



LONDON BOROUGH OF  
**HARROW**

# **Overview and Scrutiny Committee Supplemental Agenda**

**Date: Tuesday 13 February 2024**

7. **Corporate Plan 2023-26: Review of first year and Flagship Actions 2024/25** (Pages 1 - 26)  
Report of the Managing Director.
8. **Final Revenue Budget 2024/25 and final Medium Term Financial Strategy to 2026/27** (Pages 27 - 129)  
Report of the Director of Finance and Assurance.

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**Report for: Overview & Scrutiny  
Committee**

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<b>Date of Meeting:</b>	13 February 2024
<b>Subject:</b>	Corporate Plan 2023-26: Review of first year and Flagship Actions 2024/25
<b>Responsible Officer:</b>	Alex Dewsnap, Managing Director
<b>Exempt:</b>	No
<b>Wards affected:</b>	All
<b>Enclosures:</b>	Corporate Plan

## **Section 1 – Summary and Recommendations**

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This report reviews progress on the first year of the Corporate Plan 2023-26 and introduces the Flagship Actions for 2024/25.

### **Recommendations:**

O&S is requested to:

1. Consider the progress made in the first year of the Corporate Plan 2023-26;
2. Consider the new Flagship Actions for 2024/25;
3. Provide comments on the Corporate Plan and Flagship Actions for consideration at Cabinet on 15 February 2024.

## **Section 2 – Report**

### **Introductory paragraph**

Harrow Council launched its corporate plan and strategy in February 2023. This three-year strategy set out how the council would restore pride in Harrow

by prioritising putting residents first, working to create a clean and safe borough and supporting those in need. These priorities are being used to make decisions at the council and to drive the services we deliver.

Our strategy identified how we planned to deliver these priorities and the action we would take during 2023/24 through a series of Flagship Actions. These Flagship Actions – a set of specific measurable priority actions which will be refreshed each year - bring the commitments that we have pledged to life and serve to respond to the things that matter most to residents.

We committed to publishing additional actions each year of our three-year strategy, reflecting the council's direction of travel and ambitions. These Flagship Actions will be real-life benefits that can be felt across the borough and restore pride in Harrow.

As we come to the end of the first year of our strategy, this report reviews the progress made on the Corporate Plan through both the delivery of the first year of the Flagship Actions and the other key areas of delivery. It then outlines the key deliverables and Flagship Actions for the forthcoming year, 2024/25. By priority area, these are:

### **A council that puts residents first**

1. Improve our website to make it easier for you to access information and council services, using mobile technology to deliver a more personal service.
2. Bring services to our communities by launching a new pilot Customer Services access kiosk at one of our libraries.
3. Move forward with our regeneration plans for well-designed family sized homes by submitting the planning application for Byron Quarter phase one.
4. Make housing more affordable in Harrow by delivering more than 50 affordable homes built on council sites.
5. Complete over 200 new kitchens and bathrooms to council owned homes.
6. Consult on our Draft Local Plan which sets out our long-term vision for Harrow. Take residents' views and outcomes from the consultation to produce an updated Local Plan within 2024/25. This will include housing, economic growth, community facilities, infrastructure, the environment, climate change adaptation, and good design.
7. Protect the heritage of Harrow further by formally designating at least two Local Areas of Special Character.
8. For the first time, we will recruit 2 graduates as part of the National Graduate Scheme.
9. Offer a variety of new work experience placements within the council including to 3 Harrow students in higher education.

10. Start the work to enhance Harrow Town Centre, making it a better-connected, more accessible, and sustainable space with new workspaces by March 2025.

### **A borough that is clean and safe**

1. Establish flood alleviation measures in Chandos Recreation Ground to reduce the risk of flooding in the local community and bring it up to the standard required for Green Flag status. In addition, we will prepare another 2 parks or open spaces for Green Flag accreditation by 2026.
2. Create a culture of recycling in the borough. Delivering at least 7 recycling events in our schools and with community partners to support residents, and delivering at least 3 TRAIID events in the borough to reduce waste by recycling and reusing more.
3. Begin to install the Harrow to Pinner cycleway. We will engage with our residents and businesses to create a well-used scheme that works for the local community.
4. Identify 3 locations for new habitat banks and enhance biodiversity in Harrow's parks and open spaces.
5. Deliver year two of the council's electrical testing and safety programme and achieve (100%) compliance on council housing.
6. Make our council homes and public buildings more sustainable and cheaper to run. We will do this by retrofitting 80 council homes to bring them up to an EPC C rating; installing solar panels at 5 schools and council buildings; and installing ground source heat pumps at 2 sheltered housing schemes.
7. For the second year running, install a further 200 EV residential charging points in the borough, with at least 5 of these being ultra-rapid charging points (subject to installation requirements).
8. Reduce anti-social behaviour in 4 hotspot areas by working with the police and other partners at a series of Days and Nights of Action.
9. Launch a new Pothole Squad using new technology to detect and fix more potholes quickly and at a lower cost.
10. Create a task force to take action against people who make our borough dirty and unsafe and implement neighbourhood street-cleaning crews who know their local area and the community.

### **A place where those in need are supported**

1. Implement the skills and employment offer from the council for our most vulnerable young people to young people with SEN and care leavers, offering a minimum of 5 apprenticeships or work placements within council services in 2024/25.
2. Expand the scope of the Conversation Café to enable residents' easier access to council information and advice on services within the borough.
3. Pilot an offer around digital inclusion for residents which helps them access a range of council services.
4. As we roll out our new model of Family Hubs, further integrate housing and other vital services for families.
5. Launch a health and wellbeing charter for schools and families to take action together against the negative impacts of childhood obesity – 75% of all primary schools to have signed up within the year.
6. Get Harrow Moving through a series of themed walking trails in our parks, with 500 new walkers signed up for the walks in 2024, of which at least 400 take part in more than one walk.
7. Purchase up to 25 further homes to provide temporary accommodation to homeless families in Harrow.
8. Enable greater digital inclusion by supporting 100 learners to gain digital skills (Beginners to Level 3).
9. Deliver 60 extra care units for older people at the former Kodak site.
10. Consolidate and launch the new models and criteria for our Neighbourhood Resource Centres, with Kenmore and Vaughan NRCs going live in April 2024 and the New Bentley Health and Well Being Centre going live late Autumn with an official launch in January 2025.

### **Ward Councillors' comments**

Not applicable.

### **Legal Implications**

Article 3 of the constitution sets out the policy framework of the council. The Corporate Plan is a plan that should be approved by Council.

### **Financial Implications**

The majority of flagship actions in the Corporate Plan are aligned to the MTFS and some are dependent on other funding streams, either within the Council or external. A number of the Flagship Actions will be delivered through the projects included in the Final Capital Programme 2024/25 to 2026/27.

## Risk Management Implications

Risks included on corporate or directorate risk register? **Yes**

Separate risk register in place? **No**

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

**N/A**

The following key risks should be taken into account when agreeing the recommendations in this report:

Risk Description	Mitigations	RAG Status
The Corporate Plan fails to deliver the Council's agreed vision and priorities.	<ul style="list-style-type: none"> <li>▪ The actions in the Plan were identified and formulated through consultation with the appropriate Portfolio Holder and relevant council officers. This included an assessment of financial viability and timescales for deliverability.</li> <li>▪ Consultation undertaken took place via a number of Directorate Management Team meetings, Cabinet/CLT discussions, individual briefings with Portfolio Holders and also 1:1 discussions with officers</li> </ul>	<b>GREEN</b>
The Corporate Plan is unachievable.	<ul style="list-style-type: none"> <li>▪ Delivery against the Corporate Plan is routinely reviewed by Cabinet members and the Corporate Leadership Team (CLT).</li> <li>▪ The monthly monitoring of progress against the corporate priorities and the Flagship Actions enables adjustments or remedial action to be taken.</li> <li>▪ The Corporate Plan and the Flagship Actions are aligned to the MTFS and will be delivered within the council's available resources.</li> </ul>	<b>GREEN</b>

# **Equalities implications / Public Sector Equality Duty**

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*

The Corporate Plan supports delivery of our equalities duties across the borough. One of the key priorities of the plan is to have a borough that is a place where those in need are supported. In order to achieve this, multiple datasets support identification of those groups who are not experiencing the same level of outcomes as others, enabling specific and targeted plans to be developed over the 3-year delivery window to improve outcomes.

## **Council Priorities**

The Corporate Plan, by its very nature, details how the council intends to deliver on each of its priorities:

1. **A council that puts residents first**
2. **A borough that is clean and safe**
3. **A place where those in need are supported**

The Flagship Actions are positioned within the council priorities.

## **Section 3 - Statutory Officer Clearance**

**Statutory Officer: Sharon Daniels**

Signed by the Chief Financial Officer

**Date: 26<sup>th</sup> January 2024**

**Statutory Officer: Caroline Eccles**

Signed on behalf of the Monitoring Officer

**Date: 25<sup>th</sup> January 2024**

**Chief Officer: Alex Dewsnap**

Signed off by the Managing Director

**Date: 24<sup>th</sup> January 2024**

**Head of Procurement: Nimesh Mehta**

Signed by the Head of Procurement



**Date: 24<sup>th</sup> January 2024**

**Head of Internal Audit: Neale Burns**

Signed on behalf of the Head of Internal Audit

**Date: 25<sup>th</sup> January 2025**

**Has the Portfolio Holder(s) been consulted? Yes**

## **Mandatory Checks**

**Ward Councillors notified: NO, as it impacts on all Wards**

**EqIA carried out: NO\***

No Equality Impact Assessment is required at this stage and impact assessments will be carried out during the development of associated priorities.

**EqIA cleared by: N/A**

## **Section 4 - Contact Details and Background Papers**

**Contact:** Nahreen Matlib, Senior Policy Officer,  
[nahreen.matlib@harrow.gov.uk](mailto:nahreen.matlib@harrow.gov.uk)

**Background Papers:** None

If appropriate, does the report include the following considerations?

- |                 |     |
|-----------------|-----|
| 1. Consultation | N/a |
| 2. Priorities   | YES |

# **Our strategy for Restoring Pride in Harrow 2023-26**

## **One year review**

**Leader's foreword**

**[to be inserted]**

**Cllr Paul Osborn  
Leader, Harrow Council**

## Our Borough – Harrow in numbers **\*\*Infographic to be added in final designed version\*\***

- Harrow has 261,300 residents
- 51% of our population are female, compared to 49% who are men
- 64% of Harrow's population come from a Black, Asian, and Multi-ethnic background
- Average age of Harrow residents: 38 years
- Half of the council's workforce live and work in Harrow
- 169 languages spoken in Harrow schools
- 93% of schools are rated good or outstanding by Ofsted
- Third lowest unemployment level in West London
- 94% of companies in Harrow are micro-businesses employing less than 10 people
- 15 minutes to central London by train
- 6 Green Flag parks
- One of the safest London Boroughs (along with Richmond and Wandsworth)
- Average house price of £581,321
- Life expectancy of 82.1 years for men and 85.7 years for women
- 10% of Harrow's population have diabetes
- More than 2 and a half million (2,781,213) free hours of parking used by residents in 2023
- Number of visits to the recycling centre throughout 2023 was 175,181

## Vision and priorities

### Restoring Pride in Harrow

In February 2023 we launched our corporate plan outlining how the council would restore pride in Harrow. We identified three priorities, to set out how we would restore pride in Harrow, to make decisions and to drive the services we deliver. These priorities are:



The corporate plan set out the actions we would take during 2023/24 through a series of Flagship Actions to deliver these three priorities and restore pride in Harrow. These Flagship Actions bring the commitments that we have pledged to life and serve to respond to the things that matter to you, our residents, the most.

We committed to publishing additional actions each year of our three-year strategy, reflecting this administration's direction of travel and ambitions. These Flagship Actions are real-life benefits that can be felt across the borough and restore pride in Harrow.

As we are coming to the end of the first year of our strategy, we use this opportunity to reflect on progress made through our initial Flagship Actions (2023/24) and introduce those for the forthcoming year (2024/25).

## **Our customer ethos**

In July 2022 we approved at Cabinet a new Customer Experience Strategy and Action Plan and through this we established a new Customer Ethos for the Council, setting out how we will proactively respond to residents, strive to act as a single organisation and deliver quality services to our residents.

We want Harrow to be a great place to live, work and visit, a place where people are proud to call home, feel safe and supported and where communities flourish.

Putting residents first is at the heart of everything we do. Within this lies a commitment to deliver services and experiences where the wellbeing and needs of our residents are met and are of a high standard.

Building on trust and communications will form even stronger relationships within the community. This will allow us to take great strides in our vision to restore pride, keep our borough clean and safe and support our most vulnerable residents.

By working together with our partners and community groups we can enrich the lives of residents and visitors.

## **Looking back at the last year**

We have made great strides since the launch of our corporate plan last year. We committed to improving our organisation and the way we deliver services to our communities and residents. We also invited a Peer Review Challenge from the Local Government Association in February 2023. Their reflections on how the council is progressing and how it can transform further reinforced our direction of travel and have been aligned into our overall improvement journey. This enables the organisation to be more productive and continue to deliver against the backdrop of financial and resource challenges.

For a borough that puts resident first we are responding to 90% of complaints in 15 working days. Our new consultation platform, MyHarrow Talk, is now much easier for residents to have their say on key decisions in Harrow. Since its launch, more than 24,000 people have visited the site and almost 3,000 people have responded to our consultations (15 held since we launched). Critical to meeting local needs is engaging and working together with local groups, and external stakeholders, including our Voluntary and Community Sector and faith organisations.

To protect our suburbs from tall buildings, we adopted the Supplementary Planning Documents and a new planning portal now gives residents better access to information on proposed developments and more opportunities to have their say. To further demonstrate our

commitment to regeneration across the borough, in January we agreed business cases to develop key council sites through the Harrow Strategic Development Partnership.

In making Harrow a place that is clean and safe, over the last year we have developed strategies to address our climate and sustainability commitments, and some of this is evidenced in our new Flagship Actions.

Over the last twelve months, lots of work has taken place to deliver our key priorities. We have retained our 6 Green Flag Parks and Headstone Manor has separately won an award at the 2023 British Association of Landscape Industries (BALI) National Landscape Awards for nature conservation and biodiversity enhancement.

We launched a new witness appeal campaign for fly-tipping using the newly installed mobile CCTV cameras and our brand new CCTV room. Our new recycling team started in October making a significant impact on educating and reducing contamination in our dry recycling. Two planning Days of Action took place to demolish structures and illegal extension with no planning permission. A 3-year partnership community safety strategy was approved to tackle crime in the borough. This includes a series of Weeks of Action for which we have successfully delivered 3 across our hotspot areas. Our joint partnership work with the police has also seen a sharp decline in catalytic converter offences in the last 18 months. 2023 saw a massive drop in these offences, from 407 (December 2022) to 49 (December 2023).

For a borough that supports those in need, we are transforming our offer for children's and adults' services in collaboration with statutory and key partners to make things more joined up for our residents. We have built this into our wider improvement plans to ensure a consistent approach across all sectors that deliver key services.

Last year we launched our carers' strategy which sets out how we support carers. Through this, we have successfully piloted the Conversation Café which helps unpaid carers but is also used as a tool where officers across the council go directly to the very people who need support, and in doing so, resolving their issues in a way we have never done before. We are also supporting local businesses in need of support through employment schemes, networking opportunities and our Harrow Means Business event. We have delivered Make Every Contact Count training to our frontline officers and councillors, which allows us to work in a more joined up way to use opportunities during every day interactions with residents, thinking about how we can make positive improvements to their health and wellbeing. We have also helped 6 apprentices successfully move into permanent roles as social workers, a further boost to help our residents most in need of support.

Without a talented workforce, we would not be able to deliver the hundreds of services we offer residents. Our recent staff awards recognised the great passion, dedication and achievements of staff in areas such as those involved in securing Green Flag parks,

creating the Conversation Café, delivering customer excellence through resolving resident enquiries efficiently and also our commitment to apprenticeship opportunities.

## **Looking ahead to 2024/25**

While this one-year review of the corporate plan looks back at some of our achievements over the past year, we will continue to drive forward our longer-term ambitions through a range of issues that matter to residents.

As a council that puts residents first, we have bold ideas for regeneration in the borough, including redeveloping well-known council-owned plots of land in the heart of Harrow, contributing to the sustainable development of Harrow, fostering a vibrant and inclusive community within the heart of Harrow. We will also be developing a Local Plan for Harrow which will work in partnership to set the context and vision for the borough's infrastructure and wider regeneration.

Our work to transform our children's and adult's services will continue over the next year. We will build on our strong local partnerships and working in a streamlined way with providers to ensure an integrated approach to deliver better outcomes for all those who live in Harrow.

Next year will see exciting plans for our leisure offer across the borough. We will ensure that residents receive the best possible sport and leisure provision through our re-tendering of services at our three leisure sites at Harrow Leisure Centre, Hatch End Swimming Pool, and Bannister Sports Centre and looking at future investment in leisure facilities. This year, we have refurbished 36 tennis courts - next year we will work with the Council's tennis operator to increase participation at these courts in our parks. We are also planning to develop community outreach with our leisure operator, Everyone Active, to better reach people who are currently inactive and not able to access the council's leisure centres.

In fulfilling the ambitions of this corporate plan, there are a number of internal drivers that will enable the council as an organisation to deliver better outcomes for residents. We have developed a workforce development strategy which seeks to ensure all staff have the skills and competencies needed to deliver high quality services for residents. This is supported by better technology and systems, as we embrace new innovative ways of working.

We are preparing a new Customer Experience strategy for 2024-26 which will build on our successful work over the last couple of years in this area and launch in Summer. This will include further work on the website to improve personalisation and optimise mobile phone functionality; improve access through traditional channels such as face-to-face and telephony; make the most of new IT system



replacements and further reduce the need to make contact with the council unnecessarily. There is a golden thread through the council's priorities and the staff objectives that staff look to achieve every year. Over the past year we have embedded performance systems to capture and track our progress on the corporate priorities to ensure we improve services for our residents. This includes performance indicators relating to the Flagship Actions and our Corporate Improvement Programme. The council summarises progress against its plans through our quarterly Strategic Performance Report which is our public report on performance. We will continue to monitor the delivery of our corporate priorities as part of our corporate performance monitoring system.

## Our Priorities for Residents – review and forward look

### 1. A council that puts residents first

With council services that are easily accessible and effective, promises that are delivered upon, clear customer service standards and improved communications we will put residents first and restore pride in Harrow.

Our 2023/24 Flagship Actions were to:

#### **1. *Install full fibre internet to all council homes and include Grange Farm Community Hall and Northolt Road Community Hall by the end of March 2024, helping our council tenants be more connected.***

1,496 out of 6,658 council premises have been connected. Due to external factors beyond the council's control the programme was halted. However, we now anticipate that full fibre to premises across the borough will be complete in 2026.

#### **2. *Launch a new consultation platform called 'My Harrow Talk', keeping the views of residents at the heart of decision making***

MyHarrow Talk, our new consultation platform, launched in Spring 2023 making it easier for residents to have their say on how we make decisions in Harrow. Since its launch, we have had more than 24,000 visitors to the site. 15 consultations have been run on this platform with 10,200 visitors looking at information provided and some 2,873 have contributed responses to the consultations.

#### **3. *Deliver a new planning website by the end of the summer, making it easier for our residents to apply or look up and comment on planning applications.***

Launched in September, a new planning portal is now available, giving residents better access to information on proposed developments and more opportunities to have their say.

#### **4. *Adopt new planning protections to restrict tall buildings in our suburbs and better control conversions from houses into flats to preserve the character of Harrow.***

In July 2023 following a public consultation we adopted Supplementary Planning Documents setting out that Harrow wants to keep its predominantly low-rise suburban character, with more height permitted in the town centre and Wealdstone.

5. ***Create safe and secure cycle parking at Harrow on the Hill station by May 2024, encouraging more active travel and healthier lifestyles.***
6. ***Rollout the first car parking spaces for car clubs in our car parks by May 2024, helping reduce the number of cars and emissions on our roads by giving residents easier access to cars when they need it, at a reasonable rate.***

We are working hard to create safe and secure cycle parking at Harrow on the Hill station and rollout the first car club parking spaces in our car parks. We are making good progress to achieve this and there will be further reporting on this in due course.

7. ***Respond to 90% of complaints in 15 working days, improving our responsiveness and customer experience.***

We have made great strides to achieve our target of responding to 90% of complaints in 15 working days. Within the first 6 months 93% of stage one complaints were handled in 15 working days.

8. ***Improve our website to create a more personalised service through the MyHarrow Account, the ability to track progress of reported items online and enhance the customer experience.***

We have improved our website to enhance the customer experience. Residents now have access to up-to-date information across various services including waste, planning and parking.

## 2. A borough that is clean and safe

We committed to improving the quality of our public spaces by taking action against those who make Harrow feel unsafe and dirty. To improve our public spaces, we also pledge to invest in our parks and open spaces, and encourage active and sustainable travel. By supporting local businesses and high streets through challenging times we pledge to make Harrow a destination for shopping and socialising.

Our Flagship Actions for 2023/24 were to:

1. ***Deliver Phase One of the Grange Farm estate regeneration – Harrow’s largest estate regeneration – by the end of 2023, delivering 89 quality affordable homes. By April 2024 we will determine the planning application for Phase Two.***

Late in the summer of 2023, the first tenants moved into their new homes, a mix of town houses and apartments on Grange Farm estate in South Harrow.

There are new timelines for Phase 2 of the Grange Farm regeneration and we have approved business plans for the Grange Farm estate. We aim to submit the planning application in the Autumn.

2. ***Install at least 15 mobile CCTV cameras in the areas of Harrow most targeted by fly-tippers to reduce the levels of dumping and to make the people who do this pay.***

We have installed 10 CCTV cameras in hotspot areas to act against those caught illegally dumping waste, with another 5 CCTV cameras awaiting installation. More than 1,500 fines for fly-tipping were issued between January and October 2023.

3. ***Ensure good quality open spaces for our residents, through the reaccreditation of our 6 Green Flag parks and identify 3 more parks to become accredited to Green Flag status by 2024/2025.***

Last summer 6 of our parks retained their Green Flag status, meaning that our communities continue to have access to quality green and other open spaces. These spaces are well-managed and meet the needs of the communities that they serve.

4. ***Refurbish 36 tennis courts in Harrow parks and open spaces by 2025, delivering good quality courts and a new booking system.***

During the Summer of 2023 we upgraded 36 of our most neglected tennis courts across Harrow. We secured a grant of £445k from the Lawn Tennis Association to bring these courts to a good playing standard and these are now enjoyed by the community.

**5. *Resurface over 60 carriageways and footways over the next 12 months through our improved highway maintenance programme.***

Our £10m resurfacing programme commenced in the summer – first focusing on temporary repairs followed by a programme to resurface 60 roads and footways across the borough.

**6. *Double the number of council provided electric charging points for the public in the next 12 months, helping residents who have or will choose hybrid or electric vehicles in the future, reducing greenhouse gas emissions and improving air quality.***

We are working hard to double the number of electric charging points across Harrow. We have secured funding for this and are on track to install 225 electric charging points by Spring 2024.

**7. *Identify unauthorised beds in sheds and other environmental issues through a new approach which includes heat maps.***

Our new Enforcement Panel has set out clear plans on how we will tackle rogue landlords, and those building or operating without planning permission. We continue to work with landlords to deliver good quality homes for their tenants.

**8. *Hold at least four Weeks of Action, bringing together council and partners to deal with particular areas of anti-social behaviour and fly-tipping.***

This year we have held 3 Weeks of Action in June, October and January in Edgware, Rayners Lane and Wealdstone.

Working with the police and community partners, our enforcement, community safety and street cleansing teams tackled local issues such as anti-social behaviour, fly-tipping, trading offences, and Houses of Multiple Occupations (HMOs). The remaining Week of Action will take place in March this year.

### **3. A place where those in need are supported**

We will celebrate Harrow's diversity and empower communities and residents. We will support those most in need by providing better career opportunities through training and employment and working with our partners and the voluntary sector to help residents live well for longer in the community.

Our Flagship Actions for 2023/24 were to:

***1. Help with the cost-of-living crisis, we will deliver another year of free school meals during school holidays.***

Between April and December, more than 6,500 families have received help with free-school meals during the school holidays thanks to the Government's Household Support Fund. We also used this funding to support those most in need with energy bills and cost of living payments, as well as basic food provisions.

***2. At least doubling the number of Harrow Council Apprenticeships in the borough by the end of the year.***

We have doubled the number of apprenticeships in the council and in the borough by March 2024. We will use National Apprenticeship Week in February 2024 to create more opportunities in the community.

***3. Launch a skills and employment programme for our most vulnerable young people before the summer of 2024, including our care leavers, with applications launching by March 2024.***

This year, we launched a new skills and employment programme to match vulnerable young people and care leavers to apprenticeship opportunities in the council. Applications will launch in Spring this year as one of our new Flagship Actions.

***4. Upgrade the Council's 10 Children Centres into Family Centres, which will deliver more integrated services for residents which includes early years and health.***

Our first new Family Centre known as the 'Family Hub' opened in January 2024 and we are on track to roll out all Family Hubs by September 2024, which will see the council, health and voluntary sector partners working together to deliver more integrated services to families.

**5. *Work with residents, community groups and the voluntary sector to create a new adult social care and mental health service by July.***

A new service was launched in July 2023, with the council now managing both mental health and adult social care services. This allows us to focus on person-centred care pathways so that services are delivered holistically and better link to the community network of services in Harrow.

**6. *Improve our neighbourhood resource centres into true adult social care and well-being hubs.***

Lots of work is taking place to create a stronger offer for our residents through our Neighbourhood Resource Centres (NRCs). This is a two-year programme and is due to complete in 2025/26.

**7. *Development of our new customer centre at Gayton Road for people at risk of homelessness or concerns about vulnerable residents.***

We launched our new Customer Centre at Gayton Road bringing together services to support to our residents with the most urgent housing and social care enquiries.

**8. *Start construction on Milton Road, resulting in 100% high quality, affordable housing, which includes family-sized homes.***

Construction is well-underway on Milton Road. In February the concrete frame for the apartment block was completed and brickwork for the townhouses has now started. We are on track to deliver the 36 high quality, affordable homes in December 2024.

## **Our Flagship Actions for 2024/25: A Council that puts residents first**

Last year we pledged to make council services more easily accessible in the community and make sure the voice of residents is at the heart of everything we do. We will build on this work this year, expanding our work to make Harrow a place that is welcoming and retains its special character. We want to lead by example as an inclusive employer, investing in local talent and developing future leaders. The new Flagship Actions for this year are to:

1. Improve our website to make it easier for you to access information and council services, using mobile technology to deliver a more personal service.
2. Bring services to our communities by launching a new pilot Customer Services access kiosk at one of our libraries.
3. Move forward with our regeneration plans for well-designed family sized homes by submitting the planning application for Byron Quarter phase one.
4. Make housing more affordable in Harrow by delivering more than 50 affordable homes built on council sites.
5. Complete over 200 new kitchens and bathrooms to council owned homes.
6. Consult on our Draft Local Plan which sets out our long-term vision for Harrow. Take residents' views and outcomes from the consultation to produce an updated Local Plan within 2024/25. This will include housing, economic growth, community facilities, infrastructure, the environment, climate change adaptation, and good design.
7. Protect the heritage of Harrow further by formally designating at least two Local Areas of Special Character.
8. For the first time, we will recruit 2 graduates as part of the National Graduate Scheme.
9. Offer a variety of new work experience placements within the council including to 3 Harrow students in higher education.
10. Start the work to enhance Harrow Town Centre, making it a better-connected, more accessible, and sustainable space with new workspaces by March 2025.



## **Our Flagship Actions for 2024/25: A borough that is clean and safe**

In 2023/24 we took action to tackle cleanliness and crime in the borough and make Harrow a destination for shopping and socialising. This year, we are expanding our work on safety and will deliver on key priorities to address the climate emergency, which support our ambitions to make Harrow a healthy and attractive place to live and work. The new Flagship Actions for this year are to:

1. Establish flood alleviation measures in Chandos Recreation Ground to reduce the risk of flooding in the local community and bring it up to the standard required for Green Flag status. In addition, we will prepare another 2 parks or open spaces for Green Flag accreditation by 2026.
2. Create a culture of recycling in the borough. Delivering at least 7 recycling events in our schools and with community partners to support residents, and delivering at least 3 TRAIID events in the borough to reduce waste by recycling and reusing more.
3. Begin to install the Harrow to Pinner cycleway. We will engage with our residents and businesses to create a well-used scheme that works for the local community.
4. Identify 3 locations for new habitat banks and enhance biodiversity in Harrow's parks and open spaces.
5. Deliver year two of the council's electrical testing and safety programme and achieve (100%) compliance on council housing.
6. Make our council homes and public buildings more sustainable and cheaper to run. We will do this by retrofitting 80 council homes to bring them up to an EPC C rating; installing solar panels at 5 schools and council buildings; and installing ground source heat pumps at 2 sheltered housing schemes.
7. For the second year running, install a further 200 EV residential charging points in the borough, with at least 5 of these being ultra-rapid charging points (subject to installation requirements).
8. Reduce anti-social behaviour in 4 hotspot areas by working with the police and other partners at a series of Days and Nights of Action.
9. Launch a new Pothole Squad using new technology to detect and fix more potholes quickly and at a lower cost.

10. Create a task force to take action against people who make our borough dirty and unsafe and implement neighbourhood street-cleaning crews who know their local area and the community.

## **Our Flagship Actions for 2024/25: A place where those in need are supported**

Last year, our priorities centred around supporting those most in need by working in collaboration with our community partners. We will continue this through our strong partnerships; we will help residents with their care needs, ensure greater confidence in using our digital platforms, and create employment opportunities for our most vulnerable young people. The new Flagship Actions for this year are to:

1. Implement the skills and employment offer from the council for our most vulnerable young people to young people with SEN and care leavers, offering a minimum of 5 apprenticeships or work placements within council services in 2024/25.
2. Expand the scope of the Conversation Café to enable residents' easier access to council information and advice on services within the borough.
3. Pilot an offer around digital inclusion for residents which helps them access a range of council services.
4. As we roll out our new model of Family Hubs, further integrate housing and other vital services for families.
5. Launch a health and wellbeing charter for schools and families to take action together against the negative impacts of childhood obesity – 75% of all primary schools to have signed up within the year.
6. Get Harrow Moving through a series of themed walking trails in our parks, with 500 new walkers signed up for the walks in 2024, of which at least 400 take part in more than one walk.
7. Purchase up to 25 further homes to provide temporary accommodation to homeless families in Harrow.
8. Enable greater digital inclusion by supporting 100 learners to gain digital skills (Beginners to Level 3).
9. Deliver 60 extra care units for older people at the former Kodak site.
10. Consolidate and launch the new models and criteria for our Neighbourhood Resource Centres, with Kenmore and Vaughan NRCs going live in April 2024 and the New Bentley Health and Well Being Centre going live late Autumn with an official launch in January 2025.

**Report for: Cabinet**

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<b>Date of Meeting:</b>	15 February 2024
<b>Subject:</b>	Final Revenue Budget 2024/25 and final Medium Term Financial Strategy to 2026/27
<b>Key Decision:</b>	Yes
<b>Responsible Officer:</b>	Sharon Daniels– Interim Director of Finance (S151 Officer)
<b>Portfolio Holder:</b>	Councillor David Ashton – Portfolio Holder for Finance and Human Resources
<b>Exempt:</b>	No
<b>Decision subject to Call-in:</b>	No - decisions reserved to Council
<b>Wards affected:</b>	All
<b>Enclosures:</b>	<p><b>Appendix 1A</b> – Savings and Growth 2024/25 to 2026/27 <b>Appendix 1B</b> – Savings and Growth from the 2023/24 Budget Process <b>Appendix 2</b> - Medium Term Financial Strategy 2024/25 to 2026/27 <b>Appendix 3</b> – Revenue Budget Summary 2024/25 <b>Appendix 4</b> – Levies, contributions, and subscriptions <b>Appendix 5</b> – Policy on use of contingency <b>Appendix 6</b> - Schools Budget 2024/25 <b>Appendix 7</b> - Public Health Budget 2024/25 <b>Appendix 8</b> – Reserves Policy <b>Appendix 9</b> – Reserves Forecast <b>Appendix 10</b> – Report of the Chief Finance Officer <b>Appendix 11</b> – Model Council Tax Resolution <b>Appendix 12</b> – Annual Pay Policy Statement for 2024/25 <b>Appendix 13</b> – Flexible Use of Capital Receipts <b>Appendix 14</b> - Summary of Resident Consultation <b>Appendix 15</b> – Employees’ Consultative Forum Recommendation <b>Appendix 16</b> – Harrow Business Consultative Panel Recommendation <b>Appendix 17</b> – Overview and Scrutiny Committee Reference <b>Appendix 18</b> – Performance &amp; Finance Scrutiny Sub-Committee reference</p>

## Section 1 – Summary and Recommendations

This report sets out the final revenue budget for 2024/25 and Medium Term Financial Strategy (MTFS) to 2026/27. In December 2023, Cabinet approved the draft version of the revenue budget and MTFS for general consultation.

### Recommendations:

Cabinet is requested to:

- 1) Recommend the 2024/25 budget to Council for approval, to enable the Council Tax for 2024/25 to be set.
- 2) Recommend the Model Council Tax Resolution 2024/25 to Council for approval as set out in Appendix 11.
- 3) Recommend to Council that, in accordance with Section 38 (2) of the Local Government Finance Act 1992, the Managing Director be instructed to place a notice in the local press of the amounts set under recommendation 2 above within a period of 21 days following the Council's decision.
- 4) Cabinet refer to Council to make a determination to apply the new council tax premium for empty furnished properties (under section 11C of the Local Government Finance Act 1992) at a premium of 100% from 1<sup>st</sup> April 2025 (Paragraphs 1.21-1.24).
- 5) Note additional funding, namely Social Care Grant and Funding Guarantee, announced by Government on 24<sup>th</sup> January 2024 for Local Government at the Final Settlement, which was published on 5<sup>th</sup> February 2024 (Paragraph 1.05).
- 6) Approve the Medium-Term Financial Strategy for referral to Council (Appendix 2).
- 7) Note the balanced budget position for 2024/25 and the estimated budget gap of £10.880m and £6.732m for 2025/26 and 2026/27 respectively (Table 2).
- 8) Note the intention to increase core Council Tax by 2.99% in 2024/25 (Paragraph 1.17).
- 9) Note the intention to increase Council Tax by a further 2% in 2024/25 in respect of the Adult Social Care Precept (Paragraph 1.19).
- 10) Note the 2024/25 budgets for Schools and Public Health as set out in Appendices 6 & 7.
- 11) Note the proposal to increase funding to Additionally Resourced Mainstream Units by 3.4% (within the High Needs Block) (Paragraph 1.43).

- 12) Note the proposal to provide additional funding for pupils with Education, Health and Care Plan (EHCP) in mainstream schools of 7% (Paragraph 1.46).
- 13) Note the assumed funding for the protection of social care 2024/25 through the Better Care Fund (Paragraphs 1.58 to 1.61).
- 14) Recommend the 2024/25 Annual Pay Policy Statement to Council for approval (Appendix 12).
- 15) Recommend the Capital Receipts Flexibility Strategy to Council (Appendix 13).

**Reason: (For recommendations)**

To ensure that the Council sets a balanced budget for 2024/25.

## **Section 2 – Report**

### **BACKGROUND**

- 1.01 Harrow remains one of the lowest funded Councils both within London and nationally. The Council does not benefit from large reserves compared with other London Borough's and is at the lower end of the lower quartile for reserve balances held.
- 1.02 Over the last 10 years, up to 2024/25:
  - The Council's revenue support grant has reduced from £50.5m to £2.2m
  - The Council does receive other grant funding to support services, in 2023/24 this totalled £375m. However, these grants are all ring fenced to areas of activity and cannot be used to support the core budget, for example the Dedicated Schools Grant of £152m.
  - The Council does not receive specific funding to meet demographic growth and demand led pressures. In addition, inflation has increased significantly creating unfunded budget pressures.
  - For many years Council Tax has been increased to just below the referendum limits and full use has been made of the Adults Social Care Precept, both of which were in line with central government expectations. The impact of this is that the Council is heavily reliant on Council Tax to fund its core services. In 2023/24 78% of the Council's net revenue budget of £196.4m is funded from Council Tax.

### **SUMMARY**

- 1.03 This report sets out the final budget and MTFs, which have been adjusted since draft documents were presented to Cabinet in December 2023. Cabinet are asked to note the adjustments. After all adjustments, the MTFs shows a balanced budget position for 2024/25 and an estimated budget gap of £10.880m for 2025/26 and £6.732m for 2026/27. It is important to note that for both 2025/26 and 2026/27 several of the budget adjustments are

estimated at a high level due to the challenges of forecasting complex issues such as inflation, demand, and demographic changes so far in advance. For example, the pay award has only been agreed in October 2023 for the 2023/24 pay award so for all 3 years 2024/25 to 2026/27 the pay award assumptions are estimated. As the budget is approved annually, the latter two years of the MTFs, will be subject to review and adjustment before being finally approved.

1.04 The final MTFs and budget gaps of £10.880m in 2025/26 and £6.732m in 2026/27 are based on the Local Government Indicative Financial Settlement received 18 December 2023.

1.05 On 24<sup>th</sup> January 2024, Government announced additional funding for councils with responsibility for adults and children's social care (Social Care Grant) and the increase in minimum Funding Guarantee from 3% to 4%. The new funding is part of the Final Local Government Finance Settlement. The Final Settlement was published on 5<sup>th</sup> February 2024. The additional funding totals £2.308m and is summarised below. This will be included in the corporate budgets in 2024/25.

- Social Care Grant £2.020m
- Funding Guarantee £0.263m
- There is also a revision to the Services Grant from £0.252m to £0.277m, an increase of £25k

In addition, there is also a one-off business rates surplus arising from the 2023/24 business rates levy account and will be distributed in 2024/25. Harrow's share of this is estimated at £0.332m.

## **AUTUMN STATEMENT 2023**

1.06 The Chancellor of the Exchequer, Jeremy Hunt, delivered the 2023 Autumn Statement on 22<sup>nd</sup> November 2023. As well as the usual updates on the state of public finances and the performance of the economy, the Chancellor organised his policies into five key areas: reducing debt; cutting tax and rewarding hard work; backing British business; building domestic and sustainable energy; and delivering world-class education.

1.07 The key policy announcements relating to public spending and local government are summarised below:

### **Local Government Funding**

- There was no new funding for 2024-25 for adult or children's social care or any general local government funding beyond what was announced in the Autumn Statement 2022.

### **Housing and Homelessness**

- Local Housing Allowance rates will be raised to a level covering 30% of local market rents.
- Additional funding of £120m for homelessness prevention (UK-wide) in 2024-25. The details of the allocations are not yet known and therefore the Harrow allocation is still to be confirmed.

- Local Authority Housing Fund to be extended with a third round worth £450m to deliver new housing units and temporary accommodation for Afghan refugees.
- For the Housing Revenue Account, there is a rate extension of £5m to June 2025 of the Public Works Loan Board policy margin announced in Spring 2023.
- There are plans to allow local authorities to be able to fully recover the cost of planning fees for major planning applications if decisions are made within certain timelines.
- Local Planning Authorities to receive £32m to tackle planning backlogs.

### **Business Rates**

- The standard business rate multiplier will be increased by September CPI (6.7%) and the small business rate multiplier will be frozen for a fourth consecutive year.
- The 75% Retail, Hospitality and Leisure relief will be extended for 2024-25.
- Local authorities will be fully compensated for the loss of income because of these two measures and will receive new burdens funding for administrative and IT costs.

### **Local Government Pension Schemes**

- Reforms are anticipated to the Local Government Pension Scheme, including confirmation of guidance that will implement a 10% allocation ambition for investments in private equity, and establishing a March 2025 deadline for the accelerated consolidation of LGPS assets into pools.

### **National Living Wage and Benefits**

- From April 2024, the National Living Wage will increase by 9.8% to £11.44 an hour and the age threshold lowered from 23 to 21 years old.
- The triple-lock for pensions will be continued (an increase of 8.5%) and benefits will increase in line with the September CPI (6.7%).

## **DELIVERY OF THE 2023/24 BUDGET**

- 1.08 The budget for 2022/23 was originally based on drawing down £14.7m of reserves to bring in a balanced position. The final position for 2022/23 improved significantly as a result of careful control and oversight of budgets, which meant that only £5.8m of reserves were needed (as opposed to £14.7m) to bring the budget into a balanced position.
- 1.09 The position against the current 2023/24 revenue budget is detailed in a separate report on this agenda, 'Revenue and Capital Budget Monitoring Report 2023-24 Q3'. This report forecasts a net overspend of £0.581m as at 31<sup>st</sup> December 2023. If the position does not improve before year end, it would be necessary to draw down this amount from the MTFs Budget Planning Reserve to bring in a balanced position, but it is anticipated that 2023/24 can be balanced with no draw down from reserves other than those already built into the budget.



- 1.10 In line with the national picture, the Council is being heavily impacted by inflation. Budget provision for pay inflation was £4m (4%). The 2023/24 pay award equated to an increase of 7% against the pay bill and has created a budget pressure of £3.2m. The bulk of this pressure has been funded from the general corporate budget and the non-pay inflation provision, but still leaves an £800k shortfall to be carried forward into 2024/25.
- 1.11 In addition, there are very substantial pressures on demand in adult services. Such is the scale of the demand, that across the 3 years of the MTFs from 2024/25 to 2026/27, a further £9.7m has been added in as a budget growth, as set out in Table 1.

### **BUDGET PROCESS 2024/25**

- 1.12 In preparing the 2024/25 budget and rolling forward the MTFs to cover the three-year period to 2026/27, the current MTFs has been the starting point for the process. Council has a statutory obligation to agree and publish a balanced budget for 2024/25, and approval for this is being sought from Council in February 2024.
- 1.13 The Council's financial position and its operational environment has always been affected by several financial uncertainties and adjustments that impact upon its financial position over the short and medium term. In preparing the final budget for 2024/25 the existing MTFs has been:
- Refreshed and rolled on a year
  - Updated to reflect the estimated impact of the Provisional Financial Settlement
- 1.14 The draft budget was presented to Cabinet in December 2023. For completeness, the adjustments required to set the draft budget, are repeated in this report and summarised in Table 1 below followed by a narrative explanation. These adjustments are also set out in Appendix 2 along with adjustments included within the previous MTFs agreed as part of the 2023/24 Budget process:

Table 1: Changes to the MTFs (Prior to Indicative Settlement)				
	2024/25	2025/26	2026/27	
	£'000	£'000	£'000	
<b>Budget Gap (February 2023)</b>	0	6,321	0	
Reversal out of Social Care Grant		6,822		
<b>Budget Gap (February 2023)</b>	0	13,143	0	
<b>Council Tax Changes</b>				
Core CT @ 2.99%				-4,995
Increase 2024/25 by 1 % to 4.99%	-1,545			
Residual Tax Base Increase for 2024/25	-21			
Increase in CT base - 150 band D equivalents		-312		-250
Council Tax Collection Fund Surplus (one off)	-790	790		
<b>Grants and Technical Adjustments</b>				
Council Wide Growth				1,000
One off reduction of contingency	-175	175		
Assume Social Care Grant will remain with LA		-6822		
Assume that Capital Flexibilities will be extended on one off basis		-1250		1,250
Assume temporary savings on capital financing cost from slippage (one off)	-3000	3,000		
Reverse Council wide Mgt saving	650			
Increase TM savings to offset Mgt saving - additional investment income being achieved through improved investment returns	-650			
West London Waste Authority energy income (electricity)	-1000			1000
<b>Capital Programme Review</b>				
Resources - reduction of £600k in the Capital Programme. Therefore reducing capital financing cost in the revenue budget.	-34	92		-196
Place - reduction of £1.964m in the Capital Programme. Therefore reducing capital financing costs in the revenue budget.	-148			
2026/27 Capital Programme Cost				1,500
-				
<b>Pay award 2023/24</b>				
£6.4m budget available. pay award £7.2m. Gap for 2023/24 pay award of £800k.				
Reduction of council wide growth 2024/25 to fund pay award	800			
-755				
<b>Pay award 2024/25</b>				
£5.5m provision for pay and £1.0m for non pay - already assumed in the previous 2023/24 budget setting.				
<b>Pay award 2025/26</b>				
£5m provision for pay and £1m for non pay - already assumed in the previous 2023/24 budget setting.				
<b>Pay award 2026/27</b>				
Pay award @ 3%				3000
<b>Provision for Non Pay Inflation</b>				
Non Pay inflation provided for £1m in line with previous provisions.				1000
<b>Directorate Pressures plus Mitigations</b>				
<b>Resources and Managing Director</b>				
Resources - Access Harrow saving was not progressed as a result of a decision to keep the phone lines open for residents accessing the Revenues and Benefits service	180			
Managing Director (Finance and Assurance) - increase in external audit fees	250			
Managing Director (Finance and Assurance) - internal audit & CAFT	260			
Resources - one off budget for payroll staff ( staff previously working on schools payroll retained to work on general payroll)	230	-230		
Discretionary Freedom Pass - reversal of saving	12	6		
<b>People's Directorate</b>				
<b>Adults</b>				
Adults demand pressures (£9.787m over 3 years)	5440	2347		2000
Additional award of Market Sustainability and Improvement Fund (MSIF) grant for adults.	-828			
MSIF grant assumed as permanent grant but add to adults base for 2025/26		828		
Care Provider Inflation for Social care - in line with prior year allocations				1800
<b>Children's</b>				
Children's Placements & Accommodation budget - reduction of growth provided for placements in previous years - in 2023/24 £4.35m was provided and £1m of this is now being reversed.	-1000			
Growth in Education for staffing re: statutory duties	100			
<b>Place</b>				
Parking PCN 23/24 income shortfall - rephase £1m saving into 2025/26	1,000	-1000		
Parking P&D income shortfall	360			
Planning & Building Control income (£116k attributable to MTFs savings)	341			
Potential Homelessness demand pressure		2,325		
Housing staffing resource - one off requirement	180	-180		
Local Plan review	91	80		-171
Saving to reduce waste disposal costs through behavioural change ( residents)				
Rephasing of £0.5m saving over 2 years	250	-250		
Additional Street Cleaning funding	250			
Local Plan Review -reversal of growth provided in 2024/25 and 2025/26				-206
Savings put forward in Appendix 1A	-448	-276		
<b>Revised Budget Gap after Risks and Opportunities</b>	0	12,466	6,732	

## **Published Budget Gap as at February 2023**

- 1.15 The 2023/24 Final Budget and MTFS, which was approved by Council in February 2023, estimated there to be budget gaps of zero for 2024/25 and £13.143m for 2025/26. This therefore forms the starting point for the update of the MTFS.

### **Council Tax, National Non-Domestic Rate (NNDR) and Collection Fund**

- 1.16 For 2023/24, despite an increase in Council tax of 4.99% which raised additional revenue of £7.8m (Council tax income increased from £146.2m to £154.0m), the cost of the 2023/24 pay award (only agreed in October 2023) is £7.2m and therefore, this left very little funding available for other demand pressures that have emerged in adult services, and other inflationary pressures.
- 1.17 The assumed Council tax levels built into the MTFS agreed in February 2023 were based on 3.99% for 2024/25 and 2.99% for 2025/26. The changes made in Table 1 reflect an assumed Council tax of 2.99% in 2026/27 and an additional 1% assumed for 2024/25 which would take the increase from 3.99% to 4.99% for 2024/25. There is no change to the assumed 2.99% for 2025/26. This therefore provides for Council tax increases of 4.99%, 2.99% and 2.99% for the 3-year period 2024/25 to 2026/27.
- 1.18 In Table 1, the additional 1% in 2024/25 achieves additional income of £1.545m, whilst the original 3.99% achieves income of £6.144m. Therefore, the total council tax to be achieved from the 4.99% increase is £7.689m. The addition of 2.99% in 2026/27 provides £4.995m of council tax income in 2026/27.
- In addition, the Council's tax base has been calculated, (according to the relevant procedures and guidance) at 89,375 band D equivalent properties, which is an increase of 290 Band D equivalents on the 2023/24 Band D of 89,085. This will generate additional income of £0.521m in 2024/25. Because £0.5m had already been included in the 2024/25 assumptions when the MTFS was set last year in Feb 2023, Table 1 only includes a further £21k. There are further tax base increases assumed for 2025/26 and 2026/27 of £312k and £250k included in Table 1, which will be revisited as part of the 2025/26 budget process.
- 1.19 A maximum Council Tax increase of 4.99% is budgeted for 2024/25 in line with announcements made as part of the 2024/25 Finance settlement in December 2023. This covers 2.99% for core Council Tax and a 2% for the Adult Social Care Precept. There was no guidance as to the maximum level of Council Tax increase for 2025/26 and 2026/27 and for this reason, the working assumption has been left at 2.99% for both of these years.
- 1.20 The Collection Fund and its impact on the 2024/25 budget was subject to a separate report in December 2023 (Report: Estimated Surplus / (Deficit) on the Collection Fund 2023/24). The estimated impact on the 2023/24 Collection Fund is a surplus of £0.790m which must be accounted for as a one-off income against the 2024/25 budget.

## **Council Tax Premium**

- 1.21 The Levelling-up and Regeneration Act 2023 has amended the Local Government Finance Act 1992 by amending section 11B and introducing section 11C.
- 1.22 Section 11B has been amended by reducing the period a council tax dwelling has to be unoccupied and substantially unfurnished from 2 years to 1 for a 100% premium to be charged. This means that from 1st April 2024 the 100% premium on these unoccupied dwellings will commence 1 year after they first became unoccupied and substantially unfurnished. It does not matter whether the unoccupied period starts prior to the 1st of April 2024, the 1 year clock will commence from the date it was unoccupied and substantially unfurnished. Harrow already apply this premium from the 2 year period so the change to 1 year requires no formal decision from Cabinet or Council.
- 1.23 Section 11C has been introduced for dwellings where there is no resident, and the dwelling is substantially furnished (periodically occupied). This addition to the 1992 Act requires billing authorities to have decided to apply this premium of up to 100%, at least one year before the beginning of the financial year to which it relates. Cabinet is therefore asked to note that a recommendation will go to Full Council for a determination be made to apply this premium with effect 1st of April 2025. The charging of a premium will be in line with any regulations made by the Secretary of State relating to classes of dwelling where the premium may not apply. A further Cabinet report may be required upon the finalisation of the regulations.
- 1.24 The changes above are estimated to generate an additional income of approximately £0.750m, although this will be reviewed and included in the 2025/26 MTFS process.

## **Technical Changes**

- 1.25 A number of other adjustments have been included in Table 1 which are explained as follows:
- £1m of council wide growth in 2026/27 – this is a general allowance for growth as, other than for adults, there is no other departmental growth included.
  - £175k one off reduction of the contingency budget to balance the 2024/25 budget whilst awaiting the outcome of 2024/25 Finance settlement.
  - In 2023/24, £6.822m of social care funding was awarded for 2 years and initially it was felt that it was possible that the grant might have to be repurposed in 2025/26 for Social Care reform. Therefore, in arriving at the original budget gap of £13.143m in 2025/26, it had been assumed that the grant would be removed, resulting in an increase of the gap from £6.321m to £13.143m. It is now widely assumed that this grant will not be removed and therefore Table 1 reverses that assumption which improves the 2024/25 position by £6.822m.

- Capital Flexibilities are assumed for a further year in 2025/26, which enables the Council to charge transformation costs to capital and thereby reduce the cost to the revenue budget. £1.25m is assumed for 2025/26 on a one-off basis.
- Capital financing savings of £3m are assumed on a one-off basis as a result of slippage expected in the capital programme based on past experience.
- The Investment income budget that sits within treasury management has been overachieving on income as a result of the higher interest rates being achieved (the Bank of England base rate is currently 5.25%). As a result of this, a previously identified management saving of £650k which has not been achieved, will be managed as part of the treasury management budget and the investment income budget will be increased by £650k to offset this unachieved management saving. The Investment income budget will be reviewed as part of the 2025/26 budget setting process to ensure the £650k income can still be achieved as the expectation is that the Bank of England base rate will start to fall and therefore this will reduce investment income.
- The Council has received some cash rebates from West London Waste Authority of £1.6m and £1.9m respectively in 2022/23 and 2023/24 as a result of energy income. The energy from waste facility generates electricity which then generates an income for the WLWA. A decision was made to reimburse a proportion of the energy income to the six constituent boroughs. Therefore, the budget assumes £1m for a further 2 years but then this is reversed out in 2026/27, since it cannot be assumed to continue indefinitely.
- As a result of a review of the existing Capital Programme, it has been possible to remove some surplus capital budgets and therefore reduces capital financing costs by a net £286k across the MTFS period (-£182k 2024/25, £92k 2025/26 and -£196k 2026/27).
- The cost of the 2023/24 Capital Programme was approved as part of the 2023/24 budget setting process, but as the cost of £1.5m fell into 2026/27 which was last year outside of the MTFS period, the cost of £1.5m is now included.
- The pay award for 2023/24 has recently been agreed and cost £7.2m, an approximate 7% uplift against the pay bill. The 2023/24 budget included a provision of £4m and there were other budgets (non-pay inflation and corporate budgets) of £2.4m available to fund the pay award, which leaves an £800k shortfall that needs to be built into the 2024/25 budget. To offset the pressure, a corporate growth budget of £755k is being reduced to fund it.
- In terms of 2024/25, 2025/26 and 2026/27, pay award budgets have been assumed of £5.5m, £5m and £3m respectively. Over the past few years, the pay awards have been agreed very late in the financial year and for both 2022/23 and 2023/24, the pay agreements have been reached around October time which makes it very difficult for budgeting purposes.

- Non pay inflation, which covers areas such as energy costs and contractual up lifts, is set at £1m pa in 2024/25 and 2025/26 and is increased by a further £1m for 2026/27.
- Cabinet in June 2023 agreed a three-year strategy for the inflationary uplift approach covering the period 2023-24 to 2025-26, together with increased funding for social care providers for 2023-24 as a one-off additional payment. This report detailed the Council's commitment to working with providers and set out the guiding principles in this respect. Members agreed the approach which committed to a 7% increase over the three-year period providing uplifts of 2.7% in 2023-24, 2.35% in 2024-25 and 2% for 2025-26. In addition, there was a one off additional payment of 2.3% for 2023-24.
- The uplift in 2024-25 will be based on the ongoing uplifted rates of 2.7% and will exclude the one-off uplift (of 2.3%). In practice this will mean that in cash terms, providers will not see an increase in rates in 2024-25 as the 2.35% uplift will be largely equivalent to the one-off increase of 2.3% from 2023-24. The MTFS includes annual provision for care provider inflation in this respect with £2.086m for 2024-25 and £1.8m for each of 2025-26 and 2026-27 in this respect.

### **Directorate Pressures/Savings**

1.26 The rest of the figures in Table 1 relate to Directorate pressures in the main, with a small number of savings which are detailed in Appendix 1A. As can be seen from Table 3, there is growth of £7.1m, £3.9m and £1.6m built into the MTFS across the 3 years 2024/25 to 2026/27, which total £12.7m. Growth in the Adult social care budget accounts for £9.8m of the net growth.

1.27 After all the adjustments, the result is an estimated gap across the MTFS of £19.198m (prior to the Indicative Finance Settlement) as follows:

2024/25 £0m  
 2025/26 £12.466m  
 2026/27 £6.732m

### **Adjustments to the Budget following the Indicative Local Government Settlement announcement.**

1.28 The Indicative settlement was announced on 18 December 2023 and provided funding allocations for local authorities for 2024/25 but with no indications of the level of funding for 2025/26 and 2026/27. This is the sixth year in a row of single year settlements, which does not help with financial planning. The adjustments to the draft MTFS are summarised in table 2 below and supported by explanatory text which follows the table:

**Table 2: Changes to the MTFS (Post Indicative Finance Settlement on 18 December 2023)**

	2024/25	2025/26	2026/27
	£'000	£'000	£'000
<b>Published Budget Gap - December 2023</b>	<b>0</b>	<b>12,466</b>	<b>6,732</b>
<b>Adjustments:</b>			
<b>Changes as a result of the December Finance Settlement</b>			
Increase in NNDR Multiplier - compensation for under-indexing (increased from £7.011m to £8.647m)	-1,636		
<b>Social Care Grant</b>			
£14.962m 2024/25 allocation. Previous budget assumed £14.843m, therefore an increase of £119k.	-119		
Additional Social Care Grant (announced by Government on 24/01/2024). Final Settlement is £16.982m, an increase of £2.020m	-2,020		
Additional RSG (increased from £2.081m to £2.219m)	-138		
Additional NDR Top up grant (increased from £23.195m to £24.120m)	-925		
Increase in Retained NNDR and S31 grant	-800		
Reduction in New Homes Bonus (from £2.245m to £82k)	2,163		
Reduction in Services Grant. £252k 24/25 allocation, a reduction of £1.353m. Previous budget assumed a reduction of £770k, therefore a movement of £583k	583	-583	
Services Grant - Difference between Indicative Settlement allocation and Final Settlement allocation, an increase of £25k	-25	25	
Funding Guarantee (to provide a minimum 3% increase in core spending power, before council tax level decisions and changes to funding from rolled in grants)	-2,011		
Funding Guarantee (increased from 3% to 4%, announced by Government on 24/01/2024). Final Settlement allocation is £2.274m	-263		
<b>Other Changes:</b>			
Freedom Passes	37		
Reverse the one-off use of contingency budget in 24/25	175	-175	
Provision for increases in various levies in 24/25	200		
Increase in Contingency (from £1.248m to £2.461m)	1,213		
Increase in Corporate Budgets	2,308	-25	
<b>Directorate savings/growth:</b>			
Adults growth relating to Market Sustainability & Improvement Fund (MSIF) grant re-profiled from 25/26 to 24/25. Net nil impact overall in the MTFS.	828	-828	
Place - Increase in WLWA levy	610		
Place - Savings from temporary accommodation budget arising from Property Acquisition Programme (additional 50 homes)		-543	-591
Corporate - Additional capital financing costs arising from Property Acquisition Programme (additional 50 homes)		543	591
Place - Investment in enforcement activities	200		
Place - Increase in Garden Waste income	-100		
Place - Additional income arising from 24/25 Fees & Charges proposals	-300		
Place - Investment in Street Cleaning (increased from £250k already included in Draft Budget to £270k in Final Budget)	20		
<b>Revised Budget Gap (February 2024)</b>	<b>0</b>	<b>10,880</b>	<b>6,732</b>

## Changes as a result of the December 2023 Finance Settlement

1.29 There were the following changes:

- An increase in the NNDR Multiplier Grant of £1.636m which is a grant to compensate authorities for the fact that the indexation of NNDR has been kept low to assist businesses, but reduced the level of business rates that would be collected. The grant has increased from £7.011m to £8.647m.
- An increase in the social care grant of £119k. The main increase in the grant was assumed when the 2023/24 budget was set back in February 2023, as the adult social care grant allocations were provided for 2 years. The increase was from £12.808m to £14.843m between 2023/24 and 2024/25. Therefore, with a revised allocation of £14.962m, this provides for a further £119k (£14.843m to £14.962m). As noted in paragraph 1.05, additional social care grant was announced in January 2024. The allocation of £14.962m represents the grant before this announcement. On 5<sup>th</sup> February 2024, the Final Finance Settlement confirms the additional social care grant of £2.020m. Therefore total social care grant allocation is now £16.982m.
- An increase in Revenue Support Grant (RSG) of £138k with an increase from £2.081m to £2.219m.
- An increase in the Top up grant of £925k with an increase from £23.195m to £24.120m.
- An increase in the Council's Retained Business Rates which is the 30% of NDR which the Council is allowed to retain. The increase is £800k with the NDR increasing from £17.641m to £18.441m.
- A reduction in the New Homes Bonus grant of £2.163m with the grant reducing from £2.245m in 2023/24 to £82k in 2024/25.
- There has been a reduction in the Services Grant, of £1.353m, with the grant reducing from £1.604m to £252k. However, when the budget for 2023/24 was set, there was already an assumption that the grant would be phased out over 2 years with a reduction of £770k in 2024/25. As the actual reduction is £1.353m there is a requirement for an increase of £583k, which is a one-off impact, as the MTFs previously assumed growth to remove the grant fully over a 2 year period. The Services Grant in the Final Finance Settlement is slightly higher at £277k, an increase of £25k.
- In 2023/24, a grant was introduced called the Core Spending Power guarantee. The purpose of the grant is to ensure authorities receive a minimum funding increase of 3% (before local council tax decisions). Harrow did not receive this grant in 2023/24, but is one of 7 London Boroughs to receive the grant in 2024/25. This grant is £2.011m for 2024/25. As noted in paragraph 1.05, the additional funding announced by Government in January 2024 also confirms that the minimum threshold is increased from 3% to 4%. On 5<sup>th</sup> February 2024, the Final Finance Settlement confirms the additional Funding Guarantee of £0.263m. Therefore total Funding Guarantee allocation is now £2.274m.



## **Other Budget Changes – not connected to the Indicative Settlement**

- Since the draft budget an updated estimate for the Concessionary Fares / Freedom Pass Schemes has been received from London Councils and the MTFs has been updated in line with the revised information. In the 2023/24 budget setting process, a growth of £2.59m was added to 2024/25 in the MTFs to reflect the anticipated increase in costs. The actual increase from the latest information is £2.627m for 2024/25, therefore an increase in growth of £37k is required.
- The draft budget assumed the need to use £175k of Contingency budget on a one-off basis in 2024/25. The funding assumptions in the MTFs have since been updated following the December 2023 Indicative Finance Settlement. The result of these is that the one-off use of Contingency is no longer needed and therefore reversed in the 2024/25 budget. The one-off nature of this also means that there is a corresponding adjustment in the 2025/26 budget.
- A budget provision of £200k is made for the increase in various 2024/25 levies that have not yet been notified to Harrow. More details of the levies are shown in Appendix 4. Where the 2024/25 levies have not been notified, an increase in line with September 23 CPI% is assumed for budgeting purposes.
- The Central Contingency has been increased by £1.213m, from £1.248m in 2023/24 to £2.461m in 2024/25. This is a result of updating funding assumptions and directorate adjustments in the MTFs following the December 2023 Indicative Finance Settlement.
- Adults budget is increased by £828k in 2024/25 to reflect the reprofiling of the Market Sustainability & Improvement Fund (MSIF) from 2025/26 to 2024/25. This is offset by a reduction of the same amount in 2025/26, resulting in a net nil impact in the MTFs.
- The 2024/25 budget report from West London Waste Authority confirms an increase in waste disposal levy and an additional budget of £610k is provided to fund this.
- As a result of a new capital proposal on Property Acquisition Programme (additional 50 homes) included in the Final Capital Programme 2024/25 to 2026/27, the revenue impact associated with this is reflected in the MTFs but on a cost neutral basis. The capital financing costs are assumed to be funded from revenue savings on temporary accommodation budget.
- Following the success of the priority enforcement team, the funding for this is to be made permanent in 2024/25 and therefore a growth of £200k is included for investment in enforcement activities.
- 2024/25 Fees & Charges proposals were approved by Cabinet in January 2024. The increases in Fees & Charges are expected to generate additional income of £100k from garden waste subscriptions and £300k from other chargeable activities. These income targets are added to the 2024/25 budget.

- In the Draft Budget report, a growth of £250k was included for the investment in street cleaning. The business case confirms that the total funding required is £270k, therefore an additional budget of £20k is allocated the Final Budget report.

### Budget Refresh, Growth & Savings

1.30 There is a commitment to refresh the three-year MTFS annually to ensure it remains reflective of the changing Harrow and Local Government landscape.

The current MTFS is made up of:

- Savings / Growth that have been identified as part of the 2024/25 budget setting process, some of which were approved as part of the Draft Budget / MTFS (December Cabinet 2023) and the remainder as part of this report. These are summarised in tables 3 to 5 below and detailed in Appendix 1A.
- Savings /Growth that were approved as part of the 2023/24 budget setting process. These are summarised in table 6 below and detailed in Appendix 1B:

	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>Appendix 1A</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>Total</b>
				<b>£000</b>
<b>Savings</b>				
People - Children	-	-	-	-
People - Adults	-	-	-	-
Place	(448)	(276)	-	(724)
Resources	-	-	-	-
Managing Director	-	-	-	-
Corporate	-	-	-	-
<b>Total Savings</b>	<b>(448)</b>	<b>(276)</b>	<b>-</b>	<b>(724)</b>
<b>Growth</b>				
People - Children	(900)	-	-	(900)
People - Adults	4,612	3,175	2,000	9,787
Place	2,472	975	(377)	3,070
Resources	410	(230)	-	180
Managing Director	522	6	-	528
Corporate	-	-	-	-
<b>Total Growth</b>	<b>7,116</b>	<b>3,926</b>	<b>1,623</b>	<b>12,665</b>
<b>Net Total Savings and Growth</b>	<b>6,668</b>	<b>3,650</b>	<b>1,623</b>	<b>11,941</b>

Table 4: Savings/Growth for approval February 2024 Cabinet				Appendix 1A
	2024-25	2025-26	2026-27	Total
	£000	£000	£000	£000
<b>Savings</b>				
People - Children	-	-	-	-
People - Adults	-	-	-	-
Place	(400)	(543)	(591)	(1,534)
Resources	-	-	-	-
Managing Director	-	-	-	-
Corporate	-	-	-	-
<b>Total Savings</b>	<b>(400)</b>	<b>(543)</b>	<b>(591)</b>	<b>(1,534)</b>
<b>Growth</b>				
People - Children	-	-	-	-
People - Adults	828	(828)	-	-
Place	830	-	-	830
Resources	-	-	-	-
Managing Director	-	-	-	-
Corporate	-	-	-	-
<b>Total Growth</b>	<b>1,658</b>	<b>(828)</b>	<b>-</b>	<b>830</b>
<b>Net Total Savings and Growth</b>	<b>1,258</b>	<b>(1,371)</b>	<b>(591)</b>	<b>(704)</b>

Table 5: Total Savings/Growth from the 2024/25 Budget process				Appendix 1A
	2024-25	2025-26	2026-27	Total
	£000	£000	£000	£000
<b>Savings</b>				
People - Children	-	-	-	-
People - Adults	-	-	-	-
Place	(848)	(819)	(591)	(2,258)
Resources	-	-	-	-
Managing Director	-	-	-	-
Corporate	-	-	-	-
<b>Total Savings</b>	<b>(848)</b>	<b>(819)</b>	<b>(591)</b>	<b>(2,258)</b>
<b>Growth</b>				
People - Children	(900)	-	-	(900)
People - Adults	5,440	2,347	2,000	9,787
Place	3,302	975	(377)	3,900
Resources	410	(230)	-	180
Managing Director	272	6	-	278
Corporate	250	-	-	250
<b>Total Growth</b>	<b>8,774</b>	<b>3,098</b>	<b>1,623</b>	<b>13,495</b>
<b>Net Total Savings and Growth</b>	<b>7,926</b>	<b>2,279</b>	<b>1,032</b>	<b>11,237</b>

<b>Table 6: Savings/Growth from the 2022/23 and 2023/24 Budget</b>			<b>Appendix 1B</b>
	<b>2024-25</b>	<b>2025-26</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Savings</b>			
People - Children	-1,570	-500	<b>-2,070</b>
People - Adults	-1,989	-295	<b>-2,284</b>
Place	-3,775	-300	<b>-4,075</b>
Resources	-708	-108	<b>-816</b>
Managing Director	-499	-6	<b>-505</b>
Corporate	0	0	<b>0</b>
<b>Total Savings</b>	<b>(8,541)</b>	<b>(1,209)</b>	<b>(9,750)</b>
<b>Growth</b>			
People - Children	500	-	<b>500</b>
People - Adults	-	-	-
Place	-	-	-
Resources	-	-	-
Managing Director	-	-	-
Corporate	250	-	<b>250</b>
<b>Total Growth</b>	<b>750</b>	<b>-</b>	<b>750</b>
<b>Net Total Savings and Growth</b>	<b>(7,791)</b>	<b>(1,209)</b>	<b>(9,000)</b>

### **CAPITAL RECEIPTS FLEXIBILITY**

- 1.31 In 2016 the government announced the Capital Receipts Flexibility Scheme to support local authorities to deliver more efficient and sustainable services by allowing them to spend up to 100% of their fixed assets receipts on the revenue costs of reform projects. The flexibility has been extended on numerous occasions. In December 2023, the government announced the extension of this scheme to March 2030 and would also explore additional capital flexibility options to enable invest-to-save and transformation initiatives. There is currently a consultation on these options which will close on 31 January 2024.
- 1.32 The Corporate Property Strategy was approved by Cabinet in July 2023. One of the workstreams is to undertake a review of the Council's property assets, and part of this review aims to release buildings through a targeted disposal programme if they are no longer economically viable. The Council is also progressing on its Regeneration projects through the Harrow Strategic Development Partnership (HSDP). The 2024/25 MTFS includes a budget of £1.250m to fund the Regeneration Team. The nature of this spend meets the capital flexibility criteria and the team will be funded under the capital flexibilities scheme and the £1.250m provision has been removed from the budget. The sum is re-instated in 2026/27 but will be reviewed as part of the 2025/26 budget process.
- 1.33 The Council may seek to use further capital flexibilities to support its MTFS, in line with Appendix 13 – Flexible Use of Capital Receipts.
- 1.34 The Department for Levelling Up, Housing and Communities (DLUHC) has recently published a call for views on new local authority capital flexibilities, which include a set of options with respect to capital flexibilities and borrowing, to be managed locally, that could be used to encourage and enable local authorities to invest in ways that reduce the cost of service

delivery and provide more local levers to manage financial resources. At the time of writing this report, the outcome of this is not yet known.

## **SCHOOLS FUNDING FOR 2024/25**

- 1.35 In 2018/19 the government introduced a new National Funding Formula (NFF) for Schools, High Needs and the Central Schools services Block. For the Schools Block this means Councils are funded based on the total of the NFF for all schools, academies, and free schools in its area. However, the final formula for distribution is determined by each Council following consultation with schools and Schools Forums.
- 1.36 The Council carried out a consultation in Autumn 2017 which sought views on whether the LA should continue to use the Harrow Schools Funding Formula or introduce the National Funding Formula from 2018/19. 76% of schools responded to the consultation and 89% voted in favour of introducing the NFF from 2018/19. This was approved by Cabinet in February 2018 and school budgets have been set on this basis since 2018.
- 1.37 The NFF will therefore continue to be used to distributed school budgets for 2024/25. There are no proposed changes to the structure of the formula for 2024/25 with the exception of the mandatory introduction of the Split Sites Factor for which additional funding is provided to schools which operate over more than one school site. The Schools Budget for 2024/25 is attached in Appendix 6 for approval.

## **DEDICATED SCHOOLS GRANT AND HIGH NEEDS BLOCK FUNDING AND DEFICIT**

- 1.38 The Dedicated Schools Grant (DSG) is a ring-fenced grant of which the majority is used to fund individual school budgets in maintained schools, academies, and free schools in Harrow. It also funds Early Years nursery free entitlement places for 2-, 3- and 4-year-olds in maintained council nursery classes and private, voluntary, and independent (PVI) nurseries as well as provision for pupils with High Needs.
- 1.39 In Q3 there is a projected in year overspend of £2.773m. This means that the cumulative deficit is expected to be £5.396m by the end of 2023-24.
- 1.40 Any deficits an authority may have on its DSG account is expected to be carried forward and does not allow or require a local authority to cover this from its general reserves. This arrangement has been extended for three years to March 2026 beyond which LAs will need to demonstrate they have enough reserves to balance any deficit unless an alternative funding solution is proposed by Government.
- 1.41 The DfE requires local authorities to explain their plans for bringing the DSG account back into balance. The updated DSG projections which align with the updated SEND Strategy will be presented to Cabinet later this year. Despite the significant proposals and measures planned over the next ten years, it is unlikely that the plan will fully mitigate the deficit. This is due to the following contributory factors:

- historical underfunding
- current budgets being based on historical budgets rather than historical spend
- extension of age range to include 0-5 and post 19 pupils which are not included in historical budgets on which current funding is based
- current and projected formulaic funding which does not keep pace with demand
- significant historical and projected growth in number of Education, Health & Cre Plans (EHCPs)
- continued growth in complexity of pupils' needs
- limitations about creating cost effective provision in borough due to capacity and site limitations

### **SEND Funding Proposals 2024/25**

- 1.42 During 2023 the Council commissioned an independent review of SEND funding for in-borough provision as funding had not been reviewed for many years (partially delayed due to Covid) and schools were of the view that funding had not kept pace with increasing costs, particularly in relation to pay inflation for teaching and non-teaching staff. As an interim proposal for 2023/24 funding increases of 10% were applied to the place/top up funding for ARMs resources (which had not been reviewed for 10 years) and 10% on the banding/hourly rate for EHCPs in mainstream schools.
- 1.43 In 2024/25 Special School and Pupil Referral Unit (PRU) budgets will be increased by 3.4%. This is a mandatory requirement within the High Needs Operational Guidance and will be an additional cost to the High Needs Block (HNB) of £528k. There are approximately 591 places in Harrow special schools and the PRU.
- 1.44 The funding review provided benchmarking data that identified that, despite the previous years' increases, Harrow funding was below the average of its statistical neighbours for Additionally Resourced Mainstream (ARMs) provision and EHCPs in mainstream schools.
- 1.45 For ARMs provision it is proposed to increase ARMs provision place/top up funding by a further 3.4% in 2024/25 in line with mandated funding increases for special and alternative provision which would be at an additional cost to the HNB of £128k. There are approximately 150 children in ARMs resources in Harrow schools.
- 1.46 It is also proposed to provide additional funding for pupils with EHCPs in mainstream schools of 7% at an additional cost to the HNB of £1m. The funding review benchmarking data suggests that this increase would place Harrow somewhere in the average of the statistical neighbour comparator group. This would mean there has been a 17% increase in funding provided to mainstream schools since 2022/23. In addition, during this period schools have faced inflationary increases for non-teaching staff of over 20% in the last two years, many of whom are directly employed to support pupils with SEND. There are approximately 850 children with EHCPs in mainstream schools in Harrow.

- 1.47 Consultation was carried out with schools in the Autumn Term in respect of these proposals. It should be noted that that whilst the majority of schools supported proposals to increase funding to schools, they felt that the % increases fell below the increase in costs schools are facing, in particular in relation to non-teaching pay awards. The main theme of responses stated that the increases represent a below inflation rise in costs and that Harrow should have a higher aspiration than the ambition of bringing funding up to the average of the comparator groups in the benchmarking data.
- 1.48 The LA's response to the consultation concluded that:
- It is not the responsibility of the High Needs Block to meet the cost of inflation. The growth in the HNB for 2024-25 is below 3% and this not only needs to support inflationary pressures but also growth in demand/complexity of need.
  - High Needs funding is part of a larger system of funding in schools.
  - The 7% rise (which effectively equates to 10%-13% top up increase) is in addition to a 10% rise in the previous financial year
  - The intention of the two years' of % rises was to bring Harrow in line with other boroughs.
- 1.49 Despite this, the Schools Forum expressed disappointment with the % increases in the funding proposals. However, the LA has to also consider the financial implications of the funding proposals and the impact on the HNB deficit. The independent review also emphasised the importance of strategic planning with all providers on SEND provision to manage the HNB in a sustainable way moving forward.
- 1.50 Mainstream schools and ARMS are critical components of our SEND Strategy to ensure more in-borough places for children and young people with high needs and to reduce future pressure on the HNB and, through SEN Transport needs, on the General Fund. By agreeing these funding proposals, it supports these settings to continue to deliver education for children with EHCPs and prevents the need for out of borough more expensive provision, leading to an increased projected deficit in addition to the projected figures provided below.

### High Needs Block Funding & Deficit

- 1.51 In Q3 there is a projected in year overspend of £2.773m. This means that the cumulative deficit is expected to be £5.396m by the end of 2023-24. The projected position on the HNB is as follows:

Projections	Spend
Deficit brought forward 1 April 2023	£2,622,763
2023/24 in year deficit	£2,773,064
<b>Deficit carried forward 31 March 2023</b>	<b>£5,395,826</b>
2024/25 in year deficit projection	£9,191,911
2025/26 in year deficit projection	£12,504,901
<b>Cumulative deficit 31 March 2026</b>	<b>£27,092,639</b>

- 1.52 The figures above assume that there will be a projected 100-120 additional pupils with EHCPs per annum, that additional ARMs will be opened but assume beyond 2023/24 that provision in the borough will be at capacity and thus the majority of additional children would need to be educated out of borough at Independent Non-Maintained Specialist Schools (INMSS). This is where the significant spike in spend is projected to occur from 2024/25 as a disproportionate number of the additional growth in children would have to be placed at INMSS provision.
- 1.53 The cost of INMSS provision is estimated to increase to around £70,000 compared to £30,000-£35,000 in Harrow special school provision and £20,000-£25,000 in ARMs resources. The average cost of a mainstream EHCP is £10,000-£15,000. If schools decide not to continue providing ARMs provision or agree to open new provision, then the projected deficit figures above will be significantly higher as pupils who could go to ARMs provision would go to Harrow special schools and pupils who could go to Harrow special schools would have to go to INMSS provision.
- 1.54 An updated SEND Strategy will be presented to Cabinet in 2024 and will refresh the actions being taken to mitigate the deficit which includes:
- opening more ARMS provision at mainstream schools
  - changing the character of special Moderate Learning Difficulties (MLD) schools to take more children with Severe Learning Difficulties (SLD)
  - continued support to mainstream schools to make provision for more pupils with EHCPs
  - bid to DfE for special free school
  - exploring further options to create in borough specialist provision including increased post 16 opportunities
  - a stronger focus on integrated work with other agencies, including health services, to ensure that children with SEND have needs met locally
  - more integrated approaches to school attendance, including for children with Social, Emotional & Mental Health (SEMH) challenges so that more intensive provision is not required

## **PUBLIC HEALTH FUNDING 2024/25**

- 1.55 In 2023/24 the total public health grant to local authorities totalled £3.529bn, with £12.007m being allocated to Harrow. The grant is ringfenced for use on public health functions exclusively for all ages of the population and must be spent in accordance with grant conditions on expenditure incurred by local authorities for the purposes of their public health functions, as specified in Section 73B (2) of the National Health Service Act 2006.
- 1.56 The Public Health commissioning intentions detailed in Appendix 7 are based on the grant allocation for 2024-25 of £12.288m as advised by DHSC in February 2024. These commissioning intentions reflect alignment with the Health & Wellbeing Strategy, Borough Plan, and evidence of population priorities.



- 1.57 The Council consider that this level of funding enables the Council's overarching statutory duties (including equality duties) to be maintained, taking account of the joint strategic needs assessment. However, if additional duties are required by Councils, and if these were unfunded, the commissioning intentions would need to be reviewed in light of the allocated grant envelope.

### **BETTER CARE FUND (BCF) 2024/25**

- 1.58 The framework for the Better Care Fund (BCF) derives from the government's mandate to the NHS which sets an objective for NHS England to ring fence funding to form the NHS contribution to the BCF. The NHS Long Term Plan, published in January 2019 set out the priorities for transformation and integration, including plans for investment in integrated community services and next steps to develop Integrated Care Systems.
- 1.59 The BCF continues to provide a mechanism for personalised, integrated approaches to health and care that support people to remain independent at home or to return to independence after a period in hospital. The continuation of the national conditions and requirements of the BCF provides opportunities for health and care partners to build on their plans to embed joint working and integrated care further, including how to work collaboratively to bring together funding streams to maximise the impact on outcomes for communities and sustaining vital community provision.
- 1.60 Following submission of the planning template covering the period 2023-2025 in August 2023, and assurance by NHS England, the 2024/25 Adults budget assumes that funding for the Protection of Social Care through the BCF will be £7.954m – an increase of 5.66% on the funding for 2023-24, reflecting the NHS funding commitments made within the spending review.
- 1.61 The total value of the Better Care Fund in Harrow for 2024-25 is £31.406m and includes a range of grants (including the Disabled Facilities and Adults Discharge Grants) and schemes across both Health and Social Care. The Better Care Fund Policy statement and Policy Framework and Planning Requirements will provide the detailed guidance when published in early 2024 (usually March). The requirements around integration and collaborative working are expected to continue.

### **RESERVES AND CONTINGENCIES**

- 1.62 Reserves and contingencies need to be considered in the context of their role to protect the Council's 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 including equalities impacts and unforeseen events.
- 1.63 The Council's overall reserves position is reported to Cabinet quarterly as part of the revenue monitoring update. At Q3 (end of December 2023), total reserves forecast for carry forward into 2024/25 are £58.6m after

accounting for draw downs in 2023/24. A number of the earmarked reserves are planned to be used across the period of the MTFs and therefore the revised figure is estimated to be £43.0m following the estimated draw downs.

- 1.64 The non-specific earmarked reserves have been reviewed and as a result a number of reserves are no longer needed for the original intention which means it has been possible to boost the Budget Planning Reserve by £2.9m. Appendix 9 sets out the details of the reserves. After accounting for earmarked reserves, this leaves the Councils remaining non earmarked reserves at the following level:
- Budget Planning Reserve - £19.599m
  - General Fund – £10.008m
- 1.65 There are savings required to deliver the budgets 2024/25 and 2025/26 and these will require the use of earmarked reserves to support capacity, implementation, and redundancy costs, which have been factored in the figures in Appendix 9.
- 1.66 There is also an ongoing revenue budget for Contingency for Unforeseen items, which is increased from £1.248m in 2023/24 to £2.461m in 2024/25.
- 1.67 At the end of the financial year, when preparing the outturn report, all reserves will be subject to a further review including a focus on earmarked reserves to ensure they are still required for the purpose to which they are designated or can be moved to support the MTFs. The report of the Director of Finance and Assurance, which includes the adequacy of Council reserves and contingencies is detailed in Appendix 10.

## **LEVIES, CONTINGENCIES AND SUBSCRIPTIONS**

- 1.68 Appendix 4 sets out the main levies, contributions to other bodies, and subscriptions that the Council will pay in 2024/25. These sums are set by other bodies and are outside the Council's control. Except for the subscriptions to London Councils and the Local Government Association, the payments are compulsory.

## **COUNCIL TAX MODEL RESOLUTION**

- 1.69 The Council Tax Model Resolution is attached at Appendix 11 which proposes the Band D council tax of £1,814.92 for Harrow Council. The proposed GLA precept of £471.40 takes the overall proposed Band D council tax to £2,286.32. The GLA precept is still subject to confirmation and is expected to be confirmed on 22 February 2024. The relevant basic amount of council tax is under the threshold in the Referendum relating to Council Tax Increases (Principle) (England) Report 2024/25.
- 1.70 The proposed GLA precept is an increase of 8.6% taking the aggregate Council Tax increase to 5.71% for 2024/25.

## **MEMBER ALLOWANCES**

- 1.71 The proposal for the basic allowance and the different bands of the Special Responsibility Allowance and Mayoral Allowances for 2024/25 is to be considered in a separate report to Council in February 2024. Any additional cost implications will be met from the Contingency.

## **ANNUAL PAY POLICY STATEMENT**

- 1.72 Under the Localism Act, all public authorities must publish annual pay policy statements. The statement must set out the Authority's policies for the financial years relating to:
- Remuneration of 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.

The proposed statement is attached at Appendix 12 and Cabinet is requested to recommend it to Council for agreement.

## **LONDON BOROUGH GRANTS COMMITTEE**

- 1.73 London Councils require formal notification of the Council's agreement to their contribution for 2024/25. Harrow's contribution to the London Borough Grants Scheme is £196,434 for 2024/25 which has increased by £9,527 from the 2023/24 level of £186,907. This is included within the levies at Appendix 4.

## **2.0 CONSULTATION**

- 2.1 As a matter of public law the duty to consult with regards to proposals to vary, reduce or withdraw services will arise in 4 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;
  - Exceptionally, where the matter is so important that there is a legitimate expectation of consultation and;
  - Where consultation is required to complete an equalities impact assessment.
- 2.2 Regardless of whether the council has a duty to consult, if it chooses to consult, such consultation must be carried out fairly. In general, a consultation can only be considered as proper consultation if:
- Comments are genuinely invited at the formative stage;
  - The consultation documents include sufficient reasons for the proposal to allow those being consulted to be properly informed and to give an informed response;

- There is adequate time given to the consultees to consider the proposals;
- There is a mechanism for feeding back the comments and those comments are conscientiously taken into account by the decision maker / decision making body when making a final decision;
- The degree of specificity with which, in fairness, the public authority should conduct its consultation exercise may be influenced by the identity of those whom it is consulting and;
- The consultation is clear on the reasons and extent to which alternatives and discarded options have been discarded.

2.3 The Council held a five-week consultation to provide residents with the opportunity to comment on the draft budget proposals. The consultation ended on 24 January 2024.

2.4 The Draft Budget Report was available to view on the Council's consultation portal MyHarrow Talk, and the consultation was advertised by social media, a news release and via the MyHarrow weekly e newsletter which is sent to c.130,000 MyHarrow email accounts and other subscribers and Harrow Online. There were 63 respondents (2023/24: 230 respondents) to the budget consultation survey so the results below should be taken in this context.

2.5 A summary of the response data is included in Appendix 14.

2.6 Over the two main questions respondents were slightly more in agreement with how the council plans to spend the budget in 2024/25. While more disagreed about raising Council Tax, respondents appreciated the need to spend more on adult social care and core council services due to demand, as well as the need to set a balanced budget for the next financial year.

2.7 Question 1 - The London Borough of Harrow has a Corporate Plan for Restoring Pride in Harrow. And it has three priorities – to be:

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

2.8 The 2024/25 budget has been put together to ensure funds are available and resources are committed to deliver these priorities.

Do you agree with how the council plans to spend the budget in 2024/25?  
26 agree (41%), 20 disagree (32%), 12 (19%) neither agree nor disagree, 2 (3%) not sure, 3 (5%) did not answer the question.

2.9 Question 2 – Having read the draft budget proposals and the information about the council's financial position, please answer the following statements:

2.10 I understand the need to increase council tax in 2024/25 by 2.99% for council services plus the 2% adult social care levy – a total increase of 4.99%. 16 agree (25%), 38 disagree (60%), 7 (11%) neither agree nor disagree, 1 (2%) not sure, 1 (2%) did not answer the question.

- 2.11 I understand the need to spend more on adult social care. 30 agree (48%), 21 disagree (33%), 11 (17%) neither agree nor disagree, 0 (0%) not sure, 1 (2%) did not answer the question.
- 2.12 I understand the need to spend more on core council services because of growing demand. 26 agree (41%), 22 disagree (35%), 11 (17%) neither agree nor disagree, 3 (5%) not sure, 1 (2%) did not answer the question.
- 2.13 I understand the need to deliver a balanced budget. 45 agree (71%), 8 disagree (13%), 8 (13%) neither agree nor disagree, 1 (1.5%) not sure, 1 (1.5%) did not answer the question.
- 2.14 The comments received from those who responded were around these key themes:
  - Concerns around services and initiatives not being run as efficiently as possible
  - Concerns about the visibility / quality of services received in return for Council Tax paid
  - Calls for the Council to approach central government for more funding.
  - Concerns about the impact on households of an increased Council Tax bill, in light of pressures on finances. Question about what support there is for those struggling.
- 2.15 As explained in this report, the overall challenging financial position leaves the Council with limited options in terms of Council Tax and its proposed increase which is following central government expectations. However, the Council is very mindful of the impact on household budgets of inflationary pressures and is protecting those on the lowest income from the increase in Council Tax through its Council Tax Support Scheme.

2.16 Key stakeholder consultation meetings have taken place as detailed below:

**Table 7: Key Stakeholder Consultation**

<b>Stakeholder</b>	<b>Meeting</b>	<b>Date</b>
Local Businesses	Harrow Business Consultative Panel	23/01/24
Unions / Employees	Employees Consultative Forum	10/01/24

2.17 In terms of service specific consultations, the council has a duty to consult with residents and service users in a number of different situations including where proposals to significantly vary, reduce or withdraw services. Consultation is also needed in other circumstances, for example to identify the impact of proposals or to assist with complying with the council's equality duties. There may be in year projects that will be subject to a separate cabinet report and separate consultation and quality impact assessment.

### 3.0 PERFORMANCE ISSUES

3.1 In terms of financial performance, Cabinet is updated quarterly of forecast spend against the agreed budget and achievement of savings built into the budget. The same information is also presented to the Performance and Finance Scrutiny Sub Committee regularly throughout the year.

### 4.0 RISK MANAGEMENT IMPLICATIONS

4.1 Risks included on corporate or directorate risk register? Yes – Inability to deliver the Council’s MTFS is included in the Corporate Risk Register

Separate risk register in place? No

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

The following key risks should be considered when agreeing the recommendations in this report:

Risk Description	Mitigations	RAG Status
Inability to deliver the Council’s approved MTFS - over the next 3 years leading to an inability to set a balanced budget and provide core services	<ul style="list-style-type: none"> <li>• In-year Revenue &amp; Capital monitoring reported to CLT monthly, as well as the Portfolio Holder for Finance and HR, and Cabinet on a quarterly basis.</li> <li>• Budget challenge sessions were held to tackle in year pressures in August and Sept 2023.</li> <li>• Savings are tracked on a monthly basis via the MTFS savings tracker</li> <li>• Budget for 2024/25 is balanced so the focus is on the 2025/26 and 2026/27 budget gaps.</li> </ul>	Amber
The final budget and MTFS is based on the Indicative Finance Settlement to be followed by the Final Settlement in early February which may require change.	<ul style="list-style-type: none"> <li>• The Final Settlement was received on 5th February 2024. Additional funding of £2.308m was allocated.</li> </ul>	Green
Balanced budget for 2023/24 not achieved adversely impacting on the 2024/25 budget	<ul style="list-style-type: none"> <li>• The ‘Q3 Revenue and Capital Report’ forecasts a net overspend of £0.581m. It is anticipated that this should reduce by year end as</li> </ul>	Green

	<p>forecasts build in anticipated spend which may not happen.</p> <ul style="list-style-type: none"> <li>• The estimated impact of 2023/24 pressures into 2024/25 are accounted for in the draft budget and MTFS</li> <li>• There is a contingency for unforeseen items in 2023/24 (£1.248m) which has not been called upon.</li> </ul>	
<p>The saving proposals within the MTFS that are still subject to consultation, EQIA and potentially a further Cabinet Report may not be able to proceed and / or deliver their full estimated value</p>	<ul style="list-style-type: none"> <li>• There are a number of saving proposals that can immediately implemented to ensure full delivery of their value in the MTFS.</li> <li>• Budget provision for capacity, implementation costs etc is provided to support those savings requiring further consultation etc can be seen through to delivery.</li> <li>• There is a contingency for unforeseen items in 2024/25 (£2.461m) which can be used in the interim if proposals cannot proceed as planned.</li> <li>• Monthly tracking and reporting of saving proposals will identify if proposals are on track allowing alternative solutions to be found.</li> </ul>	<p>Amber</p>

## 5.0 LEGAL IMPLICATIONS

- 5.1 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.
- 5.2 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.
- 5.3 Cabinet is approving these proposals having considered the consultation responses. These proposals will be referred to Council so that Council can approve the budget envelope and set the Council Tax. Individual proposals

within the budget will be subject to their own decision-making paths such as cabinet, committees or officer delegated decisions as appropriate with consultation and equality impact assessments as required. There will be contingencies within the budget envelope so that decision makers have some flexibility should any decisions have detrimental equalities impacts that cannot be mitigated.

5.4 Section 151 of the Local Government Act 1972 states that: “without prejudice to section 111, every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs”. Section 111 of the Local Government Act 1972 relates to the subsidiary powers of local authorities.

5.5 Under Section 114 of the Local Government Finance Act 1988, the chief finance officer (S151 Officer) of a relevant authority shall make a report under this section if it appears to them that the expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.

## **6.0 FINANCIAL IMPLICATIONS**

6.1 Financial Implications are integral to this report.

## **7.0 PROCUREMENT IMPLICATIONS**

7.1 There are no procurement implications arising from this report.

## **8.0 EQUALITIES IMPLICATIONS / PUBLIC SECTOR EQUALITY DUTY**

8.1 Decision makers should have due regard to the public sector equality duty in making their decisions. The equalities duties are continuing duties they are not duties to secure a particular outcome. The equalities impact will be revisited on each of the 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 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 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*

- 8.2 There are a number of directorate proposals which may require separate consultation and will be subject to a full equalities impact assessment and further report to Cabinet, committee or subject to officer delegated power decisions where appropriate. These are detailed in Appendix 1A and 1B. Council will be setting the budget envelope that cabinet will work within. Should any of the proposals that the decision makers do not proceed with due to equality impacts then alternative proposals or taking money from reserves will be considered.

## **9.0 COUNCIL PRIORITIES**

### **9.1 Council Priorities:**

- A Council that puts residents first
- A Borough that is clean and safe
- A Place where those in need are supported

## **Section 3 - Statutory Officer Clearance**

**Statutory Officer: Sharon Daniels**

Signed by the Chief Financial Officer

**Date: 26/01/2024**

**Statutory Officer: Jessica Farmer**

Signed by the Monitoring Officer

**Date: 01/02/2024**

**Managing Director: Alex Dewsnap**

Signed by the Managing Director

**Date: 25/01/2024**

**Head of Procurement: Nimesh Mehta**

Signed by the Head of Procurement

**Date: 25/01/2024**

**Head of Internal Audit: Neale Burns**

Signed on behalf of the Head of Internal Audit

**Date: 25/01/2024**

**Has the Portfolio Holder(s) been consulted? Yes**

### **Mandatory Checks**

*Ward Councillors notified: NO, as it impacts on all Wards*

*EqIA carried out: N/A*

*EqIA cleared by: N/A*

## **Section 4 - Contact Details and Background Papers**

**Contact:** Sharon Daniels, Interim Director of Finance,  
Sharon.Daniels@harrow.gov.uk

**Background Papers:** None

**Call-in waived by the Chair of Overview and Scrutiny  
Committee – NOT APPLICABLE (decisions reserved to Council)**

**Summary Proposed savings/growth proposals**

**APPENDIX 1A**

	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Savings</b>				-
Resources				-
Managing Director				-
Place	(848)	(819)	(591)	<b>(2,258)</b>
Adults				-
Childrens				-
Corporate/Council Wide				-
<b>Total Savings</b>	<b>(848)</b>	<b>(819)</b>	<b>(591)</b>	<b>(2,258)</b>
<b>Growth</b>				
Resources	410	(230)	-	<b>180</b>
Managing Director	272	6	-	<b>278</b>
Place	3,302	975	(377)	<b>3,900</b>
Adults	5,440	2,347	2,000	<b>9,787</b>
Childrens	(900)	-	-	<b>(900)</b>
Corporate	250	-	-	<b>250</b>
<b>Total Growth</b>	<b>8,774</b>	<b>3,098</b>	<b>1,623</b>	<b>13,495</b>
<b>Net Total Savings and Growth</b>	<b>7,926</b>	<b>2,279</b>	<b>1,032</b>	<b>11,237</b>

B1 Proposed savings/growth proposals - budget process 2024-25

APPENDIX 1A

ref	Specific Service Area	Headline Description re: saving / reduction INTERNAL	Proposals				EIA required Y/N?	Does this proposal impact on another directorate? Y/N	Further consultation with Key Stakeholders Yes/No/N/A
			2024-25	2025-26	2026-27	Total			
			£000	£000	£000	£000			
		<b>Savings Proposals</b>							
		<b>PLACE</b>							
PLACE 2024-25_S01	Community Engagement	<b>Removal of Ward Priority Fund budget</b> Ward Priority Fund (WPF) is an annual fund, allocated across the borough, available to support small-scale ward-level projects or initiatives that have community and councillor support. The fund is apportioned equally between Wards, with each Ward receiving £4,545, for Ward Members to apply. With the removal of WPF, ward members can still deliver projects using other funding such as Neighbourhood Community Infrastructure Levy (NCIL)	(100)			(100)	N	N	No
PLACE 2024-25_S02	Corporate Estates	<b>Review of leases and rent for corporate property portfolio</b>	(50)			(50)	N	N	No
PLACE 2024-25_S03	Planning Service	<b>Introduction of new Fees and Charges for tree documents.</b> To supply and charge for environmental information relating to Tree Preservation Orders (TPOs).	(10)			(10)	N	N	No
PLACE 2024-25_S04	Planning Service	<b>Review of Technical Support resources and future requirements</b> following the full implementation of the new planning software system	(38)	(76)		(114)	Y	N	Yes, staff consultation
PLACE 2024-25_S05	Directorate wide	<b>Place Directorate Restructure 2023</b> Following the approval of the restructuring proposal, total saving is estimated to be in the region of £500k. £250k has already been included in 23/24 MTFs, therefore an additional saving of £250k can be generated.		(200)		(200)	Y	N	Yes, staff consultation
PLACE 2024-25_S06	Corporate Estates	<b>Net reduction in Business Rates</b> following the closure of Civic Centre and the opening of the Harrow Council Hub	(250)			(250)	N	N	No
PLACE 2024-25_S07	Housing General Fund	<b>Property Acquisition Programme (PAP)</b> - Saving on temporary accomodation budget arising from PAP (additional 50 homes).		(543)	(591)	(1,134)	N	N	No
PLACE 2024-25_S08	Waste Services	<b>Garden Waste subscription</b> – Increase in income following the implementation of 2024/25 Fees & Charges	(100)			(100)	N	N	No
PLACE 2024-25_S09	Directorate wide	<b>Additional income arising from 2024/25 Fees &amp; Charges proposals</b>	(300)			(300)	N	N	No
		<b>PLACE SAVINGS PROPOSALS</b>	<b>(848)</b>	<b>(819)</b>	<b>(591)</b>	<b>(2,258)</b>			
		<b>TOTAL SAVINGS PROPOSALS</b>	<b>(848)</b>	<b>(819)</b>	<b>(591)</b>	<b>(2,258)</b>			

B1 Proposed savings/growth proposals - budget process 2024-25

ref	Specific Service Area	Headline Description re: saving / reduction INTERNAL	Proposals				EIA required Y/N?	Does this proposal impact on another directorate? Y/N	Further consultation with Key Stakeholders Yes/No/N/A
			2024-25	2025-26	2026-27	Total			
			£000	£000	£000	£000			
		<b>Growths Proposals</b>							
		<b>RESOURCES</b>							
RES1	Access Harrow	<b>Access Harrow</b> - Reversal of a previous saving relating to the closure of phone lines as the second part of the programme to reduce capacity within Revenues & Benefits was not progressed.	180			180			
RES2	Payroll Services	<b>Loss of income due to the cessation of schools payroll service.</b> Staff previously working on schools payroll service are retained to support the wider service. A one-off growth for 24/25 whilst efficiencies are being identified through the procurement of the Payroll system.	230	(230)		-			
		<b>RESOURCES GROWTH PROPOSALS</b>	<b>410</b>	<b>(230)</b>	<b>-</b>	<b>180</b>			
		<b>MANAGING DIRECTOR'S</b>				-			
MD2	Finance & Assurance	<b>Rationalise the Discretionary Freedom Pass provision</b> - reversal of savings included in 23/24 MTFS. Following public consultation of the proposal, it was decided not to go ahead with this.	12	6		18			
MD3	Finance & Assurance	<b>Internal Audit &amp; Corporate Anit Audit Fraud Team</b> - Restructure to create sufficient capacity to delivery the service, following a review of current structure benchmarking exercise	260			260			
		<b>MANAGING DIRECTOR'S GROWTH PROPOSALS</b>	<b>272</b>	<b>6</b>	<b>-</b>	<b>278</b>			
		<b>PLACE</b>							
PLACE_2024-25_G01	Parking Services	<b>Parking Review</b> - Rephasing of the saving target in the MTFS (£1m) from 2024/25 to 2025/26	1,000	(1,000)		-			
PLACE_2024-25_G02	Parking Services	<b>Paid for Parking Income</b> - Income pressure for On Street and Car Park facilities across the borough	360			360			
PLACE_2024-25_G03	Planning Services	<b>Planning and Building Control application fees</b> Income pressures due to a reduction in application numbers	341			341			
PLACE_2024-25_G04	Clean & Green	<b>Street Cleaning</b> Additional investment to provide a more streamlined service and better ownership & accountability by the team.	270			270			

B1 Proposed savings/growth proposals - budget process 2024-25

ref	Specific Service Area	Headline Description re: saving / reduction INTERNAL	Proposals				EIA required Y/N?	Does this proposal impact on another directorate? Y/N	Further consultation with Key Stakeholders Yes/No/N/A
			2024-25	2025-26	2026-27	Total			
			£000	£000	£000	£000			
PLACE_2024-25_G05	Planning Services	<b>Local Plan Review</b> Additional support to the new Harrow Local Plan on Tall Buildings assessment, Views assessment, External Communications support an Kings Counsel representation at examination.	91	80	(171)	-			
PLACE_2024-25_G06	Planning Services	<b>Local Plan Review</b> Reversal of growth in 26/27 - budget provided in 2023/24 MTFS for 3 years only for additional staff resources required to complete Local Plan Review			(206)	(206)			
PLACE_2024-25_G07	Housing	<b>Homelessness demand pressures</b> - baseline pressure (assuming at current homelessness level) once the one-off grant reserve has been exhausted.		2,325		2,325			
PLACE_2024-25_G08	Housing	<b>Housing - Additional staff resource</b> to support additional work due to a considerable increase in the approaches and formal applications to the Housing Needs Services.	180	(180)		-			
PLACE_2024-25_G09	Waste Services	<b>Behavioural change (residents) for reducing waste disposal cost</b> - Original saving of £0.5m in 24/25. Rephasing of this over 2 years due to the delay in the recruitment of the recycling team. Communications plan and resident engagement to reduce waste and divert to recycling.	250	(250)		-			
PLACE_2024-25_G10	Waste Services	<b>West London Waste Authority (WLWA)</b> - Increase in waste disposal costs	610			610			
PLACE_2024-25_G11	Licensing & Enforcement	<b>Investment in enforcement activities</b>	200			200			
		<b>PLACE GROWTH TOTAL</b>	<b>3,302</b>	<b>975</b>	<b>(377)</b>	<b>3,900</b>			
		<b>PEOPLE - ADULTS</b>							
ASC01	Placements	<b>Older Adults</b> - Increased budget for social care costs	1,955	2,000	2,000	5,955			
ASC02	Placements	<b>All Age Disabilities</b> - Increased budget for social care costs	2,920	-	-	2,920			
ASC03	Workforce	<b>All Age Disabilities</b> - Additional staffing requirements	77	-	-	77			
ASC04	Placements	<b>Community Equipment</b> - increased cost / volume for issues	115	-	-	115			
ASC05	Workforce	<b>Social Work Realignment</b> - to ensure consistency across Peoples in the grade costs for social work staff to support recruitment & retention	223	347	-	570			
ASC06	Workforce	<b>DoLS &amp; Safeguarding</b>	150	-	-	150			
		<b>ADULTS GROWTH PROPOSALS</b>	<b>5,440</b>	<b>2,347</b>	<b>2,000</b>	<b>9,787</b>			

B1 Proposed savings/growth proposals - budget process 2024-25

ref	Specific Service Area	Headline Description re: saving / reduction INTERNAL	Proposals				EIA required Y/N?	Does this proposal impact on another directorate? Y/N	Further consultation with Key Stakeholders Yes/No/N/A
			2024-25	2025-26	2026-27	Total			
			£000	£000	£000	£000			
		<b>PEOPLE - CHILDREN SERVICES</b>							
PCG01	Education Services	Education Services Staffing Proposals	100			100			
PCG02	CYPS	Reduction of PC01 2023-24 Growth for Children's Placements & Accommodation	(1,000)			(1,000)			
		<b>CHILDREN SERVICES GROWTH PROPOSALS</b>	<b>(900)</b>	<b>-</b>	<b>-</b>	<b>(900)</b>			
		<b>PEOPLE GROWTH TOTAL</b>	<b>4,540</b>	<b>2,347</b>	<b>2,000</b>	<b>8,887</b>			
		<b>CORPORATE</b>							
MD1	Finance & Assurance	Increase in External audit fees as a result of procurement exercise by Public Sector Audit Appointments	250			250			
		<b>CORPORATE GROWTH PROPOSALS</b>	<b>250</b>	<b>-</b>	<b>-</b>	<b>250</b>			
		<b>TOTAL GROWTH</b>	<b>8,774</b>	<b>3,098</b>	<b>1,623</b>	<b>13,495</b>			
		<b>NET SAVINGS/GROWTH PROPOSALS</b>	<b>7,926</b>	<b>2,279</b>	<b>1,032</b>	<b>11,237</b>			

**Summary Savings and Growth from the 2022-23 & 2023-24 Budget Process****APPENDIX 1B**

	<b>2024-25</b>	<b>2025-26</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Savings</b>			
People - Children	(1,570)	(500)	<b>(2,070)</b>
People - Adults	(1,989)	(295)	<b>(2,284)</b>
Place	(3,775)	(300)	<b>(4,075)</b>
Resources	(708)	(108)	<b>(816)</b>
Managing Director	(499)	(6)	<b>(505)</b>
Corporate			-
<b>Total Savings</b>	<b>(8,541)</b>	<b>(1,209)</b>	<b>(9,750)</b>
<b>Growth</b>			
People - Children	500	-	<b>500</b>
Corporate	250	-	<b>250</b>
<b>Total Growth</b>	<b>750</b>	-	<b>750</b>
<b>Net Total Savings and Growth</b>	<b>(7,791)</b>	<b>(1,209)</b>	<b>(9,000)</b>



**Savings and Growth from the 2022-23 & 2023-24 Budget Process**

APPENDIX 1B

Item No	ref	Specific Service Area	Headline Description re: saving / reduction <b>INTERNAL</b>	Proposals			EIA required Y/N	Does this proposal impact on another directorate? Y/N	Further Consultation with Key Stakeholders Yes/No/N/A
				2024-25	2025-26	Total			
				(4)	(5)	(6)			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
				£000	£000	£000			
			<b>Savings Proposals</b>						
			<b>Resources</b>						
1	RES L1	BSS	Reduction of the cost of post through digitalisation	-	-	-	N	Y	No
2	RES L2	IT	<b>Integrated Apps</b> - IT is in the process of agreeing a new corporate approach to management of business systems which are currently managed within departments. This new approach is expected to result in rationalisation and centralisation of budgets and deliver savings through reduction in contract spend.	(200)	-	(200)	N	N	No
3	RES 9	IT	<b>IT Expenditure review and consolidation this is a back office saving which is not expected to have an impact on residents.</b>	(100)	-	(100)	N	N	No
4	RES 12	Resources	<b>Redesign of Resources Directorate</b> - An exercise to redesign the Resources Directorate is currently underway. Although this is being driven to make sure that the Directorate is fit for purpose for the ongoing needs of the Council, it is also important to consider that one of these needs is to address affordability. This will be subject to HR procedures and consultaion and an Equality Impact Assesment.	(408)	(108)	(516)	Y	Y	Yes
			<b>RESOURCES SAVINGS PROPOSALS</b>	<b>(708)</b>	<b>(108)</b>	<b>(816)</b>			
			<b>Managing Director's</b>			-			
5	CEO 10	Registration Services	<b>Land Charges</b> - this savings relates to transfer to Land Registry of local land charges register that records obligations affecting properties within their administrative area	(100)		(100)	N	N	No
6	CEO 4	Revs & Benefits	<b>The Inflation Negating Scheme</b> for Working Age Households in receipt of Council Tax Support at the end of 2022/23 will be replaced with a one off cost of living grant for 2023/24. Harrow has previously used its discretionary powers to administer a local inflation negating scheme to ensure that working age recipients of council tax support were awarded additional relief to cover the Harrow council tax inflationary increases.	(310)	-	(310)	Y	N	No
7	CEO 2	Revs & Bens	<b>Rationalise the Discretionary Freedom Pass provision</b> - Currently Discretionary Freedom passes are issued to approximately 200 residents. The scheme will continue for existing users but will not be offered to new applicants from 1.04.2023. Subject to cabinet report, consultation and Equality Impact Assesment.(EQIA)  <i>Note: Following public consultation in 2023, the proposal is not to go ahead. These savings are reversed by growth included in Appendix 1a of the budget report.</i>	(6)	(6)	(12)	Y	N	Yes
8	CEO 8	Governance	<b>Efficiencies in legal and Governance</b>	(20)		(20)	N	N	Yes
9	CEO 9	Registration Services	<b>Registry Office</b> - saving relates to review of service operating model and staffing levels. Subject to EQIA and consultaion with staff and residents if required.	(63)		(63)	Y	N	Yes
			<b>MANAGING DIRECTOR'S SAVINGS PROPOSALS</b>	<b>(499)</b>	<b>(6)</b>	<b>(505)</b>			

Item No	ref	Specific Service Area	Headline Description re: saving / reduction <b>INTERNAL</b>	Proposals			EIA required Y/N	Does this proposal impact on another directorate? Y/N	Further Consultation with Key Stakeholders Yes/No/N/A
				2024-25	2025-26	Total			
				(4)	(5)	(6)			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
				£000	£000	£000			
			<b>People</b>						
			<b>Adults</b>						
10	ASC02	ASC	Freezing senior post in Adult social care. Statutory Director of Adults Social Care (DASS) role to be held by Corporate Director Peoples for six months	88	-	88	N	N	No
11	ASC03	ASC	Management Review during 2023/24 (all M grades & above) . HR procedures will be followed with consultaion and eqia	(60)	-	(60)	Y	N	Yes
12	ASC04	ASC	Review Adult Social Care pathway during 2023/24 (all G grades) HR procedures will be followed with consultaion and eqia. Will be subject to a separate cabinet decision.	(302)	-	(302)	Y	N	Yes
13	ASC06	NRC's	Neighbourhood Resource Centre (NRC) reprofiling (Kenmore & Vaughan) to provide the most complex support	(800)	-	(800)	Y	N	Yes
14	ASC07	NRC's	Public Health wellbeing support model - short term funding (2 years) to support the changes to the new NRC operating model	-	100	100	Y	N	No
15	ASC08	NRC's	Harrow Alliance Community Model (New Bentley). External utilisation and management of New Bentley by the third sector following appropriate procurement exercise	(220)	-	(220)	Y	N	Yes
16	ASC10	Health Funding	Use of Better Care Fund to protect of Social Care Services (via Better Care Fund) - uncommitted resources and 2% annual uplift allocated against existing social care expenditure	(145)	(145)	(290)	N	N	Yes
17	ASC11	CYAD	Review out of borough post 18 residential placements and provide alternative accommodation within Harrow to enable relocation back in borough. Placements equality impacts will be considered on an individual basis.	(250)	(250)	(500)	Y	Y	Yes
18	ASC12	Inhouse Residential	De-register Bedford House (20 bedded CQC registered residential unit) to provide supported living accommodation for the most complex & challenging. Subject to a separate cabinet report and EQIA.	(300)	-	(300)	Y	N	Yes
			<b>ADULTS TOTAL</b>	<b>(1,989)</b>	<b>(295)</b>	<b>(2,284)</b>			
			<b>Childrens</b>			-			
			<b>Placements &amp; Accommodation</b>						
19	PC01	CYPS	Increased demand management - reduction in the cost of placements through reducing demand and stepping down young people into more cost effective provision where it is safe to do so	(500)	(500)	(1,000)	Y	Y	No
			<b>Social Care Staffing</b>						
20	PC02	CYPS	HR policies will be followed. Service redesign delivering increased preventative models of care to reduce demand on formal care services resulting in reduction of management posts. Suhect to separate cabinet report and EQIA. HR policies will be followed.	(1,070)		(1,070)	Y	N	Yes
			<b>CHILDRENS SERVICES TOTAL</b>	<b>(1,570)</b>	<b>(500)</b>	<b>(2,070)</b>			
			<b>PEOPLE SAVINGS PROPOSALS</b>	<b>(3,559)</b>	<b>(795)</b>	<b>(4,354)</b>			

Item No	ref	Specific Service Area	Headline Description re: saving / reduction <b>INTERNAL</b>	Proposals			EIA required Y/N	Does this proposal impact on another directorate? Y/N	Further Consultation with Key Stakeholders Yes/No/N/A
				2024-25	2025-26	Total			
				(4)	(5)	(6)			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
				£000	£000	£000			
			<b>PLACE</b>						
21	PLACE_S01	THAM & Parking	<p><b>Transport Strategy:</b>  <b>Parking Charge Notices - Proposed move from Band B to Band A</b>, subject to endorsement by London Councils, the Mayor of London, and the Secretary of State for Transport. Subject to a separate decision.            There are currently Band A and Band B charges for PCNs. Some London boroughs have moved to Band A while some are still in Band B (Harrow being one of them). The proposal is to move to Band A in order to support better compliance of traffic management.</p>	(1,500)		(1,500)	Y	N	Yes
22	PLACE_S02	THAM & Parking	<p><b>Transport Strategy:</b>  <b>Moving Traffic Contraventions (MTC) Review</b> - review of all MTCs in the borough and evaluate if they meet transport needs. The introduction of schemes including school streets and other measures following consultation from early 2023 including increasing ANPR / CCTV cameras. Schemes will be subject to a separate decision making process and consultation and EQIA as required.</p>	(500)		(500)	Y	N	Yes
23	PLACE_S03	Waste Services	<p><b>Behavioural change (residents) for reducing waste disposal cost.</b>            - Increase recycling / food waste to flats            - Waste minimisation            To invest in a recycling team to engage with and support residents on waste reduction and increased recycling through behavioural change on how to deal with waste.</p>	(500)		(500)	N	N	No
24	PLACE_S06	THAM & Parking	<p><b>Transport Strategy:</b>            Electric vehicle charging points - Increase installation using government funding (DfT) and supplier's match fund; and charge for the spaces. Concession contract. subject to a separate decision making process.            Savings assume £3k per annum per bay, and a total of 100 bays following full roll out</p>	(150)	(150)	(300)	Y	N	Yes

Item No	ref	Specific Service Area	Headline Description re: saving / reduction <b>INTERNAL</b>	Proposals			EIA required Y/N	Does this proposal impact on another directorate? Y/N	Further Consultation with Key Stakeholders Yes/No/N/A
				2024-25	2025-26	Total			
				(4)	(5)	(6)			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
				£000	£000	£000			
25	PLACE_S08	Parking	<p><b>Parking Review</b> - Improvement on current parking enforcement activity and performance.</p> <p><b>Immediate actions to review current enforcement:</b></p> <ol style="list-style-type: none"> <li>1. Review the effectiveness of deployment plan of civil enforcement officers</li> <li>2. Identify areas of low compliance and formulate enforcement plan</li> <li>3. Review and amend current PCN cancellation procedure</li> <li>5. Review and improve debt recovery rate</li> </ol> <p><b>Deep dive:</b></p> <ol style="list-style-type: none"> <li>1. Review structure to create a streamlined team</li> <li>2. Develop Parking Services Strategy and CCTV Strategy</li> <li>3. HGV Enforcement and Littering from Vehicles (via CCTV). Subject to a separate decision making process EQIA and consultation as required.</li> </ol> <p><b>Subject to a detailed business case.</b></p>	(1,000)		(1,000)	Y	Y	Yes
26	PLACE_S11	Trading Standards	<p><b>Review of the current shared Trading Standards service</b></p> <p>Trading standards is currently provided as a joint service between Brent and Harrow, with an annual payment of £300k to Brent under the SLA. It would be prudent to review the costs of this service and whether there could be savings and service improvement bringing back in house. Under the SLA, a 2 year notice period is required if Harrow wishes to terminate the contract. The Service will continue to explore the in-house option including the costs of staff, IT and other running costs. TUPE implications, cost of adding Trading Standard module to Public Protection &amp; Licensing IT system etc. Subject to a separate Cabinet report and HR policies.</p>		(150)	(150)	Y	N	Yes
27	PLACE_S20	Place Review	<p><b>Overarching review of the management tiers below Directors across the entire Place Directorate.</b></p> <p>High level estimate only at this stage, to be worked through to confirm final savings and one-off redundancy costs. HR procedures will be followed EQIA and consultation.</p>	(125)		(125)	Y	N	Yes
			<b>PLACE SAVINGS PROPOSALS</b>	<b>(3,775)</b>	<b>(300)</b>	<b>(4,075)</b>			
			<b>TOTAL SAVINGS PROPOSALS</b>	<b>(8,541)</b>	<b>(1,209)</b>	<b>(9,750)</b>			

**Savings and Growth from the 2022-23 & 2023-24 Budget Process**

Item No	ref	Specific Service Area	Headline Description re: saving / reduction <b>INTERNAL</b>	Proposals			EIA required Y/N	Does this proposal impact on another directorate? Y/N	Further Consultation with Key Stakeholders Yes/No/N/A
				2024-25	2025-26	Total			
				(4)	(5)	(6)			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
				£000	£000	£000			
			<b>Growths Proposals</b>						
			<b>People-Childrens</b>						
28		Education	<b>Reduction in Special Needs Transport growth</b> Growth was previously provided at £750k for 23/24 and £750k for 24/25 Appendix 1B. However following a review the full growth is not required. After these reductions of £550k and £250k this leaves £200k in 23/24 and £500k in 24/25 of the original growth.	(250)		(250)			
						-			
			<b>PEOPLE GROWTH TOTAL</b>	(250)	-	(250)			
			<b>CORPORATE</b>						
29	Corporate	Corporate	Inflationary Growth in relation to care provider inflation	250		250			
						-			
			<b>TOTAL CORPORATE GROWTH PROPOSALS</b>	250	-	250			
			<b>TOTAL GROWTH</b>	-	-	-			
			<b>NET SAVINGS/GROWTH PROPOSALS</b>	(8,541)	(1,209)	(9,750)			
<b>Savings and growth proposals from the 2022-23 Budget Process</b>									
			<b>Growths Proposals</b>						
			<b>People-Childrens</b>						
30		Education	Special Educational Needs Transport - . There are over 1,800 children and young people with Education Health & Care Plans (EHCPs) and approximately 40% of these are accessing SEN Transport. It is anticipated that the number of children and young people with EHCPs will increase to over 2,000 by 2023 which on the same ratio could mean a further 80 to 100 children requiring transport by 2023. It is estimated a further £750k pa will be required for each of the 3 years of the MTFS.	750		750			
			<b>PEOPLE GROWTH TOTAL</b>	750	-	750			
			<b>TOTAL SAVINGS PROPOSALS</b>	(8,541)	(1,209)	(9,750)			
			<b>TOTAL GROWTH</b>	750	-	750			
			<b>NET SAVINGS/GROWTH PROPOSALS</b>	(7,791)	(1,209)	(9,000)			

**MEDIUM TERM FINANCIAL STRATEGY  
2024/25 to 2026/27**

**Appendix 2**

	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Budget Requirement Brought Forward</b>	196,354	202,558	206,619
Corporate & Technical	6,069	13,870	10,695
People	1,481	1,552	2,000
Place	-1,321	-144	-968
Resources	-298	-338	0
Managing Director	-227	0	0
Corporate	500	0	0
<b>Total</b>	<b>6,204</b>	<b>14,940</b>	<b>11,727</b>
<b>FUNDING GAP</b>	<b>0</b>	<b>-10,880</b>	<b>-6,732</b>
<b>Total Change in Budget Requirement</b>	<b>6,204</b>	<b>4,060</b>	<b>4,995</b>
<b>Revised Budget Requirement</b>	<b>202,558</b>	<b>206,619</b>	<b>211,614</b>
Collection Fund Deficit/-surplus	-790	0	0
Revenue Support Grant	-2,219	-2,219	-2,219
Top Up	-24,120	-24,120	-24,120
Retained Non Domestic Rates	-13,221	-13,221	-13,221
<b>Amount to be raised from Council Tax</b>	<b>162,208</b>	<b>167,059</b>	<b>172,054</b>
<b>Council Tax at Band D</b>	<b>£1,814.92</b>	<b>£1,869.19</b>	<b>£1,925.08</b>
<b>Increase in Council Tax (%)</b>	<b>4.99%</b>	<b>2.99%</b>	<b>2.99%</b>
Tax Base	89,375	89,375	89,375
	98.00%	98.00%	98.00%
Gross Tax Base	91,199	91,199	91,199

**MTFS 2024/25 to 2026/27 – Proposed investments / savings**
**Appendix 2**

<b>Technical Adjustments</b>			
	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Capital and Investment</b>			
Implications of Capital Programme agreed for 2021/22 to 2023/24 budget process	225		
25/26 Capital Programme costs from 22/23 refresh		1,747	
26/27 Capital Programme costs from 23/24 refresh			1,500
Capital Programme saving from 23/24 Review (£2.1m capital saving)	-182	92	-196
24/25 Capital Programme - Inclusion of PAP (50 additional homes)		543	591
One off saving on Capital Financing costs due to underspends on Capital Programme	3,000		
Applying capital receipts to fund the Capital Programme	-1,300	-1,300	
Assume temporary savings on capital financing cost from slippage (one off)	-3,000	3,000	
Capital Receipts Flexibilities		1,250	
Assume Capital Receipts Flexibilities extended but on one-off basis		-1,250	1,250
<b>Total Capital and Investment Changes</b>	<b>-1,257</b>	<b>4,082</b>	<b>3,145</b>
<b>Grant Changes</b>			
Increase - Core Spending Grant	-6,000		
Reverse out £6m core grant	6,000		
Increase in NNDR Multiplier - compensation for under-indexing (increased from £7.011m to £8.647m)	-1,636		
Reduction in Services Grant. £252k 24/25 allocation, a reduction of £1.353m. Previous budget assumed a reduction of £770k in 24/25 and £771k in 25/26, therefore a movement of £583k	1,353	188	
Services Grant - Difference between Indicative Settlement allocation and Final Settlement allocation, an increase of £25k	-25	25	
Additional S31 grant	-2,720		
Reduction in New Homes Bonus (from £2.245m to £82k)	2,163		
Funding Guarantee	-2,011		
Funding Guarantee (increased from 3% to 4%, announced by Government on 24/01/2024). Final Settlement allocation is £2.274m	-263		
Social Care Grant - £14.962m allocation for 24/25; an increase of £2.154m	-2,154		
Additional Social Care Grant (announced by Government on 24/01/2024). Final Settlement is £16.982m, an increase of £2.020m	-2,020		
Adult Social Care Market Sustainability Improvement Fund	-1,144		
Adult Social Care Market Sustainability Improvement Fund (spend of 25%)	286		
IBCF (50% of the national allocation of £600m in 2023/24, increasing to £1bn by 2024/25)	-616		
IBCF contribution to pool	616		
Cost of Living Grant funded by Council Tax Support Fund (external grant)	310		
<b>Total Grant Changes</b>	<b>-7,861</b>	<b>213</b>	<b>0</b>
<b>Other Technical Changes</b>			
Freedom Passes - estimated reduction in usage (2022/23 process)			
Freedom Passes - revision to usage figures from London Council update (2022/23 process)	1,000		
Growth 24/25	2,322		
Growth 25/26		1,000	
November 22 update on Freedom passes - improvement for 2023/24 and 2024/25 but worse in 2025/26.	-732	1,050	
November 23 update on Freedom passes - increase of £37k in 2024/25. 2024/25 is still to be finalised.	37		
<b>Use of Reserves</b>			
West London Waste Authority income from electricity - assume one-off income in 23/24	1,000		
West London Waste Authority income from electricity - assume income to continue for 2 more years	-1,000		1,000
<b>Total Other Technical Changes</b>	<b>2,627</b>	<b>2,050</b>	<b>1,000</b>
<b>Pay and Inflation</b>			
Pay Award @ 2.75% pa for 2023/24 and 2024/25	2,750		
Non Pay Inflation	1,000		
Pay award 2023/24 & 2024/25 - 4% / 2025/26 - 3%	1,250	3,000	
Pay award - Budget gap for 23/24 pay award	800		
Reduction of council wide growth 2024/25 to fund pay award	-755		
Pay award 2026/27 @ 3%			3,000

**MTFS 2024/25 to 2026/27 – Proposed investments / savings**
**Appendix 2**

<b>Technical Adjustments</b>			
	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Non Pay Inflation - Additional £1m 2024/25, 2025/26 and 2026/27	1,000	1,000	1,000
<b>Total Pay and Price Inflation</b>	<b>6,045</b>	<b>4,000</b>	<b>4,000</b>
<b>OTHER</b>			
Gayton Road Income - Reprofiting of income	-11		
Growth London Living Wage	1,000		
- No LLW provision in 23/24 and reduced by 50% for 2024/25	-500	1,000	
Directorate growth	3,788		
Reverse out Directorate growth	-3,788		
Reverse Council wide Mgt saving	650		
Increase TM savings to offset Mgt saving - additional investment income being achieved	-650		
Council Tax Base increase	-500		
Council Tax Base increase	500	-250	-250
One off reduction of contingency budget	-175	175	
Reverse the one off reduction of contingency budget	175	-175	
Provision for increases in various levies in 24/25	200		
Increase in Contingency budget (from £1.248m to £2.461m)	1,213		
Increase in Corporate Budgets	2,308	-25	
<b>Directorate Adjustments:</b>			
Adults care provider	1,550	1,800	1,800
General growth provision	1,000	1,000	1,000
Reduction in Council wide growth provision	-245		
<b>Total Corporate &amp; Technical</b>	<b>6,069</b>	<b>13,870</b>	<b>10,695</b>



**MTFS 2024/25 to 2026/27 – Proposed investments / savings**

**Appendix 2**

<b>People</b>			
	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Children &amp; Families</b>			
Proposed Savings - see appendix 1a	0	0	0
Proposed Growth - see appendix 1a	-900	0	0
Proposed Savings - see appendix 1b	-1,570	-500	
Proposed Growth - see appendix 1b	500	0	
<b>Sub total Children &amp; Families</b>	<b>-1,970</b>	<b>-500</b>	<b>0</b>
<b>Adults</b>			
Proposed Savings - see appendix 1a	0	0	0
Proposed Growth - see appendix 1a	5,440	2,347	2,000
Proposed Savings - see appendix 1b	-1,989	-295	
<b>Sub total Adults</b>	<b>3,451</b>	<b>2,052</b>	<b>2,000</b>
<b>Total People Directorate</b>	<b>1,481</b>	<b>1,552</b>	<b>2,000</b>

**MTFS 2024/25 to 2026/27 – Proposed investments / savings**

**Appendix 2**

<b>Place</b>			
	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Proposed Savings - see appendix 1a	-848	-819	-591
Proposed Growth - see appendix 1a	3,302	975	-377
Proposed Savings - see appendix 1b	-3,775	-300	
Proposed Growth - see appendix 1b	0	0	
<b>Total Place</b>	<b>-1,321</b>	<b>-144</b>	<b>-968</b>

**MTFS 2024/25 to 2026/27 – Proposed investments / savings**

**Appendix 2**

<b>Resources</b>			
	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Proposed Savings - see appendix 1a	0	0	0
Proposed Growth - see appendix 1a	410	-230	0
Proposed Savings - see appendix 1b	-708	-108	
Proposed Growth - see appendix 1b	0	0	
<b>Total Resources</b>	<b>-298</b>	<b>-338</b>	<b>0</b>

**MTFS 2024/25 to 2026/27 – Proposed investments / savings**

**Appendix 2**

<b>Managing Director</b>			
	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Proposed Savings - appendix 1a	0	0	0
Proposed Growth - appendix 1a	272	6	0
Proposed Savings - see appendix 1b	-499	-6	
Proposed Growth - see appendix 1b	0	0	
<b>Total Chief Executives</b>	<b>-227</b>	<b>0</b>	<b>0</b>

**MTFS 2024/25 to 2026/27 – Proposed investments / savings**

**Appendix 2**

<b>Corporate</b>			
	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Proposed Savings - appendix 1a	0	0	0
Proposed Growth - appendix 1a	250	0	0
Proposed Savings - see appendix 1b	0	0	
Proposed Growth - see appendix 1b	250	0	
<b>Total Corporate</b>	<b>500</b>	<b>0</b>	<b>0</b>

REVENUE BUDGET SUMMARY 2024-25						Appendix 3
	2023/24 Net Budget	Gross Controllable Expenditure	Gross Income	Net Controllable Expenditure	Uncontrol - able Expenditure	2024/25 Net Budget
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Local Demand - Borough Services</b>						
Managing Director	11,866	194,397	-178,381	16,016	-3,771	12,245
Resources	8,952	24,423	-3,959	20,464	-15,275	5,189
Place	61,639	101,422	-66,685	34,737	23,835	58,572
People	126,349	334,421	-226,094	108,327	16,388	124,715
<b>Total Service Budget</b>	<b>208,806</b>	<b>654,664</b>	<b>-475,119</b>	<b>179,544</b>	<b>21,177</b>	<b>200,721</b>
<b>Corporate And Technical Adjustment</b>						
Council Wide Staff efficiencies	-650					0
<b>Corporate Budgets (Levies &amp; Subscriptions inc. Audit fees)</b>						
Coroners Court	227					419
Freedom pass	-129					2,627
LPFA levy	298					298
Corporate Democratic Core	1,735					1,735
Levies, grants, subscriptions	269					469
External Audit Fees	191					441
London Borough Grant Committee	187					187
Apprenticeship Levy	400					400
Pay Inflation	2,200					5,500
Employer's Pension Contribution	-1,118					0
Other Corporate budget	245					0
Goods And Service Inflation	5,850					1,000
Treasury Management expenses	2,012					2,135
Treasury Management Income						-650
Capital Financing Cost	31,298					30,041
Capital Financing adjustments	-36,385					-26,037
<b>Grants</b>						
Sec.31 Grant Business Rate Reliefs	-2,500					-5,220
New Homes Bonus	-2,245					-82
Reduction in grant for council tax subsidy admin	256					0
Multiplier Cap Funding - Compensation for underindexing the business rates multiplier	-7,011					-8,647
Cost of Living Grant	-310					310
Social Care Grant	-4,787					-4,174
Adult Social care market sustainability grant and Improvements	-2,271					-1,144
Adults Social Care Market sustainability grant & improvements (spend of 25%)	560					286
IBCF (50% of National allocation)	-934					-616
IBCF contribution to pool	934					616
New Service Grant	-1,541					-277
Funding Guarantee Grant						-2,274
<b>Other Budget Adjustments</b>						
Other Reserves	-1,000					-1,000
Contingency - General	1,248					2,461
Other Corporate Budgets	0					2,308
Litigation Budget	250					250
Adult social care growth - Care Provider Inflation	1,750					1,800
General Growth	371					538
Use of Capital Receipt Flexibility	-1,250					-1,250
Gayton Road Income	-602					-613
<b>Sub Total Corporate and Technical Adjustment</b>	<b>-12,452</b>					<b>1,837</b>
<b>Funding Gap</b>						
<b>TOTAL BUDGET REQUIREMENT</b>	<b>196,354</b>					<b>202,558</b>
<b>BUDGET REQUIREMENT FUNDED BY</b>						
Contribution re Collection Fund Deficit/Surplus(-) b/f	-1,939					-790
Revenue Support Grant	-2,081					-2,219
Business Rates Top-up Grant	-23,195					-24,120
Retained Business Rates	-15,141					-13,221
Council Tax Income	-153,998					-162,208
<b>Total Funding</b>	<b>-196,354</b>					<b>-202,558</b>
<b>Council Tax for Band D Equivalent</b>						
General (£)	1,507.00					1,558.69
ACS (£)	221.66					256.23
Harrow Increase (£)	1,728.66					1,814.92
GLA (£)	434.14					471.40
<b>Total after Increase (£)</b>	<b>2,162.80</b>					<b>2,286.32</b>
<b>Increase</b>						
General (%)	2.99%					2.99%
ASC (%)	2.00%					2.00%
GLA (%)	9.70%					8.58%
<b>Total Increase (%)</b>	<b>5.91%</b>					<b>5.71%</b>
<b>Tax base</b>	89,085					89,375
<b>Collection Rate</b>	98.00%					98.00%
<b>Funds / Balances</b>						
Balances Brought Forward	10,009					10,009
<b>Balances Carried Forward</b>	10,009					10,009

**Levies, Contribution and Subscription**
**Appendix 4**

	2023/24	2024/25	Changes	Changes	Comments
	£'000	£'000	£'000	%	
Freedom Pass Levy	5,418	8,044	2,626	48.48%	London Councils Circular dated 14th December 23
West London Waste Authority Levy	2,104	2,275	171	8.13%	WLWA budget report 2024/25
Apprentice Levy	400	427	27	6.70%	Levy calculated based on 0.5% of Salaries. Estimated levy in 2024/25 calculated based on the average pay award increase in 2023/24.
Lee Valley Levy	226	233	7	3.00%	Lee Valley Regional Park Authority 2024/25 revenue budget and levy report
London Boroughs Grant Scheme	187	196	10	5.10%	London Councils Circular dated 14th December 23
London Pension Fund Authority Levy	298	318	20	6.70%	Figures due February 2024. Assume increase at 6.7% (CPI September 2023)
London Council Borough Subscription	47	47	-	0.00%	London Councils Circular dated 14th December 23
Joint Committee Subscription	115	115	-	0.00%	London Councils Circular dated 14th December 23
Environment Agency Levy	211	213	2	1.02%	Environment Agency circular dated 2nd February 2024
Coroners Court Levy	373	398	25	6.70%	Figures due February/March 2024. Assume increase at 6.7% (CPI September 2023)
Traffic Control Levy	333	304	- 29	-8.76%	London Councils' TEC (18/10/23) -Traffic Signals Maintenance Budget 2024/25

## **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. Contingency budgets should not be included in financial planning as part of a service's annual operational revenue budget.
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 and 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 which occur during the financial 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 beyond what has been budgeted for.
  - 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 London Waste Authority varies from the estimate in the Place Directorate
  - 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 budget 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 approval of the portfolio holder with responsibility for Finance.
  - 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 Portfolio Holder with responsibility for finance and make proposals to Cabinet for virements from Contingency as appropriate.

### **Unspent balances**

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

## School Budgets – Dedicated Schools Grant (DSG) 2024-25

### Introduction

1. The Dedicated Schools Grant (DSG) is a ring-fenced grant of which the majority is used to fund individual schools' budgets in maintained schools and academies in Harrow. It also funds Early Years nursery entitlement for 2-, 3- and 4-year-olds in maintained council nursery classes and private, voluntary and independent (PVI) nurseries as well as provision for pupils with High Needs including those with Education, Health & Care Plans (EHCPs) in special schools, special provision and mainstream schools in Harrow and out of borough. The DSG is split into four blocks: Schools Block, Central School Services Block, Early Years Block and High Needs Block.

### DSG Settlement 2024-25

2. The 2024-25 DSG settlement is based on the number of pupils on the October 2023 schools census for the Central School Services Block and Schools Block as well as a lump sum for historical items related to premises, the January 2023 Early Years census for the Early Years Block and a combination of a historical lump sum and per pupil funding for the High Needs Block. The total DSG allocation for 2024-25 is £285.148m.

**Table 1 – 2024-25 Dedicated Schools Grant allocation**

Blocks	Unit of funding		Pupil numbers		Total
	Primary	Secondary	Primary	Secondary	
Schools Block – per pupil	£5,118.25	£7,079.49	21,490.00	13,397.00	£204,835,120
Schools Block – lump sum premises					£3,136,355
Schools Block – NNDR deduction					-£475,941
Schools Block – growth fund formula					£618,107
<b>Total Schools Block</b>					<b>£208,113,642</b>
Central Schools Block					£1,510,259
High Needs Block (after import/export adjustments & recoupment)					£47,390,899
Early Years Block					£28,133,187
<b>Total Dedicated Schools Grant Allocation 2024-25</b>					<b>£285,147,987</b>

3. In 2024-25 the National Funding Formula factor values have increased by 1.4% with the exception of Free School Meals which has increased by 1.6%. In addition, the Mainstream Schools Additional Grant (MSAG) has been rolled into the NFF in 2024-25.
4. In 2018-19 the Government introduced a new National Funding Formula (NFF) for Schools, High Needs and Central Services Blocks. For the Schools block this means that LAs are funded on the basis of the total of the NFF for all schools, academies and free schools in its areas but the final formula for distribution is determined by each LA, subject to prescribed limits, following consultation with schools and Schools Forum.

5. From 2020 the government had intended to implement the NFF in full which means that school allocations will be determined by the DfE rather than LAs. However, this has been delayed and there is currently no confirmed date for this.
6. In 2018-19 the LA implemented the NFF after consultation with schools and Schools Forum. There is one mandatory change to the structure of the formula which is the introduction of the Split Site Factor which provides funding to eligible schools who operate over two sites. The factors and values are set out at Table 2.

**Table 2 – proposed funding formula and factor values 2024-25**

Factors	2023-24		2024-25		% Change	
	Pri	Sec	Pri	Sec	Pri	Sec
Primary	£3,739.75		£3,919.84		5%	
KS3 AWPU		£5,272.45		£5,526.51		5%
KS4 AWPU		£5,942.38		£6,229.70		5%
FSM	£528.90	£528.90	£539.23	£539.23	2%	2%
Ever6	£776.82	£1,134.93	£902.38	£1,320.55	16%	16%
IDACIF	£253.43	£369.13	£258.61	£374.16	2%	1%
IDACIE	£308.52	£490.33	£313.63	£495.21	2%	1%
IDACID	£484.82	£683.16	£489.70	£693.29	1%	1%
IDACIC	£528.90	£749.27	£533.72	£759.32	1%	1%
IDACIB	£561.95	£804.37	£566.74	£814.34	1%	1%
IDACIA	£738.25	£1,024.74	£748.31	£1,039.93	1%	1%
LPA	£1,272.66	£1,928.27	£1,287.54	£1,953.32	1%	1%
EAL	£639.08	£1,724.43	£649.27	£1,744.23	2%	1%
Mobility	£1,041.27	£1,498.54	£1,056.44	£1,518.63	1%	1%
Lump Sum	£141,039.36	£141,039.36	£147,901.82	£147,901.82	5%	5%
Split Site	Basic		£59,094.70	£59,094.70		
Split Site	Distance		up to £29,602	up to £29,602		

7. In 2024-25 mainstream schools and academies can expect to receive an additional £10.406m through the National Funding Formula however £6.6m of this represents the MSAG being rolled into the formula.

### Minimum Funding Guarantee

8. In 2024-25 the Minimum Funding Guarantee (MFG) will continue to protect schools from *per pupil* losses between years. The MFG must be between 0% and +0.5%.
9. In the overall formula it is only affordable to set the MFG at the minimum 0% and therefore 2024-25 school budgets have been prepared on this basis. This means that all schools be protected from *per pupil* losses compared with the 2023-24 budget. Gains in excess of 0% have not been capped, which is consistent with the approach in previous years.

### Central Schools Block

10. The CSSB totals £1.510m and is used to support the LA with general duties in respect of all schools, the admissions service, centrally provided funding for schools including licences and funding to support LAs with teachers' pay and pension grant increases for teaching staff employed within the council.

### High Needs Block

11. High Needs funding is designed to support a continuum of provision for pupils and students with special educational needs and disabilities (SEND) from 0-25 years old. The following are funded from the High Needs Block (HNB) of the DSG:

- Harrow special schools and academies
- Additionally Resourced Mainstream (ARMs) units in mainstream schools and academies
- Places in out of borough special schools and independent school provision
- EHCPs in mainstream schools and academies
- Post 16 provision including further education
- SEND Support services and support for inclusion
- Alternative Provision including Pupil Referral Units and education other than at school

12. There is a duty to admit a child or young person if the institution is named in a statutory EHCP. LAs use the HNB to provide the most appropriate support package for an individual in a range of settings, taking account of parental and student choice whilst avoiding perverse incentives to over-identify high needs pupils and students.

13. The HNB budget allocation for 2024-25 is set out at Table 3

**Table 3 – 2024-25 High Needs Block Funding**

Description	Value
High Needs Block Allocation (excl basic entitlement factor)	£46,143,781
Basic Entitlement Factor (excl TPG/TPECG)	£3,324,262
Basic Entitlement related to TPG/TPECG Special Schools	£436,202
Import/Export Adjustments	-£1,200,000
Additional Funding for Special Free Schools	£6,000
Hospital Education	£230,208
AP & INMSS TPG/TPECG allocation	£130,445
<b>Total HNB before academy recoupment</b>	<b>£49,070,899</b>
Academy recoupment for SEN units, special schools and FE	-£1,680,000
<b>Net High Needs Block 2024-25</b>	<b>£47,390,899</b>

14. It should be noted that the import/export adjustment figure will be updated in June 2024 to reflect the January census.
15. In 2024-25 there is an increase in funding of approx £3.312m however this includes £1.987m of High Needs Block Additional Grant received in 2022-23 which is now rolled into the formula.

## DSG Deficits

16. The government consulted on the accounting treatments of deficits on the DSG. The consultation focussed on changing the conditions of grant and regulations applying to the DSG so as to clarify that the DSG is a ring-fenced specific grant separate from the general funding of local authorities. Therefore, any deficits an authority may have on its DSG account is expected to be carried forward and does not require to be covered by the authority's general reserves. The ring-fence was due to end March 2023 but has been extended for a further three years.
17. Harrow's projected cumulative deficit at the end of 2023-24 is £5.396m.
18. An updated management plan is being drafted with the latest projections and will align with the updated SEND Strategy being presented to Cabinet later this year.
19. Despite the significant proposals and measures planned over the next ten years, it is unlikely that the plan will fully mitigate the deficit. This is due to the following contributory factors:
  - historical underfunding
  - current budgets being based on historical budgets rather than historical spend
  - extension of age range to include 0-5 and post 19
  - current and projected formulaic funding which does not keep pace with demand
  - significant historical and projected growth in number of EHCPs
  - continued growth in complexity of pupils' needs
  - limitations about creating cost effective provision in borough due to capacity and site limitations

## Early Years Block

20. The government introduced a new National Funding Formula for Early Years from April 2017.
21. In 2024-25 two new Early Years entitlements will be introduced. The full list of entitlements is shown below:
  - the 15 hours entitlement for eligible working parents of children from 9 months to 2 years old (new entitlement from 1 September 2024)
  - the 15 hours entitlement for eligible working parents of 2-year-old children (new entitlement from 1 April 2024)
  - the 15 hours entitlement for disadvantaged 2-year-olds
  - the universal 15 hours entitlement for all 3 and 4-year-olds
  - the additional 15 hours entitlement for eligible working parents of 3 and 4-year-olds

22. The entitlement hours are up to 15 hours of childcare a week over 38 weeks of the year (equivalent to a maximum 570 hours a year) or, for 3 and 4-year-olds, up to 30 hours of childcare a week over 38 weeks of the year for qualifying children of working parents (equivalent to a maximum 1,140 hours a year).
23. From September 2025, eligible working parents of children aged 9 months and above will be able to access 30 hours (over 38 weeks a year) from the term following their child turning 9 months to when they start school).
24. The provisional Early Years Block in 2024-25 is shown at Table 4 below

**Table 4 – provisional Early Years Block 2024-25**

Entitlement	Hourly Rate to LA	Pupil PTE Estimate	Funding
3- & 4-year-old entitlement - universal 15 hours	£6.60	3,872.86	£14,569,700
3- & 4-year-old entitlement - additional 15 hours	£6.60	1,184.95	£4,457,782
2-year-old entitlement - disadvantaged	£9.38	400.17	£2,139,549
2-year-old entitlement - working parents	£9.38	723.66	£3,869,121
Under 2s entitlement - working parents	£12.77	366.65	£2,668,809
EY Pupil Premium - 3- & 4-year-olds			£84,121
EY Pupil Premium - 2-year-olds			£51,733
EY Pupil Premium - under 2s			£2,586
Disability Access Fund - 3- & 4-year-olds			£70,980
Disability Access Fund - 2-year-olds			£29,120
Disability Access Fund - under 2s			£4,550
Maintained Nursery Schools Supplementary Grant			£185,136
<b>Provisional Early Years Block 2024-25</b>			<b>£28,133,187</b>

25. There are no proposed changes to the funding mechanism or Early Years Single Funding Formula for 3- and 4-year-olds. However, there are changes to the current distribution of funding for disadvantaged 2-year-olds which requires a funding formula as well as the introduction of the two new entitlements which also require funding formulae.
26. Local authorities must determine their funding formulae before the beginning of the financial year and it must first consult with its schools' forum, maintained schools and early years providers. This consultation is currently underway. The final decision on the funding formulae, following any consultation, rests with the local authority
27. All funding changes as a result of the consultation will be implement from 1 April 2024.

**Public Health Funding 2024-25****Appendix 7****Mandatory Services**

Sexual Health (incl Family Planning)	2,000	
0-19 Services	3,996	
Health Checks	<u>184</u>	6,180

**Discretionary Services**

Tobacco Control	103	
Drug & Alcohol Misuse	1,903	
Physical Activity	<u>30</u>	2,037

**Staffing & Support Costs**

Staffing	1,375	
Non-Staffing	28	
Overheads	<u>163</u>	1,566

Health Improvement	854	
Wider Determinants of Health	<u>1,651</u>	2,505

**Total Expenditure** 12,288

**Funded by**

Department of Health Grant	-12,288	
Contribution from Reserve		
<b>Total Income</b>		<b>-12,288</b>

0

## Reserves Policy

The recommended reserves policy is as follows:

**The first call on any under spend at the end of the year will be to add to reserves. 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. However, the External Auditor expects the Council to review its reserves on an annual basis.

There is no statutory definition of a minimum level of reserves. The level of reserves is a balance between the risk facing the Authority and the opportunity costs of holding these balances.

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 and control 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 in 2024/25 will continue to focus on accurate, timely and robust management of its revenue budget, capital programme, savings tracker and trading activities.

As at 31 March 2024 the forecast level of General Fund Balances will be £10.008m, which represents 4.9% of the Council's net revenue budget for 2024/25 (£203m), which is the recommended minimum level. In addition, the Authority holds a limited number of earmarked reserves as detailed in Appendix 9.

A decision will be made at year end on the best use of any available capacity in the revenue budget and where this will be transferred to reserve.

The S151 officer has responsibility for the establishment of earmarked reserves. The S151 officer is responsible for ensuring that detailed controls are established for the creation of new reserves and provisions and any disbursements therefrom.



All contributions to, and appropriations from, General Fund reserves must be approved by the S151 Officer and Portfolio Holder with Responsibility for Finance, subject to any limitations set by the Council in the approved budget framework.

Description	Balance Carry Forward 31/03/2023	Directorate Reserve Movements	Corporate Reserves Movements	Other Reserves movement	Balance Carry Forward 31/03/2024	Realign-ment	Committed to 3 year MTFS 2024/25 to 2026/27	Revised Balances
	£	£	£	£	£	£	£	£
CIL Harrow	-11,053,401			1,000,000	-10,053,401		7,044,000	-3,009,401
CIL Mayor	-192,259				-192,259			-192,259
<b>Total Earmarked Reserve for CIL</b>	<b>-11,245,660</b>	<b>0</b>	<b>0</b>	<b>1,000,000</b>	<b>-10,245,660</b>	<b>0</b>	<b>7,044,000</b>	<b>-3,201,660</b>
HRA Hardship Fund	-2,330				-2,330			-2,330
HRA Regeneration Reserve	-199,531				-199,531			-199,531
HRA Repair Reserve	-277,428				-277,428			-277,428
<b>Total Earmarked Reserve for HRA</b>	<b>-479,289</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-479,289</b>	<b>0</b>	<b>0</b>	<b>-479,289</b>
Revenue Grant Reserve	-5,161,951	2,402,000			-2,759,951		2,226,536	-533,415
PFI Schools Sinking Fund	-2,071,676	655,000			-1,416,676		1,416,676	0
Public Health Reserve	-2,848,296	371,000	400,000		-2,077,296			-2,077,296
PFI NRC Sinking Fund	-1,823,836				-1,823,836		250,000	-1,573,836
Legal Services Contingency	-500,000				-500,000			-500,000
Borough Election	-159,847				-159,847			-159,847
Harvist Reserve Harrow Share	-88,613				-88,613			-88,613
Proceeds Of Crime Reserve	-63,000				-63,000			-63,000
Proceeds Of Crime Reserve Planning	-430,172	95,000			-335,172		285,000	-50,172
3G Pitch	-50,000	-25,000			-75,000		-75,000	-150,000
<b>Total Earmarked Reserves (Specific)</b>	<b>-13,197,390</b>	<b>3,498,000</b>	<b>400,000</b>	<b>0</b>	<b>-9,299,390</b>	<b>0</b>	<b>4,103,212</b>	<b>-5,196,178</b>
Collection Fund Reserve	-2,246,846				-2,246,846	2,246,846		0
Compensatory Added Year Reserve	-162,782				-162,782	162,782		0
Carryforward Reserve	-1,396,857	73,000	999,793	324,064	0			0
Public Mortuary Expansion Reserve	-500,000				-500,000	500,000		0
Vehicle Fund	-1,250,478				-1,250,478			-1,250,478
PAP Sinking Fund	-712,500				-712,500		-1,029,600	-1,742,100
Business Risk Reserve	-155,000	68,000			-87,000		87,000	0
Capacity Build/ Transformation Reserve	-527,927	51,000		300,000	-176,927		176,927	0
Equalities Diversity & Inclusion Reserve	-26,000	26,000			0			0
Decommissioning Accommodation	-561,000	539,000			-22,000		22,000	0
Adults Social Care Reserve	-1,800,475				-1,800,475			-1,800,475
People Services MTFS Implementation	-2,099,000	1,513,000			-586,000		586,000	0
Children's Social Care Reserve	-2,620,771	103,000	1,000,000		-1,517,771			-1,517,771
Insurance Reserve	-1,304,124	250,000			-1,054,124		1,025,000	-29,124
Place MTFS Implementation Reserve	-1,595,000	445,000	1,000,000	-1,000,000	-1,150,000		1,150,000	0
Investment Property Reserve	-1,122,960		75,000		-1,047,960		225,000	-822,960
Corporate MTFS Implementation Reserve	-3,000,000	797,000			-2,203,000		2,203,000	0
<b>Total Earmarked Reserves (Non Specific)</b>	<b>-21,081,720</b>	<b>3,865,000</b>	<b>3,074,793</b>	<b>-375,936</b>	<b>-14,517,863</b>	<b>2,909,629</b>	<b>4,445,327</b>	<b>-7,162,907</b>
Budget Planning Reserve MTFS gap	-18,342,606	1,653,000			-16,689,606	-2,909,629		-19,599,235
<b>Total Non Earmarked Reserves</b>	<b>-18,342,606</b>	<b>1,653,000</b>	<b>0</b>	<b>0</b>	<b>-16,689,606</b>	<b>-2,909,629</b>	<b>0</b>	<b>-19,599,235</b>
General Fund Reserves	-10,008,000				-10,008,000			-10,008,000
<b>Total General Fund Reserves</b>	<b>-10,008,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>-10,008,000</b>	<b>0</b>	<b>0</b>	<b>-10,008,000</b>
DSG Deficit Recovery	-1,384,105				-1,384,105			-1,384,105
DSG Overspend	4,006,867				4,006,867			4,006,867
<b>Total Net DSG Deficit Reserve</b>	<b>2,622,762</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,622,762</b>		<b>0</b>	<b>2,622,762</b>
<b>Grand Total All Reserves</b>	<b>-71,731,904</b>	<b>9,016,000</b>	<b>3,474,793</b>	<b>624,064</b>	<b>-58,617,047</b>	<b>0</b>	<b>15,592,539</b>	<b>-43,024,508</b>

## **Report of the Chief Finance Officer – 2024/25 Budget**

Section 25 of the Local Government Act 2003 requires that the Chief Financial Officer (in their capacity as the Chief Finance Officer under S151 of the Local Government Act 1972) reports the following matters to members when agreeing its annual budget:

- The robustness of estimates made for the purposes of the budget calculation, and
- The adequacy of the proposed financial reserves.

### **Robustness of estimates made for the purposes of the Budget Calculation**

The 2024/25 budget and MTFs has been compiled against a backdrop of continued and significant economic uncertainty with the national cost-of-living crisis continuing to severely impact residents and the council. High inflation has remained for a period beyond initial government forecasts. This has impacted council pay settlements, major contract inflation costs and other costs of service provision.

Alongside this has been an unprecedented level of service demand in key services such as Adult Social Care and there have been significant challenges in income budgets with parking income particularly badly impacted in the 2023/24 in-year financial position.

Developing the budget estimates for a given financial year is an ongoing, iterative process within the medium-term financial planning cycle. It considers the most recently available budget monitoring information and the latest assumptions for the forthcoming financial year.

The latest 2023/24 forecast at Q3 is a £0.581m net overspend. The Directorate overspend is £5.7m which is made up of overspends in adult services and parking services in Place Directorate and underspends in Childrens services and legal and governance.

The cost of the pay award has been another big factor in setting the budget in recent years with the last 2 years pay awards being higher than the budgeted 2%. The latest pay award agreed for 2023/24 (which was only settled in October 2023), cost £7.2m based on a flat cash increase of £2,226 for staff paid up to £49k and 3.88% for staff earning in excess of £49k. The cost of £7.2m averages out at an overall cost of 7%. For 2024/25, £5.5m has been budgeted for the pay award. This estimate is reasonable given the Bank of England view that inflation is expected to slow and be back to normal by the end of 2025. Normal means that average prices will rise by 2% per annum. CPI has dropped between December 2022 when it was 10.5% to the current level at December 2023 of 4% (Office for National Statistics data released 17/01/2024.)

Budget challenge sessions were held in August/September 2023. These sessions reviewed the current 2023/24 financial position and all savings put into the MTFs as part of the 2023/24 budget process. Further budget challenge sessions were held in October 2023 where growth was put forward where required for demand pressures in adult services and growth was also put forward to reverse and reprofile income savings where required. The overspend in adult services and parking income have both been factored into the 2024/25 budget with growth being added to the budget and MTFs savings in parking having been rephased across 2 years

The medium-term local government funding outlook is negative following the Autumn statement and no further funding has been announced beyond 2024/25. The Council's MTFS therefore assumes no increase in Government funding for 2025/26 and 2026/27 which is a prudent estimate and Council tax is estimated at 2.99% across the 2 years until confirmation is provided as to the maximum level that Council tax can be increased by.

A balanced budget position has been achieved for 2024/25 but there remains a budget gap for 2025/26 and 2026/27 of £10.880m and £6.732m respectively.

In respect of the 2024/25 budget, the advice of the S151 Officer is that it is sufficiently robust. All income and grant adjustments are in line with the Indicative Settlement, known growth and inflationary pressures have been provided for within financial constraints and the budget includes a contingency for unforeseen items of £2.461m which has been increased by £1.213m from the 2023/24 level.

Directorate budget proposals have been through robust challenge sessions with Members and Officers. Specifically, in relation to the 2024/25 budget, the robustness assessment is provided following the consideration of several factors:

- The 2024/25 budget includes a mix of corporate and technical savings alongside proposals from the directorates balancing the risk over the MTFS.
- Growth requirements have been scrutinised in detail to ensure growth is enough to ensure the safe delivery of services.
- However, growth requirements will be monitored closely to ensure the provisions are enough and any over provision will be held corporately to support the MTFS.
- Every effort has been made to ensure that the technical assumptions underpinning the budget are robust.
- Prudent assumptions have been made about capital financing costs and investment income.
- Key financial risks are managed and reported as part of the Corporate Risk Register.
- The recommended increases in fees and charges are in line with the assumptions in the budget.
- The budget for 2024/25 includes a general contingency of £2.461m which has increase by £1.213m from the 2023/24 level of £1.248m.
- There is a commitment within the organisation to robust financial management with any potential adverse budget variations been reported, tightly controlled and contained within service budgets unless there is an agreement the variation is managed pan organisation.
- There is a commitment within the organisation to ensure all new budget proposals are supported by a robust business case that has been scrutinised pan organisation and, unless specifically stated, makes a clear net financial contribution to the MTFS after considering all costs.
- The commitment of maintaining expenditure within budget is shared by both officers and Members.

### **Adequacy of Reserves**

There is no statutory definition of a minimum level of reserves and it is for this reason that the matter falls to the judgement of the S151 Officer. The level of reserves is a balance between the risk facing the Authority and the opportunity costs of holding those balances. Reserves can only be spent once and are therefore only available to support one off expenditure or to allow time for management actions to be implemented.

The General Fund balances are adequate however the balances should not drop below the current £10.0m level. This reserve represents the balance of last resort in the event of any major and unforeseen event that compromises the delivery of the council's budget. At current levels, this balance represents 5.1% of the council's budget net revenue budget for 2023/24 (£196m). This balance of £10.0m does place Harrow Council in the lower quartile of general fund balances when benchmarked with other authorities. The advice of the S151 Officer is that General Fund balance of £10.0m must remain intact to provide an element of safety net for the Council and any opportunities to increase it must be considered to increase the Council's future financial resilience.

The Council is forecasting to hold balances / reserves of £58.6m to carry forward into 2024/25. The gross level of reserves is £61.2m but is reduced to £58.6m after allowing for the £2.6m DSG deficit.

The reserves have been reviewed as part of the 2024/25 budget process and £2.9m of reserves are no longer required for the original purpose they were set aside for which has meant that the Budget planning reserve has been increased by £2.9m to almost £20m (£19.599m).

In conclusion, the 2024/25 budget has been prepared as robustly as possible and it achieves its legally required balanced position. The Council must remain committed to its agreed strategy of maintaining its tight grip on the budget to ensure saving proposals are delivered, expenditure remains within the budget envelope and the Council provides safe services.

### **Budget Monitoring**

The Local Government Act 2003 also introduced requirements in relation to budget monitoring and management action. The Council has robust budget monitoring procedures in place with revenue budgets being monitored monthly and the capital programme quarterly. The financial position can change relatively quickly, and any adverse variations must be identified and addressed promptly by Service Managers and directorates to avoid a call on reserves. Financial performance is reported in detail to Cabinet quarterly and monthly to the Corporate Leadership team as well as the Portfolio holder for Human Resources and Finance. These robust arrangements will continue into 2024/25 and will remain under review to ensure they keep pace with the requirements of the organisation.

## Model Council Tax Resolution

# London Borough of Harrow

## Council Tax Resolution 2024/2025

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 2024/2025 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 19 December 2023 the Council calculated the amount of **89,375** as its Council Tax Base for the year 2024/2025 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 2024/2025, 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**) £698,454,000
  - (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**) £536,245,525
  - (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 Council Tax Requirement for the year.** £162,208,475
  - (iv) Being the amount at (iii) divided by the Council Tax Base, calculated by the Council at its meeting on 19 December 2023 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**) £1,814.92
  - (v) Valuation Bands

	A	B	C	D	E	F	G	H
£	1,209.95	1,411.60	1,613.26	<b>1,814.92</b>	2,218.24	2,621.55	3,024.87	3,629.84

Being the amounts given by multiplying the amount at (iv.) 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 2024/2025 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
£	314.27	366.64	419.02	<b>471.40</b>	576.16	680.91	785.67	942.80

- (4) That, having calculated the aggregate in each case of the amounts at (2)(v) 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 2024/2025 for each of the categories of dwellings shown below

Valuation Bands

	A	B	C	D	E	F	G	H
£	1524.22	1778.24	2032.28	<b>2286.32</b>	2794.40	3302.46	3810.54	4572.64

- (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 2024/25 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) (England) Report 2024/2025.

## LONDON BOROUGH OF HARROW PAY POLICY STATEMENT 2024/253/2024

### Introduction

In compliance with the statutory provisions of the Localism Act 2011 and in support of openness and transparency in accordance with Local Government Transparency Code 2015 this statement outlines the Council's policy on pay and benefits for Council employees (excluding Schools)<sup>1</sup> and specifically for its lowest paid employees, Chief Officers and Senior Management.

This Pay Policy is reviewed annually and agreed at Full Council.

### Annual Pay Award 2023

The 2023-24 national pay award negotiations for Local Government Services ('Green Book') employees, Officers and Chief Officers have concluded and the following details of the pay award were agreed with effect from 1 April 2023:

- Local Government Services ('Green Book') employees on salaries up to £49,999 received an Outer London flat rate pay increase of £2,226. For employees on above £49,999 received a pay increase of 3.88%.
- Chief Officers received a pay increase of £3.5%.
- Increase in allowances by 3.88%.

Harrow pay scales have been increased accordingly backdated from 1 April 2023.

- Agency Staff pay uplift is subject to the worker:
  - is engaged under PAYE employment type.
  - have reached parity pay (engaged by Harrow for more than 12 weeks)
  - have an hourly rate of pay that is based on the Harrow PayScale.

Please note: Agency workers paid an hourly rate higher than the pay grade of the post they occupy are not eligible for the pay award. If you have any questions, please email [Harrow@pertemps.co.uk](mailto:Harrow@pertemps.co.uk)

### London Living Wage update 2023-2024

From October 2022, the London Living Wage foundation increased the London Living Wage from £11.95 per hour to £13.15 to be implemented as soon as possible or at the latest from 1<sup>st</sup> of May 2024.

Harrow Council is a fully accredited London Living Wage employer having paid the London Living Wage hourly rate to its lowest paid employees since 2013.

Harrow Council's lowest paid employees are currently paid on the first point of Harrow pay scales at £13.46 per hour, higher than the London Living Wage of £13.15 per hour, backdated from April 2023.

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<sup>1</sup> The Pay Accountability provisions of the Localism Act 2011 do not apply to the staff of local authority schools and therefore teaching staff do not need to be brought within the scope of this pay policy statement.



Following agreement of the National Joint Council's annual pay award, Harrow's lowest spinal points are no less than the current London Living Wage from 1 April 2023.

## **Context**

The Council's vision is 'Restoring Pride in Harrow' and is focussed on this overarching vision to support delivery of the Council's work through a refreshed Corporate Plan. This means that all actions and service delivery will be embedded in this new vision, whether it be handling customer enquiries, cleaning the streets or new initiatives; everything should be able to show that residents are at the heart of the way we do things.

Over the course of three years, the following new priorities will help to deliver the Council's new vision:

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

Together, this vision seeks to deliver a well-run Council that provides good value for money. It will put residents first by treating them as valued customers and deliver high standards of service. Improving the environment and the Council's enforcement approach will help make Harrow clean and ensure residents feel safe and, where people need support the most, our services for vulnerable residents and families will be made more accessible.

Working closely with partners, voluntary and community groups will not only play a vital role in making Harrow a pleasant place to live, work and visit – it will help create a better sense of pride in the borough and improve the quality of life for many people.

In determining its grading structure and setting overall pay levels for all posts, set out in this Pay Policy, the council takes into account the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who are able to meet the requirements of providing high quality services to the community and to be able to deliver those services effectively and efficiently.

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 2010. Additionally, the Council recognises that a significant proportion of our workforce lives locally and that therefore our Pay Policy helps support a strong local economy of diverse residents.

## **Background**

### **Modernising Terms & Conditions Review 2011/12**

In 2011/12 the Council undertook a review of pay and terms and conditions for employees and in 2012 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 online: [collectiveagreement \(harrow.gov.uk\)](http://collectiveagreement(harrow.gov.uk))

The changes introduced through the collective agreement included the following key provisions:

- Revised grading structure so that the Council's lowest paid employees are paid not less than the London Living Wage.
- A scheme making incremental pay progression subject to satisfactory performance
- Reduced 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

Prior to this in July 2005, the Council implemented the Single Status agreement. Full time hours of work were changed to 36 hours<sup>2</sup> per week for all employees and the salary grades were changed from NJC 'H' Grades to GLPC 'G' grades. London Weighting was incorporated with Basic Pay as part of this exercise.

### **Council Pay Rates / Scales**

The Council considers it important to be able to locally determine pay rates to underpin Harrow's priority to ensure value for money to residents, whilst understanding the current challenges around cost of living. The Council benchmarks its pay rates with other London Boroughs to ensure that it is able to recruit and retain qualified and competent employees and to be able respond to regional and local labour market conditions.

The Council applies the national (JNC/NJC) GLPC national and regional pay award agreements to our locally determined pay scales. The Harrow pay structure applies to all staff with the exception of a small amount of staff such as TUPE transferred staff who have not yet been integrated on to the Harrow pay structure, Educational Psychologists<sup>3</sup> and some centrally employed teaching staff<sup>4</sup>

The pay scales are revised annually from April 1<sup>st</sup> of each year. The officers and managers scales are published online: [Officer's Pay Scales 2023](#)

### **Remuneration of Senior Management (Chief Officers)**

The Council defines its senior management as the top tiers in the management structure. This includes the Managing Director, Corporate Directors, Directors and Divisional Directors, comprising all statutory and non-statutory Chief Officer posts.

All Chief Officers are appointed by Members through the Chief Officer Employment Panel. (COEP). Additionally, the Chief Officer's employment panel has the authority to approve remuneration packages of £100,000 or over for any Council post.

The Council may, in exceptional circumstances, employ senior managers under contracts for services.

The senior management structure is published online [www.harrow.gov.uk/seniormanagementstructure](http://www.harrow.gov.uk/seniormanagementstructure)

Senior management pay is published online: [Senior Manager's Pay March 2022-23](#)

<sup>2</sup> Some ex manual workers work 36 hours plus 4 hours contractual overtime to 40 hours per week.

<sup>3</sup> Educational Psychologists are paid according to the national Soulbury Committee terms and conditions - annually at 1 September

<sup>4</sup> Teachers are paid according to the national Teachers Pay and Conditions pay scales – annually at 1 September, except for centrally employed music service teaching staff who are paid on locally determined Harrow terms and conditions.

### **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.

The Council's lowest paid employees are paid not less than the London Living Wage.

Harrow Council increased its lowest points of scale to the London Living Wage during the implementation of a collective bargaining agreement in 2013. There was a temporary hiatus in the payment of the LLW in 2014, when due to financial constraints in local government Harrow Council adopted a pay freeze.

Harrow is fully accredited by the Living Wage Foundation as a London Living Wage employer. Since 2015, the Council increased the lowest points on its salary scales to meet the London Living Wage and has continued to pay the London Living Wage to directly employed staff consistently to date. Recently the Council has fulfilled the requirements for accreditation by extending the London Living Wage to agency procured staff paid on Harrow pay scales.

### **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 and is currently 1:6. The Council's highest paid post is the Managing Director (Head of Paid Service)

### **Pay Grading**

In 2004 the Council entered into a single status agreement with its recognised trade unions, introducing common job evaluation schemes<sup>5</sup> and pay scales for the Council's former manual workers, administrative, professional, technical and clerical employees with the exception of Education Psychologists, Nursery Nurses, Youth & Community Workers, Chief Officers and the Chief Executive.

In 2007 job evaluation was extended to include Chief Officers using independent Hay Group Job Evaluation process

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

### **National / Regional Pay Agreements**

The Council supports the national (JNC/NJC<sup>6</sup> 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.

### **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. Instances where to attract the most experienced and sought-after skills for the good of the Council and where there is competition or shortages across London Boroughs may determine a higher starting spinal point.

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<sup>5</sup> The Greater London Provincial Council (GLPC) Scheme is used for all Harrow graded jobs and the Hay Scheme for senior professional and managerial jobs.

<sup>6</sup> Joint Negotiating Committee / National Joint Council

The Council delegates authority to the Chief Officers' Employment Panel to make recommendations to Council on the appointment of the Head of Paid Service, (Chief Executive) 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 1<sup>st</sup> of April each year until they reach the top of their grade. During the first year of service, employees who start between 1<sup>st</sup> October and 31<sup>st</sup> March will receive their incremental progression after 6 months service

The criteria for pay progression for all staff is subject to satisfactory performance and can be withheld if there is a current sanction such as a written warning in place or where performance is being addressed through formal procedures.

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.

### **Performance Related Pay**

Council employees including the Managing Director and Chief Officers do not currently receive performance related payments or bonuses. However, the Council's employment policies and procedures are reviewed on a regular basis in the light of service delivery needs and any changes in legislation etc.

The Council operates a Reward and Recognition Scheme for employees who, subject to meeting the criteria of the scheme, may receive payments of £300 or £600. Details of Reward and Recognition payments to senior management are published online: [Senior Managers Pay 2022-23 \(harrow.gov.uk\)](http://harrow.gov.uk)

### **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 online: [Senior Managers Pay 2022-23 \(harrow.gov.uk\)](http://harrow.gov.uk)

### **Market Supplements**

The Council may apply market supplement payments to jobs with recruitment or retention difficulties. Market supplements are applied following a robust evidenced business case that meets criteria defined in the Market Supplement policy and agreed by the Corporate Director, Director of HR and the portfolio holder of the directorate.

### **Fees for Election Duties**

The Council's policy for payment of fees for election duties is published online: [Election fees and Charges](#).

The Council's Director of Legal and Governance is the Returning Officer for Harrow Elections.

### **Pension**

All eligible 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 online:

- [Harrow Pension Fund - Policy on Discretions](#)
- [Microsoft Word - Annual Report and Pension Fund Final Accounts 2022-23 \(harrowpensionfund.org\)](#)

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.

Centrally employed teaching and education services staff who are eligible to join the Teachers' Pension Scheme (TPS) are auto enrolled into the TPS. Existing staff including music service Teaching staff continue to remain in the TPS and to receive benefits in accordance with the provisions of that Scheme.

### **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, Chief Officers and the Chief Executive.

### **Payments on Termination of Employment - Redundancy**

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 online:

- [Harrow Pension Fund - Policy on Discretions](#)

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

The method of calculating redundancy payments is based on the Statutory 30 week table using age and service years to calculate redundancy payments using a multiplier of 1.5 x actual weekly pay.

Further information on the scheme is published online: [Red Payments Agreed](#)

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

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

Details of compensation payments paid to senior management are published at:  
[Senior Managers Pay 2021-22 \(harrow.gov.uk\)](http://harrow.gov.uk)

### **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.

Should a successful candidate be in receipt of a redundancy payment the Council will refer to the provisions of the Redundancy Payments (Continuity of Employment in Local Government etc.) (Modification) Order 1999 (as amended) regarding the recovery of redundancy payments.

The rules of the Local Government Pension Scheme also have provisions to reduce pension payments in certain circumstances to those who return to work within local government service.

Redundancy Payments will be affected if an employee receives an unconditional offer of employment from this or any other Local Authority (or any other employer covered by the Modification Order), on or before their last day of service with this Council **and** takes up such employment within 4 weeks of their last day of service.

If an employee in receipt of an augmented pension (i.e. pensions attributed to an award of compensatory added years) from the Council is re-employed, the augmented pension will cease during the period of re-employment.

### **Further Information**

Harrow's annual Pay Policy Statement will be published on the council's website. For further information on the Council's Pay Policy please contact the Council's Human Resources Service by email to [askhr@harrow.gov.uk](mailto:askhr@harrow.gov.uk)

## INTRODUCTION

In the Spending Review 2015, it was announced that to support local authorities to deliver more efficient and sustainable services, the government will allow local authorities to spend up to 100% of their fixed asset receipts on the revenue costs of reform projects.

The flexibility was initially offered to the sector for the three financial years 2016/17 to 2018/19. In December 2017, the Secretary of State announced, alongside the provisional local government finance settlement, the continuation of the capital receipts flexibility programme for a further three years, covering 2019/20 to 2021/22. The flexibility has been extended on numerous occasions. In December 2023, the government announced the extension of this scheme to March 2030 and would also explore additional capital flexibility options to enable invest-to-save and transformation initiatives. There is currently a consultation on these options which will close on 31 January 2024.

Qualifying expenditure is expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners.

Local authorities are given the power to use capital receipts from the disposal of property, plant and equipment assets received in the years in which this flexibility is offered, to spend up to 100% of their fixed asset receipts (excluding Right to Buy receipts) on the revenue costs of reform projects. Local Authorities may not use their existing stock of capital receipts to finance the revenue costs of reform.

The key criteria to use when deciding whether expenditure can be funded by the capital receipts flexibility is that it is forecast to generate ongoing savings to an authorities', or several authorities, and/or to another public sector body's net service expenditure.

Qualifying expenditure is expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners.

## EXAMPLES OF QUALIFYING PROJECTS

There are a wide range of projects that could generate qualifying expenditure and the list below is not prescriptive. Examples of projects include:

- Sharing back-office and administrative services with one or more other council or public sector bodies;
- Investment in service reform feasibility work, e.g. setting up pilot schemes;
- Funding the cost of service reconfiguration, restructuring or rationalisation (staff or non-staff), where this leads to ongoing efficiency savings or service transformation;
- Driving a digital approach to the delivery of more efficient public services and how the public interacts with constituent authorities where possible;

- Improving systems and processes to tackle fraud and corruption in line with the Local Government Fraud and Corruption Strategy – this could include an element of staff training;
- Setting up commercial or alternative delivery models to deliver services more efficiently and bring in revenue (for example, through selling services to others); and

### **RULES OF QUALIFICATION**

Local authorities cannot borrow to finance the revenue costs of service reform.

For any financial year the Strategy (“the initial Strategy”) should be prepared before the start of the year.

The authority should prepare an annual strategy that includes separate disclosure of the individual projects that will be funded or part funded through capital receipts flexibility and that the strategy is approved by full Council or the equivalent.

Set up and implementation costs of any new processes or arrangements can be classified as qualifying expenditure. The ongoing revenue costs of the new processes or arrangements cannot be classified as qualifying expenditure.

All services must ensure that they have adequate available resources to maintain the ongoing revenue requirement for all capital projects.

Where possible, the Council will be looking to fund the revenue costs from within revenue resources and therefore the use of capital receipts will only be utilised where all other funding streams have been exhausted.

### **STRATEGY FOR USE OF FUNDS**

Where the Council is looking to capitalise pump priming costs, additional surplus assets may be identified and sold.

The council will have due regard to the requirements to the Prudential Code and the impact on the prudential indicators. Capital receipts from the sale of assets are built into the Council's current capital programme and so the utilisation of receipts for capital receipts flexibility will need to be considered alongside the use of receipts already built into the Capital Programme.

All schemes which are eventually deemed to qualify under this programme would have the required costs funded through capital receipts rather than revenue funding streams.

Approval of projects and allocation of funds arising from the use of flexible capital receipts will be at the discretion of the Section 151 Officer.

Any revenue expenditure, which falls within the criteria of qualifying expenditure, can be attributed as eligible for applying against capital flexibilities where this expenditure leads to ongoing efficiency savings or service transformation.

The 2024/25 MTFS includes a budget of £1.250m to fund the Regeneration Team. The nature of this spend meets the capital flexibility criteria and the team will be funded under the



capital flexibilities scheme. The £1.250m provision/cost has been offset by a corresponding credit which will result in the cost being removed from the budget and funded by capital receipts. The sum is re-instated in 2026/27 but will be reviewed as part of the 2025/26 budget process as there will be more information on additional capital flexibility options following the consultation on these proposals (see section below).

In addition, there are also a number of revenue costs in 2024/25 associated with the implementation of revenue budget savings and therefore, where a revenue cost arises which meets the rules of qualification set out in the strategy, these costs might also be funded from capital receipts. The costs will be associated with the savings set out in Appendix 1A.

## PROPOSALS ON NEW LOCAL AUTHORITY CAPITAL FLEXIBILITIES

On 19 December 2023, the Department for Levelling Up, Housing and Communities (DLUHC) published a call for views on new local authority capital flexibilities. The call for views invites local authorities, sector representatives and other stakeholders to provide views on a set of options with respect to capital flexibilities and borrowing, to be managed locally, that could be used to encourage and enable local authorities to invest in ways that reduce the cost of service delivery and provide more local levers to manage financial resources. The proposals are summarised below, and the calls for view close on 31 January 2024.

- **Extending capitalisation flexibilities to include a wider set of eligible costs, in particular general revenue costs**, in exchange for the authority putting in place and committing to delivering an efficiency plan to reduce costs, with a defined payback period on any capitalised spend within the Medium Term Financial Plan. This would provide local authorities with a route to capitalise such costs without resorting to exceptional financial support discussions with DLUHC.
- **Extending the flexible use of capital receipts to allow authorities to borrow for the revenue costs of invest-to-save projects**, as an extension of the current framework which allows councils to borrow for such costs.
- **Allowing additional flexibilities for the use of the proceeds of selling investment assets**, treating them in a similar way to capital receipts, where investment property refers to property held under accounting standard IAS 40.
- **Introducing a reduced interest rate for borrowing from the Public Works Loans Board for invest-to-save projects**. This would be limited only to the capital costs of expenditure on projects. It is likely that local authorities would not have to apply to Government to use the rate, but should reflect this in their capital plans provided to DLUHC, but they would not be able to borrow in advance of need. The discount would not be worth more than 40 basis points (the discount currently applied to HRA borrowing).

The Government is also considering the following controls against unintended consequences of further flexibility:

- Full transparency, including submission of plans to use flexibilities to Government (but not for approval), regular updates on progress against the efficiency plan and other transparency measures.

- Mandation of a payback period for efficiency and invest-to-save plans.
- A requirement of a self-commissioned independent review of efficiency plans, with mandatory publication of findings.
- Limiting flexibilities to certain types of expenditure
- Government-commissioned independent reviews.



## London Borough of Harrow Draft Budget 2024/25 - Public Consultation Results

### What was the consultation about?

The consultation presented London Borough of Harrow's draft budget for 2024/25. The consultation ran for five weeks from 20 December 2023 to 24 January 2024.

We legally must share with Harrow residents our plans and ask what residents think of them to set a balanced budget in February.

Every year, we deliver services to more than 261,000 people.

Some are statutory that we must deliver by law, others essential and some are what we consider important - they all help us restore pride in Harrow and deliver our key priorities:

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

In planning our spending for the year ahead, and future years, we asked residents some questions on budgets. We provided information that explains where our money comes from, and more importantly where it goes.

### How was the consultation advertised?

The consultation was available on the council's consultation platform MyHarrow Talk. The project page hosted the consultation documents, including, the December 2023 Cabinet Report and Appendices, background information, videos and an online survey.

The consultation was promoted via the council's weekly e-newsletter MyHarrowNews to c.130,000 MyHarrow account holders and subscribers, the council's social media channels, news on the council's website and by Harrow Online.

Some 1,000 individuals visited the consultation pages on MyHarrowTalk, nearly half of them looked at the information contained on the pages. Some 63 responses were received from the online survey.

### What feedback was received?

Six questions were presented to respondents. The graphs below summarise the results received.

In summary, the majority of respondents said they understood the budget pressures the council was facing, and the council's plans to spend the budget were supported. But there was not majority support that council tax should rise by 4.99% (2.99% for Council services and

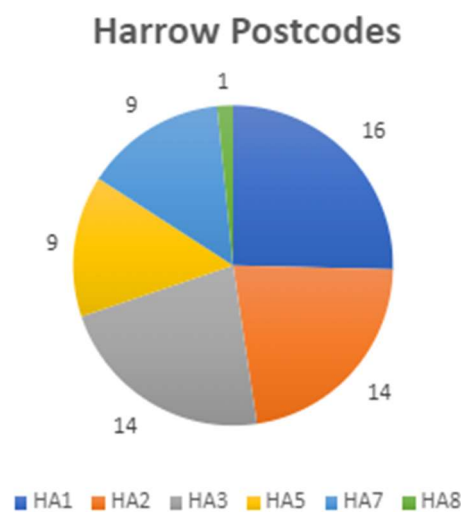
the 2% social care levy) to fund it. More respondents (41%) agreed with how the council planned to spend the budget in 2024/25, compared to those who disagreed (32%).

Almost half (48%) said they understood the need to increase council tax to spend more on adult social care. But only one-quarter (26%) agreed that a growing demand on services meant more needed to be spent on core council services.

Only one-quarter (25%) of respondents agreed that a rise in council tax should pay for the budget increases, with six out of 10 respondents disagreeing.

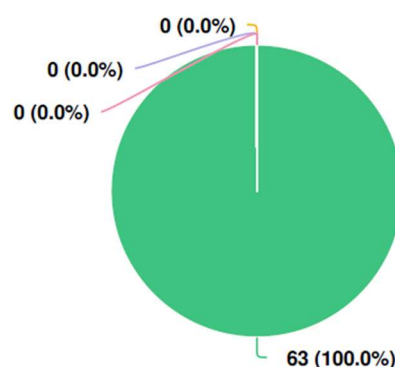
**Q1. Please provide your postcode, or if you prefer, the first four characters from your postcode**

There were 63 responses to this question. Most respondents live in the HA1 postcode area of Harrow.



**Q2. In what capacity are you taking part in this consultation?**

All 63 respondents to this question identified themselves as a Harrow resident.



**Question options**

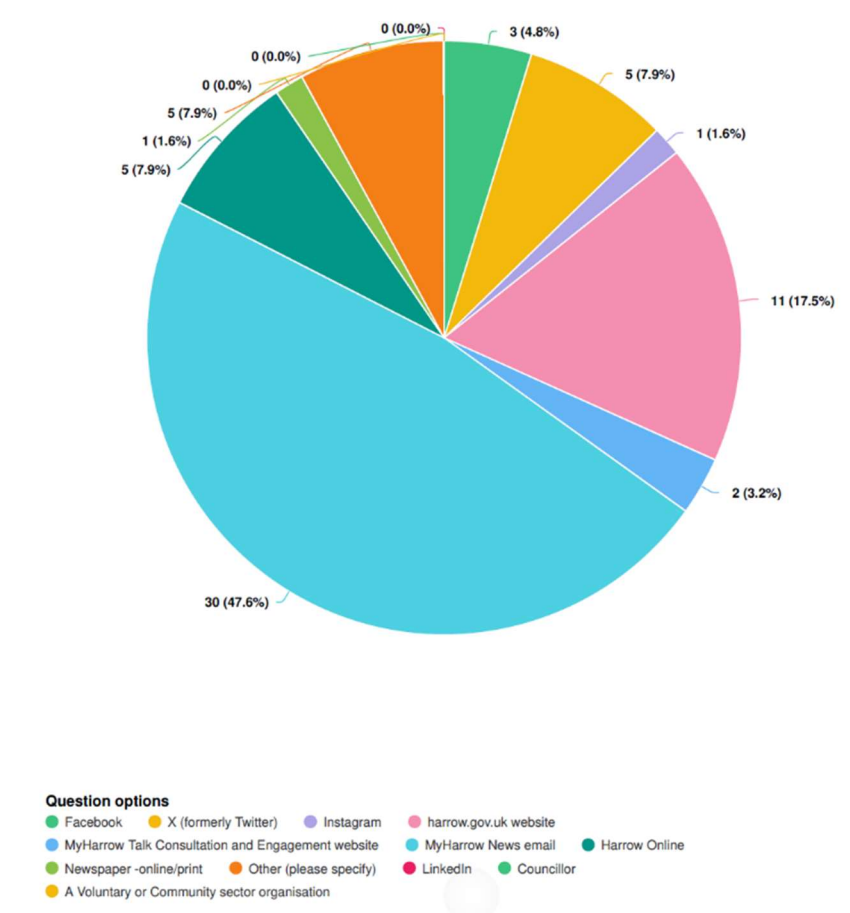
- I live in Harrow
- I am responding for someone who lives in Harrow but do not live here myself
- I am responding as an individual but do not live in Harrow (for example I work for LB Harrow)
- I am providing the official response of an organisation, group or business based in Harrow

**Q3. How did you find out about this consultation?**

There were 63 responses to this question.

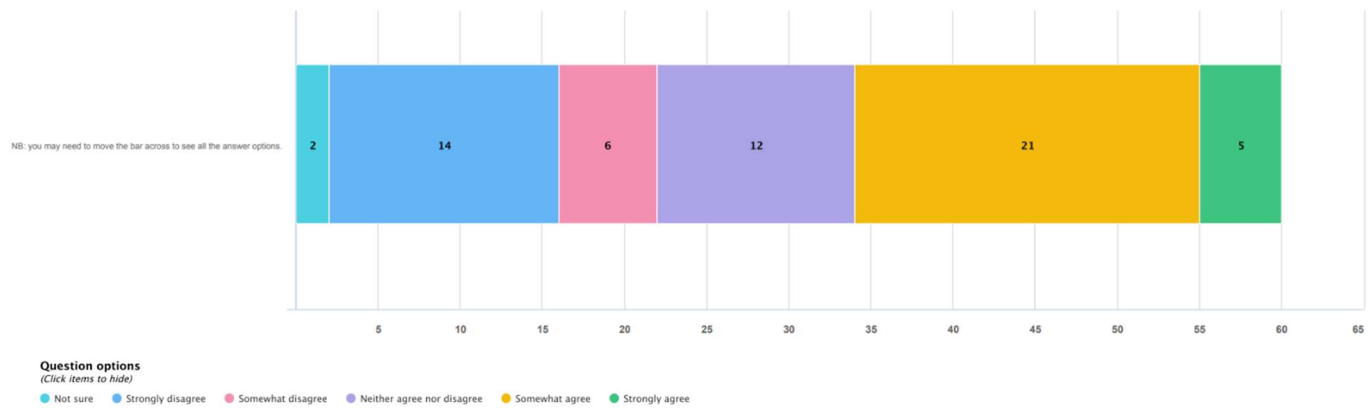
Nearly half of the respondents (47.6%) found out about the consultation via MyHarrow News, with the council website (17.5%) the next highest response.

People also found out about the consultation through social media (X (formerly Twitter) 7.9%, Facebook 4.8%, and Instagram 1.6%) and Harrow Online (7.9%).



**Q4. The London Borough of Harrow has a Corporate Plan for Restoring Pride in Harrow. And it has three priorities – to be: ✓ a council that puts residents first, ✓ a borough that is clean and safe, and ✓ a place where those in need are supported. The 2024/25 budget has been put together to ensure funds are available and resources are committed to deliver these priorities. Do you agree with how the council plans to spend the budget in 2024/25?**

There were 63 responses to this question. 26 (41%) agree with how the council plans to spend the budget next year, 20 (32%) disagree, 12 (19%) neither agree nor disagree, 2 (3%) not sure, 3 (5%) did not answer the question.



**Q5. Please share any comments you have on the budget proposals for 2024/25. For example, do you have ideas on where or how we can save money, or generate more income? Is there anything in our plans that might adversely or unfairly impact you or your family? Please don't give us any personal details that may identify you.**

There were 49 responses to this question – the themes in the responses were:

- Concerns around services and initiatives not being run as efficiently as possible.
- Concerns about the visibility / quality of services received in return for Council Tax paid.
- Calls for the Council to approach central government for more funding.
- Concerns about the impact on households of an increased Council Tax bill, considering pressures on finances. Question about what support there is for those struggling.

**Q6. Having read the draft budget proposals and the information about the council's financial position, please answer the following statements:**

There were 63 responses to this question. Here are the responses to the statements:

**I understand the need to increase council tax in 2024/25 by 2.99% for council services plus the 2% adult social care levy – a total increase of 4.99%.**

16 (25%) agree, 38 (60%) disagree, 7 (11%) neither agree nor disagree, 1 (2%) not sure, 1 (2%) did not answer the question.

**I understand the need to spend more on adult social care.**

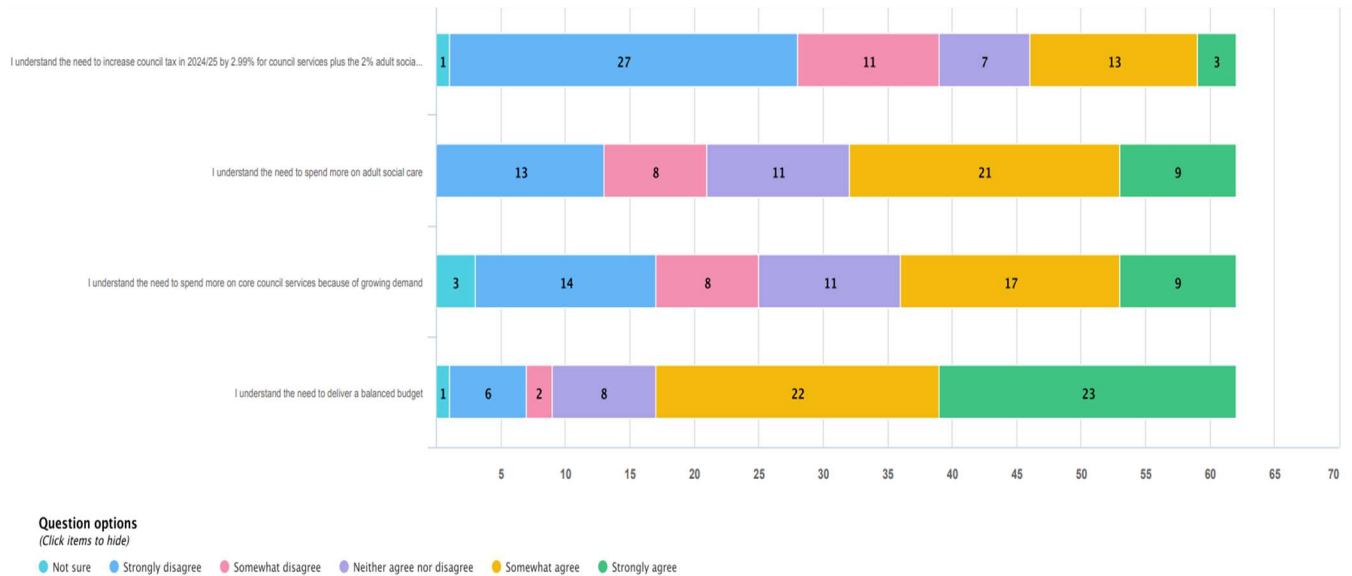
30 (48%) agree, 21 (33%) disagree, 11 (17%) neither agree nor disagree, 0 (0%) not sure, 1 (2%) did not answer the question.

**I understand the need to spend more on core council services because of growing demand.**

26 (41%) agree, 22 (35%) disagree, 11 (17%) neither agree nor disagree, 3 (5%) not sure, 1 (2%) did not answer the question.

**I understand the need to deliver a balanced budget.**

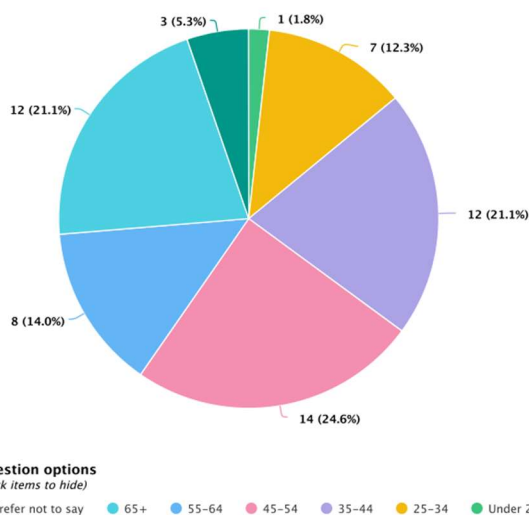
45 (71%) agree, 8 (13%) disagree, 8 (13%) neither agree nor disagree, 1 (1.5%) not sure, 1 (1.5%) did not answer the question.



**Equalities Monitoring questions:**

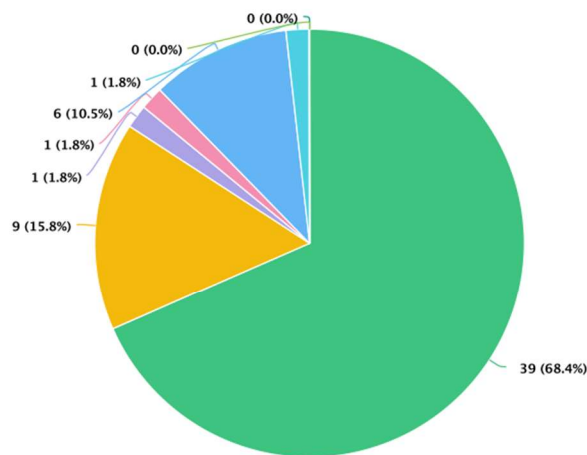
**Age – Please indicate your age group.**

There were 57 responses to this question. Nearly a quarter of respondents (24.6%) were in the 45-54 age group, one in five 65+ and just over a third of the respondents (33%) who answered this question are below 45.



### 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?

There were 57 responses to this question. Most respondents (68.4%) indicated they have no disability which limits their activities day-to-day, with nine respondents (15.8%) preferring not to say and six respondents (10.5%) indicating they have another form of disability.



#### Question options

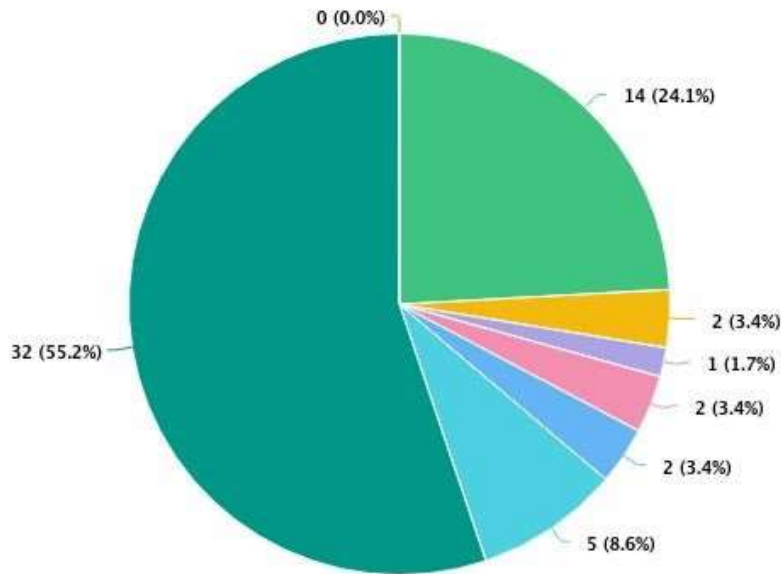
(Click items to hide)

● Yes, mental ill-health
 ● Yes, affecting vision
 ● Yes, another form of disability
 ● Yes, affecting mobility
 ● Yes, a learning disability
 ● Yes, affecting hearing
 ● Prefer not to say
 ● No

### Do you have caring responsibilities?

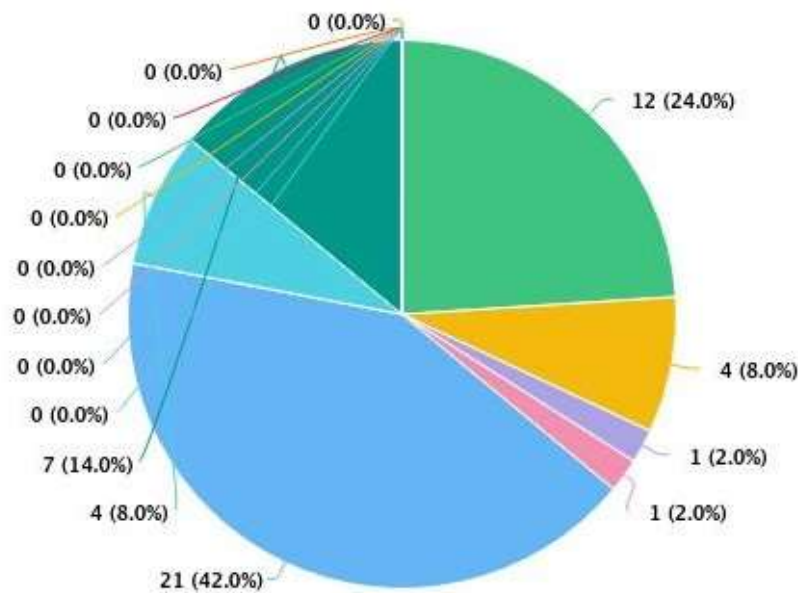
There were 58 responses to this question. Over half (55.2%) said they have no caring responsibilities, nearly a quarter (24.1%) are the primary carer for an older person.





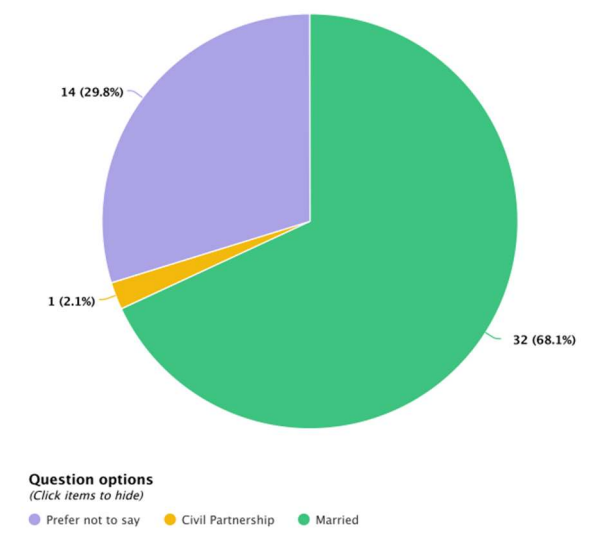
**Ethnic origin - What is your ethnic origin?**

There were 50 responses to this question. From the respondents (42.6%) identified themselves as White British, with nearly a quarter (24%) as Asian or Asian British Indian and (14%) preferred not to say.



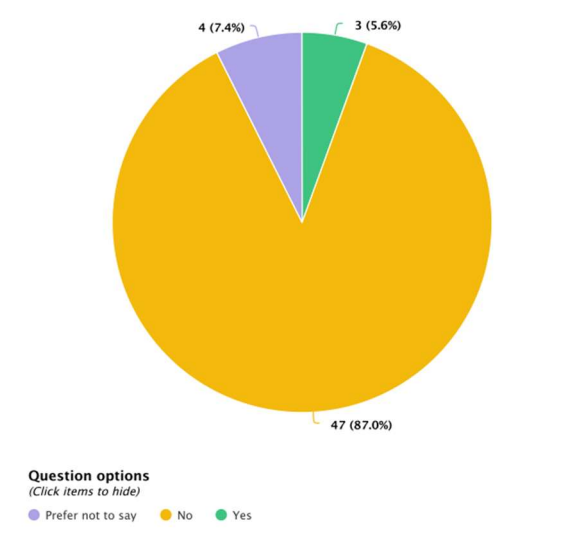
**Marriage and Civil Partnership - What is your marital status?**

There were 47 responses to this question. Most respondents (68.1%) indicated they are married, with just under a third (29.8%) preferring not to say and one respondent (2.1%) indicating they are in a civil partnership.



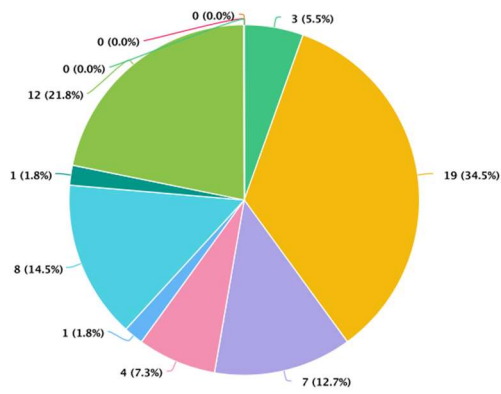
### Pregnancy or Maternity - Have you been pregnant and / or on maternity leave during the past 2 years?

There were 54 responses to this question with most respondents (87%) replying no to the question. Three respondents (5.6%) responded 'yes' to the question, with four respondents (7.4%) preferring not to say.



### Religion and belief - What best describes your religion/belief?

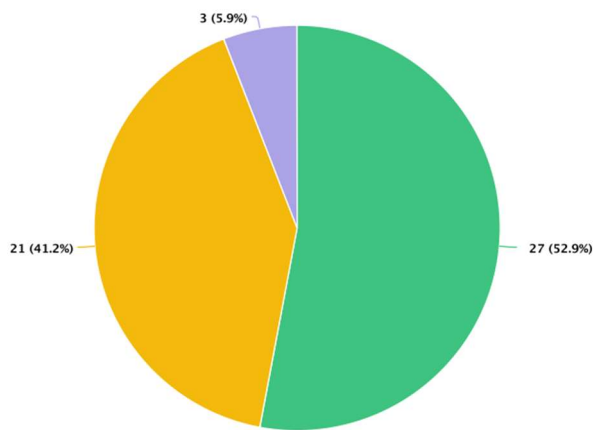
There were 55 responses to this question with just over a third (34.5%) describing their belief as Christianity. Nearly a quarter (21.8%) preferred not to say, with 14.5% answering as No religion/Atheist and seven as Hinduism (12.7%). Four respondents (7.3%) described their belief as Jainism, with three respondents (5.5%) as Buddhism and one respondent (1.8%) as Judaism.



**Question options**  
 (Click items to hide)  
 Zoroastrian, Sikhism, Islam, Prefer not to say, Other, No religion/Atheist, Judaism, Jainism, Hinduism, Christianity (including Church of England, Catholic, Protestant, and all other denominations), Buddhism

**Sex - Are you?**

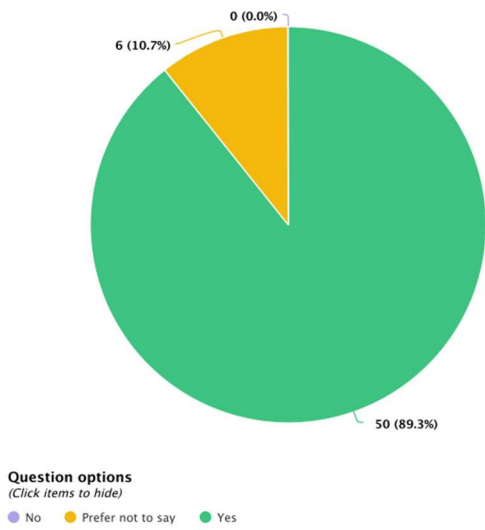
There were 51 responses to this question with just over half (52.9%) responding as Male with 41.2% responding as Female. A small number (5.9%) preferred not to say.



**Question options**  
 (Click items to hide)  
 Prefer not to say, Female, Male

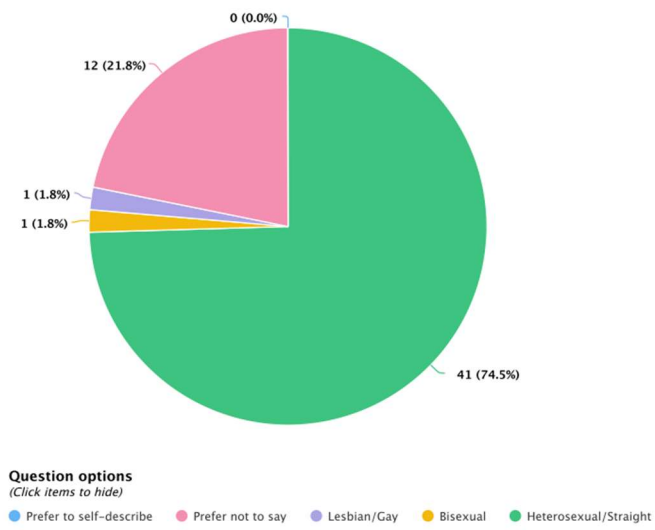
**Is your gender identity the same as the gender you were assigned at birth?**

There were 56 responses to this question with most respondents (89.3%) answering Yes and 10.7% preferring not to say.



### Sexual orientation - What is your sexual orientation?

There were 55 responses to this question with nearly two-thirds of responses (74.5%) answering Heterosexual/Straight and nearly a quarter (21.8%) preferring not to say.



### Conclusions

Through our consultation we are satisfied that we have explained the budget pressures facing the council in the next financial year and beyond and, while we hear people’s concerns, we propose to raise Council Tax for 2024/25 to ensure the budget we put together is balanced. We are taking onboard feedback about how we can look at further efficiencies and growth opportunities. We will continue to work in partnership with local partners and liaise with central government about funding for Harrow.

## Assessment of Equality Impacts

### Responses to the main questions by Sex

Of the 63 total respondents of the survey, 51 answered the question about Sex, with 12 people skipping it. Of those who responded, 21 people responded as female, with 27 as male and 3 preferred not to say.

The main questions have been filtered by Female and Male and the responses are set out below:

Main questions	Female responses	Male responses
<b>The London Borough of Harrow has a Corporate Plan for Restoring Pride in Harrow. And it has three priorities – to be: ✓ a council that puts residents first, ✓ a borough that is clean and safe, and ✓ a place where those in need are supported. The 2024/25 budget has been put together to ensure funds are available and resources are committed to deliver these priorities. Do you agree with how the council plans to spend the budget in 2024/25?</b>	20 responses, 1 skipped  Agree: 11  Disagree:  Neither agree nor disagree: 6  Not Sure: 3	26 responses, 1 skipped  Agree: 9  Disagree: 10  Neither agree nor disagree: 5  Not Sure: 2
<b>Having read the draft budget proposals and the information about the council's financial position, please answer the following statements...</b>	21 responses	27 responses
I understand the need to increase council tax in 2024/25 by 2.99% for council services plus the 2% adult social care	Agree: 12  Disagree: 7  Neither agree nor disagree: 2  Not Sure:	Agree 7  Disagree: 16  Neither agree nor disagree: 3  Not Sure: 1
I understand the need to spend more on adult social care	Agree: 11  Disagree: 6  Neither agree nor disagree: 4  Not Sure -	Agree: 15  Disagree: 7  Neither agree nor disagree: 5  Not Sure -

I understand the need to spend more on core council services because of growing demand	Agree 10 Disagree: 6 Neither agree nor disagree: 4 Not Sure: 1	Agree 11 Disagree: 8 Neither agree nor disagree: 6 Not Sure: 2
I understand the need to deliver a balanced budget	Agree 16 Disagree: 2 Neither agree nor disagree: 3 Not Sure	Agree 20 Disagree: 3 Neither agree nor disagree: 3 Not Sure: 1

### Responses to the main questions by Disability

Of the 63 total respondents of the survey, 57 answered the question about whether day-to-day activities are limited because of a health problem or disability which has lasted or is expected to last at least 12 months, with 6 people skipping it.

Of those who responded, 39 people responded with a no to the question, while 9 indicated they do have a health problem or disability, and 9 preferred not to say.

The main questions have been filtered by those who indicated either Yes or No to whether their day-to-day activities are limited because of a health problem or disability which has lasted or is expected to last at least 12 months. The responses are set out below:

	Responses indicating No to "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?"	Responses indicating Yes to "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?"
Q5. The London Borough of Harrow has a Corporate Plan for Restoring Pride in Harrow. And it has three priorities – to be: ✓ a council that puts residents first, ✓ a borough that is clean and safe, and ✓ a place where those in need are supported. The 2024/25 budget has been put together to ensure funds are available and resources are committed	6 responses  Agree: 3 Disagree: 2 Neither agree nor disagree: 1 Not Sure	22 responses, 2 skipped  Agree: 10 Disagree: 7 Neither agree nor disagree: 4 Not Sure: 1

to deliver these priorities. Do you agree with how the council plans to spend the budget in 2024/25?		
Having read the draft budget proposals and the information about the council's financial position, please answer the following statements...	6 responses	24 responses
I understand the need to increase council tax in 2024/25 by 2.99% for council services plus the 2% adult social care	Agree: Disagree: 5 Neither agree nor disagree: 1 Not Sure:	Agree: 8 Disagree: 14 Neither agree nor disagree: 1 Not Sure: 1
I understand the need to spend more on adult social care	Agree: 5 Disagree: 1 Neither agree nor disagree: Not Sure:	Agree: 12 Disagree: 6 Neither agree nor disagree: 6 Not Sure:
I understand the need to spend more on core council services because of growing demand	Agree: Disagree: 2 Neither agree nor disagree: 4 Not Sure:	Agree: 12 Disagree: 8 Neither agree nor disagree: 2 Not Sure: 2
I understand the need to deliver a balanced budget	Agree: 4 Disagree: Neither agree nor disagree: 2 Not Sure:	Agree: 17 Disagree: 3 Neither agree nor disagree: 3 Not Sure: 1

### What happens next?

The information gathered through the consultation will be used to inform our final budget which will be reported to Council on 22 February 2024.

We will publish the outcome of the consultation and the final Budget Report on MyHarrow Talk in February 2024.

Regular financial updates on the council's budget position are provided at Cabinet meetings throughout the year. These agendas and reports can be found via [harrow.gov.uk](http://harrow.gov.uk)

## **Cabinet – 15 February 2024**

### **Minute Extract from Employees' Consultative Forum – 10 January 2024**

#### **17. Draft Revenue Budget 2024/25 and Draft Medium Term Financial Strategy to 2026/27**

The Forum received a report of the Interim Director of Finance and Assurance which set out the draft revenue budget for 2024/25 and draft Medium Term Financial Strategy (MTFS) to 2026/27 that had been considered by Cabinet on 18 December 2023. The budget and MTFS would be submitted to Cabinet in February 2024 for approval along with a recommendation to Council.

The report was introduced by the Chair who highlighted that the Council continued to face financial challenges, however, compared to the 2022/23 financial year the Council had a more complete budget to present the Forum. It was maintained that challenges for future years remained for years 2 and 3 within the current budget.

The Portfolio Holder for Finance and Human Resources added that the budget for 2024/25 was balanced with a council tax increase of 4.99% proposed. Figures for years 2026 and 2027 were mostly assumptions due to a lack of direction from Government. The Council's biggest challenges was the provision of Adults and Children Services – a national challenge also – the Council had planned to increase the budgets for these services by circa £5.5m for 2024/25 and an extra £4m over the following 2 years. There was confidence that this funding would support these services.

The Portfolio Holder for Finance and Human Resource continued by raising that fees and charges had increased by an average of 7% which was based on inflation. In addition, the final settlement received was better than expected and had been put aside as a contingency to support the balancing of future budgets. The Chair explained that the current financial year had a knock on effect for future years. The average overspend for a London Council was £10m but the London Borough of Harrow had an overspend of £1.3m as at the last period. There was confidence that financial pressures for the Council would be reduced for future financial years. Furthermore, it was explained that unlike other council's, this council did not have the reserves to support the budget and therefore emphasised the need for the budget to be balanced and to not overspend.

It was noted that the Council's reserves stood at roughly £16m and that 80% of it's income came from council tax. The Interim Director of Finance and Assurance added that the financial year for 2024/25 was balanced but there was a budget gap for years 2025/26 and 2026/27 which totalled to £19m.



The Chair invited members of the Forum to ask question, with the following raised:

It was asked if there was confidence that council tax would not rise again. The Leader explained that inflation had an impact because it was estimated last year that inflation would be lower and to date this had not happened. The Portfolio Holder for Finance and Human Resources added that inflation had impacted the Council and noted that in future years there might be a possibly that increases could go back to a 2.99% increase as there was a preference for smaller increases on council tax to either match or be below the rate of inflation. Looking at the minutes of the previous meeting, it was asked why the budget gap had increased. It was explained that the figures mentioned were from last year's proposed budget and that since then this gap had been filled and resulted in a balanced budget for years 2023/24 and 2024/25.

An update was sought on the Council's restructure and aim for a 10% reduction in senior management. The Interim Director of Finance and Assurance explained that a lot of the restructures were implemented in February 2023 and were due to be presented in the quarter 3 budget monitoring report. In addition it was confirmed that all restructures had been implemented or were due to be implemented.

That there was an aim for the number of agency staff used within the Council to be reduced as they were more expensive compared to permanent staff. That interim positions would be replaced with permanent positions and that there was an aim to use as fewer agency staff as possible. It was added that there was a commitment to protect front line services.

It was reiterated that this time last year the Council was in a position where it needed to fill a £10m gap. However, now there is time for years 2 and 3 to be looked into. For example, buying assets rather than spending money on temporary accommodation such as B&Bs relieves financial pressures on homelessness for the Council and retained a capital asset.

The Council's recruitment freeze was raised and it was asked if business cases still occurred. The Chair explained that there was not a recruitment freeze but every new position had to be signed off and that recruitment freezes created pressures within a service and could actually result in savings not being made.

**Resolved to RECOMMEND:** (to Cabinet)

That report be noted and the Forum's comments be submitted to Cabinet for consideration.

### **For Consideration**

#### **Background Documents:**

Minutes of Employees' Consultative Forum – 10 January 2024

#### **Contact Officer:**

Andrew Seaman, Senior Democratic Services Officer

Tel: 07928512790

Email: Andrew.seaman5@harrow.gov.uk

## **Cabinet – 15 February 2024**

### **Minute Extract from Harrow Business Consultative Panel – 23 January 2024**

#### **17. Draft Revenue Budget 2024/25 and Draft Medium Term Financial Strategy to 2026/27**

Members received a report of the Director of Finance which set out the Council's proposed Draft Revenue Budget 2024/25 and the Medium-Term Financial Strategy 2026/27.

Harrow remained one of the lowest funded Councils both within London and nationally. The Council does not benefit from large reserves compared with the rest of London and was in the lower end of the lower quartile for reserve balances held.

Over the past 10 years, the Council's revenue support grant had reduced from £50.5m to £2m in 2023/24 and whilst the Council does receive other grant funding to support services, these grants are all ring fenced to areas of activity and could not be used to support the core budget, for example the Dedicated Schools Grant of £143m. In 2023/24 these grants total £366m.

The Council does not receive specific funding to meet demographic growth and demand led pressures. In addition, inflation had increased substantially and creating unfunded budget pressures.

In previous years, Council Tax had been increased to just below referendum limits and full use has been made of the Adults Social Care Precept, both of which were in line with central government expectations. The impact of was that the Council was heavily reliant on Council Tax to fund its core budget. In 2023/24 approximately 78% of the Council's net revenue budget of £196.3m was funded from Council Tax.

Members asked what information was provided in the business rates newsletter and to whom it was sent. The business rates newsletter provided information on relief measures, rate multipliers and other details relevant to businesses. It was sent to the largest 200 business traders and was part of the communication strategy for business rate payers.

Members also wanted to know if there was any relief for new tech startups in Harrow, and what were the factors affecting this. Officers advised that there

was no specific relief for new tech startups in Harrow unless there was a designated special zone. Business rates were determined by central Government and current trends in Harrow involve smaller tech businesses run from home rather than offices.

Members also asked if there would be more focus on attracting tech entrepreneurs and startups to Harrow in the future. Officers advised that attracting tech entrepreneurs and startups to Harrow were not within the local authority's remit regarding business rates. While the desire may exist, it was not an area where the local authority had direct control or influence.

Members thanked Officers for all their hard work in getting the report ready.

**RESOLVED:** That the report be noted.

### **For Consideration**

#### **Background Documents:**

Minutes of Harrow Business Consultative Panel – 23 January 2024

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## **Cabinet – 15 February 2024**

### **Minute Extract from the Overview and Scrutiny Committee – 9 January 2024**

#### **69. Question and Answer Session with the Leader of the Council and the Managing Director of the Council**

The Chair welcomed the Leader of the Council, the Portfolio Holder for Finance and Human Resources, as well as the Managing Director to the meeting. This would be a Question and Answer session in accordance with Committee Procedure Rules 43 and 44.

Questions on the Draft Revenue Budget 2024/25 and draft Medium Term Financial Strategy (MTFS) to 2026/27 could be asked as well as on other issues.

The Leader explained that the draft revenue budget for 2024/25 and draft Medium Term Financial Strategy (MTFS) to 2026/27 would be submitted to Cabinet again in February 2024 for final approval and recommendation to Council.

Members asked if the uncertainty of not having a multi-year financial funding commitment for adult social care from central Government made planning challenging, and whether longer term funding from Government had been requested.

The Committee were advised that it would be preferable to have a 3-4 year commitment for adult social care to be certain that it would continue to receive funding for that time-frame. Other Councils in London were equally concerned. Furthermore, there was a need to balance funding for inner-London and outer-London boroughs.

Members inquired about the funding formula, whether Harrow was getting an appropriate amount to match its needs and what discussions were being held with central Government on revising the funding formula.

The Committee were advised that there was need to revise the funding formula to consider actual needs in Harrow, as the current model was outdated and did not reflect the needs in the borough. Furthermore, as far

back as 15 years ago, discussions had been held with central Government but nothing much had changed. Harrow remained one of the lowest funded Councils both within London and nationally. The Council did not benefit from large reserves compared with the rest of London and was in the lower end of the lower quartile for reserve balances held. The Leader and senior Council officers continued to hold discussions with ministers and civil servants on revising the funding formula.

Members wanted to know what the biggest risks were to the Draft Revenue Budget 2024/25 and draft Medium Term Financial Strategy (MTFS) to 2026/27, and how any unexpected expenditure would affect the budget.

The Committee were advised that the three biggest risks were: adult social care; children's care; and homelessness. All were demand-led and therefore it was difficult to predict what changes would occur in the future. Moreover, the borough was likely to have an Office for Standards in Education, Children's Services and Skills (Ofsted) inspection during the year, which could have a further impact on the Council if there was an adverse change in the Council's judgement. Furthermore, the Council did not receive specific funding to meet demographic growth and demand-led pressures. In addition, inflation had increased substantially and this created unfunded budget pressures.

Members wanted to know what discussions had been held with central Government to protect statutory services if there were more demands on finances and some services were to be cut.

The Committee were advised that the Leader and senior management team continued to hold discussions with ministers and senior civil servants on the need to protect statutory services with increased funding. Furthermore, Members of Parliament representing Harrow constituencies were lobbied to present the borough's issues to ministers.

Members asked about installing more electric charging points and pothole mending.

The Committee were advised that 200 extra on-street charging points would be installed, including 10 ultra charging ones. Resources had been allocated for pothole mending in the borough.

Members requested an update on the active transport strategy.

The Committee were advised that the strategy was out for consultation. It was envisaged that more cycle lanes and routes would be opened. However, it was important to consult residents as such measures would impact on traffic flow in Harrow.

Members wanted to know how fly-tipping in Harrow, particularly in South Harrow, was being addressed and whether better enforcement could stop the problem.

The Committee were advised that a new borough-wide enforcement Public Spaces Protection Order (PSPO) was due to take effect to deal with persistent anti-social behaviour, which was detrimental to the community's quality of life. Furthermore, it had been established that the waste being dumped was mostly house-hold, implying it most likely came from unlicensed Houses of Multiple Occupation (HMOs), without sufficient bin capacity. Enforcement of HMOs would therefore be enhanced to clamp down on illegal ones.

Members were concerned about the effect of homelessness on children and questioned whether the Council had houses where homeless families could go when declared homeless.

The Committee were advised that there were houses that homeless families could utilise. There was a lack of adequate supply but increased demand, which meant that some families were housed in temporary accommodation and hotels.

Members asked about the "Right To Buy Back" (RTBB) scheme from the Mayor.

The Committee were advised that "Right To Buy Back" scheme was a historic fund through the Greater London Authority. This was to buy back ex-council properties sold under RTBB. Properties had to be completed by March 2023.

It was further advised that an update would be provided after the meeting.

Members wanted to know if the Special Educational Needs (SEN) transport review had been completed, and whether a SEN school would be established in Harrow to reduce the cost of transporting students to facilities outside the borough. The use of taxis in transporting SEN students was increasing, and this could be reduced by having a local SEN school.

The Committee were advised that SEN transport was still being reviewed, and proposals had been submitted for a SEN facility in Harrow to the Department for Education.

Members queried the household support fund which would end in March 2024, and whether this would be extended.

The Committee were advised that the Council was lobbying for the fund to continue beyond March 2024 – preferably for another year. However, it was important to recognise that the scheme would end at some point.

The Chair thanked the Leader of the Council, the Portfolio Holder for Finance and Human Resources, as well as the Managing Director, for their attendance and responses.

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

**For Consideration**

**Background Documents:**

Minutes of Overview and Scrutiny Committee – 9 January 2024

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## **Cabinet – 24 January 2024**

### **Extract from Performance & Finance Scrutiny Sub-Committee – 14 December 2024**

#### **Minute Item 38 - Draft Revenue Budget 2024/25 & Draft Medium Term Financial Strategy to 2026/27**

Members received the Draft Revenue Budget 2024/25 and draft Medium Term Financial Strategy (MTFS) to 2026/27, which would be presented to Cabinet on 19 December 2023. The budget and MTFS would be submitted to Cabinet in February 2024 for final approval and recommendation to Council.

The Interim Director of Finance and Assurance (S151 Officer), and Councillor David Ashton, the Portfolio Holder for Finance and Human Resources, presented the report to the Sub-Committee and responded to questions and comments made by Members.

Members were concerned that some residents would struggle to meet their Council Tax obligations given the current cost of living crisis, and queried what measures were in place to assist such residents. On another note, clarification was sought on the impact of the pay award for staff in 2023/24 have on the Council's budget.

It was advised that in previous years, Council Tax had been increased to just below referendum limits. Full use had been made of the Adults Social Care Precept, both of which were in line with central Government expectations. The impact of this was that the Council was heavily reliant on Council Tax to fund its core budget. In 2023/24 approximately 78% of the Council's net revenue budget of £196.3m was funded from Council Tax. Residents having problems paying Council Tax could approach the Council and receive assistance through the Council Tax Support scheme if they were eligible. In 2023/24, the increase in Council Tax of 4.99% raised additional revenue of £7.8m, Council Tax income increased from £146.2m to £154.0m.

The Sub-Committee were advised that the cost of the 2023/24 pay award (which was only agreed in October 2023) was £7.2m, which, therefore, left little funding available for other demand pressures that had emerged in adult services and other inflationary pressures.

Members queried what impact inflation would have on Council finances, and whether demographic changes, particularly an ageing population, would affect Council budgets in future.



It was advised that the Council did not receive specific funding to meet demographic growth and demand led pressures. In addition, inflation had increased substantially, creating unfunded budget pressures. Moreover, in line with the national picture, the Council was heavily impacted by inflation.

The budget provision for pay inflation was £4m (4%). The 2023/24 pay award which had recently been announced equated to an increase of 7% (£7.2m) against the pay bill. The bulk of this pressure of £3.2m had been funded from the general corporate budget and the non-pay inflation provision. However, this still left an £800,000 shortfall to be carried forward into 2024/25.

Members asked if the Council's reserves would be drawn upon to meet budget gaps, with specific reference to the budget gap of £12.446 million for 2025/26 and £6.732 million for 2026/27.

The Sub-Committee was advised that Harrow had had a good track record of robust financial management and had not reported a revenue budget overspend for many years. The budget for 2022/23 was originally based on drawing down £14.7m of reserves to bring in a balanced position. The final position for 2022/23 improved significantly as a result of careful control and oversight of budgets, which meant that only £5.8m of reserves were needed, as opposed to £14.7m, to bring the budget into a balanced position. Harrow did not benefit from large reserves compared with some London boroughs, and was in the lower end of the lower quartile for reserve balances held.

As the budget would be approved annually, the latter two years of the Medium Term Financial Strategy (MTFS) would be subject to substantive review and adjustment before finally being approved.

Members inquired about grant funding, and whether this had increased over the years. The Sub-Committee was advised that over the past 10 years, the Council's revenue support grant had reduced from £50.5m to £2m in 2023/24. Where the Council received other grant funding to support services, these were all ring fenced to areas of activity and could not be used to support the core budget, for example, the Dedicated Schools Grant of £143m.

Members asked if the Council had a "Plan B" in meeting some budgetary estimates if the original plan would not be achieved. It was advised that for 2025/26 and 2026/27, many of the budget adjustments were estimated at a high level due to the challenges of forecasting complex issues such as inflation, demand, and demographics so far in advance.

Members asked if any homeless persons were housed in hotels, and how much Harrow would receive from central Government towards addressing the issue. It was advised that homelessness was less of a problem in Harrow compared to other London boroughs. There was additional funding of £120m for homelessness prevention nationally in 2024-2025. The details of the allocations were not yet known, and the Harrow allocation would be confirmed in due course.

Members sought clarity on the budget saving put forward to remove the Ward Priority Fund, which would be replaced by bidding for the Neighbourhood Community Infrastructure Levy (NCIL) fund. This was centrally based, and bids were subject to approval by the Leader of the Council. It was advised that the Leader would be munificent regarding applications, and that Wards could submit bids for consideration for schemes requiring funding.

Members thanked the Interim Director of Finance and Assurance (S151 Officer), and the Portfolio Holder for Finance and Human Resources, for their attendance and responses to their questions.

**RESOLVED:** That the report be noted.

**Background Papers:** Minutes of the meeting of the Performance & Finance Scrutiny Sub-Committee – 14 December 2024

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