

Harrow Business Consultative Panel AGENDA

DATE: Tuesday 26 January 2016

TIME: 7.30 pm

VENUE: Committee Rooms 1 & 2
Harrow Civic Centre

MEMBERSHIP (Quorum 3)

Chair: Councillor Keith Ferry

Councillors:

Jeff Anderson

Kam Chana
Bharat Thakker

Reserve Members:

1. –
2. Sasi Suresh

1. Pritesh Patel
2. Susan Hall

Contact: Alison Atherton, Senior Professional Democratic Services
Tel: 020 8424 1266 E-mail: alison.atherton@harrow.gov.uk

AGENDA - PART I

1. ATTENDANCE BY RESERVE MEMBERS

To note the attendance at this meeting of any duly appointed Reserve Members.

Reserve Members may attend meetings:-

- (i) to take the place of an ordinary Member for whom they are a reserve;
- (ii) where the ordinary Member will be absent for the whole of the meeting; and
- (iii) the meeting notes at the start of the meeting at the item 'Reserves' that the Reserve Member is or will be attending as a reserve;
- (iv) if a Reserve Member whose intention to attend has been noted arrives after the commencement of the meeting, then that Reserve Member can only act as a Member from the start of the next item of business on the agenda after his/her arrival.

2. DECLARATIONS OF INTEREST

To receive declarations of disclosable pecuniary or non pecuniary interests, arising from business to be transacted at this meeting, from:

- (a) all Members of the Panel;
- (b) all other Members present.

3. APPOINTMENT OF VICE-CHAIR

To consider the appointment of a Vice-Chair for the remainder of the Municipal Year 2015-16.

4. MINUTES (Pages 5 - 8)

That the minutes of the meeting held on 27 January 2015 be taken as read and signed as a correct record.

5. PUBLIC QUESTIONS *

To receive any public questions received in accordance with Executive Procedure Rule 50 (Part 4D of the Constitution).

Questions will be asked in the order notice of them was received and there be a time limit of 15 minutes.

[The deadline for receipt of public questions is 3.00 pm, Thursday 21 January 2016. Questions should be sent to publicquestions@harrow.gov.uk

No person may submit more than one question].

6. PETITIONS

To receive petitions (if any) submitted by members of the public/Councillors under the provisions of Executive Procedure Rule 48 (Part 4D of the Constitution).

7. DEPUTATIONS

To receive deputations (if any) under the provisions of Executive Procedure Rule 49 (Part 4D of the Constitution).

8. INFORMATION REPORT - DRAFT REVENUE BUDGET 2016/17 AND MEDIUM TERM FINANCIAL STRATEGY 2016/17 TO 2019/20 AND CAPITAL PROGRAMME 2016/17 TO 2019/20 (Pages 9 - 106)

Report of the Director of Finance

9. ANY OTHER URGENT BUSINESS

Which cannot otherwise be dealt with.

AGENDA - PART II

Nil

*** DATA PROTECTION ACT NOTICE**

The Council will audio record item 5 (Public Questions) and will place the audio recording on the Council's website, which will be accessible to all.

[**Note:** The questions and answers will not be reproduced in the minutes.]

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HARROW BUSINESS CONSULTATIVE PANEL MINUTES

27 JANUARY 2015

Chair: * Councillor Keith Ferry

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

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

1. Attendance by Reserve Members

RESOLVED: To note the attendance of the following duly constituted Reserve Members:

Ordinary Member

Reserve Member

Councillor Kam Chana

Councillor Pritesh Patel

2. Declarations of Interest

RESOLVED: To note that the following interests were declared:

Agenda Item 8 – Information Report – Draft Revenue Budget 2015-16, Medium Term Financial Strategy 2015-16 and Capital Programme 2015-16 to 2018-19

Councillor Pritesh Patel declared a non-pecuniary interest in that he was a director of a company with premises in Harrow. He would remain in the room whilst the matter was considered.

Councillor Bharat Thakker declared a non-pecuniary interest in that his wife had a legal practice in Harrow. He would remain in the room whilst the matter was considered.

3. Appointment of Vice-Chair

RESOLVED: To appoint Councillor Jeff Anderson as Vice-Chair of the Harrow Business Consultative Panel for the remainder of the 2014/2015 Municipal Year.

4. Minutes

RESOLVED: That the minutes of the meeting held on 20 January 2014, be taken as read and signed as a correct record.

5. Public Questions, Petitions & Deputations

RESOLVED: To note that no public questions were put or petitions or deputations received at this meeting

RESOLVED ITEMS

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

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

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

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

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

He further advised that the Council's controllable budget would be reduced by £25m over each of the coming three years, resulting in revenue being reduced by half, despite increasing burdens on the Council's statutory and discretionary budgets. He stated that the Council had opted to retain the Economic Development Team as it was considered important to support and

promote local businesses for the benefit of residents and the wider community. Councillors had moved from choosing where to direct funds and prioritising services, to identifying which services could be cut or reduced with the least negative impact.

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

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

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

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

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

RESOLVED: That the report be noted.

(Note: The meeting, having commenced at 7.30 pm, closed at 8.10 pm).

(Signed) COUNCILLOR KEITH FERRY
Chair

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**REPORT FOR: HARROW BUSINESS
CONSULTATIVE FORUM**

Date of Meeting: 26 January 2016

Subject: **INFORMATION REPORT –**
Draft Revenue Budget 2016/17 and Medium
Term Financial Strategy 2016/17 to 2019/20
and
Capital Programme 2016/17 to 2019/20

Responsible Officer: Dawn Calvert – Director of Finance

Exempt: No

Enclosures: Draft Revenue Budget 2016/17 and Medium
Term Financial Strategy 2016/17 to 2019/20
report to Cabinet 10 December 2015
Draft Capital Programme 2016/17 to 2019/20
report to Cabinet 10 December 2015

Section 1 – Summary

This report sets out the Council's proposals for the draft Revenue Budget and Medium Term Financial Strategy 2016/17 to 2019/20 and also the Draft Capital Programme 2016/17 to 2019/20 for consultation.

Section 2 – Report

The draft reports listed above were considered by Cabinet on 10 December 2015. The Director of Finance will give a presentation on the proposals at the meeting.

The final 2016/17 Budget, Medium Term Financial Strategy and Capital Programme will be reported back to Cabinet on 18 February 2016 and to full Council on 25 February 2016.

Section 3 – Further Information

The minutes of this meeting will be reported to Cabinet in February to enable the views of this meeting to be taken into account before setting the Budget, Medium Term Financial Strategy and Capital Programme.

Section 4 – Financial Implications

The financial implications are contained in the attached cabinet reports.

Section 5 - Equalities implications

Was an Equality Impact Assessment carried out? Yes

An initial Equality Impact Assessment has been carried out on a number of the proposals. Full equalities impact assessments are being carried out on proposals where appropriate. An equalities impact assessment will be carried out on the whole budget and the Capital Programme, to ensure that decision makers are aware of any overall negative impact on any particular protected group.

Section 6 – Council Priorities

The proposals impact on all of the Council priorities as identified in the reports.

Name: Sharon Daniels	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 13 January 2016		

Section 7 - Contact Details and Background Papers

Contact: Sharon Daniels, Interim Head of Strategic Finance and Business,
email: Sharon.daniels@harrow.gov.uk

REPORT FOR: CABINET

Date of Meeting:	10 December 2015
Subject:	Draft Revenue Budget 2016/17 and Medium Term Financial Strategy 2016/17 to 2019/20
Key Decision:	Yes
Responsible Officer:	Dawn Calvert, Director of Finance
Portfolio Holder:	Councillor Sachin Shah, Portfolio Holder for Finance and Major Contracts
Exempt:	No
Decision subject to Call-in:	Yes
Wards affected:	All
Enclosures:	Appendix 1A – proposed savings 2016/17 to 2019/20 Appendix 1B – savings and growth 2016/17 to 2018/19 to be agreed from 2015/16 MTFS Appendix 1C – savings and growth 2016/17 to 2018/19 to be agreed from 2014/15 MTFS Appendix 2 - Medium Term Financial Plan 2016/17 to 2018/19 Appendix 3 - Schools Budget 2016/17 Appendix 4 - Draft Public Health Budget 2016/17

This report sets out the draft revenue budget for 2016/17 and draft Medium Term Financial Strategy (MTFS) for 2017/18 to 2018/19. The budget and MTFS will be brought back to Cabinet in February 2016 for final approval and

recommendation to Council.

Recommendations:

Cabinet is requested to:

- 1) Approve the draft budget for 2016/17 and the MTFS 2016/17 to 2018/19 for general consultation as set out in Appendices 1A, 1B, 1C and 2.
- 2) Note the balanced budget position for 2016/17, 2017/18 and 2018/19 (paragraph 1.9).
- 3) Note the proposal to increase Council Tax by 1.99% in 2016/17 (paragraph 1.12).
- 4) Approve the structure of the Schools funding formula for 2016-17 (unchanged from the 2015/16 formula agreed last year) as set out in Appendix 3.
- 5) Approve the draft Public Health budget for 2016/17 as set out in Appendix 4.
- 6) Agree the sum of £245,298 as Harrow's contribution to the London Grant Scheme in 2016/17 (paragraph 1.28)

Final approval will be sought from Cabinet and Council in February 2016.

Reason: (For recommendations)

To ensure that the Council publishes a draft budget for 2016/17 and MTFS to 2018/19.

Section 2 – Report

INTRODUCTION

1.0 Over the last few years, the Government has reduced its funding for councils, as part of its nationwide austerity programme. Those funding cuts, increased demand for services and cost inflation mean that Harrow Council will have £83 million less money to spend in 2018 compared with 2014. Harrow Council does not have large cash reserves, and spending them is not a responsible way to offset lost revenue. Harrow Council's gross budget is £589m, but most of that must be spent on housing benefit, schools and other services. The Government has strict rules about how that money should be spent and it can't be used for anything else. The Council's net controllable budget of £154m is the element of the budget that the Council can exercise control over and from where the savings must be found. Harrow Council has presented a 3 year balanced budget to protect services for families, communities, businesses and the vulnerable. This 3 year balanced budget shows Harrow Council is responsible with taxpayers'

money, is ambitious for the borough and is prioritising the vulnerable in its spending decisions.

- 1.1 The Council has a statutory obligation to agree and publish the budget for 2016/17, and approval for this will be sought in February 2016. This report sets out the draft budget for 2016/17 and MTFs to 2018/19. The report does not show a MTFs budget figure for 2019/20, as there is still a significant amount of work to be done for 2019/20, and at this stage approval is sought for the MTFs to 2018/19. However it is hoped that the Local Government Finance Settlement will provide an indicative funding allocation for 2019/20 which will be reported to Cabinet and Council in February 2016.
- 1.2 The draft budget set out in this report shows an updated MTFs with a number of changes Cabinet are asked to note. The changes achieve a balanced budget position for 2016/17, 2017/18 and 2018/19. The MTFs will be subject to further adjustments following the Local Government Financial Settlement, which is due for announcement in mid December. It is anticipated that, in addition to confirming the funding for 2016/17, the announcement will also provide indicative funding for 2017/18 to 2019/20. Whilst it is intended that Members will approve the MTFs in February 2016, this is subject to a number of assumptions in relation to grant settlements, council tax income, legislation and demographics. The Council will still be required to review the Council's budget on a yearly basis; however approval of the MTFs will allow officers to progress a number of important projects.

BACKGROUND

- 1.3 The budget process is designed to ensure that it is priority led so that resources are aligned with council priorities and statutory responsibilities including equalities implications. The Council's Corporate Plan approved by Council in February 2015 set out a vision and Council priorities and the draft budget for 2016/17 and MTFs have been prepared in line with these priorities. 'Working Together to Make a Difference for Harrow'. The priorities are:

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

and the draft budget for 2016/17 has been prepared in line with these priorities.

- 1.4 The MTFs agreed by Cabinet and Council in February 2015 showed a balanced budget position for 2015/16 and an estimated total budget gap of £52.4m, (£23.2m for 2016/17, £15.3m for 2017/18 and £13.9m for 2018/19). This budget gap was based on an indicative central government grant settlement for 2016/17 alongside a number of assumptions on council tax, inflation and movements on government grants. In balancing the 2015/16 budget, savings of £30.9m were

agreed which in addition to the £52.4m gap for the period 2016/17 onwards gives a total savings of £83m over the period 2015/16 to 2018/19.

- 1.5 In July 2015, Cabinet received a budget planning process update report which reaffirmed the total budget gap of £52.4m over the three year period 2016/17 to 2018/19:

2016/17	£23.198m
2017/18	£15.286m
2018/19	£13.899m

The July cabinet meeting also agreed a total of £2.468m in-year savings.

CURRENT FINANCIAL CONTEXT

EXTERNAL FUNDING POSITION

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

DELIVERY OF THE 2015/16 BUDGET

- 1.7 Delivery of the 2015/16 budget is critical to maintaining the Council's financial standing. The 2015/16 revenue budget includes a challenging savings target of £18.7m. The Quarter 2 forecast as at 30th September, (subject to a separate report elsewhere on the agenda), indicates a directorate overspend of £4.140m. Mitigating actions have been identified of £2.837m which reduce the directorate overspend to £1.303m. Corporate savings of £0.638m have been identified and these taken together with an assumed use of the corporate contingency of £0.665m enable a balanced position to be achieved. The achievement of a balanced position includes one-off savings of £4m, mainly the use of reserves and directorates continue to seek further on-going mitigating actions.

BUDGET PLANNING PROCESS

- 1.8 Through the budget process there has been a very clear steer that officers must come forward with a range of saving proposals to give

Members options to meet the budget gap for the 3 year period, 2016/17, 2017/18 and 2018/19.

DEVELOPMENTS IMPACTING UPON THE COUNCIL'S MEDIUM TERM FINANCIAL STRATEGY

1.9 The 2015/16 MTFS, covering the three year period 2015/16 to 2017/18, was approved by Council in February 2015. Though the MTFS is approved annually, it is reviewed on a continual basis as the Council's financial position is dynamic and could be affected by a number of financial uncertainties and adjustments that could affect its financial position over the medium term. In preparing the draft budget for 2016/17 there have been a number of adjustments to the MTFS. These are summarised in table 1:

Table 1: Adjustments to MTFS (Pre December Local Government Finance Settlement)

	2016/17	2017/18	2018/19
	£000	£000	£000
Estimated budget Gap Feb 2015	23,198	15,286	13,899
Adjustments:			
Revenue Support Grant	-4,894	-540	5,609
Better Care Fund	-1,000		
Retained Business Rates	823		
s31 Grant Business Rate Relief	443		
Council Tax Increase 1.99 for 16/17, 1% for 17/18	-1,962	-1,025	0
Council Taxbase	-1,849	-4	-5
Collection Fund Surplus	-3,500	3,500	0
Reduce pay award provision from 2% to 1%	-800	-800	-800
Adjust inflation provision	-870	-870	
Capital Financing Charges	958	1,437	1,631
Additional New Homes Bonus	-750		
One-off contribution to MTFS Implementation Reserve	3,135	-3,135	
Delete Energy contingency		-350	
Reduce Budget Planning contingency	-1,000	-5,000	-2,630
Corporate car allowance saving	-100		
Additional Commercialisation savings from projects in the pipeline		-1,100	
Directorate saving proposals			
Resources	-2,934	-474	-1,195
People	-7,594	-5,558	-14,121
Community	-1,214	-1,317	-2,388
Regeneration	-90	-50	
Subtotal of Savings Proposals	-11,832	-7,399	-17,704
Updated Estimated Budget Gap	0	0	0

1.10 **Revenue Support Grant (RSG).** The refreshed MTFS has been updated to reflect London Councils' estimates of grant as at July 2015, following the Chancellor's budget on 8 July. The Chancellor has rephased the reductions in public sector spending and this changes the cash flow of the grant received in 2016/17 by £4.894m and by £540k in 2017/18, with a reduction in anticipated grant of £5.609m in 2018/19 resulting in an anticipated overall grant reduction across the 3 years of an additional £175k. The grant figures for 2016/17, as well as indicative figures for future years, will be announced as part of the Provisional Local Government Finance settlement in mid December.

1.11 **Retained Business rates.** The current MTFS assumes retained non domestic rates at £14.012m for the years 2016/17 to 2018/19. The updated estimate for 2016/17 is £13.189m, a reduction of £0.823m in each year. The amount of Business Rates Retention for 2016/17 has dropped significantly regardless that the yield has benefited from an increase in multiplier of 0.8%, this being the RPI figure as at September 2015 which legislation requires the multiplier to be increased by. The reasons for the reduction are detailed as follows:

- Harrow continues with its trend of losing Rateable Value due to commercial properties being demolished to make way for domestic or converted into domestic properties. The current reduction in retained business rates reflects this trend which is historical and continuing.
- The Valuation Officer has been determining valuation appeals and in addition a larger provision has been made for the increase in appeals made, prompted by the Valuation Office's deadline of 1 April 2015 for appeals against the 2010 list.
- There has been a partially offsetting increase of £443k in relation to the ending of the retail relief for properties with a rateable value of £50,000 or less. This will however be offset by a loss of s31 grant of the same amount.

No future increases are assumed in the MTFS for retained business rates, as it is anticipated that RPI increases will be balanced by further reductions in the valuation list.

1.12 **Council Tax Increase of 1.99%.** The current MTFS assumes a 0% increase in Council Tax. The refreshed MTFS is based on a Council Tax increase of 1.99% in 2016/17 which, based on the updated Council Tax base, will generate an estimated £1.962m of additional income. As a result of the 1.99% increase in Council Tax, the band D equivalent rate will increase from £1,234.36 to £1,258.92. The model also assumes an increase of 1% in 2017/18.

1.13 **Council Tax base.** The 2015/16 taxbase is 79,795 and the current MTFS is based on an assumed tax base of 79,878 band D equivalent properties. The latest tax base figure is 81,346, an additional 1,468 equivalent band D properties. This is the latest figure and an updated

figure will be reported to Cabinet in January, which will be used in the Final Budget report to Cabinet in February. An additional 1,468 band D properties, provides £1.848m additional income, compared to 2015/16. Of the increase, 204 is due to an increase in the collection rate from 97.5% to 97.75% with the balance of 1,264 largely due to new properties.

1.14 **Collection Fund.** A net surplus of £3.5m is estimated for 2015/16. This surplus is one-off benefit in 2016/17 and is reversed out in 2017/18. There is a separate report on the Estimated Collection Fund surplus/deficit for 2015/16, set out elsewhere on the agenda.

1.15 **Technical Adjustments:**

- **Capital Financing Costs.** The 4 year rolling Capital Programme has been reviewed and updated to include 2019/20. Cabinet are asked to agree the draft programme in December and the final programme in February. The updated programme will require additional capital financing costs of £958k, £1.437m, and £1.631m for 2016/17, 2017/18, and 2018/19 respectively.
- **Pay award.** The 2015/16 MTFS assumed pay inflation at 2% (£1.8m pa) for 2016/17 to 2018/19. Government pay policy is for public sector awards to be no more than 1% up to 2019/20. This gives a requirement for £1m in each year, a saving of £0.800m a year up to 2018/19, which has been factored into the updated MTFS.
- **Inflation on Goods and Services.** The MTFS has a reduced provision in 2016/17 and 2017/18. For 2018/19 a 1.3% inflationary increase on goods and services has been assumed at a cost of £1.270m. The annual CPI change at October 2015 was a reduction of 0.1%. Inflation is expected to remain low for some time to come but to the extent that there is inflationary pressure, directorates are expected to contain that pressure within existing budgets.
- **Employers Pension Fund contribution.** The council has agreed to make additional contributions to the pension fund at a cost of £0.582m in 2016/17, in order to reduce the fund deficit. Estimated increases of £0.622m for 2017/18 and £0.664m for 2018/19 have been accounted for in the original MTFS. The Tri-ennial valuation for the pension fund will commence in 2016, with the results known in early 2017, and an implementation date of 1.4.17.
- **National Insurance on contracted out employees.** There is currently a rebate on national insurance to employers and employees where employees are members of an approved pension scheme. The rebate will end on 31/03/16 and the estimated cost of the impact is £1.1m which is built into the MTFS.
- **Contingencies.** The current MTFS assumes an additional budget planning contingency of £3m in each of the 3 years 2016/17 to 2018/19. The draft budget assumes £1m of the contingency will be

used in the 2016/17 budget. This leaves £2m for one off spend only in 2016/17. In 2017/18 the draft budget assumes using £5m of the budget planning contingency. It is planned to reduce the budget of £3m in 2018/19 by £2.630m leaving £370k available.

- **New Homes Bonus (NHB).** NHB is based upon the number of additional dwellings each year and is payable for 6 years. In 2015/16 NHB is budgeted to be £2.690m after allowing for the top slice of funding going to the London Local Enterprise Partnership (LEP) administered by the Mayor for London. This is projected to increase by £150k in 2016/17 but to then decrease by £325k, £0.579m and £0.570m over the following 3 years as the grant received in the first few years of the scheme drops out and is replaced by grant based on lower levels of additional homes than in the earlier years of the scheme. The grant received in 2016/17 will be confirmed as part of the Local Government Finance settlement in December which is currently estimated at an additional £750k.
- **Education Support Grant.** In 2015/16 the budgeted Education Services Grant is £2.376m. This grant is projected to fall to by £545k per year from 2016/17 to 2018/19 as schools convert to academy status and the government reduces the per pupil rate of grant paid. Figures for 2016/17 are still subject to confirmation by the DfE and all figures are subject to revision in-year following any conversions to academy status. The basis of the grant for 2016/17 is expected to be confirmed at the time of the Local Government Finance Settlement in December.
- **S31 Grant.** The Council receives a s31 grant to compensate it for the Governments decision to extend a number of reliefs to small businesses and also to compensate for the increase in the business rates multiplier having been capped at 2% when it would otherwise have gone up by RPI. This was budgeted to be £600k in 2015/16. The grant is expected to continue into future years but is reduced by £443k in 2016/17 as a result of the Retail Relief scheme for properties with a rateable value of £50,000 or less ending.
- **Freedom Passes.** The cost of Freedom Passes for Harrow residents is recharged via an annual levy from Transport for London. The overall cost of the levy to London Boroughs is negotiated annually by London Councils and the distribution based on usage data, primarily from Oyster cards. The main factors used are London Transport prices and usage in most years increases by more than inflation. The levy is £9.838m in 2015/16 and the draft budget and MTFS assumes that it increases by £289k in 2016/17 and £380k and £390k and £400k in the following years. There is no change to these assumptions in the revised MTFS. It is anticipated that levy figures will be considered and agreed at the London Councils Transport and Environment Committee on 10 December.

1.16 The Autumn Statement was released on 25 November 2015. There were a number of announcements in relation to Local Government but

the detail will not be known in terms of financial impact until the Local Government Financial Settlement is received in mid December. This will result in further adjustments to the MTFS which will be reported to Cabinet and Council in February 2015.

ANALYSIS OF DIRECTORATE SAVINGS

1.17 Table 1 identified £36.935m (net) of additional directorate savings. The MTFS process was guided by work under the themes of regeneration, commercialisation and procurement, public service integration, efficiency and management savings. Some of the proposals are subject to consultation, which will be completed prior to the Cabinet report in February 2016. Some of the proposals will be subject to further detailed business plans, consultation and engagement and Cabinet approval. Further details of Directorate plans will be provided at the February Cabinet meeting.

1.18 The saving proposals, as detailed in appendix 1 currently approximate to a reduction of 80 fte in 2016/17, subject to consultation. (Consultation will not be required where posts are vacant).

SCHOOLS BUDGET 2016/17

1.19 The funding arrangements for the Dedicated Schools Grant and the Schools Budget for 2016/17 are detailed in Appendix 3. Cabinet is required to approve the structure of its funding formula for 2016-17, which it is not proposed to be changed from the current 2015-16 formula (as reported to the Schools Forum on 24 November).

The final cash values of each formula factor will be set following consultation with Schools Forum in January 2016 after the 2016-17 Schools Block funding has been announced which will be based on October 2015 census data.

PUBLIC HEALTH FUNDING 2016/17

1.20 The comprehensive spending review released on 25th November, announced that the public health grant for local authority public health duties, would remain ring fenced for 2016/17 and 2017/18. However, the Government will consult on options to fully fund local authorities' public health spending from their retained business rates receipts as part of the move towards 100% business rate retention.

The public health spending detailed in Appendix 4 of £12.3m assumes no reduction in grant funding. The Government announced in June 2015 an in year grant reduction in the Department of Health in relation to non-NHS funding of £200m (£664k for Harrow) as a contribution towards the national deficit. Whilst this reduction is a one-off reduction, it is possible that ongoing grant reductions will be announced. The grant will also include a full year allocation in relation to the funding for 0-5 years public health services (health visiting) in relation to the services that transferred from NHS England to local authorities in October 2015.

1.21 The programme of procurement in 2016/17 and beyond will in the main be a collaborative approach to the commissioning of sexual health

services across London, and is expected to deliver further efficiencies (or as a minimum contain growth) from April 2018. The proposals mark a reduction to services currently provided or commissioned by Public Health. Some of the future year's proposals are subject to decisions around the ring-fencing of public health grant and legislative requirements. In addition, it will be necessary for the Council to consider the most appropriate way for public health funding to be spent, taking account of the joint strategic needs assessment and the Council's overarching statutory duties.

- 1.22 The draft commissioning intentions (detailed in Appendix 4) will be presented to the Health and Wellbeing Board at its meeting on 07 January 2016.

BETTER CARE FUND

- 1.23 The Better Care Fund (BCF) in 2015-16 has national funding of £3.8bn. The allocation for Harrow, across the Health and Social Care economy is £14.373m. This represents a re-allocation of existing resources and includes £1.190m for capital expenditure (including Disabled Facilities Grants) together with the funding associated with a range of duties from the Care Act that came into effect in April 2015.

The comprehensive spending review announced that an additional £1.5bn will be made available to the Better Care fund by 2019/20. Details of what the funding allocations will be for Local Government will be announced along with the Local Government Finance settlement in early December.

- 1.24 The Health and Wellbeing Board, at its meeting in January 2015, made it clear that the minimum funding transfer for 2016-17 would be £6.529m and the draft budget currently assumes that the Council will receive funding at this level, together with the full capital allocation of £1.190m. The Adult Social Care budget pressures are considerable and the proposals are significant.

The Council and the CCG must agree how the BCF resources are allocated to deliver the national conditions, including the protection of social care services. Negotiations are ongoing.

COMMERCIALISATION

- 1.25 Harrow's Commercialisation Strategy was agreed by Cabinet in June this year. It aims to put in place measures designed to support the substantial cuts that Harrow has experienced and further envisages in the coming years. It aims to take a broad view of commercialisation, to include all aspects of service reviews and redesign, the commissioning cycle, shared services, multi-borough joined-up services, new opportunities for revenue generation, and pricing.

Commercialisation for Harrow Council has been defined as encompassing the following areas:

- Shared services;

- Investments;
- Selling services;
- Pricing analysis;
- Fitness of traded services;
- Consideration of concessions;
- Better contract management;
- Continuous improvement in procurement.

Based on the council's current pipeline of commercialisation opportunities, it is expected that the Commercialisation Strategy will deliver significant benefits. £3.5m of these benefits were captured in the current MTFS, agreed as part of the 2015/16 budget setting process. A further £11.5m of commercialisation initiatives are proposed as part of the 2016/17 MTFS which will deliver financial contributions for 2016/17 onwards and these are included within Appendix 1a of this budget report.

The following table summaries the benefits from the 2015/16 MTFS and those to be agreed as part of the 2016/17 budget setting process. In addition to the £15m set out in the table, a further £1.1m is built into the budget as further potential commercialisation benefits in relation to future developments.

Activity	Already included in current MTFS 2015/16 £000	MTFS 2016/17 onwards £000	Total £000
1. Legal Service Expansion – HB Public Law has expanded to include Hounslow and Aylesbury Vale with further expansion opportunities continuing to be explored. Harrow's Director of Legal & Governance Services is also Legal Director of Buckinghamshire County Council.	576	660	1,236
2. Website Commercialisation – There are two streams to this project: Advertising on website assets and introduction of national and local deals.	100	170	270
3. Shared HR service – look at sharing the service with other local authorities.	-	250	250
4. Shared Registrars service – look as sharing the service for other local authorities.	25	25	50
5. Investment Portfolio – an opportunity to invest in a portfolio of commercial properties will be explored as well as the potential to invest in opportunities			

such as energy generation. Peer support has been sought from Luton Borough Council via the LGA.	-	700	700
6. Procurement Services – Similar to the expansion of the Legal Practice, a shared service with other authorities is being actively explored. The council’s Director of Commercial, Contracts and Procurement is now also the Head of Procurement for Brent.	402	118	520
7. Lettings Agency – Cabinet has approved a business case to launch a lettings agency.	-	424	424
8. My Community ePurse – explore commercialisation opportunities	-	6,738	6,738
9. Adults services - Wiseworks and Shared lives – commercialisation opportunities and selling model to neighbouring Boroughs.	-	375	375
10. Private Rented Sector Housing – As part of the regeneration plans, the council is looking at building homes which could then be rented to private tenants.	2,350	-	2,350
11. Property Purchase Initiative - Purchasing of up to 100 properties to increase supply of good quality temporary accommodation and mitigate homelessness costs.	-	301	301
12. Harrow School Improvement Partnership – HSIP is already providing a service to Brent. The opportunity to expand the service to other councils is being looked into.	-	130	130
13. Project Phoenix including Trade Waste.	-	1,640	1,640
14. Helpline – review the service to consider whether Helpline services can be provided to other councils.	-	15	15
Total	3,453	11,546	14,999

RESERVES AND CONTINGENCIES

1.26 Reserves and contingencies need to be considered in the context of their need to protect the Council’s good financial standing and in the context of the overall risks that the Council faces during a continuing period of economic uncertainty. The MTFS reflects the Council’s need to ensure an adequate level of reserves and contingencies which will enable it to manage the risks associated with delivery of the budget including equalities impacts and unforeseen events. As at the time of

writing this report general non earmarked balances stand at £10m and those for specific purposes are detailed:

- Unforeseen contingency £1,248k
- Pay and Energy Inflation contingency £350k. (not available beyond 2016/17 as proposed for reduction)
- Transformation and Priorities Initiatives Fund £3.745m
- Carry forwards £195k
- Business Risk Reserve £1.891m
- MTFS Implementation £2.358m

1.27 The Director of Finance will report on the adequacy of the Council's reserves as required in the budget setting report in February.

LONDON BOROUGH GRANTS SCHEME

1.28 The London Boroughs Grants Committee met on 18 November and proposed a scheme for London that will cost London Boroughs £9.0m in 2016/17 compared to £9.0m in 2015/16. They are also proposing reducing the reserves they hold by £486,000 giving a one-off reduction. Harrow's contribution is £245,298 which is a reduction of £14,961 on last year, after a one-off reduction of £14,002. The 2016/17 contributions are being recommended to the London Council's Leaders Committee on 8 December for agreement.

1.29 Assuming that the London Council's Leaders Committee agrees the recommendation on 8 December, Cabinet is asked to agree the sum of £245,298 as Harrow's contribution to the London Grant Scheme in 2016/17. Cabinet will be updated verbally at the meeting if this is not the case.

2.0 CONSULTATION

2.1 Consultation, engagement and involvement will be an underlying principle of how the Council will tackle delivering against reducing budgets. Last year, the Council carried out extensive consultation with its 'Take Part' consultation exercise where the council engaged with residents about the changes the council needed to make in order to meet an estimated budget gap of £75m. The consultation was carried out over an eight week period from 11 September to 8 November 2014.

2.2 The budget gap for the current period from 2016/17 to 2018/19 is £53m so consultation will be required on how the Council needs to change in order to achieve this level of reductions. Given the extensive consultation that took place last year, the consultation as part of this year's budget process will be more targeted and the Council will be engaging with residents on service specific savings for the 2016/17 budget and future years from November 2015 and will launch a consultation on the overall budget as part of the recommendations in this report. All consultations will meet the Council's Consultation Standards that were approved in July 2015. Consultations related to savings proposals for 2017/18 and beyond will be carried out during 2016.

3.0 PERFORMANCE IMPLICATIONS

- 3.1 The in-year measurement of the Council is reported in the Strategic Performance Report. The Corporate Plan, which will be developed alongside the Budget Report, will have measures within it which will set out how Council delivery in 2016/17 will be measured and this again will be reported through the Strategic Performance Report.

4.0 RISK MANAGEMENT IMPLICATIONS

- 4.1 As part of the budget process the detailed budget risk register will be reviewed and updated. This helps to test the robustness of the budget and support the reserves policy. This will be reported to February Cabinet.

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.

6.0 FINANCIAL IMPLICATIONS

- 6.1 Financial Implications are integral to this report.

7.0 EQUALITIES IMPLICATIONS / PUBLIC SECTOR EQUALITY DUTY

- 7.1 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, 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*

7.2. All new directorate proposals are subject to an initial equalities impact assessment followed by a full assessment where appropriate. These will be published along with the final budget and MTFs report to February Cabinet. An assessment will also be carried out on the whole budget, when all proposals have been identified, to ensure that decision makers are aware of any overall impact on any particular protected group.

8.0 COUNCIL PRIORITIES

8.1 The Council's draft budget for 2016/17 has been prepared in line with the Council's vision:

Working Together to Make a Difference for Harrow

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

Section 3 - Statutory Officer Clearance

Name: Dawn Calvert	<input checked="" type="checkbox"/>	Chief Financial Officer
Date: 30 November 2015		
Name: Jessica Farmer	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 30 November 2015		

Ward Councillors notified:	No, as it impacts on all Wards
EqIA carried out:	To be reported on as Part of the Feb Budget report
EqIA cleared by:	-

Section 4 - Contact Details and Background Papers

Contact: Sharon Daniels, Head of Strategic Finance and Business (Deputy S151), tel: 0208 424 1332, sharon.daniels@harrow.gov.uk

Background Papers: [Final Revenue Budget 2015/16 and MTFS 2015/16 to 2018/19](#)

Call-In Waived by the Chairman of Overview and Scrutiny Committee

NOT APPLICABLE

[Call-in applies]

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Appendix 1a - Proposed Savings

	2015/16 Early Ongoing Savings £000	2016/17 £000	2017/18 £000	2018/19 £000	2019/20 £000	Total £000
Summary						
Resources	250	2684	474	1195	0	4603
C&F	434	3135	681	3262	150	7662
Adults	385	3157	4415	5330		13287
Public Health	100	384	462	5529	0	6475
Total People	919	6676	5558	14121	150	27424
Community	407	807	1317	2388	162	5081
Regeneration	30	60	50	0	0	140
Total	1606	10227	7399	17704	312	37248

* Please Note, all SAVINGS shown as POSITIVE

Savings											
Resources & Commercial			Savings								EIA needed
Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2015/16 Service Budget	Total Saving in Current MTFS	2015/16 Early Ongoing Savings	2016/17	2017/18	2018/19	2019/20	Total	
1	2	3	4	5	6	7	8	9	10	11	
		Heading in BOLD - detail in normal font - please keep typing - Text will wrap	£000	£000	£000	£000	£000	£000	£000	£000	
RES_SC01	Strategic Commissioning	Income from Communications Through Gain Share Model	0	0	100	25	25	13		163	N
RES_SC02	Strategic Commissioning	Additional Income from Communications Provider and Further Savings	375	228	0			107		107	N
RES_SC03	Strategic Commissioning	Domestic Violence Budget Reduction Based on Alternative Funding					21	61		82	Y
RES_SC04	Strategic Commissioning	Proposed savings in Healthwatch Funding	112	80		13		50		63	Y
RES_SC05	Strategic Commissioning	SIMS Team Contribution to Overheads and Additional Income	0	0		30	20	20		70	y
RES_SC06	Strategic Commissioning	Commissioning Capacity in the Council	861			371	10	50		431	Y
	<u>Strategic Commissioning</u>	SUB TOTAL			100	439	76	301		916	
RES_HR01	HR	Shared HR Service with Buckinghamshire County Council - Business Case Under Development	837	800	-		140	110		250	y
	HR	Reversal of current MTFS savings - These were predicated on a significant reduction in the Council's staff					(550)	(250)		(800)	
RES_HR03	HR	Organisational Development - Review existing shared OD service provision	244	100			155			155	Y
	<u>Human Resources & Shared Services</u>	SUB TOTAL			-	-	-255	-140	-	(395)	

* Please Note, all SAVINGS shown as POSITIVE

Savings											
Resources & Commercial			Savings								EIA needed
Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2015/16 Service Budget	Total Saving in Current MTFS	2015/16 Early Ongoing Savings	2016/17	2017/18	2018/19	2019/20	Total	
1	2	3	4	5	6	7	8	9	10	11	
		Heading in BOLD - detail in normal font - please keep typing - Text will wrap	£000	£000	£000	£000	£000	£000	£000	£000	
RES_F01	Finance & Assurance	Reduction in Contribution to Insurance Fund due to improved claims performance	1,332	200		200				200	N
RES_F02	Finance & Assurance	Improved Treasury investment return from increased Risk appetite (Primarily lending for longer and to institutions with lower credit ratings)				180	595	625		1,400	N
RES_F03	Finance & Assurance	Reduction in Previous Indicative staff savings proposals and Director of Finance post (16/17 - £250k, 17/18 - £500k, 18/19 -£500k)	100			195	(485)	(500)		(790)	was this done on the original mtfs saving
RES_F04	Finance & Assurance	Investment Portfolio					350	350		700	n

* Please Note, all SAVINGS shown as POSITIVE

Savings											
Resources & Commercial			Savings								EIA needed
Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2015/16 Service Budget	Total Saving in Current MTFS	2015/16 Early Ongoing Savings	2016/17	2017/18	2018/19	2019/20	Total	
1	2	3	4	5	6	7	8	9	10	11	
		Heading in BOLD - detail in normal font - please keep typing - Text will wrap	£000	£000	£000	£000	£000	£000	£000	£000	
	<u>Finance & Assurance</u>	SUB TOTAL				575	460	475	-	1,510	
RES_LG02	Legal & Governance	Committees	640				100			100	y
RES_LG03	Legal & Governance	Shared Registrars Service	(59)		25	25				50	y
RES_LG04	Legal & Governance	Expansion of the Legal Practice	(116)	576	100	140	210	210		660	y
RES_LG05	Legal & Governance	Delayed implementation of land charges transfer of service	(656)			350	(250)	(250)		(150)	n
	<u>Legal & Governance</u>	SUB TOTAL			125	515	60	(40)	-	660	
RES_CP01	Commercial, Contracts & Procurement	Selling services through shared procurement arrangements.	864	402		108	(19)	29	-	118	initial eia done
	<u>Commercial, Contracts & Procurement</u>	SUB TOTAL				108	(19)	29	-	118	

* Please Note, all SAVINGS shown as POSITIVE

Savings											
Resources & Commercial			Savings								EIA needed
Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2015/16 Service Budget	Total Saving in Current MTFS	2015/16 Early Ongoing Savings	2016/17	2017/18	2018/19	2019/20	Total	
1	2	3	4	5	6	7	8	9	10	11	
		Heading in BOLD - detail in normal font - please keep typing - Text will wrap	£000	£000	£000	£000	£000	£000	£000	£000	
RES_CS02	Customer Services and IT	Revenues and Benefits - Domestic and NNDR Site Review and Collection Rate						250		250	n
RES_CS06	Customer Services and IT	Assumed savings from the completion of the roll out of universal credit and the opportunity this provides to simplify the CTS scheme	1,378					300		300	
RES_CS07	Customer Services and IT	IT Maintenance Savings	6,448	-	-	67				67	n
RES_CS09	Customer Services and IT	IT Contract. Reduced costs assuming reduction of 100 IT users across the Council	6,448			31				31	n
RES_CS10	Customer Services and IT	IT - reduce colour printing across the organisation by 50%	374		25	25				50	n
RES_CS12	Customer Services and IT	Customer Services - review Helpline charging and commercialisation				65				65	y
	Customer Services and IT	Existing MTFS saving for Helpline, incorporated into new proposal				(50)				(50)	y
	Customer Services and IT	Access Harrow savings in existing MTFS, now removed.					(200)	(300)		(500)	y
RES_CS15	Customer Services and IT	Capital financing savings from IT contract being less than in the capital programme	6,448	-		260				260	n
	Customer Services & IT	SUB TOTAL			25	398	(200)	250	-	473	
BSS 01	BSS	Business Support Review.	2,957	730		649	352	320		1,321	Resources
					250	2,684	474	1,195	-	4,603	

* Please Note, all SAVINGS shown as POSITIVE

Savings											
Children & Families		Savings									EIA needed
Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2015/16 Service Budget	Total Saving in Current MTFS	2015/16 Early Ongoing Savings	2016/17	2017/18	2018/19	2019/20	Total	
1	2	3	4	5	6	7	8	9	10	11	
			£000	£000	£000	£000	£000	£000	£000	£000	
PC01	Education & Commissioning	Schools Strategy Education & Professional Lead - Early Years. Change funding to maximise use of grants	91	90	91					91	n
PC02	Education & Commissioning	Capital Team Delete Senior Professional after postholder retires £73k and increase capitalisation £70k Post vacant	333	-	43	100				143	n
PC03	Special Educational Needs	Residential School Placements Maximise use of grants	1,152	-	250	250				500	y
PC04	Special Educational Needs	Educational Psychology Income generation	497	-	50					50	y
PC05	Children & Young People	The Firs Selling bed spaces, providing training to other LAs, renting out rooms/garden for activities	640			52				52	y
PC06	Children & Young People	Children's Placements - Care Leavers Efficiencies in procurement	831			200				200	y
PC07	Children & Young People	Children's Placements - Looked After Children Negotiate price reductions and review packages of support	2,236	200		500				500	y
PC08	Children & Young People	Emergency Duty Team Full cost recovery	200			50				50	n
PC12	Children & Young People	Review of posts in Quality Assurance & Improvement Service	802					223		223	y
PC13	Children & Young People	Early Intervention & Youth Development Integration and restructure of childrens centres, early intervention and youth development service	2,463			416	266			682	y
PC14	Children & Young People	Review of Adoption Contract	223					86		86	y
PC15	Children & Young People	Review of posts in MASH	319					100		100	y
PC16	Children & Young People	Review of posts in Family Information Service	61					61		61	y
PC17	Children & Young People	Review of posts in Access to Resources	599					57		57	y
PC19	Children & Young People	Review of Leaving Care, Children Looked After & Unaccompanied Asylum Seeking Children Teams						173		173	y
PC20	Education & Commissioning	Commissioning Reduction by 2.6FTE vacant posts	336			184				184	y
PC21	Education & Commissioning	Governor Services Governor Support Officer post	63			44				44	y

* Please Note, all SAVINGS shown as POSITIVE

Savings											
Children & Families		Savings									EIA needed
Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2015/16 Service Budget	Total Saving in Current MTFS	2015/16 Early Ongoing Savings	2016/17	2017/18	2018/19	2019/20	Total	
1	2	3	4	5	6	7	8	9	10	11	
			£000	£000	£000	£000	£000	£000	£000	£000	
PC22	Education & Commissioning	Schools Strategy Non staffing budgets	437			35				35	y
PC23	Education & Commissioning	Harrow School Improvement Partnership HSIP Full Cost recovery including Support Service Costs				130				130	y
PC24	Education & Commissioning	Enhancing Achievement within Education Strategy Post should be 75% funded by grant management fees from April 2016, post holder redundant from August 2016	69	30		61	8			69	y
PC25	Contracts	Review of Young Carers Contract Contractual efficiencies	80	50		20				20	y
PC28	Cross Service	Non-pay inflation	150			150	150	150	150	600	n
PC29	Management	Review of Management	449	205		449				449	y
PC31	Special Needs Service	Children with Disabilities Efficiencies as service seeks to merge with adults	600			50				50	y
PC32	Special Needs Service	Educational Psychology Income generation	512			50				50	y
PC33	Special Needs Service	Review of Special Educational Needs Transport	3,070			257	257			514	y
PC36	Children & Young People	Review of posts in Quality Assurance & Service Improvement	922					248		248	y
PC38	Children & Young People	Review of Children Looked After & Placements Service	8,733					1,000		1,000	y
PC39	Education & Commissioning	Education Strategy & Capital Capitalise 2fte	968			137				137	y
PC42	Special Needs Service	Review of Special Needs Service	2,483					1,164		1,164	y
					434	3,135	681	3,262	150	7,662	

* Please Note, all SAVINGS shown as POSITIVE

Savings											
Adults			Savings								EIA needed
Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2015/16 Service Budget	Total Saving in Current MTFS	2015/16 Early Ongoing Savings	2016/17	2017/18	2018/19	2019/20	Total	
1	2	3	4	5	6	7	8	9	10	11	
		Heading in BOLD - detail in normal font - please keep typing - Text will wrap	£000		£000	£000	£000	£000		£000	
PA_1	Adults	Supporting People - renegotiation of existing statutory contracts	923	290		150				150	Y
PA_2	Adults	Supporting People - review of provision Care Act eligible service users (Bridge / Wiseworks Day Service), and consideration of alternative provision for non eligible service users	276			276				276	Y
PA_3	Adults	Wiseworks - commercialisation opportunities and to be self financing by end of MTFS period	175			50	69	56		175	Y
PA_4	Adults	Milmans Community tender	359				175	184		359	Y
PA_5	Adults	New Bentley [formerly Byron NRC] Community Tender	446				446			446	Y
PA_6A	Adults	Vaughan NRC - service review to identify efficiencies in supporting the most complex	634				100			100	Y
PA_7	Adults	Kenmore NRC - Community Tender	609			609				609	Y
PA_9	Adults	Sancroft - contract management and service renegotiation	1,691			166	334			500	Y
PA_10A	Adults	Transport - review transport provision	1,079	500		200	200	350		750	Y
PA_11A	Adults	MOW/Catering Service - review of service	(13)				65			65	Y
PA_12	Adults	Southdown - review service through shared lives	206			139				139	Y
PA_13	Adults	Wellidon/Harrow View - review service through shared lives	114			106				106	Y
PA_14	Adults	Shared Lives - commercialisation through selling model to neighbouring boroughs	427			50	150			200	Y

* Please Note, all SAVINGS shown as POSITIVE

Savings											
Adults			Savings								
Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2015/16 Service Budget	Total Saving in Current MTFS	2015/16 Early Ongoing Savings	2016/17	2017/18	2018/19	2019/20	Total	EIA needed
1	2	3	4	5	6	7	8	9	10	11	
		Heading in BOLD - detail in normal font - please keep typing - Text will wrap	£000		£000	£000	£000	£000		£000	
PA_15	Adults	Bedford House / Roxborough Park - review provision within Bedford House	1,286			150	650			800	Y
PA_16	Adults	7 Kenton Road - review provision through supporting living and shared lives	228				228			228	Y
PA_17	Adults	Hospital / STARRS Discharge - social care assessments through reablement in line with Care Act guidance	70			70				70	Y
PA_19	Adults	Reduce Commissioning Team - restructure to reduce the team by 2FTE	288			150				150	Y
PA_20	Adults	Demography - reduce remaining MTFS annual demographic growth provision to the Adult Social Care purchasing budget in 2016/17	2,500			1,000				1,000	Y
PA_21	Adults	CHW Senior Management Restructure - savings from senior management restructure following consultation	925		261					261	Y
PA_25	Adults	Maintenance team - services provided within existing staffing resources	165		124	41				165	Y
PA_26	Adults	My Community ePurse - commercialisation of My Community ePurse					1,000	600		1,600	Y
PA_27	Adults	Our Community ePurse - explore new commercialisation opportunities					998	1,250		2,248	Y
PA_28	Adults	Community Wrap - explore new commercialisation opportunities						640		640	Y
PA_29B	Adults	Total Community ePurse - explore new commercialisation opportunities						2,250		2,250	Y
		Total			385	3,157	4,415	5,330	-	13,287	

* Please Note, all SAVINGS shown as POSITIVE

Savings											
Public Health			Savings								
Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2015/16 Service Budget	Total Saving in Current MTFS	2015/16 Early Ongoing Savings	2016/17	2017/18	2018/19	2019/20	Total	EIA needed
1	2	3	4	5	6	7	8	9	10	11	
		Heading in BOLD - detail in normal font - please keep typing - Text will wrap	£000		£000	£000	£000	£000	£000	£000	
PH_1	PH	Health Checks - reduction in activity	147	187	48	52				100	Y
PH_2	PH	Sexual Health - reduction of activity in projects & non contracted activity 16-17.	121	70	32	121				153	Y
PH_3	PH	Sexual Health - consolidation of activity within new contract efficiency 17-18	714				105			105	Y
PH_4	PH	Tobacco Control & Smoking Cessation - reduction in promotional activities	299	41	20					20	Y
PH_5	PH	Tobacco Control & Smoking Cessation - reduction of service	299				279			279	Y
PH_6	PH	Physical Activity - reduction of service	76	60		76				76	Y
PH_7	PH	Young Peoples Public Health - reduction of Schools Programme	100			100				100	Y
PH_9	PH	Health intelligence & Knowledge - reduction in staff costs	211				48			48	Y
PH_10	PH	Staffing & Support - reduction in budget & deletion of additional procurement support	134			54	30			84	Y
PH_11	PH	Drug and Alcohol - reduction in service (contract related costs. Employee costs included in PH_12)	2,480	250				1,500		1,500	Y
PH_12	PH	Reduction to service - staffing reductions	4,603	18		41		795		836	Y
PH_13	PH	Health visiting - full review of service provision	3,234					3,234		3,234	Y
		Public Health wide growth to deal with small projects in areas of cuts				(60)				(60)	
				626	100	384	462	5,529	-	6,475	

* Please Note, all SAVINGS shown as POSITIVE

Savings											
Community			Savings								
Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2015/16 Service Budget	Total Saving in Current MTFS	2015/16 Early Ongoing Savings	2016/17	2017/18	2018/19	2019/20	Total	EIA needed
1	2	3	4	5	6	7	8	9	10	11	
		Heading in BOLD - detail in normal font - please keep typing - Text will wrap	£000	£000	£000	£000	£000	£000	£000	£000	
CE_1	ESD - Public Protection	Cessation of subsidy to Metropolitan Police	158	-	26	132				158	y
CE_2	Commissioning Services	Highways Services - Efficiencies in advance of the retendering of the Highways Contract (restructure Traffic to delete 2 engineer posts). Early approval in July 15 required in order to commence staff consultation and selection process. Part year saving from December 15 onwards.	1,483	240	26	54				80	y
CE_3	Commissioning Services	Mortuary Services - Reduction in costs as a result of Barnet joining the partnership with Brent.	81	-	14					14	n
CE_4	Commissioning Services	Staff efficiencies in Parking and Network Teams - deletion of Parking Manager post and reduction in team leaders and inspectors. This management saving relates to the deletion of parking manager post. The post has been vacant since April 15 and therefore full year saving can be achieved in 15/16.	75	-	75					75	y
CE_5	Directorate Wide	Reduction of supplies & services budget	300	170	69	31	50	50		200	n
CE_7	ESD - Waste Services	Alternative funding for recycling officer post - post to be commercially funded or deleted.	87	-		29				29	y
CE_8	ESD - Technical Services	Staff efficiency once Towards Excellence fully embedded - Deletion of 2 posts.	382	-			34	34		68	y
CE_9	ESD - Public Protection	Efficiencies arising from Selective Licensing - Through full cost recovery and reduction in failure demand. Net income.	(503)	-		200	35			235	y
CE_10.1	ESD - Management	Management savings Savings on team leader posts across the Environmental Service Delivery division.	494	-		86				86	y

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Savings											
Community		Savings									
Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2015/16 Service Budget	Total Saving in Current MTFS	2015/16 Early Ongoing Savings	2016/17	2017/18	2018/19	2019/20	Total	EIA needed
1	2	3	4	5	6	7	8	9	10	11	
		Heading in BOLD - detail in normal font - please keep typing - Text will wrap	£000	£000	£000	£000	£000	£000	£000	£000	
CE_10.2	ESD - Management	Management savings Savings on a management post across the Environmental Service Delivery division.	150	-	-	75				75	y
CE_12	Commissioning Services	Project Phoenix - Commercialisation projects	19,000	50		40	73	1,527		1,640	y
CE_13	ESD - Harrow Pride	Contract savings Roll out the successful trial of wider parks bins provision and move to a fully in house dog waste collection service.	35	-		35				35	y
CE_14	Commissioning Services	Highways Services - revenue savings on utilities and maintenance costs due to acceleration of the Street Lighting replacement programme and extension of the variable lighting regime.	1,001	220		70	10			80	y
CE_15	Commissioning Services	Highways Services - Reduction in revenue budget for reactive maintenance due to accelerated capital investment from 2014/15.	1,033	366		60	20	20		100	y
CE_16	Commissioning Services	Staff efficiencies in Parking and Network Teams - reduction in team leader and inspector posts. Staff consultation completed in June 15. The reduction in posts will be phased over the next 2 years to ensure minimal impact on service level.	2,103			75	80	20		175	y
CE_17	Commissioning Services	General efficiencies across the Division (Policy, Community Engagement, Facilities Management and Contracts Management) - including capitalisation of senior contracts officer post, removal of some supplies & services budget	1,009	207		12	9	80		101	n
CE_18	Commissioning Services	Income Generation - Facilities Management Service Level Agreements (SLAs) and Energy SLAs to schools	(190)	-		46	20	20		86	n
CE_19	Commissioning Services	Road safety officer post - externally funded by Transport for London (TfL)	40	-			40			40	n
CE_20	Commissioning Services	Further contract efficiencies following the re-procurement of Facilities Management contract.	3,200	250			80			80	n
CE_21	NIS	Neighbourhood Investment Scheme (NIS) - a base budget of £210K is available for all 21 wards. A one-off saving has been offered as part of the early year saving. It is now proposed that the full budget is removed from 16/17 onwards.	210	-				210		210	y

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Savings											
Community		Savings									
Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2015/16 Service Budget	Total Saving in Current MTFS	2015/16 Early Ongoing Savings	2016/17	2017/18	2018/19	2019/20	Total	EIA needed
1	2	3	4	5	6	7	8	9	10	11	
		Heading in BOLD - detail in normal font - please keep typing - Text will wrap	£000	£000	£000	£000	£000	£000	£000	£000	
CE_22.1	ESD - Environmental Health	Environmental Health team - Introduction of Street Trading, Fixed Penalty receipts and other internal efficiencies	1,071	225		210				210	n
CE_22.2	ESD - Environmental Health	Environmental Health team - Introduction of Street Trading, Fixed Penalty receipts and other internal efficiencies	1,071	225		30				30	n
	Environment	Priority Investment				(800)				(800)	
		Sub Total			210	385	451	1,961	-	3,007	
CC_1	C&C	Senior Management Restructure - Deletion of Divisional Director Community & Culture post	132		69	68				137	y
CC_2	C&C	Library Strategy Phase 2 - delivery of network of libraries and library regeneration	2,138	500		180	108	209		497	y
CC_3	C&C	Reduction in library and leisure contract management function costs	121			40				40	y
CC_4	C&C	Arts & Heritage - delivery of business plan (reallocation of savings based on Cabinet report May 2015)	623	615		(342)	282			(60)	y
		Sub Total Cultural Services			69	(54)	390	209	-	614	
CH_1	HGF	Salaries recharges to HRA and capital - increase proportion of salaries charged to HRA and capital projects to reflect current working arrangements		41	112	51				163	n
CH_2	HGF	Supporting People - savings assumed to result from contract renegotiation or possible cessation of support in later years	678	10	6	62				68	y

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Savings											
Community			Savings								
Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2015/16 Service Budget	Total Saving in Current MTFS	2015/16 Early Ongoing Savings	2016/17	2017/18	2018/19	2019/20	Total	EIA needed
1	2	3	4	5	6	7	8	9	10	11	
		Heading in BOLD - detail in normal font - please keep typing - Text will wrap	£000	£000	£000	£000	£000	£000	£000	£000	
CH_3	HGF	Supporting People - cessation of funding for Handyperson Scheme, which is intended to become self-supporting through commercialisation	678			10	25			35	y
CH_4	HGF	Supporting People - Sheltered Housing floating support - savings assumed to result from contract renegotiation or review of service delivery	678				60			60	y
CH_5	HGF	Miscellaneous minor budgets - minor budget savings	10	34	10					10	n
CH_7	HGF	Watkins House - Options review	402			(25)	100	100		175	y
CH_8	HGF	Private lettings agency - projected income from establishing a lettings agency	N/A			54	130	120	120	424	y
CH_9	HGF	Property purchase initiative - net benefit to Council of proposals to purchase 100 homes, per Cabinet report appendix. Homelessness savings are part of the equation.	N/A			230	31	(2)	42	301	y
CH_10	HGF	Home Improvement Agency - savings arising from a combination of reducing the service and increasing the charge to the HRA in respect of the Occupational Therapist service	378			(10)	130			120	y
CH_11	HGF	Salary recharges to HRA - management charge in respect of HRA property used as Temporary Accommodation - cost to HRA covered by property service charges. Charge will cease when HRA property ceases to be used as TA, and savings will be required to replace this item at that point.				104				104	n
					128	476	476	218	162	1,460	
					407	807	1,317	2,388	162	5,081	

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Savings											
Environment & Enterprise			Savings								
Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2015/16 Service Budget	Total Saving in Current MTFS	2015/16 Early Ongoing Savings	2016/17	2017/18	2018/19	2019/20	Total	EIA needed
1	2	3	4	5	6	7	8	9	10	11	
		Heading in BOLD - detail in normal font - please keep typing - Text will wrap	£000	£000	£000	£000	£000	£000	£000	£000	
REG_1	Regeneration and Planning	Increase in planning income - more planning applications are anticipated in coming years following the successful Housing Zone bid and the implementation of regeneration strategy.	(1,037)	100	30	20				50	N
REG_3	Regeneration and Planning	Additional income from Development Management and Building Control services - develop and provide party wall agreement and plan drawing service.	(895)	-		30				30	N
REG_4	Regeneration and Planning	Reduction of supplies & services budget in Planning Division	100	-		10				10	N
REG_6	Economic Development	Commercialisation of work space, subject to agreement with St Edwards (income net of running costs)	-	-			50			50	Y
					30	60	50	-	-	140	

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

Resources			Savings - 4 Years							
Ref	Service Area	Headline Description re: saving / reduction	2014/15 Service Budget	2014/15 Ongoing	2015/16	2016/17	2017/18	2018/19	Total	Consultation Done General Specific
			£000	£000	£000	£000	£000	£000	£000	
RES12	Legal & Dem Services	Reduction in Legal cost, in the initial instance by growing the business		-	144	144	144	144	576	Specific and ongoing
RES13	Legal & Dem Services	Amalgamation of two teams to become Democratic and Electoral Services and staff reduction - Mayor Office	639		86				86	Staff Consultation
RES14	Legal & Dem Services	Local land charges growth pressure. An element of the land charge function (including chargeable services) is expected to move to the Land Registry during 2015	-614		(250)	(100)			(350)	N/A
RES15	Procurement	Restructuring of the Commercial, Contracts and Procurement Division's function.	934		50		201	151	402	Specific and rolled into 2016/17
RES16	Strategic Commissioning	Retender of the Communications Service to take account of reductions in spend phased in the following way: 2015/16 - 20% reduction, 2016/17 - 10% reduction, 2017/18 - 10% reduction.	452		114	57	57		228	Specific
RES17	Strategic Commissioning	Retendering of the Healthwatch service, reducing the core spend by this amount.	185		80				80	Specific
RES18	Strategic Commissioning	Stop funding Harrow Senior Residents Assembly / Decommissioning of Scrutiny Projects Budget	21		21				21	Specific
RES19	Strategic Commissioning	Stop the Objective Portal Contribution from the Division, used for online consultations.	8		8				8	N/A
RES20	Strategic Commissioning	Staff restructure of existing posts and making greater use of apprentices and graduate placements	2,452		129.5				129.5	Specific
RES21	Resources Wide	Management Savings				150			150	N/A
RES22	Customer Services & IT	Efficiency Savings – Staff reductions due to the implementation of more automation and self service forms in Revenues and Benefits	1,123		459				459	Done
RES23	Customer Services & IT	Increased Income from Harrow Helpline and reduction in staffing costs	467		200	50			250	Specific

Resources			Savings - 4 Years							
Ref	Service Area	Headline Description re: saving / reduction	2014/15 Service Budget	2014/15 Ongoing	2015/16	2016/17	2017/18	2018/19	Total	Consultation Done General Specific
			£000	£000	£000	£000	£000	£000	£000	
RES24	Customer Services & IT	Project Management Office - staff savings. Deletion of 1 fte PMO (currently vacant) in 2014/15 to achieve a saving of £24k in 2014/15 and £22k in 2015/16.	259	24	22				46	N/A
RES25	Customer Services & IT	Procurement savings across the contracts managed within the division.	8,134		541	949			1,490	Done
RES26	Customer Services & IT	Reduce the cost of Access Harrow by migrating customers to more efficient channels. This will be delivered through improved self-service availability in the One Stop Shop, greater use of IVR over the telephone and enhanced functionality via the website and MyHarrow account. Resources will be aligned to the subsequent drop in demand and as channels are closed.	3,258		100		200	300	600	Specific
Total Savings				104	3,634	1,500	1,652	1,345	8,234	
Growth										
RESG01	Customer Services & IT	Welfare Reform contingency utilisation- ERS scheme £275k, 6FTE Revenues and benefits £215k, Council Tax summons costs £250k			740	(215)			525	
RESG02	Resources	Rephasing of Resources savings agreed Feb 2014			395	150			545	
Total Growth				-	1,135	(65)	-	-	1,070	
Net Savings				104	2,499	1,565	1,652	1,345	7,164	

Community, Health & Wellbeing			Savings - 4 Years							Type Analysis	
Ref	Service Area	Headline Description re: saving / reduction	2014/15 Service Budget	2014/15 Ongoing	2015/16	2016/17	2017/18	2018/19	Total	M - Management Savings I - Additional Income C - Contractual Savings E - Efficiency Savings S - Service Changes	Consultation Done General Specific
			£000	£000	£000	£000	£000	£000	£000		
Savings											
CHW01	CHW	Consolidate Transformation Team with other Council services	227		227				227	E	Done
CHW02	CHW	Delete two Adults management posts and fund one by the Better Care Fund	2,047		170				170	M	Done
CHW03	CHW	Review of Business Support Services	1,667		90				90	E	To complete
CHW04	CHW	Reversal of late growth items at February 2014 Council	240	230					230	E	N/A
CHW05	Adults	Protection of Social Care Services through the Department of Health Better Care Fund allocation	33,352		1,788				1,788	I	N/A
CHW06	Adults	Supporting People contract negotiation efficiency	2,530	99	300				399	S	To complete
CHW07	Adults	Recommissioning of inhouse transport provision to support the most vulnerable service users.	1,414		500				500	E	To complete
CHW08	Adults	Additional income to be generated though MyCEP Commercialisation			100				100	I	N/A
CHW09	Adults	Reduced funding following review of WLA programme	70			50			50	E	N/A
CHW10	Adults	Review of Inhouse Residential Provision	3,026		250				250	E	To complete
CHW11	Adults	Review of voluntary sector funding	1,755		550				550	S	Done
CHW12	Community & Culture	Redevelopment Harrow Leisure Centre Site	-609				100		100	I	N/A
CHW13	Community & Culture	School Music Service to fully recover costs	72		72				72	I	N/A
CHW14	Community & Culture	Strategic reorganisation of Sports Development team. Review to reduce by 1fte (remaining post funded from within Community & Culture budgets).	87	47	30				77	E	Specific

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

Community, Health & Wellbeing			Savings - 4 Years							Type Analysis	
Ref	Service Area	Headline Description re: saving / reduction	2014/15 Service Budget	2014/15 Ongoing	2015/16	2016/17	2017/18	2018/19	Total	M - Management Savings I - Additional Income C - Contractual Savings E - Efficiency Savings S - Service Changes	Consultation Done General Specific
			£000	£000	£000	£000	£000	£000	£000		
CHW28	Housing	Income from increased Charges for Bed & Breakfast / Private Sector Leasing accommodation. This is the 2015-16 estimated effect of an increase being implemented in 2014-15.	4,813		175				175	I	N/A
Total Savings				476	5,662	624	100	-	6,862		
Growth											
CHWG01	Adults	Care Act funding from the Better Care Fund			545				545		
CHWG02	Housing	Homelessness - Growth in homelessness			800				800		
Net Savings				476	4,317	624	100	-	5,517		

Environment & Enterprise		Savings - 4 Years								Type Analysis	
Ref	Service Area	Headline Description re: saving / reduction	2014/15 Service Budget	2014/15 Ongoing	2015/16	2016/17	2017/18	2018/19	Total	M - Management Savings I - Additional Income C - Contractual Savings E - Efficiency Savings S - Service Changes	Consultation Done General Specific
			£000	£000	£000	£000	£000	£000	£000		
Savings											
E&E_01	Commissioning Services	Trading Standards - Further cost reduction in Trading Standards service by re-negotiating the Service Level Agreement with London Borough of Brent	358			40	40		80	C	N/A
E&E_02	Commissioning Services - Community Engagement	Full reversal of the Neighbourhood Champions growth item	150	100					100	S	N/A
E&E_03	Commissioning Services - Community Engagement	School Crossing Patrols - service to be funded directly by schools via Service Level Agreement (SLA). If any school chooses not to enter into a SLA, the service for that school will cease.	64		-	64			64	S	Consultation done with schools
E&E_04	Commissioning Services - Contract Mgt	Staff Efficiencies across the Division - Deletion of contract manager post (currently vacant)	529		73				73	M	Done
E&E_05	Commissioning Services - Contract Mgt & Policy	Staff Efficiencies across the Division - Deletion of 3 posts	529		48		86		134	E	Done
E&E_06	Commissioning Services - Facilities Mgt	Reduction in Facilities Management costs - reduce the controllable budget by 20% in the first 2 years through re-structuring and changing ways of service delivery and a further 5% over Years 3 & 4 through additional efficiencies post re-structuring. Consultation with staff already underway and it is proposed to delete 8 posts, 3 of these are currently vacant.	2,000	100	300	44	44	22	510	E	Done
E&E_07	Commissioning Services - Facilities Mgt	Introduction of staff car parking charges	0		20	30	-	-	50	I	Done
E&E_08	Commissioning Services - Highway Services	Reduce highways maintenance budget - Changes to the response times on non urgent works i.e. respond to these in 48 hours instead of existing 24 hours.	1,186	60	127	84	45		316	E	Done
E&E_09	Commissioning Services - Highways	Highways Contract - Extend the scope of the Highways Contract to include scheme design and / or inspection services when the contract is re-procured (current contract will expire in 16/17).	639				120	120	240	E	NA
E&E_10	Commissioning Services - Highways	Review salary capitalisation of highway programme & TfL funded projects	-600			100	50	50	200	I	NA
E&E_11	Commissioning Services - Network Mgt	Additional income - from street works	-644	40	60	20	10		130	I	N/A

Environment & Enterprise		Savings - 4 Years								Type Analysis	
Ref	Service Area	Headline Description re: saving / reduction	2014/15 Service Budget	2014/15 Ongoing	2015/16	2016/17	2017/18	2018/19	Total	M - Management Savings I - Additional Income C - Contractual Savings E - Efficiency Savings S - Service Changes	Consultation Done General Specific
E&E_12	Commissioning Services - Street Lighting	Changes in Street Lighting Policy to include variable lighting solutions.	652		30	68	10	12	120	S	Done
E&E_13	Commissioning Services - Street Lighting and Drainage	Street lighting and Drainage budgets - capital investment allows for lower maintenance costs	786	25	60	25	40		150	E	N/A
E&E_14	Commissioning Services - Winter Gritting	Reduction in winter gritting budgets - renegotiation of winter gritting contract - adopt a risk sharing approach and move away from the current fixed pricing for the service	213		10	20		10	40	C	N/A
E&E_15	Directorate wide	Staff Efficiencies following the merger of the Business & Service Development and Commissioning Services Divisions.	1,098	40	124				164	M	Done
E&E_16	Directorate wide	Management Efficiencies - Reduce staff budget in Directorate Management by £130K.	1,100	77	53				130	M	Done
E&E_17	Directorate wide	Reversal of late growth items at February 2014 Council	110	110					110	S	N/A
E&E_18	Directorate wide	Staff Efficiencies following the merger of the Business & Service Development and Commissioning Services Divisions - Delete one performance management officer post and a cemetery superintendent post as of 31 March 2015. In addition, further efficiencies to be achieved in Environmental Services Delivery and Commissioning Divisions in 17/18.	1,098		72		30	50	152	E	Done
E&E_19	Directorate wide	Increase Fees & Charges - harmonise our cemetery charges with London Borough of Brent for the shared site at Carpenders Park, and increase the minimum charge for residual waste disposal by trade customers at CA site to cover the cost of disposal.			50				50	I	N/A
E&E_20	Directorate-wide	Contractual/commissioned/SLA savings - To seek maximum value in savings from existing contracts, Service Level Agreements and all services commissioned, from third parties by re-negotiating terms that will yield cashable savings. To secure on-going cashable benefits from gain share and third party income arrangements.			300	200	200		700	C	N/A
E&E_21	Directorate-wide	Efficiencies saving - Remove Supplies & Services budget in Directorate Management.	500		170				170	E	N/A

Environment & Enterprise			Savings - 4 Years							Type Analysis	
Ref	Service Area	Headline Description re: saving / reduction	2014/15 Service Budget	2014/15 Ongoing	2015/16	2016/17	2017/18	2018/19	Total	M - Management Savings I - Additional Income C - Contractual Savings E - Efficiency Savings S - Service Changes	Consultation Done General Specific
E&E_22	Environmental Services - Env Health	Environmental Health Staffing: Reduce professional staffing by 2 Environmental Health Officer posts and 2 Technical Officer posts reducing service levels to residents and businesses proportionately	1,610		175				175	S	N/A
E&E_23	Environmental Services - Env Health	Environmental Health out of hours noise nuisance response service. Delete this service.	50		50				50	S	Done
E&E_24	Environmental Services - Harrow Pride	Responsive zonal street cleaning for residential streets: Move to a more targeted approach of responsive street cleaning service away from the current rota of every four weeks. Reduction of 6 posts. One-off vehicle early termination costs (1 dropside tipper and 1 tipper) is estimated at £41K.	2,932	-	172				172	S	Done
E&E_25	Environmental Services - Harrow Pride	Beat sweepers: Remove dedicated beat sweepers from secondary shopping areas, remove weekend and late afternoon street cleansing from 1st April 2015.	2,932		150				150	S	Done
E&E_26	Environmental Services - Harrow Pride	Reduce Parks service to statutory minimum: Delete parks locking service, naturalise parks (except paid for fine turf), no green flag parks, litter picking reduced to once per week from 1st April 2015. Reduction of 4 Driver posts, 2 Operative posts and 5 Grounds Maintenance Specialist posts Parks Management. Through implementation of the previous savings proposal of reducing parks maintenance standards to the statutory minimum, there can be a further reduction in management and supervisory posts from the existing parks structure of 1 team leader and 2 charge-hands from 1st April 2015. One-off vehicle early termination cost (2 tippers) is estimated at £23K.	2,323		304	23			327	S	Done
E&E_27	Environmental Services - Harrow Pride	Highways verge grass cutting, moving from a three weekly to a six weekly cycle. Reduce quality of service from 1st April 2015. One-off vehicle de-hire cost (1 tipper) is estimated at £11K.	753		71	11			82	S	Done
E&E_28	Environmental Services - Parking	Parking Enforcement - Increase efficiency in civil enforcement team.	-6,564	100	100				200	I	N/A
E&E_29	Environmental Services - Parking	Review Parking charges to deal with capacity issues	-1,941		375				375	I	Specific Consultation

Environment & Enterprise		Savings - 4 Years								Type Analysis	
Ref	Service Area	Headline Description re: saving / reduction	2014/15 Service Budget	2014/15 Ongoing	2015/16	2016/17	2017/18	2018/19	Total	M - Management Savings I - Additional Income C - Contractual Savings E - Efficiency Savings S - Service Changes	Consultation Done General Specific
E&E_30	Environmental Services - Public Protection	Licensing: Budget realignment to reflect forecast income from licensing activities.	-358	15	15				30	I	N/A
E&E_31	Environmental Services - Public Protection	Removal of late growth budget at February 2014 Council - On the spot fine for spitting, graffiti, littering and anti-social behaviour	50		50				50	S	N/A
E&E_32	Environmental Services - Waste Services	Clinical waste: Review of current waste composition to identify genuine clinical waste which will be collected by a specialist service	87	10	50				60	S	Done
E&E_33	Environmental Services - Waste Services	CA Site: Reduce assistance to public upper level at Civic Amenity site from 1st January 15. Reduction of 2 Waste Recycling Assistant posts (currently vacant).	590	12	38				50	S	Done
E&E_34	Environmental Services - Waste Services	<p>Change mixed organic waste collection system with separate collection of food waste and introduce charges for garden waste from 1st October 2015.</p> <p>Food Waste - Each household on 3 wheeled bin system will be provided with a new 23L food waste bin and a kitchen caddy which will be emptied weekly.</p> <p>Garden Waste - Garden waste will be collected fortnightly on a chargeable basis. Households that subscribe to the service will receive 25 lifts per year at a price of £75. Concessions will be provided to residents on means tested benefits.</p> <p>Introductory offer - £75 to cover the period between 1st oct 15 and 31st Mar 17. The saving figure assumes 40% of households will take up the chargeable service.</p> <p>One-off implementation costs are estimated as follows: Revenue costs of approx £430K, and Capital costs for new food waste bins and kitchen caddies (£720K); the construction of a bulking facility for food waste at the depot (£250K).</p>			970	1,711			2,681	I	Done
E&E_35	Planning - Development Mgt	Provision of Highways advice: seek advice directly from Transport team rather than via a transport planning liaison, removing potential for duplication	50	12					12	E	Done

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

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

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

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

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

Summary of Savings and Growth

	2014-15	2015-16	2016-17	2017-18	2018-19	Total	
	£000	£000	£000	£000	£000	£000	
Resources	104	2,499	1,565	1,652	1,345	7,164	2,603
CHW	476	5,662	624	100	0	6,862	6,138
E&E	766	4,067	2,440	775	264	8,312	4,833
C&F	386	2,211	0	0	0	2,597	2,597
Pan Organisation	0	1,500	220	350	2,000	4,070	1,500
BSS	0	730	0	0	0	730	730
	1,732.0	16,668.5	4,848.7	2,876.8	3,609.0	29,735	18,401
	1,732	16,669	4,849	2,877	3,609		

Ref	Service Area	Headline Description re: saving / reduction	Savings - 3 Years				Consultation Done General Specific
			2016/17	2017/18	2018/19	Total	
			£000	£000	£000	£000	
Savings							
	RESOURCES						
RES082	Collections and Benefits	Revenues Staffing Reductions	40			40	
RES083	Collections and Benefits	Housing Benefits Staffing Reductions as Benefits moves to DWP. Reduced staffing required as Housing Benefits transfers to Universal Credit and is no longer administered by Harrow.	125			125	
RES030	Customer Services	Close Face to Face (F2F) and Telephony Channels for Public Realm Enquiries. Over a 3 year period close face to face contact in Access Harrow for Public Realm queries and migrate to Internet contact.	50			50	
RES031	Customer Services	Reconfigure One Stop Shop to self-serve area and close F2F (face to face) advice	100			100	
Total Savings			315	-	-	315	
Growth							
CF 001	Children's Services	Increase in Children Looked After (CLA) placement budgets reflecting growth in child population and changing demographic	(178)			(178)	N/A
CF 002	Children's Services	Increase in Children with Disabilities (CWD) client costs reflecting growth in child population	(82)			(82)	N/A
CF 003	Children's Services	Increase in staffing costs reflecting growth in child population and changing demographic	(153)			(153)	N/A
CHW001	Adults	Demographic Growth. Costs associated with increased demand for eligible users	(2,500)			(2,500)	N/A

Ref	Service Area	Headline Description re: saving / reduction	Savings - 3 Years				Consultation Done General Specific
			2016/17	2017/18	2018/19	Total	
			£000	£000	£000	£000	
E&E005	Environment and Enterprise	CCTV camera income decline	(56)			(56)	N/A
E&E008	Environment and Enterprise	West London Waste Authority (WLWA) Levy / Dry Recyclables Income	(708)			(708)	N/A
	RESOURCES						
RES019	Collections and Benefits	Department for Work and Pensions (DWP) Housing Benefit Reduction in Administration Grant. Following the introduction of Universal Credit administered by central government.	(500)			(500)	N/A
RES020	Collections and Benefits	Loss of Housing Benefits Overpayments Income Stream. To reflect lower surplus currently being achieved and loss of the income stream following the introduction of Universal Credit administered by central government.	(320)			(320)	N/A
Total Growth			(4,497)	-	-	(4,497)	
						-	
Net Growth			(4,182)	-	-	(4,182)	

MEDIUM TERM FINANCIAL STRATEGY 2015/16 to 2018/19

	2015/16	2016/17	2017/18	2018/19
	£000	£000	£000	£000
Budget Requirement Brought Forward		167,381	165,754	155,697
Corporate & Technical		10,883	219	11,180
People		-4,732	-5,558	-14,121
Community		-3,474	-2,092	-2,652
Resources & Commercial		-3,994	-2,126	-2,540
Regeneration		-90	-150	0
Pan Organisation		-220	-350	-2,000
Total		-1,627	-10,057	-10,133
FUNDING GAP		0	0	0
Total Change in Budget Requirement		-1,627	-10,057	-10,133
Revised Budget Requirement	167,381	165,754	155,697	145,564
Collection Fund Deficit/-surplus	-1,900	-3,500	0	0
Revenue Support Grant	-32,034	-25,282	-16,982	-5,999
Top Up	-20,939	-21,375	-21,986	-22,727
Retained Non Domestic Rates	-14,012	-13,189	-13,189	-13,189
Amount to be raised from Council Tax	98,496	102,408	103,540	103,648
Council Tax at Band D	£ 1,234.36	£1,258.92	£1,271.51	£1,271.51
Increase in Council Tax (%)	1.99%	1.99%	1.00%	0.00%
Tax Base	79,795	81,346	81,431	81,516
Collection rate	97.50%	97.75%	97.75%	97.75%
Gross Tax Base	81,841	83,218	83,305	83,392

MTFS 2016/17 to 2018/19 – Proposed investments / savings

TECHNICAL BUDGET CHANGES	Proposed		
	2016/17	2017/18	2018/19
	£000	£000	£000
MTFS Proposals Agreed in February 2015			
Capital and Investment			
Capital financing costs and investment income			
Increased Minimum Revenue Provision costs of the capital programme and interest on balances changes	2,462	2,095	4,731
Amendment 2016/17 review	958	1,437	1,631
Total Capital and Investment Changes	3,420	3,532	6,362
Grant Changes			
New Homes Bonus			
Projected grant received net of topslice to London LEP	-150	325	579
Amendment 2016/17 review	-750		
<i>Total New Homes Bonus</i>	<i>-900</i>	<i>325</i>	<i>579</i>
Better Care Fund			
<i>Estimated additional grant from 2016/17</i>	<i>-1,000</i>		
Education Support Grant.			
Projected reduction in grant received	545	545	545
S31 Grant Re Business Rate Reliefs			
Reduction in 2016/17 due to ending retail relief scheme	443		
Total Grant Changes	-912	870	1,124
Other Technical Changes			
Freedom Pass Levy increase. Cost of Freedom passes charged to Harrow by Transport for London	289	380	390
Remove energy price contingency		-350	
Budget planning contingency.	3,000	3,000	3,000
Amendment 2016/17 review	-1,000	-5,000	-2,630
<i>Total Budget planning contingency.</i>	<i>2,000</i>	<i>-2,000</i>	<i>370</i>
Total Other Technical Changes	2,289	-1,970	760
Pay and Inflation			
Pay Award @ 2% pa	1,800	1,800	1,800
Reduction to 1% and National Living Wage	-800	-800	-800
Pay inflation total	1,000	1,000	1,000
Employer's Pension Contributions lump sum increases agreed with actuary			
Required to reduce the pension deficit	582	622	664
Inflation on goods and services @ 1.3% p.a.	1,270	1,270	1,270
Reduction in inflation provision	-870	-870	
<i>Inflation Provision total</i>	<i>400</i>	<i>400</i>	<i>1,270</i>
Increase in cost of NI for contracted out employees			
Ending of contracted out rebate - 3.4% on applicable salary range	1,100	0	0
Total Pay and Price Inflation	3,082	2,022	2,934
OTHER			
Contribution to MTFS Implementation Reserve - one off	3,135	-3,135	
Commercialisation Savings		-1,100	
Car allowance review	-100		
Staff Terms and Conditions.			
Final year of phasing out of protection on terms and conditions changes agreed with Staff from January 2013.	-31	0	0
Total Corporate & Technical	10,883	219	11,180

MTFS 2016/17 to 2019/20 – Proposed investments / savings

PEOPLE DIRECTORATE	Proposed			
	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000
Children & Families				
Proposed Savings - see appendix 1a	-3,569	-681	-3,262	-150
Changes agreed in 2015/16 MTFS - see appendix 1b	0	0	0	0
Changes agreed in 2014/15 MTFS - see appendix 1c	413	0	0	0
Sub total Children & Families	-3,156	-681	-3,262	-150
Adults				
Proposed Savings - see appendix 1a	-3,542	-4,415	-5,330	0
Changes agreed in 2015/16 MTFS - see appendix 1b	-50	0	0	0
Changes agreed in 2014/15 MTFS - see appendix 1c	2,500	0	0	0
Sub total Adults	-1,092	-4,415	-5,330	0
Public Health				
Proposed Savings - see appendix 1a	-484	-462	-5,529	0
Changes agreed in 2015/16 MTFS - see appendix 1b	0	0	0	0
Changes agreed in 2014/15 MTFS - see appendix 1c	0	0	0	0
Sub total Public Health	-484	-462	-5,529	0
Total People Directorate	-4,732	-5,558	-14,121	-150

MTFS 2016/17 to 2019/20 – Proposed investments / savings

COMMUNITY	Proposed			
	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000
Environmental Services				
Proposed Savings - see appendix 1a	-595	-451	-1,961	0
Changes agreed in 2015/16 MTFS - see appendix 1b	-2,440	-675	-264	0
Changes agreed in 2014/15 MTFS - see appendix 1c	764	0	0	0
Sub total Environmental Services	-2,271	-1,126	-2,225	0
Community & Culture				
Proposed Savings - see appendix 1a	-15	-390	-209	0
Changes agreed in 2015/16 MTFS - see appendix 1b	-584	-100	0	0
Changes agreed in 2014/15 MTFS - see appendix 1c				
Sub total Community & Culture	-599	-490	-209	0
Housing - General Fund				
Proposed Savings - see appendix 1a	-604	-476	-218	-162
Changes agreed in 2015/16 MTFS - see appendix 1b	0	0	0	0
Changes agreed in 2014/15 MTFS - see appendix 1c	0	0	0	0
Sub total Housing General Fund	-604	-476	-218	-162
Total Community	-3,474	-2,092	-2,652	-162

MTFS 2016/17 to 2019/20 – Proposed investments / savings

RESOURCES & COMMERCIAL	Proposed			
	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000
Resources & Commercial				
Proposed Savings - see appendix 1a	-2,934	-474	-1,195	0
Changes agreed in 2015/16 MTFS - see appendix 1b	-1,565	-1,652	-1,345	0
Changes agreed in 2014/15 MTFS - see appendix 1c	505	0	0	0
Total Resources & Commercial	-3,994	-2,126	-2,540	0

MTFS 2016/17 to 2019/20 – Proposed investments / savings

REGENERATION	Proposed			
	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000
Proposed Savings - see appendix 1a	-90	-50		
Changes agreed in 2015/16 MTFS - see appendix 1b		-100		
Changes agreed in 2014/15 MTFS - see appendix 1c				
Total Regeneration	-90	-150	0	0

MTFS 2016/17 to 2018/19 – Proposed investments / savings

Pan Organisation	Proposed			
	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000
Proposed Savings - see appendix 1a	0	0	0	0
Changes agreed in 2015/16 MTFS - see appendix 1b	-220	-350	-2,000	0
Changes agreed in 2014/15 MTFS - see appendix 1c	0	0	0	0
Total Pan Organisation	-220	-350	-2,000	0

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1. Introduction

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

2. School Funding for 2016-17

There are minimal changes proposed to how local authorities can fund schools through their individual funding formulae. However, in 2015-16 former non recoupment academies (NRAs) were brought into local authorities' dedicated schools grant schools block funding allocations. This was done by adding a cash amount to each local authority's 2015-16 DSG allocation to ensure they had sufficient funding to include the budgets for the NRAs within overall funding. For 2016-17 the Schools Block Unit of Funding (SBUF) has been adjusted and has reduced to £4,915 per pupil, a reduction of around £5 per pupil. This represents a potential reduction of approximately £150k in DSG across some 30,000 pupil numbers because the funding allocated to Harrow's former NRA is lower per pupil than the funding generated from the SBUF. It is hoped that the funding gained between the differential of that received and that distributed will offset the loss in funding through the SBUF.

3. Setting 2016-17 Budgets

In 2014-15 and 2015-16 the schools funding formula has been set at a deficit of £1.2m and £1.6m respectively. In 2014-15 this deficit was offset by a significant underspend primarily in relation to Early Years funding for 2 year old nursery education places where the funding allocation was based on estimated numbers of eligible 2 year olds, not participation. In 2015-16 it is proposed to fund the deficit from the schools brought forward contingency totalling £8m. Beyond 2015-16 it will not be prudent to continue to set a school funding formula with a deficit position. The schools brought forward contingency is a one off sum of money and therefore it is not sustainable to continue to use this to support a budget gap.

Schools are protected annually by the Minimum Funding Guarantee (MFG) from *per pupil* losses capped at -1.5% of the per pupil budget from the previous financial year. This means that schools cannot lose more than -1.5% of their previous years' per pupil budget. This will continue into 2016-17.

In order to reduce the amount of funding distributed through the formula, to enable a balanced budget to be set, the factor values would need to be reduced. This can either be done on one, some or all of the factors.

However, it is not as simple as just reducing the factor values and reducing the overall funding to be distributed because of the MFG. Schools which are already at MFG, ie receiving protection from losing no more than -1.5% of the previous years' *per pupil* budget will not see reductions in their budgets of anything more than -1.5% which would have happened anyway so no funding would be clawed back from their budgets to reduce the deficit. Schools which

will see an impact are those which are not currently at MFG – some of these could end up at MFG and others will see lower increases than in previous years.

In order to fund the MFG lump sum protections in 2015-16, schools which gain have been capped at 0.8%. This means that the *per pupil* budget compared with the previous year cannot increase by more than 0.8%. In 2015-16, 20 of the 55 schools funded through the Harrow Schools Funding Formula are receiving protection through MFG and 19 schools are capped at 0.8%. Therefore, the schools which will be more significantly impacted are those which currently gain through the formula.

Schools Forum established a working group to review the current funding formula and consider options to take the formula forward into future years. The working group came up with the following principles:

- Any changes to factor values would need to impact on all factor values. (The factor for Looked After Children has been excepted from this by the Local Authority in order to support LAC in schools).
- The contingency can continue to be used to support the formula for as long as is sustainable before the balance reaches a “minimum” limit, suggested to be £2m.

4. Consultation

The Council issued a consultation document on Friday 25th September 2015 to include all maintained schools and academies with the following options.

- **Do nothing.** Continue to set a formula at a deficit and continue to use the schools contingency until it reaches a reduced, but prudent limit, say £2m. This would allow a maximum of two years before any local changes needed to be made in respect of the formula factor values. However, this is potentially putting off a bigger problem in future years and without a contingency, there will be no capacity to manage. In addition, if there were to be a change to the MFG regulations, schools may feel a significant loss from one year to the next and have to take the hit in one go.
- **Implement a reduction in factor values.** This would allow some funding to be clawed back through the formula to contribute to the deficit but would still maintain a number of schools above MFG and the remainder of the deficit to be funded through the contingency. It would still place a pressure on the contingency, but at a slower rate. It would also allow for greater formula stability for a longer period, possibly 3-4 years (subject to any national changes) and could put the contingency in a stronger position to manage any transitional arrangements as a result of any central government changes. This would include:
 - Reduce all formula factor values by -1.5%, but;
 - Retain current value for Looked After Children factor
 - Cap gains at 1% so that schools which gain do not gain more than 1% of last year's per pupil budget.

The consultation closed on 23rd October 2015. A total of 16 responses to the consultation were received (31%). A summary of the responses is shown at the following table.

Consultation responses

Phase	TOTAL	Do Nothing	Reduce by 1.5%	Alternative
Primary	10	1	9	
Secondary	6	0	3	3
TOTAL	16	1	12	3

The majority of respondents were in favour of a reduction in factor values. However three respondents, whilst broadly in support of a reduction, felt that a more modest reduction would be more appropriate, ranging from 0.5% to 1%.

As a result of the outcome of the consultation it is proposed to implement a factor value reduction in 2016-17 and it is suggested that the final cash values of each formula factor be set following consultation with Schools Forum in January 2016 after the 2016-17 Schools Block funding has been announced which will be based on October 2015 census data.

Cabinet is required to approve the structure of the funding formula for 2016-17 in relation to the factors applied within the formula. The values attached to each factor will be decided in consultation with Schools Forum. There are no changes proposed for the funding formula structure from the current 2015-16 formula. The current factors in the school funding formula are:

- Basic per pupil entitlement (Age Weighted Pupil Unit)
- Free School Meals
- Income Deprivation Affecting Children Index (IDACI)
- Looked After Children
- English as an Additional Language (EAL)
- Mobility
- Prior Attainment
- Lump Sum
- Rates
- Private Finance Initiative (PFI) Funding

Schools will also receive the Pupil Premium Grant in respect of pupils who have ever been eligible for Free School Meals (FSM) in the last six years.

Central Services

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

- Co-ordinated Admissions
- Servicing of Schools Forum

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

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

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

Additional Class Funding

At its meeting in November 2015 Schools Forum will consider a requires to continue to maintain a ring fenced Growth Fund from the DSG in order to fund in year pupil growth in relation to additional classes in both maintained and academy schools but not Free Schools, which create additional classes at the request of the local authority.

High Needs Block

In line with the SEND Reforms being introduced from September 2014, the high needs funding system is designed to support a continuum of provision for pupils and students with special educational needs (SEN), learning difficulties and disabilities, from their early years to age 25. The following are funded from the High Needs Block:

- Harrow special schools & special academies
- Additional resourced provision in Harrow mainstream schools & academies
- Places in out of borough special schools and independent special schools
- High value costed statements in mainstream schools & academies
- Post 16 SEN expenditure including Further Education settings
- SEN Support services and support for inclusion
- Alternative provision including Pupil Referral Units and Education Other than at School

In 2015-16 high needs pupils are funded on a mixture of places and pupils, the “place-plus” approach. This will continue in 2016-17. There are continued concerns about the financial risks posed by the changes to the funding for SEN provision. Harrow has seen significant growth in the number of places through the expansion of the three special schools and the addition of three SEN units at mainstream schools from Sept 2015. There was no additional DSG funding awarded for these places and therefore they have been funded from a top slice from the Schools Block, which limits the funding available to distribute to schools. The 2016-17 DfE guidance states, before the DfE budgets have been set for future years, LAs should assume that the 2016-17 allocations of high needs place funding and other high needs funding, will remain as they were in 2015-16. Unlike last year, there will be no process which allows LAs to apply to the EFA for additional high needs funding. High Needs pupils in special schools, specialist provision and pupil referral units do not attract funding through a census, unlike pupils in mainstream settings.

Early Years Block

3 and 4 year old nursery entitlement

Since 2004 all three and four year olds have been entitled to a free part time early education place. As in 2015-16 the funding for three and four year olds will be based on a per pupil amount which will be confirmed in December 2015. Unlike school funding this is based on

January 2016 Early Years Census and January 2017 Early Years Census and funding is adjusted to reflect any change between the two dates.

Early Years Pupil Premium Grant

In addition to the funding through the funding formula a new Early Years Pupil Premium Grant (EYPPG) was introduced from April 2015. In 2015-16 this is £300 per year for each eligible child that takes up the full 570 hours with them. The eligible groups for the EYPPG will be children from low income families (defined as meeting the criteria for free school meals); children that have been looked after by the local authority for at least one day; have been adopted from care; have left care through special guardianship; and children subject to a child arrangement order setting out with whom the child is to live (formerly known as residence orders).

2 year old nursery entitlement

From September 2013 free entitlement became a statutory requirement for eligible two year olds. In 2015-16 the funding is based on participation being 5/12ths of the January 2015 census and updated for 7/12ths of the January 2016 census. Harrow currently receives £5.53 per hour per eligible child. The hourly rate for 2016-17 will be confirmed after the spending review in December 2015.

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Draft Public Health Funding 2016/17

Appendix 4

	£	
Mandatory Services		
Sexual Health (incl Family Planning)	2,641,502	
Health Checks	76,450	
Health Visiting	3,154,000	
Supporting Child Health	<u>737,387</u>	
		6,609,339
Discretionary Services		
Tobacco Control	166,814	
Drug & Alcohol Misuse	2,519,585	
Physical Activity	<u>0</u>	
		2,686,399
Staffing & Support Costs		
Staffing	1,150,627	
Non-Staffing	80,800	
Overheads	<u>245,525</u>	
		1,476,952
Health Improvement	154,000	
Wider Determinants of Health	1,413,270	
Unallocated Grant		
		<u>1,567,270</u>
Total Expenditure		<u><u>12,339,960</u></u>
Funded by		
Department of Health Grant	12,300,000	
MOPAC Funding	<u>39,960</u>	
Total Income		<u><u>12,339,960</u></u>

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REPORT FOR: CABINET

Date of Meeting:	10 December 2015
Subject:	Draft Capital Programme 2016/17 to 2019/20
Key Decision:	Yes
Responsible Officer:	Dawn Calvert, Director of Finance
Portfolio Holder:	Councillor Sachin Shah, Portfolio Holder for Finance and Major Contracts
Exempt:	No
Decision subject to Call-in:	Yes
Wards affected:	All
Enclosures:	Appendix 1 – Summary of Draft Programme Appendix 2 – Draft Proposed Capital Programme Appendix 3 – Changes from Programme approved in February 2015

Section 1 – Summary and Recommendations

This report sets out the proposed capital programme for 2016/17 to 2019/20 for consultation.

Recommendations:

Cabinet is requested to approve the draft capital programme, as detailed within Appendix 2, for consultation. The final version will be brought back to Cabinet in February with the results of the consultation with final approval

being by Council in February.

Reason: To enable the Council to have an approved capital programme for 2016/17 to 2019/20 and to enable preparation work to be undertaken for future years.

Section 2 – Report

Development of the Capital Programme

1. This report sets out the Council's proposals for Capital investment over the next four years. These provide for a very substantial investment of £274m in infrastructure on General Fund and Housing Revenue Account services over the next four years.
2. The proposed capital programme has been prepared in the current climate of increased demand pressures and reduced external funding from Central Government.
3. The existing capital programme is a four year rolling programme with first year approved budgets and the subsequent three years provisional budgets subject to confirmation. The draft programme extends the existing programme by one year, to align it with the four year Medium Term Financial Strategy (MTFS).
4. Service directorates were invited to bid for capital resources, as part of their service proposals for 2016/17 to 2019/20. The starting point for this exercise was a refresh of the existing programme to 2018/19 and the extension of programmes to 2019/20. The proposals were scored using an updated scoring matrix to take account of the council's new priorities and equalities or other statutory duties, and in order to give a higher weighting to projects that generate revenue savings. These were then subject to challenge by officers and members.
5. As well as the pressures highlighted in the first paragraph, flexibility in the capital programme is also constrained by a number of factors:
 - Unavoidable spending requirements such as the need to provide school places for the increasing school population, and major repairs to the Council's buildings and carriageway and footway resurfacing.
 - Restrictions in the way funding can be used e.g. ring fenced funding such as Transport for London and DfE grants for schools.
 - The limited availability of capital receipts
 - A limited capacity to fund borrowing. Although there are no specific limits to borrowing in order to fund capital expenditure, since the introduction of the prudential borrowing framework, Councils must however consider the revenue implications in the

context of the overall revenue budget commitments in the medium term. Proposals must be affordable.

A list of the proposed projects within the programme is detailed in appendix 2.

6. The gross value of the proposed General Fund programme is £85.239m for 2016/17, with external funding of £28.548m and a net cost to the Council of £56.691m.
7. The net programme funded by the general fund is increasing from that approved in February 2015 from £68.500m to £124.754m in the first three years, an increase of £56.254m. A net £20.495m has been added in respect of 2019/20.

Backlog Maintenance

8. The Council has considerable backlog maintenance – the figures from the latest Asset Management Plan are as follows:
 - Corporate, Education and Miscellaneous buildings - £4.38m
 - Highways – £25m

The level of investment contained within this programme does not clear the full backlog. It should be noted that the Council cannot afford to fully address the backlog in the short-term, however, the Council will do at least what is necessary in order to comply with health and safety legislation. The programme does include projects which address some of the backlog. The investment that has taken place in the Civic Centre is freeing up buildings for disposal and hence removing some of the backlog maintenance requirement. The substantial investment in schools that is currently taking place is also significantly reducing the backlog.

COMMUNITY DIRECTORATE

Environmental Services

9. There has been reprofiling of a number of projects across the first 3 years. The spend on a project for Harrow on the Hill station has been slipped from the current approved programme. An additional £1.5m has been included in 2016/17 in respect of street lighting, to accelerate the programme for the replacement of street lights. The programme added for 2019/20 totals £9.800m in respect of rolling programmes.
10. The draft programme allows for substantial highways works, to address some of the backlog, improvement to the ageing street lighting and drainage infrastructure. The investment in street lighting will provide the revenue savings needed to meet MTFs targets.
11. The programme also provides for investment in Parks Infrastructure which will create commercial opportunities for the Council.
12. There is provision for a number of Carbon reduction schemes. Carbon reduction schemes result in savings in energy costs.

13. There is provision for a collaboration with the GLA/TfL on a project to enhance the quality and safety of Harrow on the Hill station and bus station including provision of step free access. The Council contribution of £3m is earmarked for 2018/19, and is aimed at (and conditional upon) leveraging in the significant investment required by GLA/TfL to deliver the project over a series of phases.
14. £0.700m has been included for Trade Waste bins as part of a commercialisation project to generate additional income for Trade Waste.
15. £0.600m has been included for CCTV cameras for traffic enforcement and security purposes.

Culture

16. The programme provides for a targeted programme of improvements to the Council's leisure and library facilities. There will be ongoing contractual commitments around the replacement of Lifecycle gym equipment which will need to be included in future planning years.
17. Provision of £1.5m has been made in 2017/18 for a refit of the Central Library and for Library refurbishments.
18. Provision has been made for a substantial programme of work at Headstone Manor. This is predominantly funded from a successful Heritage Lottery fund award.
19. Provision has been made for £3.8m of work at Harrow Arts Centre to extend and enhance the current provision, including a 2 screen cinema, as a part of the proposal to generate revenue income to enable the new Trust to be self-financing. Cabinet will receive a report in January which will determine the next steps for the Arts Centre.

Housing

20. Council agreed in September 2015 to add £30m to the capital programme, commencing in 2015/16 in respect of a Property Purchase Initiative to reduce the costs to the Council of Homelessness. £7.5m was added to the 2015/16 programme and the balance of the £30m is included in 2016/17 and 2018/19.
21. Provision has been made for Disabled Facility Grants to provide adaptations for vulnerable residents, Improvement Grants and empty Property grants.

PEOPLE DIRECTORATE

Schools

22. The existing programme for Schools includes borrowing of £23.575m. However, on 12 February 2015, the Department for Education announced the latest Basic Need allocations. In addition to the 2017-18 new allocation, the Government allocated "top up" funding in 2015-16 and 2016-17 to distribute £300 million held back for those local authorities with unexpected increases in forecast pupils. Local authorities which reported an increase in their forecast of total pupil numbers for academic year 2017-18 of at least 2% and 250 pupils receive a portion of this funding in 2015-16 and 2016-17, to reflect their unexpected increase in need. Harrow is one of only four London

boroughs to successfully receive top up funding in these years and an increase in allocations over future years, totalling £19.607m, over and above the current notified allocations. This has been applied to the existing capital programme, including £6.1m in 2015-16, reducing the need for borrowing.

23. The proposed programme adds £14.625m of which £13.125m relates to secondary provision and the remainder relates to rolling programmes for bulge classes and capital maintenance. None of this is funded from grant. All of the notified grant allocations up to 2017-18 have been applied to the existing programme including an estimate of funding to be received in 2018-19. There are no further grant notifications anticipated in this period. The net increase in Harrow funded expenditure is £0.525m in 2016-17, £5.25m in 2017-18, £4.725m in 2018-19 and £4.125m in 2019-20. The total of Harrow funded expenditure over the four years is £14.625m.
24. The budget for the existing school expansion programme through to 2018-19 is £124.944m.

Phase 2

25. As at the end of August 2015 there have been significant pressures identified primarily in Phase 2 (SEP2) of the programme. They include items omitted/excluded from the Agreed Maximum Price (AMP) schedules, delays leading to additional costs including Plan B options for works not completed by September 2015 and a number of external unforeseen factors such as UK Power. It is anticipated the worst case scenario forecast figures will not all come to fruition and that the programme will still be affordable within the budget. However, the programme is continually changing and therefore there is still a risk to this budget.
26. This does not include costs for two schools (Priestmead and Aylward) which will be rebuilt as expanded schools as part of the Government's Priority School Building Programme (PSBP) to improve the schools in the worst condition across the country.

Phase 3

27. All Phase 3 (SEP3) schools are on very confined sites within heavily residential areas. Consequently this brings additional challenges to the building programme with enhanced planning requirements mainly around traffic and the size and type of building planning will allow. Furthermore, due to works having to be carried out whilst schools are in occupation means the building process will be longer which impacts on project costs. The current construction market in the UK and in particular in London is extremely buoyant with many construction firms working to capacity and with full order books. Because of this, the cost of construction related materials, labour and professional services are at a premium. This means the current SEP3 budget needs to rise to keep pace with the rising costs of the London construction market. On 17 September 2015 Cabinet approved a virement to the Capital Programme transferring £5.465m of funding from the as yet uncommitted Phase 4 School Expansion Programme to Phase 3 to fund these increasing costs from within the overall approved capital programme.

Secondary Provision

28. In the existing capital programme £0.525m was added for 2018-19 as part of the 2014-15 MTF5 process to begin the feasibility process of developing a new secondary school. The previous estimate had been £13.7m over a total of 4 years, starting in 2018-19, which would provide for a 5 form entry secondary school, without a sixth form.
29. At this stage, it is proposed to bring forward the programme of works for additional secondary school provision to 2016-17. This is because the current projections and planning to increase secondary capacity leaves a shortfall of places from 2021 onwards of at least a new school. This will be challenging and potentially lengthy to deliver, and it is considered necessary to begin this process in 2016-17 following the initial scoping work taking place in 2015-16. It may be that the specification for the additional school would need to be adjusted to 6 form entry.

Adults

30. The Adults capital programme reflects in the main Project Infinity (£6.270m), and assumes full utilisation of the Community Capacity grant and an estimated capital funding requirement. The project covers a range of initiatives which seek, in light of the revenue financial challenges, to radically change the way in which care is provided as well as delivering revenue savings detailed elsewhere on the agenda. Commercial opportunities are being explored and the business case (currently being developed) will inform the required levels of capital investment in due course.
31. Investment associated with the social care reforms have been reduced (to £250k) and rephased to 2019/20 in response to the Government announcement to delay the second phase of the Care Act until April 2020.
32. The current programme does not include any provision in relation to integration with Health, and future programmes will update the requirement as the programme develops and identifies what, if any, capital investment may be required.

RESOURCES AND COMMERCIAL

33. The Council outsourced the provision of IT services to Capita in November 2010. This contract ended in October 2015 and the new contractor is Sopra Steria. The provision in the draft programme allows for the anticipated capital expenditure with the new provider. Note there is already a provision of £2.56m for committed Sopra Steria projects as part of the current year budget which will be carried forward to cover expenditure in subsequent years, with most of that occurring in 2016/17.
34. The programme provides for further the continuing enhancement of existing corporate systems.
35. £350k has been included in respect of IT development to support the proposed shared service with Buckinghamshire.
36. £915k has been provided for the last instalment of the loan to West London Waste Authority to finance a new energy from waste facility.

REGENERATION

37. £10.075m has been included in 2016/17 as agreed at the September 2015 Council in relation to site assembly in Wealdstone for the new civic Centre site.
38. £15m has been included for the Gayton road Development as agreed at council in September 2015.
39. £4.85m has been included for the Haslam House redevelopment.
40. Regeneration Development expenditure of £250k p.a. has been included, working towards delivery of a 25 year strategy with specific Capital investment proposals to follow consultation launched in early 2015.
41. There are a number of other regeneration schemes in development. Cabinet received a report on progress in September 2015. The new projects that have not yet been approved have not been included in this draft Capital Programme. The implications of these are currently being worked on for inclusion in the final report on the Capital Programme in February 2016.

CROSS CUTTING INVESTMENT IN INFRASTRUCTURE

42. £5m has been included in 2016/17 for investment across directorates in infrastructure.

Capital Receipts

43. Historically the timing and value of capital receipts has proved difficult to forecast, and have tended to be later than anticipated. In addition the council is moving away from selling property to partnering in developments in order to achieve an ongoing revenue stream. The draft capital programme does not assume any capital receipts in future years. To the extent that capital receipts are actually received, this will enable a reduction in capital financing costs, commencing in the year following their receipt.

HOUSING REVENUE ACCOUNT (HRA)

44. The proposed HRA Capital Programme is detailed in a separate report to Cabinet elsewhere on this agenda.

Capital Funding

45. The capital programme is funded from a number of sources. These include:
 - External Funding of the order of £30m in 2016/17, £74m across the four year programme period, primarily from the DfE and Transport for London;
 - Borrowing;
 - Capital receipts;
 - s106 planning agreements in relation to specific schemes;

- Direct Revenue Financing (Housing Revenue Account).

It is anticipated that the General Fund programme will be financed as follows:

Table 1: New borrowing requirement

<u>General Fund Programme</u>					
	2016/17	2017/18	2018/19	2019/20	Total
	£m	£m	£m	£m	£m
Planned spending	85.2	69.2	38.4	24.0	216.8
External funding	-28.5	-20.1	-19.5	-3.5	-71.6
Net Prudential Borrowing	56.7	49.1	18.9	20.5	145.2

46. The revenue implications of this new borrowing, in the context of the Council's treasury management activity, are set out in the table below. The revenue implications are factored in to the draft revenue budget report for 2016/17 to 2019/20 being considered by Cabinet elsewhere on this agenda. The table below shows for each year what the full year's effect of that year's capital programme and capital receipts are. The table only includes the revenue effects of the programme that is proposed and excludes the revenue implications of previous years' capital programmes. It also excludes the impact of other changes to funding the existing programme e.g. interest rate changes.

Table 2: Capital Financing Implications of Capital Programme

	2016/17	2017/18	2018/19	2019/20	2020/21
	£000	£000	£000	£000	£000
MRP		2,606	5,254	7,416	9,488
Interest	994	2,847	4,037	4,727	5,086
Total	994	5,453	9,291	12,143	14,574

47. The table above reflects the cost in each year of financing 2016/17 to 2019/20 programme. There is no MRP impact in 2016/17 as MRP in relation to expenditure in 2016/17 does not commence until 2017/18.
48. There is no new planned borrowing in respect of the HRA programme. This is because under HRA Reform, the HRA is allowed to keep all of its net income rather than transferring some to the Government. This income will allow the HRA to maintain its capital programme without the need for further borrowing. In addition, the HRA will be at its "borrowing cap" so cannot borrow any more. These issues are more fully explained in the HRA budget report to this meeting.
49. It should be noted that the capital financing costs are based on a number of assumptions about the level of capital expenditure, level of capital receipts, timing of any borrowing, interest rates, and use of the minimum revenue provision. The revenue budget reflects the best estimate based on these assumptions.

Harrow's Community Infrastructure Levy (CIL)

50. Harrow's CIL came into effect on 1st October 2013 and enables the Council to levy a charge on certain types of new development to help fund new or expanded local infrastructure such as schools, transport, green spaces, health and leisure facilities required to support the new development. Harrow's CIL is an additional levy on top of the London Mayor's Crossrail CIL, which is collected by all London Boroughs and passed onto the Mayor. The Harrow CIL is underpinned by the Infrastructure Delivery Plan (IDP) which sets out the infrastructure required to enable investment and planned growth in the Borough.
51. Against an infrastructure bill, estimated to be at least £150m, CIL is expected to account for circa £25-35M by 2026, depending upon the level development permitted and the ability of the development industry to bring new proposals forward. To date Harrow has received total of £403k in CIL. CIL is only payable upon the commencement of the liable development, so there is a time lag between when the Council issues the CIL Liability Notice (generally with the relevant planning permission) and when CIL actually falls due and the Council receives the payment. Additionally, for larger schemes, CIL is paid in instalments over a period of time up to 240 days from the commencement of the development.
52. The CIL pipeline (i.e. the value of CIL liability notices issued to-date but not yet triggered as the liable development has not commenced) currently stands at £6.8M. However, this full amount is unlikely to be received as some developments will not proceed and others may be able to seek relief / exemption from CIL i.e. affordable housing, charitable relief etc. Furthermore, a number of additional exemptions proposed by the Government is likely to further reduce anticipated CIL receipts (for example, the Government's proposed 'Starter Homes' will be exempt from CIL and affordable housing). It is likely that that a significant proportion of the CIL contributions may be made in kind – for example through the provision of new social & community facilities within new developments. In this context, CIL is additional top-up funding, but is not the primary source of funding for infrastructure and, even with CIL funding, there will still remain a funding gap that requires choices and priorities to be made.
53. Arrangements regarding the governance for allocating and spending CIL receipts are currently being developed. Based upon experience with tariffs previously, officers consider that the most transparent and appropriate means of managing infrastructure delivery in future, is through a single but expanded and dynamic IDP process that addresses the following requirements:
 - Long (10 year+) and short term (1-3 year) strategic infrastructure delivery programmes
 - A clear and transparent bidding and approval process for all infrastructure projects
 - Consultation with the community on infrastructure delivery (including the obligation to pass at least 15% of Harrow CIL receipts to the local communities impacted by development)

- Engagement with the development industry about priorities and capacity, including their potential role in assisting delivery
- Effective monitoring of progress against the infrastructure plans and the effective implementation of the spatial vision for the borough set out in the adopted Local Plan

Harrow's Infrastructure Delivery Plan (IDP)

54. The IDP identifies the types and quantum of social, physical and environmental infrastructure required to support development and growth within the Borough to 2026, and sets this out in a detailed delivery plan. In particular it:
- Provides a benchmark of existing infrastructure provision, identifying how well existing needs are met;
 - Identifies what new infrastructure is being planned as well as future infrastructure requirements to support existing population change as well as the new housing and employment growth planned for through the Council's Spatial Strategy;
 - Provides an indication of the potential costs and means of funding the required infrastructure through public funding, developer contribution and other sources;
 - Establishes responsibilities for delivery of individual projects, when and where infrastructure will be provided, and provides a basis for collaborative and effective working between stakeholders.
55. The effectiveness of the IDP is in capturing Harrow's future infrastructure improvements and requirements in one place, based on the location and scale of planned development and population increases. As such, the IDP represents the beginning of a long-term (10 year) capital works programme for the Council, providing an overarching framework for the consideration of a coordinated programme of delivery across all service areas and rational basis for the evaluation and prioritisation of individual project bids for capital investment. It is also a powerful tool for informing the Council's Regeneration Strategy, particularly the development of Council-owned sites.
56. The proposed capital programme for 2016/17 to 2019/20 will deliver a number of the infrastructure improvements identified in the IDP. Going forward, closer alignment of the capital programme to the delivery against the IDP will significantly aid in Council's communication of a clear and coherent picture around its strategic investment choices and decisions.
57. However, it is not intended that the IDP be a static document, rather it will be subject to periodic review and updated as necessary to take account of improvements already delivered, new population projections, changes in demands for different infrastructure provision, development completions and changes in service delivery and/or service funding. Such information will routinely be feed-in from the various service areas, enabling the IDP to provide a 'top-down' approach to Council's strategic decision-making about its future investment in capital improvements alongside other funding initiatives

and property disposals. The IDP is currently being updated to take into account higher than anticipated population growth rates and the Borough's increased housing target in the London Plan 2015.

Governance Structure For Delivery Of The Programme

58. The processes and procedures implemented surrounding the governance of the capital programme have continued to be developed. All capital projects are now included in VERTO, the Council's project management system.
59. Governance of the Capital Programme in 2016/17 will continue to include monitoring and review by Capital Forum and the Corporate Strategic Board on a monthly basis, with reporting to Cabinet at the end of each quarter.

Options considered

60. These are as detailed in paragraph 5.

Legal Implications

61. Under the Financial Regulations paragraph B2 full council is responsible for agreeing the authorities policy framework which are proposed by the cabinet this includes the capital programme.

Financial Implications

62. Financial matters are integral to the report.

Performance Issues

63. The capital programme proposed represents a significant investment by the Council in infrastructure. This will have an impact on a range of performance indicators across the Council's services.
64. Monitoring of the approved programme, including Capital Forum, is ongoing and is essential for good financial management. As well as performing project assessments on completed projects it will be important to develop and track performance measures to ensure that the Council can evidence and demonstrate good value for money (VFM).
65. Target for spend. It is proposed that a performance target is set of 90% of the approved budget for the programme being spent in 2015/16. Having approved an investment programme it is important that the programme is then substantially delivered in the planned timeframe, in line with member priorities.

Environmental Impact

66. The Council adopted the climate change strategy in September 2009 and set an annual target to reduce corporate and borough carbon emissions by 4% a year.

67. Capital expenditure of this scale will have an environmental impact on the Council's operations (and the wider borough). The investment carries the risk of increasing carbon emissions. Hence each proposed project is required to consider their respective carbon impacts and include measures to ensure that the above target is supported.
68. Some of the projects will specifically support the strategy in terms of mitigation and adaptation.

Risk Management Implications

69. The individual schemes within the programme will either be incorporated within departmental registers or have individual registers. A significant consideration in developing the programme has been the risks arising from not keeping our infrastructure in good order. Not doing so would lead to an increase in health and safety risks and additional costs in replacing assets when they deteriorate too much to repair.

Equalities implications / Public Sector Equality Duty

70. One of the aims of the Capital Strategy is to ensure the responsible allocation of funding in line with the Council's priorities and legislative requirements such as equalities legislation. Equalities implications form part of the way that the projects are prioritised. The officer's initial views are that no protected group is adversely affected by the proposals. A number of the projects proposed in the programme will require full Equality Impact Assessments before they commence. Following consultation the impact will be further reviewed before the programme is finalised.

71. Decision makers should have due regard to the public sector equality duty in making their decisions. Consideration of the duties should precede the decision. It is important that Cabinet has regard to the statutory grounds in the light of all available material such as material in the press and letters from residents. The statutory grounds of the public sector equality duty are found at section 149 of the Equality Act 2010 and are as follows:

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

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

The relevant protected characteristics are:

- *Age*
- *Disability*
- *Gender reassignment*
- *Pregnancy and maternity*

- *Race,*
- *Religion or belief*
- *Sex*
- *Sexual orientation*
- *Marriage and Civil partnership*

72. Consultation responses received on this draft programme will be taken into account in drafting the final EIA.

Council Priorities

The Council's vision is:

Working Together to Make a Difference for Harrow

73. This report deals with the use of financial resources which is key to delivering the Council's new priorities:

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

Section 3 - Statutory Officer Clearance

Name: Dawn Calvert	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 30 November 2015		
Name: Jessica Farmer	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 27 November 2015		

Ward Councillors notified:	NO, as it impacts on all Wards
EqIA carried out:	NO
EqIA cleared by:	Any projects with potential impacts will separately be required to do an impact assessment.

Section 4 - Contact Details and Background Papers

Contact: Steve Tingle, Senior Financial Advisor (Strategic Finance)

Email: steve.tingle@harrow.gov.uk

Background Papers: None

**Call-In Waived by the
Chairman of Overview
and Scrutiny
Committee**

NOT APPLICABLE

[Call-in applies]

Summary Capital Bids 2016/17 to 2019/20

Appendix 1

Project Title	2016/17			2017/18			2018/19			2019/20			TOTAL		
	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Bid Value	External Funding £000	Net Bid Value
Resource and Commercial Directorate	4,375	0	4,375	2,250	0	2,250	2,000	0	2,000	5,000	0	5,000	13,625	0	13,625
People Directorate															
Adults	1,750	540	1,210	2,640	540	2,100	1,540	540	1,000	790	540	250	6,720	2,160	4,560
Schools	16,170	15,645	525	15,465	3,632	11,833	10,110	8,000	2,110	4,125	0	4,125	45,870	27,277	18,593
Total People Directorate	17,920	16,185	1,735	18,105	4,172	13,933	11,650	8,540	3,110	4,915	540	4,375	52,590	29,437	23,153
Community Directorate															
Environmental Services	15,509	4,143	11,366	23,508	14,143	9,365	22,408	10,143	12,265	11,943	2,143	9,800	73,368	30,572	42,796
Community & Culture	9,290	7,420	1,870	1,650	1,000	650	150	0	150	150	0	150	11,240	8,420	2,820
Housing General Fund	16,970	800	16,170	9,470	800	8,670	1,970	800	1,170	1,970	800	1,170	30,380	3,200	27,180
Total Community Directorate	41,769	12,363	29,406	34,628	15,943	18,685	24,528	10,943	13,585	14,063	2,943	11,120	114,988	42,192	72,796
3^o generation	16,175	0	16,175	14,250	0	14,250	250	0	250	0	0	0	30,675	0	30,675
Cross Cutting Investment in Infrastructure	5,000		5,000										5,000	0	5,000
Total General Fund	85,239	28,548	56,691	69,233	20,115	49,118	38,428	19,483	18,945	23,978	3,483	20,495	216,878	71,629	145,249
Housing Revenue Account	23,850	1,565	22,285	15,238	1,018	14,220	9,139	70	9,069	9,139	70	9,069	57,366	2,723	54,643
Total General Fund + HRA Programme	109,089	30,113	78,976	84,471	21,133	63,338	47,567	19,553	28,014	33,117	3,553	29,564	274,244	74,352	199,892

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Outline Capital Bids 2016/17 to 2019/20

Project Title	2016/17			2017/18			2018/19			2019/20			TOTAL		
	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Bid Value	External Funding £000	Net Bid Value
Resource Directorate															
Ongoing refresh & enhancement of ICT 'Replacement, upgrades and enhancements to applications, infrastructure and end user devices, not included within the agreed supplier service charges or transformation programme	2,000	0	2,000	2,000	0	2,000	2,000	0	2,000	5,000	0	5,000	11,000	0	11,000
IT BTP Refresh 'Refresh of hardware for past BTP projects as included in original project cost models. Ongoing benefits realised through original implementation are dependent upon systems continuing to function.	300	0	300		0	0		0	0		0	0	300	0	300
Sub Total Transformation & Technology	2,300	0	2,300	2,000	0	2,000	2,000	0	2,000	5,000	0	5,000	11,300	0	11,300
Transforming Financial Management Enhanced reporting and system integration	270		270	250		250							520		520
HR Shared Service 'This scheme will invest in ICT systems to enable the sharing of the Council's HR Services including HR case work, employee relations, payroll and HR administration with Buckinghamshire County Council. The shared service will maintain and improve services to both Council's and their existing customers e.g. schools and colleges and is expected to deliver revenue savings for Harrow of £250k	350		350										350		350
MyHarrow Account & Website enhancements and upgrade	540		540										540		540
West London Waste Infrastructure Loan Loan to part finance a new energy from waste facility.	915		915										915		915
Total Resources	4,375	0	4,375	2,250	0	2,250	2,000	0	2,000	5,000	0	5,000	13,625	0	13,625
People Directorate															
Adults															
Reform of Social Care Funding The second phase of the Care Act in relation to the Care Accounts has been delayed until 2020. The originally approved funding is therefore pushed back to 2019/20 pending further guidance on next steps. The funding will be used to support the implementation, including building new information system(s) to support the requirements including self-assessment tools.	0	0	0	0	0	0	0	0	0	250	0	250	250	0	250
Project Infinity Subject to development of commercial business cases, placeholder for potential capital funding for: - Sancroft (PA_9) - funding to support service renegotiation (£150k) - Bedford House (PA_15) - redesign of property to accommodate re-provision from Roxborough (£500k) - MCEP (PA_26) - commercialisation - OCEP (PA_27), Community Wrap (PA_28), TCEP (PA_29) - support for exploration of new commercialisation opportunities	1,650	540	1,110	2,540	540	2,000	1,540	540	1,000	540	540	0	6,270	2,160	4,110

Outline Capital Bids 2016/17 to 2019/20

Project Title	2016/17			2017/18			2018/19			2019/20			TOTAL		
	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Bid Value	External Funding £000	Net Bid Value
In-House Residential Establishments Investment to maintain the infrastructure of the Council's internal residential and day care facilities. Requirement ceases post 2018/19 linking to revenue MTFS service re-provision proposals	100	0	100	100	0	100	0	0	0	0	0	0	200	0	200
Total Adults	1,750	540	1,210	2,640	540	2,100	1,540	540	1,000	790	540	250	6,720	2,160	4,560
Schools												0			
SEN Expansion 'There is pressure for special educational needs (SEN) provision places, which will be alleviated in the medium term as additional places will become available from 2015 following successful TBNP applications in accordance with Harrow's Special Schools and SEN Placement Planning Framework. However, in light of the projections and in light of the Government's Special Educational Needs and Disability reform agenda, consideration needs to be given to the next phase of expansion. A time limited task and finish group has been established, which will drive forward work on producing a refresh of the Harrow SEN strategy.	4,200	4,200	0	4,200		4,200	1,680		1,680			0	10,080	4,200	5,880
Bulge Classes The pupil numbers in Harrow have risen rapidly in recent year, particularly at primary age level. This has given rise to the School Expansion Programme which is covered in other bids. However, until permanently expanded schools are available, the short term measure has been to provide 'bulge classes' in multiple schools across the borough. These are where an additional form of entry are placed in a particular year which then passes through the school without being followed by additional classes.	150	150	0	150		150	150		150	150		150	600	150	450
Capital Maintenance funding estimate 2018-19 'Estimated allocation for Capital Maintenance to contribute to schools capital programme for 2018-19			0			0		2,000	-2,000			0	0	2,000	-2,000
Basic Need funding estimate 2018-19 'Estimated allocation for Basic Need to contribute to schools capital programme for 2018-19			0			0		6,000	-6,000			0	0	6,000	-6,000
Devolved Formula capital 'Devolved Formula capital is an allocation of funding on a formulaic basis based on school census data collected in January each year. Local authorities are required to pass on the funding to each of its maintained schools. Voluntary Aided schools receive their allocation directly from the EFA. Local authorities have no control over this funding	390	390							0			0	390	390	0
Children's Capital Maintenance Programme Proactive and reactive programme of maintenance across the schools estate	1,350	1,350	0	1,350	1,350	0	1,350		1,350	1,350		1,350	5,400	2,700	2,700
Primary Expansion Phase 4 Phase 4 primary expansion programme, requiring additional forms of entry. This phase will cover September 2017 and September 2018. These are likely to be expensive solutions as we have already expanded the schools with simpler solutions.			0			0			1,680			0	4,615	2,132	2,483

Outline Capital Bids 2016/17 to 2019/20

Project Title	2016/17			2017/18			2018/19			2019/20			TOTAL		
	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Bid Value	External Funding £000	Net Bid Value
Primary Expansion Phase 3 - 5 schools Phase 3 will deliver 5 additional Reception forms of entry by September 2016 at expanded schools.	9,555	9,555	0	1,580	150	1,430			0			0	11,135	9,705	1,430
Secondary Expansion The growth in demand for primary places will progress to secondary schools and it is projected that there will be a shortfall of Year 7 places from 2018. Additional capacity has been secured through the expansion of two schools, Bentley Wood and Whitefriars and the permanent location of Avanti House will contribute to an overall increase in places. In addition, a further 6 forms of entry has been secured through the successful free school bid opening on the Heathfield School site. However, there will still be a shortfall of places from September 2020 rising to approx. 13 forms of entry in September 2023.	525		525	5,250		5,250	5,250		5,250	2,625		2,625	13,650	0	13,650
Total Schools	16,170	15,645	525	15,465	3,632	11,833	10,110	8,000	2,110	4,125	0	4,125	45,870	27,277	18,593
Total People directorate	17,920	16,185	1,735	18,105	4,172	13,933	11,650	8,540	3,110	4,915	540	4,375	52,590	29,437	23,153
Community Directorate															
Environmental Services															
Flood Defence															
Renewal of ageing drainage infrastructure to reduce the risk of flooding impact on residents, properties and business continuity.	300		300	300		300	300		300	300		300	1,200		1,200
Waste & Recycling Replacement of aged, damaged and/or lost wheeled bins, as well as bins provision for new residential developments within the borough. On-going improvement works at CA site.	200		200	200		200	200		200	200		200	800		800
Highway Programme Renewal and replacement of highways and footways.	4,750		4,750	4,700		4,700	4,700		4,700	5,400		5,400	19,550		19,550
Highway Drainage Improvements to critical drainage areas identified in Surface Water Management Plan as required by The Flood & Water Management Act 2010.	200		200	200		200	200		200	200		200	800		800
Local Implementation Plan (LIP) including CPZ schemes Implementation of the Mayor of London's Transport Strategy as well as Harrow's Transport Local Implementation Plan & parking management programmes.	2,300	2,000	300	2,300	2,000	300	2,300	2,000	300	2,300	2,000	300	9,200	8,000	1,200
Parks Infrastructure Prioritise parks infrastructure which are most in need of repair in order to provide safe access and use of facilities for all.	675		675	675		675	675		675	675		675	2,700		2,700
Street Lighting Replacement of aged and dangerous lighting columns as well as investment in new lighting to support Climate Change strategy and to provide variable lighting solutions.	3,000		3,000	1,500		1,500	1,500		1,500	1,500		1,500	7,500		7,500
Corporate Accommodation Improvements to corporate buildings to provide a safe and secure environment in which to operate its business.	231		231	155		155	155		155	155		155	696		696

Outline Capital Bids 2016/17 to 2019/20

Project Title	2016/17			2017/18			2018/19			2019/20			TOTAL		
	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Bid Value	External Funding £000	Net Bid Value
High Priority Planned Maintenance Improvements to corporate properties (excluding schools) to ensure that they are in a safe condition for occupants.	575		575	400		400	600		600	600		600	2,175		2,175
Carbon Reduction Provision of retro-fit energy efficiency measures in corporate buildings.	300		300	300		300	100		100	100		100	800		800
Replacement of Parks litter bins	65		65	65		65	65		65	0		0	195		195
Green Grid Programme Improvements to Harrow's green infrastructure to provide a network of interlinked and multifunctional open spaces.	293	143	150	293	143	150	293	143	150	293	143	150	1,172	572	600
Harrow on the Hill Station Improvements to the station and surrounding area to create step free access	2,000	2,000	0	12,000	12,000	0	11,000	8,000	3,000			0	25,000	22,000	3,000
Green Gym / Play Equipment Installation of outdoor gym equipment within parks to promote health and well being.	50		50	50		50	50		50	50		50	200		200
CCTV Cameras and equipment at depot Installation of parking enforcement cameras at certain locations where it is permissible to capture contraventions by cameras following Deregulation Bill. Upgrade of CCTV equipment and facilities at the depot.	150		150	150		150	150		150	150		150	600		600
Purchase of Trade Waste Bins Purchase of bins to support expansion of business as part of Project Phoenix	400		400	200		200	100		100				700		700
Car parks Infrastructure Improvement to car parking facilities to comply with H&S requirements and to commercialise council owned car parks.	20		20	20		20	20		20	20		20	80		80
Total Environmental Services	15,509	4,143	11,366	23,508	14,143	9,365	22,408	10,143	12,265	11,943	2,143	9,800	73,368	30,572	42,796
Community & Culture															
Leisure & Libraries Capital Infrastructure 14-18 - Capital to be invested in a targeted programme to improve the infrastructure of the Council's leisure and library facilities. There is a high risk, particularly with Harrow Leisure Centre, that failure to maintain the infrastructure will inevitably lead to a building closure if a major fault occurs and be a risk to leisure income. The libraries' self service kiosks will also need to be refreshed by 2016-17 (including software upgrade).	300	0	300	150	0	150	150	0	150	150	0	150	750	0	750
Central Library Refit & Library Refurbishments - As part of the town centre regeneration scheme on College Road, majority of funding will come from CIL.	0	0	0	1,500	1,000	500	0	0	0	0	0	0	1,500	1,000	500
Headstone Manor - Assumptions around the S106 funding are still under negotiation and the timing of delivery cannot yet be confirmed. This assumes that further Council funding will be required.	5,190	4,620	570	0	0	0	0	0	0	0	0	0	5,190	4,620	570
Harrow Arts Centre - A new extension to the Elliott Hall to replace the existing one, containing a 240 seat, 2 screen independent cinema, lettable spaces, new box office and café/bar area etc. This is expected to generate the revenue income which will see the facility become self sustaining within 2 years. External funding target to be raised by new Trust.	3,800	2,800	1,000	0		0	0		0	0		0	3,800	2,800	1,000

Outline Capital Bids 2016/17 to 2019/20

Project Title	2016/17			2017/18			2018/19			2019/20			TOTAL		
	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Bid Value	External Funding £000	Net Bid Value
Total Community & Culture	9,290	7,420	1,870	1,650	1,000	650	150	0	150	150	0	150	11,240	8,420	2,820
Housing General Fund															
Better Care Fund - Disabled Facilities Grant - Grants to fund adaptations to private properties to help enable residents to remain in their existing homes	1,500	650	850	1,500	650	850	1,500	650	850	1,500	650	850	6,000	2,600	3,400
Improvement Grants - Grants to private landlords to improve the condition of their properties, generally in exchange for a lease agreement	70	0	70	70	0	70	70	0	70	70	0	70	280	0	280
Empty Properties Grants - Grants to help bring empty properties back into use, generally in exchange for nomination rights for a period of time	400	150	250	400	150	250	400	150	250	400	150	250	1,600	600	1,000
Property Purchase Initiative - Purchase of 100 properties on the open market for the Council to use as Temporary Accommodation. This will provide better quality housing for families currently housed in short-term unsatisfactory Bed & Breakfast accommodation, and in doing so will reduce the overall net cost to the Council. £7.5m is estimated to be spent in 2015-16, but will need to be slipped if this is not possible.	15,000		15,000	7,500		7,500			0			0	22,500	0	22,500
Total Housing General Fund	16,970	800	16,170	9,470	800	8,670	1,970	800	1,170	1,970	800	1,170	30,380	3,200	27,180
Total Community Directorate	41,769	12,363	29,406	34,628	15,943	18,685	24,528	10,943	13,585	14,063	2,943	11,120	114,988	42,192	72,796
Regeneration - Existing Programme only															
Regeneration programme - feasibility work to develop options for taking forward regeneration sites.	250		250	250		250	250		250				750	0	750
Wealdstone site assembly - purchase of properties to enable the construction of a new Civic Centre to commence.	10,075		10,075										10,075	0	10,075
Gayton Road Development - purchase of affordable housing produced as part of the development. Phasing to be confirmed	1,000		1,000	14,000		14,000							15,000	0	15,000
Haslam House redevelopment - demolition of the existing ex-children's home and replacement with new-build rented housing.	4,850		4,850										4,850	0	4,850
Total Regeneration	16,175	0	16,175	14,250	0	14,250	250	0	250	0	0	0	30,675	0	30,675
Cross Cutting Investment in Infrastructure	5,000		5,000										5,000		5,000
Total General Fund	85,239	28,548	56,691	69,233	20,115	49,118	38,428	19,483	18,945	23,978	3,483	20,495	216,878	71,629	145,249
Housing Revenue Account capital programme - Continued investment in the Council's existing housing stock, as well as the commencement of a programme of new build housing	23,850	1,565	22,285	15,238	1,018	14,220	9,139	70	9,069	9,139	70	9,069	57,366	2,723	54,643
Total General Fund + HRA	109,089	30,113	78,976	84,471	21,133	63,338	47,567	19,553	28,014	33,117	3,553	29,564	274,244	74,352	199,892

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Outline Capital Bids 2016/17 to 2019/20 - Changes From Programme Approved Feb 2015

Project Title	2016/17			2017/18			2018/19			2019/20			TOTAL			
	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Bid Value	External Funding £000	Net Bid Value	
Resource Directorate																
Ongoing refresh & enhancement of ICT Replacement, upgrades and enhancements to applications, infrastructure and end user devices, not included within the agreed supplier service charges or transformation programme		0	0		0	0		0	0	0	5,000	0	5,000	5,000	0	5,000
Transforming Financial Management Enhanced reporting and system integration	270		270	250		250							520	0	520	
HR Shared Service This scheme will invest in ICT systems to enable the sharing of the Council's HR Services including HR case work, employee relations, payroll and HR administration with Buckinghamshire County Council. The shared service will maintain and improve services to both Council's and their existing customers e.g. schools and colleges and is expected to deliver revenue savings for Harrow of £250k	350		350										350	0	350	
MyHarrow Account & Website enhancements and upgrade	540		540										540	0	540	
Total Resources	1,160	0	1,160	250	0	250	0	0	0	5,000	0	5,000	6,410	0	6,410	
People Directorate																
Adults																
Integrated Health Model																
Carers service charges	-500	-250	-250	-500	-250	-250	-500	-250	-250	0	0	0	-1,500	-750	-750	
	-100	-50	-50										-100	-50	-50	
Reform of Social Care Funding The second phase of the Care Act in relation to the Care Accounts has been delayed until 2020. The originally approved funding is therefore pushed back to 2019/20 pending further guidance on next steps. The funding will be used to support the implementation, including building new information system(s) to support the requirements including self-assessment tools.	-475	-191	-284	0	0	0	0	0	0	250	0	250	-225	-191	-34	
Adult Projects funded from Community Capacity Grant	-49	-49	0	-290	-290	0	-290	-290	0				-629	-629	0	
Project Infinity Subject to development of commercial business cases, placeholder for potential capital funding for: - Sancroft (PA_9) - funding to support service renegotiation (£150k) - Bedford House (PA_15) - redesign of property to accommodate reprovision from Roxborough (£500k) - MCEP (PA_26) - commercialisation - OCEP (PA_27), Community Wrap (PA_28), TCEP (PA_29) - support for exploration of new commercialisation opportunities	1,650	540	1,110	2,540	540	2,000	1,540	540	1,000	540	540	0	6,270	2,160	4,110	
In-house residential establishments							-100		-100				-100	0	-100	
Total Adults	526	0	526	1,750	0	1,750	650	0	650	790	540	250	3,716	540	3,176	
Schools																

Project Title	2016/17			2017/18			2018/19			2019/20			TOTAL		
	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Bid Value	External Funding £000	Net Bid Value
SEN Expansion 'There is pressure for special educational needs (SEN) provision places, which will be alleviated in the medium term as additional places will become available from 2015 following successful TBNP applications in accordance with Harrow's Special Schools and SEN Placement Planning Framework. However, in light of the projections and in light of the Government's Special Educational Needs and Disability reform agenda, consideration needs to be given to the next phase of expansion. A time limited task and finish group has been established, which will drive forward work on producing a refresh of the Harrow SEN strategy.		4,200	-4,200										0	4,200	-4,200
Bulge Classes The pupil numbers in Harrow have risen rapidly in recent year, particularly at primary intake level. This has given rise to the School Expansion Programme which is covered in other bids. However, until permanently expanded schools are available, the short term measure has been to provide 'bulge classes' in multiple schools across the borough. These are where an additional form of entry are placed in a particular year which then passes through the school without being followed by additional classes.		150	-150			0		0	150		150	150	150	150	0
Devolved Formula capital 'Devolved Formula capital is an allocation of funding on a formulaic basis based on school census data collected in January each year. Local authorities are required to pass on the funding to each of its maintained schools. Voluntary Aided schools receive their education directly from the EFA. Local authorities have no control over this funding	390	390	0					0			0	390	390	390	0
Children's Capital Maintenance Programme proactive and reactive programme of maintenance across the schools estate			0			0		0	1,350		1,350	1,350	0	1,350	1,350
Primary Expansion Phase 4 Phase 4 primary expansion programme, requiring additional forms of entry. This phase will cover September 2017 and September 2018. These are likely to be expensive solutions as we have already expanded the schools with simpler solutions	-4,200		-4,200	-1,265	2,132	-3,397							-5,465	2,132	-7,597
Primary Expansion Phase 3 - 5 schools Phase 3 will deliver 5 additional Reception forms of entry by September 2016 at expanded schools.	4,200	7,005	-2,805	1,265		1,265							5,465	7,005	-1,540
Secondary Expansion Bring forward secondary expansion to meet lead in time for delivery./ The growth in demand for primary places will progress to secondary schools and it is projected that there will be a shortfall of Year 7 places from 2018. Additional capacity has been secured through the expansion of two schools, Bentley Wood and Whitefriars and the permanent location of Avanti House will contribute to an overall increase in places. In addition, a further 6 forms of entry has been secured through the successful free school bid opening on the Heathfield School site. However, there will still be a shortfall of places from September 2020 rising to approx. 13 forms of entry in September 2023.	525		525	5,250		5,250	4,725		4,725	2,625		2,625	13,125	0	13,125
Total Schools	915	11,745	-10,830	5,250	2,132	3,118	4,725	0	4,725	4,125	0	4,125	15,015	13,877	1,138
Community Directorate															
Environmental Services															

Project Title	2016/17			2017/18			2018/19			2019/20			TOTAL		
	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Bid Value	External Funding £000	Net Bid Value
Flood Defence Renewal of ageing drainage infrastructure to reduce the risk of flooding impact on residents, properties and business continuity.			0			0			0	300		300	300	0	300
Waste & Recycling Replacement of aged, damaged and/or lost wheeled bins, as well as bins provision for new residential developments within the borough. On-going improvement works at CA site.			0							200		200	200	0	200
Highway Programme Renewal and replacement of highways and footways.	-100		-100	-100		-100	-100		-100	5,400		5,400	5,100	0	5,100
Highway Drainage Improvements to critical drainage areas identified in Surface Water Management Plan as required by The Flood & Water Management Act 2010.			0			0			0	200		200	200	0	200
Local Implementation Plan (LIP) including CPZ schemes Implementation of the Mayor of London's Transport Strategy as well as Harrow's Transport Local Implementation Plan & parking management programmes.	-74	-74	0	-74	-74	0	-74	-74	0	2,300	2,000	300	2,078	1,778	300
Parks Infrastructure Prioritise parks infrastructure which are most in need of repair in order to provide safe access and use of facilities for all.			0			0			0	675		675	675	0	675
Street Trees Replacement of trees stock which poses a risk in terms of safety and potential damage to properties, and new trees planting to support Climate Change strategy.	-75		-75	-75		-75	-75		-75			0	-225	0	-225
Street Lighting Replacement of aged and dangerous lighting columns as well as investment in new lighting to support Climate Change strategy and to provide variable lighting solutions.	1,500		1,500			0			0	1,500		1,500	3,000	0	3,000
Corporate Accommodation Improvements to corporate buildings to provide a safe and secure environment in which to operate its business.			0			0			0	155		155	155	0	155
High Priority Planned Maintenance Improvements to corporate properties (excluding schools) to ensure that they are in a safe condition for occupants.	125		125	125		125	325		325	600		600	1,175	0	1,175
Carbon Reduction Provision of retro-fit energy efficiency measures in corporate buildings.			0			0	-200		-200	100		100	-100	0	-100
Green Grid Programme Improvements to Harrow's green infrastructure to provide a network of interlinked and multifunctional open spaces.	-50		-50	-50		-50	-50		-50	293	143	150	143	143	0
Harrow on the Hill Station Improvements to the station and surrounding area to create step free access	-10,000	-10,000	0	1,000	4,000	-3,000	11,000	8,000	3,000			0	2,000	2,000	0
Green Gym / Play Equipment Installation of outdoor gym equipment within parks to promote health and well being.			0			0			0	50		50	50	0	50
CCTV Cameras and equipment at depot Installation of parking enforcement cameras at certain locations where it is permissible to capture contraventions by cameras following Deregulation Bill. Upgrade of CCTV equipment and facilities at the depot.	150		150	150		150	150		150	150		150	600	0	600
Purchase of Trade Waste Bins Purchase of bins to support expansion of business as part of Project Phoenix	400		400	200		200	100		100			0	700	0	700

Project Title	2016/17			2017/18			2018/19			2019/20			TOTAL		
	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Bid Value	External Funding £000	Net Bid Value
Car parks Infrastructure Improvement to car parking facilities to comply with H&S requirements and to commercialise council owned car parks.	20		20	20		20	20		20	20		20	80	0	80
Total Environmental Services	-8,104	-10,074	1,970	1,196	3,926	-2,730	11,096	7,926	3,170	11,943	2,143	9,800	16,131	3,921	12,210
Community & Culture															
Leisure & Libraries Capital Infrastructure 14-18 - Capital to be invested in a targeted programme to improve the infrastructure of the Council's leisure and library facilities. There is a high risk, particularly with Harrow Leisure Centre, that failure to maintain the infrastructure will inevitably lead to a building closure if a major fault occurs and be a risk to leisure income. The libraries' self service kiosks will also need to be refreshed by 2016-17 (including software upgrade).		0	0		0	0		0	0	150	0	150	150	0	150
Central Library Refit & Library Refurbishments - As part of the town centre regeneration scheme on College Road, majority of funding will come from CIL.	0	0	0	500	1,000	-500	0	0	0	0	0	0	500	1,000	-500
Headstone Manor - Assumptions around the S106 funding are still under negotiation and the timing of delivery cannot yet be confirmed. This assumes that further Council funding will be required.	5,190	4,620	570	0	0	0	0	0	0	0	0	0	5,190	4,620	570
Harrow Arts Centre - A new extension to the Elliott Hall to replace the existing one, containing a 240 seat, 2 screen independent cinema, lettable spaces, new box office and café/bar area etc. This is expected to generate the revenue income which will see the facility become self sustaining within 2 years. External funding target to be raised by new trust.	3,800	2,800	1,000	0		0	0		0	0		0	3,800	2,800	1,000
Total Community & Culture	8,990	7,420	1,570	500	1,000	-500	0	0	0	150	0	150	9,640	8,420	1,220
Housing General Fund															
Better Care Fund - Disabled Facilities Grant - Grants to fund adaptations to private properties to help enable residents to remain in their existing homes			0			0			0	1,500	650	850	1,500	650	850
Improvement Grants - Grants to private landlords to improve the condition of their properties, generally in exchange for a lease agreement		0	0		0	0		0	0	70	0	70	70	0	70
Empty Properties Grants - Grants to help bring empty properties back into use, generally in exchange for nomination rights for a period of time	150	150	0	150	150	0	150	150	0	400	150	250	850	600	250
Property Purchase Initiative - Purchase of 100 properties on the open market for the Council to use as Temporary Accommodation. This will provide better quality housing for families currently housed in short-term unsatisfactory Bed & Breakfast accommodation, and in doing so will reduce the overall net cost to the Council. £7.5m is estimated to be spent in 2015-16, but will need to be slipped if this is not possible.	15,000		15,000	7,500		7,500							22,500	0	22,500
Total Housing General Fund	15,150	150	15,000	7,650	150	7,500	150	150	0	1,970	800	1,170	24,920	1,250	23,670
Total Community Directorate	16,036	-2,504	18,540	9,346	5,076	4,270	11,246	8,076	3,170	14,063	2,943	11,120	50,691	13,591	37,100
Regeneration - Existing Programme only														0	0
Wealdstone site assembly - purchase of properties to enable the construction of a new Civic Centre to commence.	1,000		1,000	14,000		14,000							15,000	0	15,000

Project Title	2016/17			2017/18			2018/19			2019/20			TOTAL		
	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Bid Value	External Funding £000	Net Bid Value
Gayton Road Development - purchase of affordable housing produced as part of the development.	10,075		10,075										10,075	0	10,075
Haslam House redevelopment - demolition of the existing ex-children's home and replacement with new-build rented housing.	-1,150		-1,150										-1,150	0	-1,150
Total Regeneration - Existing programme	9,925	0	9,925	14,000	0	14,000	0	0	0	0	0	0	23,925	0	23,925
Cross Cutting Investment in Infrastructure	5,000		5,000										5,000	0	5,000
Total General Fund	33,562	9,241	24,321	30,596	7,208	23,388	16,621	8,076	8,545	23,978	3,483	20,495	104,757	28,008	76,749
Housing Revenue Account capital programme - Continued investment in the Council's existing housing stock, as well as the commencement of a programme of new build housing	10,713	1,455	9,258	-77	-1,338	1,261	0	70	-70	9,139	70	9,069	19,775	257	19,518
Total General Fund + HRA	44,275	10,696	33,579	30,519	5,870	24,649	16,621	8,146	8,475	33,117	3,553	29,564	124,532	28,265	96,267

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