62	£4.82	£4.80	£5.01	£0.19	£4.91	4.00%	£147.26
Sinclair House	27	£4.41	£4.41	£4.59	£4.59	£0.18	£4.59	4.00%	£123.83
Tapley Court	26	£4.41	£4.68	£4.59	£4.87	£0.18	£4.73	4.00%	£122.90
Thomas Hewlett House	30	£4.62	£4.62	£4.80	£4.80	£0.18	£4.80	4.00%	£144.14
Watkins House	43	£3.92	£3.92	£4.08	£4.08	£0.16	£4.08	4.00%	£175.30
William Allen House	29	£3.72	£4.68	£3.87	£4.87	£0.17	£4.37	4.00%	£126.67
Total No.of Sheltered Flats	545								£2,540.76
Resident Warden Accommodation	11	£6.45	£6.45	£6.71	£6.71	£0.26	£6.71	4.00%	£73.79
Total Sheltered Flats incl Warden	556								£2,614.54
Other Non-Sheltered	95	£4.62	£4.62	£4.80	£4.80	£0.18	£4.80	4.00%	£456.46

Community Hall and Capacity	Current 2014-15			Proposed 2015-16		
	Charges per first 3 hours block booking then subsequent hourly rate			Charges per hour letting 4% Price Increase		
	Evening Rate	Daytime Rate	Weekend Rate	Evening Rate	Daytime Rate	Weekend Rate
	£	£	£	£	£	£
Augustine Road [max 30]	21.63	10.82	32.45	22.50	11.25	33.75
Marsh Road Hall [max 30]	21.63	10.82	32.45	22.50	11.25	33.75
Brookside Hall [max 30]	21.63	10.82	32.45	22.50	11.25	33.75
Woodlands Hall [max 60]	32.45	16.22	44.30	33.75	16.87	46.07
Churchill Place [max 100]	43.26	19.45	54.08	44.99	20.23	56.24
Kenmore Park [max 100]	43.26	19.45	54.08	44.99	20.23	56.24
Pinner Hill Hall [max 100]	43.26	19.45	54.08	44.99	20.23	56.24
Northolt Road [max 100]	43.26	19.45	54.08	44.99	20.23	56.24

Terms & Conditions associated with Hall lets:

- Lets to Tenants and Residents Associations are free, providing 4 weeks notice is provided.
- Charges shown are exclusive of VAT at 20% and Insurance Premium at 7%
- Day time rates are from 9.00am to 3.30pm
- Commercial lets will be charged at above hourly rates plus 20%.
- Registered Charities will receive a discount of 50% (9.00am to 3.30pm only).
- Block Bookings of 6 months minimum will receive a 25% discount.
- A refundable deposit of £100 against loss or damage will be required by all other users.

Of the 11 community centres, there are a number of premises that are fully let and supported by lease agreements and therefore charges not levied in accordance with the above schedule. These are:

- Methuen Road community centre is fully let to Flash Musicals Youth Theatre group on a lease agreement of £25,000 rent per annum.
- Stone Gardens hall is fully let as a nursery on a lease agreement of £10,000 rent per annum.
- Northolt Road hall is partly let as a nursery on a lease agreement of £5,200 rent per annum.
- Churchill Place hall is partly let as a nursery on a lease agreement of £10,000 rent per annum.

Budget Description	2015/16	2016/17	2017/18	2018/19
	£	£	£	£
Internal Works	3,928,120	4,428,120	4,228,120	4,228,120
External Works	3,396,970	1,671,490	2,300,000	2,300,000
M & E	920,000	920,000	920,000	920,000
Garages	61,500	61,500	61,500	61,500
Aids and Adaptations	615,000	615,000	615,000	615,000
Capitalisation Responsive Repairs	142,500	142,500	142,500	142,500
Capitalised Salaries	317,000	317,000	317,000	317,000
Develop Wider Housing Initiatives Pot	256,240	256,240	555,000	555,000
HRA Capital Investment	9,637,330	8,411,850	9,139,120	9,139,120
Grange Farm	1,545,000	-	-	-
Affordable Housing Phase 1	4,242,000	3,000,000	1,000,000	-
Purchase & Repair	6,232,000	-	-	-
Affordable Housing Phase 2	-	1,725,320	5,175,960	-
Total Homes for Harrow	12,019,000	4,725,320	6,175,960	-
Total HRA Capital Programme	21,656,330	13,137,170	15,315,080	9,139,120

The 2015-16 budget includes £1,810,000 re-phasing relating to the main programme and £1,287,000 for the Affordable housing programme.

LB Harrow decided to submit a further bid for additional borrowing under the HRA Growth Fund following the success of our first bid. We bid for borrowing to support the acquisition and development of a further 50 affordable homes as follows:

1. 20 unit Purchase and Repair programme – we submitted this bid because we want to increase the supply of affordable housing quickly to meet urgent homelessness needs.
2. 30 unit Phase 2 Infill Development Programme – this was similar to our successful bid but looking to bring forward the second phase. We have already completed Stage A designs on some sites and are in the process of commissioning others. Given the stage we are at ideally we would have preferred to bid for these as indicative but have decided to submit a firm bid on the assumption we may need to substitute sites as they are progressed within the cost parameters set out in the bid.

The amount of borrowing we bid for per unit was significantly higher than for our first bid. In our first bid we approached it as if we were bidding for grant, whereas the second bid was for the amount of borrowing that we felt we could reasonably support from the rental income stream. This was intended to enable us to stretch our other resources further to deliver more homes. The Phase 2 Infill Development Programme included free land. Both bids were still supported by other HRA resource as well as S106 commuted payments.

In all other respects this bid met the other criteria set out in the bid documents e.g. the homes will be let at Affordable Rents in accordance with our local policy.

As noted in the body of the report, the bid was only partially successful, and we did not receive the £2m additional borrowing approval for the P & R scheme. There are, however, sufficient resources available to enable this scheme to go ahead without the additional borrowing, and the proposed capital budget assumes this to be the case.

The table below sets out the estimated costs and funding for Phase 2 following notification of the outcome of the bidding process:

HRA Growth Fund Phase 2							
Units	Type	Acq	Works	Fees	Interest	Total Costs	Per unit
12	1,2,3, bed flats		£ 2,305,575	£ 373,716	£ 34,709	£ 2,714,000	£ 226,167
12	1,2,3, bed flats		£ 2,305,575	£ 373,716	£ 34,709	£ 2,714,000	£ 226,167
3	Houses		£ 597,000	£ 128,745	£ 10,893	£ 736,638	£ 245,546
3	Houses		£ 597,000	£ 128,745	£ 10,893	£ 736,638	£ 245,546
30	New Build		£ 5,805,150	£ 1,004,922	£ 91,204	£ 6,901,276	
20	P & R	£ 5,600,000	£ 400,000	£ 201,000	£ 31,000	£ 6,232,000	£ 311,600
50	Total round 2					£13,133,276	
Funding	New Build					£ 3,600,000	£ 120,000
	Total additional borrowing					£ 3,600,000	
	Other affordable housing resources					£ 9,533,276	
	Total funding					£13,133,276	

**REPORT FOR: GOVERNANCE, AUDIT,
RISK MANAGEMENT AND
STANDARDS COMMITTEE**

Date of Meeting: 29 January 2015

Subject: Standards Complaints Procedure

Responsible Officer: Hugh Peart
Director of Legal and Governance
Services

Exempt: No

Wards affected: All Wards

Enclosures: Appendix 1 – Current Model Procedure
and Flow Chart (Arrangements for Dealing
with Standards Allegations under the
Localism Act 2011)

Appendix 2 – Proposed Model Procedure
and Flow Chart (Making A Complaint
About A Councillor)

Appendix 3 – Proposed Constitutional
Changes

Section 1 – Summary and Recommendations

This report sets out proposals to revise the procedure relating to complaints against Councillors.

Recommendations:

The Committee is requested to recommend to Full Council that:

- 1) The new procedure for dealing with complaints against Councillors, as contained in Appendix 2 to this report, be agreed;
- 2) That a new Standards Working Group be established;
- 3) That the Assessment Working Group and Hearing Working Group be disbanded;
- 4) That the Assessment Sub-Committee and Hearing Review Sub-Committee be disbanded;
- 5) That the Council delegate to the Monitoring Officer the power to make decisions on complaints as set out in the procedure contained in Appendix 2 to the report;
- 6) That the Constitutional amendments contained in Appendix 3 to this report be agreed.

Section 2 – Report

Background

1. The requirement to have arrangements to deal with complaints made against Councillors is set out in Section 28 of the Localism Act 2011.
2. The Localism Act 2011 also requires the Council to promote and maintain high standards of conduct by members and co-opted members of the authority. A new code of conduct based on the seven 'Nolan principles' of public life was agreed by council on 5 July 2012 and also covers the registration of pecuniary interests, the role of an 'independent person' to investigate alleged breaches, and sanctions to be imposed on any councillors who breach the code.

3. However, the action that can now be taken by the Council against any Councillor found to have breached the Code of Conduct is limited with the most serious sanction being censure or criminal prosecution pursued by the Police for deliberately withholding or misrepresenting a financial interest.

Current situation

4. Full Council adopted the current procedure to deal with complaints against Councillors on 5 July 2012. This is detailed in Appendix 1 to this report.
5. Appendix 2 to this report details the proposed new procedure to deal with complaints against Councillors.
6. The main changes include the following:
 - Strengthening the filter process by the Monitoring Officer in consultation with the Independent Person. Currently only complaints that do not fall within the scope of the code of conduct or are considered to be vexatious can be filtered out. Under the new proposals the power would also extend to frivolous complaints, complaints which are more than 6 months old (unless there are exceptional circumstances) or which do not merit further investigation on public interest grounds;
 - The abolition of the Assessment and Hearing Working Groups, the Assessment Sub-Committee and Hearing Review Sub-Committee;
 - The establishment of a Standards Working Group to make recommendations to the Monitoring Officer about whether there has been a breach of the Code of Conduct or not, whether further investigation is required and whether a Local Hearing should be held. Where the Monitoring Officer decides that a Local Hearing should be held it will be conducted by the Standards Working Group;
 - A new delegation to this Committee to consider a referral from the Monitoring Officer where he/she disagrees with the recommendations from a Standards Working Group following a Local Hearing.
7. Appendix 3 to this report details the consequential constitutional amendments that will be required if the proposed new complaints process is adopted.

Why a change is needed

8. Whilst as a general rule it is important to deal robustly with complaints of a breach of the code of conduct, on occasion complaints are received which do not merit the inevitable expenditure of time and money which investigation and possibly a hearing would involve. The new proposal strengthens the Monitoring Officers powers, in consultation with the Independent Person, to filter out such complaints and ensure that the process allows a proportionate response to alleged breaches of the code.
9. The new process is also simplified in terms of the number of stages and different hearings which can be involved. This should be easier for the public to understand.
10. The new process will reduce officer time spent on standards complaints and as a result save money.

Financial Implications

11. The proposed new procedure for dealing with complaints against Councillors would be implemented and contained within existing budgets.

Risk Management Implications

Risk included on Directorate risk register? Yes/No (Delete as appropriate)

Separate risk register in place? No

The Council must have a Code of Conduct and a procedure for dealing with complaints against Councillors. These are requirements of the Localism Act 2011.

Equalities implications

Was an Equality Impact Assessment carried out? No

If no, state why an EqIA was not carried out below:

The proposed new procedure will allow all members of the public and stakeholders to have access to a system where they can easily voice concerns about the conduct of Councillors.

Council Priorities

A transparent and robust complaints procedure against Councillors contributes towards all of the Council's Corporate Priorities as it promotes the integrity of the Council as a whole.

Section 3 - Statutory Officer Clearance

Name: Steve Tingle	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 16 January 2015		
Name: Jessica Farmer	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 12 January 2015		

Ward Councillors notified:	NOT APPLICABLE
-----------------------------------	-----------------------

Section 4 - Contact Details and Background Papers

Contact: Jessica Farmer, Head of Legal Practice, 020 8424 1889

Background Papers: Localism Act 2011

This page is intentionally left blank