

# Performance and Finance Scrutiny Sub-Committee AGENDA

**DATE:** Monday 20 March 2017

**TIME:** 7.30 pm

**VENUE:** Committee Room 5, Harrow Civic Centre, Station Road, Harrow, HA1 2XY

## **MEMBERSHIP** (Quorum 3)

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**Chair:** Councillor Phillip O'Dell

### **Councillors:**

Primesh Patel  
Aneka Shah-Levy

Barry Macleod-Cullinane (VC)  
Bharat Thakker

### **Reserve Members:**

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1. Ghazanfar Ali
2. Jeff Anderson
3. Margaret Davine

1. Richard Almond
2. Amir Moshenson

**Contact:** Miriam Wearing, Senior Democratic Services Officer  
Tel: 020 8424 1542 E-mail: [miriam.wearing@harrow.gov.uk](mailto:miriam.wearing@harrow.gov.uk)

## **Useful Information**

### **Meeting details:**

This meeting is open to the press and public.

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**Agenda publication date: Friday 10 March 2017**

# 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 Sub-Committee;
- (b) all other Members present.

## 3. MINUTES (Pages 5 - 12)

That the minutes of the meeting held on 7 December 2017 be taken as read and signed as a correct record.

## 4. PUBLIC QUESTIONS \*

To receive any public questions received in accordance with Committee Procedure Rule 17 (Part 4B 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, 15 March 2017. Questions should be sent to [publicquestions@harrow.gov.uk](mailto:publicquestions@harrow.gov.uk)**

**No person may submit more than one question].**

## 5. PETITIONS

To receive petitions (if any) submitted by members of the public/Councillors under the provisions of Committee Procedure Rule 15 (Part 4B of the Constitution).

## 6. REFERENCES FROM COUNCIL AND OTHER COMMITTEES/PANELS

To receive any references from Council and/or other Committees or Panels.

**7. COMMUNITY GRANTS SCHEME 2015/16** (Pages 13 - 22)

Report of the Divisional Director Strategic Commissioning

**8. INFORMATION REPORT - 2016/17 REVENUE AND CAPITAL MONITORING FOR QUARTER 3 AS AT 31 DECEMBER 2016** (Pages 23 - 74)

Report of the Director of Finance.

**9. REPORT OF THE SCRUTINY REVIEW INTO SOCIAL AND COMMUNITY INFRASTRUCTURE** (Pages 75 - 90)

Report of the Divisional Director Regeneration, Enterprise and Planning

**10. ANY OTHER BUSINESS**

Which cannot otherwise be dealt with.

**11. EXCLUSION OF THE PRESS AND PUBLIC**

To resolve that the press and public be excluded from the meeting for the following item of business, on the grounds that it involves the likely disclosure of confidential information in breach of an obligation of confidence, or of exempt information as defined in Part I of Schedule 12A to the Local Government Act 1972:

<u>Agenda Item No</u>	<u>Title</u>	<u>Description of Exempt Information</u>
7	Appendices 1 &2 to the Community Grants Scheme 2015/16	Information under paragraph 1 (contains information relating to any individuals).

**AGENDA - PART II**

**12. APPENDIX 1 TO COMMUNITY GRANTS SCHEME 2015/16\_** (Pages 91 - 142)

**13. APPENDIX 2 TO COMMUNITY GRANTS SCHEME 2015/16\_** (Pages 143 - 184)

**\* DATA PROTECTION ACT NOTICE**

The Council will audio record item 4 (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.]

# PERFORMANCE AND FINANCE SCRUTINY SUB-COMMITTEE MINUTES

## 7 DECEMBER 2016

<b>Chair:</b>	* Councillor Phillip O'Dell	
<b>Councillors:</b>	* Barry Macleod-Cullinane	* Aneka Shah-Levy
	* Primesh Patel	* Bharat Thakker
<b>In attendance: (Councillors)</b>	Richard Almond	Minute 75 and 79
	Susan Hall	Minute 75 and 79
	Varsha Parmar	Minute 75 and 79
	Norman Stevenson	Minute 75 and 79
	Adam Swersky	

\* Denotes Member present

### 71. Attendance by Reserve Members

**RESOLVED:** To note that there were no Reserve Members in attendance.

### 72. Declarations of Interest

**RESOLVED:** To note that there were no declarations of interests made by Members.

### 73. Minutes

**RESOLVED:** That the minutes of the meeting held on 13 July 2016, be taken as read and signed as a correct record.

#### 74. Public Questions, Petitions and References

**RESOLVED:** To note that no public questions, petitions or references were received at this meeting.

#### RESOLVED ITEMS

#### 75. Revenue and Capital Monitoring 2016/17 - Quarter 2 as of 30 September 2016

The Sub-Committee received a report of the Director of Finance on the Council's revenue and capital monitoring position as at Quarter 2 2016/17 as at 30 September 2016, which was due to be considered by Cabinet at its meeting on 8 December 2016.

Following an overview of the report by the Director of Finance, Members asked the following questions and received responses from the officer and Portfolio Holder:

Q - What was the reason for two items previously charged to the Housing Revenue Account now being charged to the General Rate Fund? (paragraph 2.30)

A – The expenditure was for a Social Worker focussing on families in social housing.

Q – A report on the Multi Agency Safeguarding Hub had been submitted at the beginning of the financial year so should the budget pressure have been foreseen?

A – In addition to funding for the known pressure, provision for growth had been built into the budget arising from an increased number of children in placements.

Q – There was already a £1.3m variation from the first two quarters for waste management. What action was being taken as a result of the failure to take into account the cost implications of incorrect assumptions including the take up of the brown bin service, reduction in recycling figures, fly tipping, and the rising cost of residual waste? Route optimisation had resulted in much less saving as residents had been opting in and out of the service and the technology had not been successful. Is the Director of Finance satisfied with the assumptions made by the Corporate Director Community and is a robust plan for waste in place? What was the involvement in the pricing of the service as Harrow had one of the highest charges for waste collection in the country?

A- Series of actions had been put into place to positively address the underlying financial pressures. There had been a cumulative reduction in the rate support grant for Harrow of 93% and contractor costs had risen. A business case, including prices based on different scenarios, had been agreed for garden waste prior to implementation and subsequent challenges required flexibility in the scheme. The current Director of Finance had not been in post when the original business case was done. 26,000 residents had signed up for the garden waste scheme which was approximately £500,000 down against income

target. There was a need to improve forecasting particularly with regard to revenue and cost implications.

All new business cases were robustly challenged, including examination by the Commercialisation Board. All schemes were expected to generate value for contracts and customers, cover costs and make a maximum return on investment.

It was agreed that a Member receive a copy of the waste services business case and marketing strategy, to include documentation on pricing and possible take up.

The service was confident that improvements would be made for the next year such as direct debit payments, and reductions through route optimisation.

The Chair reported that the environment scrutiny leads had examined information regarding tonnage. A challenge panel could take place on the revised plans if necessary

Q – The previous Portfolio Holder for Finance and Major Contracts had expressed the opinion that provided the overall budget was in order he was relaxed about individual components so if a shortfall occurred in one area compensatory reductions would be made other areas or reserves would be drawn down. Does the current Portfolio Holder support this approach?

A – How service operation in the current year would affect the following year would be analysed, realistic income projections would be made for 2017/18 and plans made to generate new income in other areas

Q – Is it intended that the reductions to address the variance from £8.5m to £3.8m would not be reversed and if the situation continued where would the reserves be found?

A – The £8.5m arose from the huge demands on the council, about £11m growth and compensatory action taken elsewhere. Corporate items had been included for contingencies and this year some had been brought forward without use of core reserves.

## 76. Motion to exclude the Press and Public

**RESOLVED:** That in accordance with Part I of Schedule 12A to the Local Government Act 1972, the press and public be excluded from the meeting for the following item for the reason set out below:

<u>Agenda Item No</u>	<u>Title</u>	<u>Description of Exempt Information</u>
7.	Appendix 5 to Revenue and Capital Monitoring 2016/17 – Quarter 2 as of 30 September 2016	Information under paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, relating to the financial or business affairs of any particular person (including the authority holding that information).

**77. Appendix 5 to Revenue and Capital Monitoring for Quarter 2 as at 30 September 2016**

The Sub-Committee considered the appendix and the officer responded to questions.

**78. Motion to re-admit the Press and Public**

**RESOLVED:** To re-admit the press and public to the meeting for the remainder of business

**79. Revenue and Capital Monitoring 2016/17 - Quarter 2 as of 30 September 2016 (continued)**

Q - Given the stated pressures on the Housing Revenue Account (paragraph 2.16), is Harrow Council the right organisation to expand the number of properties under its control? How robust is the budget when the first quarter was so at variance with planned expenditure? Would savings from an expansion of the Housing Needs Team be more beneficial in the short term than longer term initiatives such as the purchase of new homes or buy to let?

A – The budget situation remains robust, all budgets experience change and it is inevitable that assumptions must be made. The budget pressures being experienced had not arisen due to difficulty in meeting the £17m savings. Smart Lettings had been set up by Harrow Council to manage the PRS stock and this took a two to three year view. The budget outturn line of £2m forecast for homelessness in the previous year had informed the budget. This sum had increased before reducing to £500,000 in the first two quarters. The inclusion of additional staff would result in savings. A wide range of actions on homelessness were taking place which would generate future savings.

Q – What were the pressures of the compulsory upgrade of IT systems (para 2.17), keeping pace with legislative changes, and ensuring compliance by IT officers?

A - There was a rolling programme for IT programmes: Directorate indexation on contracts was contained in the inflation provision. It was agreed that a member would receive the project initiation document and business case for the Northgate IT upgrade.

Q – What is the reason for the rise in demand for Children’s Services?

A – New pupils and the age range has been extended to 25 for SEN.

Q – The forecast capital spend at quarter 2 was 66% of the total capital programme. What was the target spend?

A – There was no set benchmark, the need to undertake work on capital profiling was accepted. Slippage was not ideal but it was more important to spend properly and in accordance with decisions.

Q – Was there a maximum investment that the Council was prepared to make available to an in-house commercial venture prior to its feasibility being established?



A – Business cases were regularly reviewed and commercial ventures were required to be income creative. The Director of Finance undertook to speak to the Corporate Director Resources and Commercial regarding the maximum investment question. Loans for such investments were held against reserves so could be seen to be accountable. The Chair stated that the resources scrutiny leads would take forward any questions on behalf of the Sub-committee on the commercial companies, would keep them informed and feedback to the scrutiny leadership.

Q – How often were budget updates reported to Cabinet?

A – Formal quarterly reports were submitted to Cabinet with ongoing monitoring such as weekly meetings between the Director of Finance and the Portfolio Holder for Finance and Commercialisation who was constantly made aware of variances and the interventions to correct

Q – How regularly was information on the brown bins monitored?

A – Whilst there was regular monitoring for commercial undertakings, other budget queries were dealt with as they arose. The intention was to produce templates for individual areas to feed into budget monitoring reports. The general ledger provided information on income received.

Q – It was almost the end of quarter 3, could Members receive more timely, up to date information, for example a draft or monitoring form, including changes since the previous quarter? This would prevent discussion on out of date information and could result in a different response.

A – This was a valid observation and the Director of Finance would work with Directorates although it would be a challenge to ensure all information was 'live' at the time of report circulation.

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

## **80. Draft Revenue Budget 2017/18 and Medium Term Financial Statement 2017/18 - 2019/20**

The Sub-Committee considered the draft Revenue Budget 2017/18 and Medium Term Financial Strategy 2017/18 to 2019/20 which were due to be considered by Cabinet on 8 December 2016.

Following an overview of the report by the Director of Finance, Members asked the following questions and received responses from the officer and Portfolio Holder:

Q – What were the proposals for the use of capital receipts?

A – A decision on the implementation of the flexibility given by the government on the use of capital receipts would be made by Cabinet in February.

Q - What assumptions were being made for an increase in council tax? Was any flexibility built into the increase in the tax base to take into account additional property that did not come to fruition, for example where planning permission was not granted?

A – The draft budget assumes Council Tax increase at 1.99%. The tax base took account of developments in the borough which were supported by a valuation list and any intelligence that suggested amendment was required would be addressed. The 2017/18 base had been close to that forecasted.

Q – Could clarification be given as paragraph 1.17 referenced savings of £4.7m for 2017/18 that would not be taken forward but table 2 indicated £5.3m?

A – This would be checked. The value of the savings being removed from the budget as not being taken forward was £4.7m, with £1.1m from additional commercialisation savings remaining in the budget.

Q – What was in place to reverse the slide in business rate income which had been of concern to the Peer Review? How would the regeneration programme reverse the trend and how would it be resourced?

A – A report on the regeneration plan was scheduled to be submitted to Cabinet and would include the response to the questions made.

Q – Would the identification of £6.374m net growth result in the need for additional savings?

A – The need to fund the gap was acknowledged and compensatory action were shown in the draft budget including savings, precept or Council tax. A refresh process resulted in the removal or reprofile of savings that had not been achieved or had been late.

Q – How would the revised gap of £3.039m for 2017/18 in table 2 be dealt with? Would Members be provided with information as to the proportion of the disposal programme to be spent on capital flexibility. Sums spent in this manner restricted their use on transformation projects or in reducing the council tax.

A – The report to Cabinet indicated that application of the capital receipts flexibility would offset the £3.039m. The individual sums received via the disposal programme would not be publically available. The use of the capital flexibility was a one off opportunity. Any ideas from Members regarding transformation projects would be welcomed.

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

## **81. Corporate Equalities Objectives - Annual Progress Report 2015/16**

The Sub-Committee received an update on the progress made on the Council's Equality Objectives which had been adopted in April 2012. The annual progress report 2015/16 set out the key work undertaken in Harrow to meet the Council's Corporate Equality Objectives in 2015/16, the performance against the related targets, and what areas would be prioritised in 2016/17.

Following an overview of the report, Members asked the following questions and received responses from the officers:

Q – Would some targets be difficult to realise due to the small pool in the banding? Could one person changing jobs result in the overall 'RAG' status for the indicator becoming red instead of green?

- A – This point had been raised previously and would be discussed in January during the formatting of the 2017/18 targets.
- Q – How was it proposed to achieve a more comprehensive social identity profile of the workforce?
- A- Whilst the provision of social identity information was not a mandatory requirement, staff had been encouraged to update their profiles by means including campaigns, induction and the Chief Executive’s newsletter. Some staff did not have access to the SAP ESS data recording system which was a barrier to self reporting.
- Q – What steps were being taken to increase the use of the DisabledGo Access Guide?
- A – A publicity campaign would be undertaken to promote the Access Guide. The number of hits on the DisabledGo site had quadrupled in the past year. The Guide also referred to external venues across the borough and service users did not necessarily live in the borough.
- Q – What was the context of the number of cases where positive action was taken to prevent homelessness and what was the impact on the budget?
- A – The indicator was a corporate equality measure and not a financial indicator. However, the budget report outlined the pressures on housing and the proposed initiatives including support outside the borough and the purchase of one hundred homes. The bed and breakfast rates had decreased since the last quarter. A revised performance indicator had been proposed which would provide a more measureable target. It was agreed that information would be circulated to the Sub-Committee on the target and actual 2015/16 numbers as percentages.

**RESOLVED:** That

- (1) the progress made against the Corporate Equalities for 2015/16 be noted;
- (2) the new Corporate Equality Objectives for 2016-2020 and the Action Plan for 2016/17 be noted.

(Note: The meeting, having commenced at 7.30 pm, closed at 9.48 pm).

(Signed) COUNCILLOR PHILLIP O'DELL  
Chair

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**REPORT FOR: PERFORMANCE &  
FINANCE SCRUTINY  
SUB-COMMITTEE**

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<b>Date of Meeting:</b>	20 March 2017
<b>Subject:</b>	Community Grants Scheme 2015/16
<b>Responsible Officer:</b>	Alex Dewsnap Divisional Director, Strategic Commissioning
<b>Scrutiny Lead Member area:</b>	Performance Lead - Cllr Philip O'Dell Policy Lead - Cllr Stephen Wright
<b>Exempt:</b>	No – except for appendices 1 and 2 which are exempt from publication under Paragraph 1 of Part 1 of Schedule 12A to the Local Government Act 1972 (as amended) as they contain information relating to any individual.
<b>Wards affected:</b>	All
<b>Enclosures:</b>	Appendix 1: Extracts from OBG monitoring forms (RESTRICTED) Appendix 2: Extracts from Small Grants monitoring forms (RESTRICTED)

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

This report sets out information on the monitoring of projects awarded Council grant funding in 2015/16 and presents a summation of service delivery provided by those organisations as part of the year end monitoring process. It also endeavours to demonstrate the outcomes delivered to and for the community of Harrow to assess the value that the grants programme has brought to the borough.

### **Recommendations:**

The Performance and Finance sub-committee is requested to note the contents of the report.

## **Section 2 – Report**

### **2.1 Introductory paragraph**

2.1.1 Harrow Council offers discretionary funding to Voluntary and Community Sector (VCS) organisations through an open and competitive application process. This funding enables delivery of a range of services to people living, working or schooling in Harrow. The application process is administered in line with the principles set out in the Third Sector Investment Plan (2012-15), the aim of which is to ensure that funding is awarded to projects and services that support the delivery of the Council's corporate priorities and core outcomes. This report provides a summary of the monitoring feedback received from organisations in receipt of grant funding during 2015/16 though both the Outcomes Based (OBG) and Small Grants programmes as well as the performance of the Third Sector Support Services SLA

### **2.2 Background**

2.2.1 On the 19 March 2015, a report was presented to Cabinet, recommending that they approve a 46% cut in the budget that funded Discretionary Grants and approve the renewal of the Outcomes Based Grants for 2015/16. It was recommended that this cut take effect from July 2015 in order to comply with the three month notice period as set out in the Service Level Agreement and it was further recommended that 100% of the SLA quarterly funding for April-June 2015 only, to be awarded to OBG recipients to enable organisations to prepare for the reduction in grant funding from July 2015-March 2016, resulting in a 29% cut overall. In addition it was proposed to run a Small Grants process to run for nine months from July 2015 to March 2016 with an allocated budget of £75k (which represented a 16% reduction of the Small Grants budget) and a maximum award of £4k. It was also recommended that the ring-fenced grant of 75k to fund infrastructure

support services to deliver ongoing support to voluntary and community organisations to remain in place through the existing SLA with Harrow Community Action

Accordingly therefore, Cabinet approved the award of grant funding to 33 projects and services as follows:

- The renewal for a third year, (as part of their three year Service Level Agreements), for 14 SLAs for projects/services funded through the Outcomes Based Grants programme.
- The award of 19 annual Small Grants
- The renewal of the SLA for the delivery of a Third Sector Support Service

2.2.2 To ensure compliance with Section 8 of their SLA, organisations in receipt of grant funding are expected to participate in a monitoring process. The monitoring of projects takes place at mid-year (six months into the financial year) and at financial year end. All grant funded organisations are expected to complete an on-line self assessment monitoring form, providing an update on their performance and a report on the expenditure of grant funds. The closing date for the end of year reports was October 2016, but this deadline was extended to 10th January 2017 to accommodate requests made by some voluntary sector organisations to be given more time so that they could engage with the VCS funding consultation that was launched in September 2016.

2.2.3 The information provided is checked, with any queries followed up with relevant organisations, with in year monitoring visits to the majority of OBG recipients having taken place in December 2015/January 2016. Appendices 1 and 2 provide extracts from the monitoring returns submitted by the organisations, together with an analysis documenting the projects success or otherwise in meeting their profiled targets and outcomes.

2.2.4 The monitoring of the Third Sector Support Service is subject to a separate process, with quarterly monitoring visits held with the Service Provider, Harrow Community Action. An update of the services provided during the monitoring period is presented in section 2.3.3.

## 2.3 Current situation

### 2.3.1 Outcomes Based Grant (OBG):

Organisation	Grant Awarded	Grant Spent	Target B'ficiaries	Actual B'ficiaries
Age UK Harrow	£14,326.38	£14,326.38	1042	1000
Centre for ADHD & Autism Support	£8,359.82	£8,359.82	50	63
EACH Counselling and Support Harrow	£31,950.00	£31,950.00	20	20
Harrow Association of Disabled People (HAD)	£17,721.60	£17,721.60	355	474
Harrow Citizens Advice	£31,950.00	£31,950.00	2,500	3,010

Bureau				
Harrow Law Centre	£19,958.10	19,958.10	300	1,043
Harrow Shopmobility	£11,760.58	£11,760.58	3,730	3,764
Ignite Trust	£27,759.72	£27,759.72	375	649
Mind in Harrow	£24,840.23	£24,840.23	2,661	4,647
Relate London North West	£11,116.47	£11,116.47	80	345
Roxeth Youth Zone	£18,478.29	£18,478.29	800	4,111
South Harrow Christian Fellowship	£5,680.87	£5,680.87	16	38
St Luke's Hospice Harrow and Brent	£31,950.00	£31,950.00	77	99
The WISH Centre	£21,737.08	£21,737.08	1,000	4,525

### 2.3.2 Small Grants:

Organisation	Grant Awarded	Grant Spent	Target B'ficiaries	Actual B'ficiaries
9 <sup>th</sup> Kenton Scout Group	£4,000.00	£4,000.00	95	98
Asperger's Syndrome Access to Provision	£4,000.00	£4,000.00	30	26
Bereavement Care	£4,000.00	£4,000.00	210	217
Friends of West Harrow Park (FWHP)	£4,000.00	£4,000.00	400	600
Harrow Anti-Racist Alliance (HARA)	£3,990.00	£3,990.00	300	106
Harrow Athletic Club	£3,592.00	£0.00		
Harrow Bengalee Association	£4,000.00	£4,000.00	298	302
Harrow Foodbank	£4,000.00	**		
Harrow Heritage Trust	£4,000.00	£3,831.00	24,000	24,000
Harrow Iranian Community Association	£3,800.00	£3,800.00	15-20	14
Harrow Over-50 Club	£4,000.00	£4,000.00	151	151
Harrow Tamil Association	£3,051.50	£2,399.00	30	35
Indian Association of Harrow (IAH)	£4,000.00	£4,000.00	250	250
Kuwaiti Community Association	£3,992.00	£3,992.00	250	300
Navnat Yuva Vadil Mandal	£4,000.00	£4,000.00	53	53
Radio Harrow	£3,919.41	£3,515.41	5,000	3,000
Russian Immigrants Association	£3,435.00	£3,435.00	300	327
Somali Cultural and Educational Association (SCEA)	£3,980.00	£3,980.00	25	25
The National Gorkha Veterans' Association	£4,000.00	£4,000.00	70	70



\*\* (A grant award was made to Harrow Foodbank, but it is not clear whether any or all of the allocation was spent. Grant Officer is in discussion with the organisation to clarify their position).

### **2.3.3 Harrow Community Action (Third Sector Support Services)**

The Council renewed the third sector support service SLA for the third year in March 2015, with Harrow Community Action (HCA), a consortium of voluntary and community sector organisations.

The full year cost of HCA is £75,000. The objectives for the service are:

- a) Fundraising and capacity building within the voluntary and community sector in Harrow;
- b) The provision and promotion of independent representation of the sector; and;
- c) Develop and deliver a volunteer recruitment and placement service.

The following sets out the deliverables that HCA achieved during 2015/16 against the headings of capacity building, fundraising, volunteering, and representation.

#### Capacity Building:

- 10 consortium projects
- 6 sets of policies and procedures
- 1 health and safety plan
- 11 partnerships with business
- 7 partnerships with public sector agencies
- Helping one organisation to start working towards a quality Mark
- Developing individual strategies for 7 organisations
- Leading on the development of a new consortium based charity focussed on charities working with young people
- Helped establish 4 new social enterprises

#### Fundraising:

HCA provide fundraising support to local organisations through:

- Fortnightly funding cafes for third sector groups (focussed on fundraising from Trusts, Lottery, Statutory, and Community)
- One-to-One funding advice sessions
- Monthly funding bulletin

As at the end of 2015/16 HCA:

- Created and circulated 11 funding newsletters
- Assisted 26 VCS organisations - leading to 28 fundraising bid/plans/ applications of which:
  - 13 were successful (raising £99,090)
  - 5 are awaiting decisions (for a total of £748,959)
  - 7 applications and crowd funding bids are in the process of being completed
  - 3 were unsuccessful.

#### Volunteering:

HCA runs Harrow Volunteer Centre, which provides a volunteer-matching service for volunteers and organisations wanting to recruit volunteers.

- Provided a clean of the Do-It system (an online volunteering portal)
- Overseen the transition to a new Do-It website
- Developed a multi-agency plan for a new project to assist Northwick Park Hospital with reducing unnecessary take-up of A&E services
- Successfully brokered 588 volunteers (of which 2 volunteers have assisted with the administration of the Do It website, volunteering 8 hours per week) leading to current status of 240 volunteering opportunities listed and 160 volunteers registered
- Coordinated 2 surveys specifically for the volunteering service; an organisation survey based on volunteering needs of organisations and a survey for individuals from the client groups this application is targeting' mental health, learning disabilities, Black, Asian Minority Ethnic, and Refugee (BAMER)
- Organised 2 volunteer days
- Developed a high impact volunteering strategy
- Supported Harrow Council with the launch of Harrow Heroes, active involvement in Harrow Hero's planning group and event.

#### Representation:

The Voluntary and Community Sector (VCS) Forum is a local forum for voluntary and community organisations of all sizes. The forum brings together local groups, organisations, community workers and partners, to identify local issues of mutual interest and need, and work collaboratively to find solutions.

HCA co-ordinates the independent VCS Forum and in 2015/16:

- Co-ordinated 7 Voluntary and Community Sector Forum meetings
- Developed an agreement between HCA and the reps for receiving expenses payment
- Developed protocols for communication through the HCA newsletter between the VCS forum ensuring that all Harrow VCS are able to share news and events whether they attend the forum or not
- Supported discussions within the sector around the future structure of the forum

HCA provide the sectors communications and in 2015/16:

- An increase of the database from 244 to 473 unique email addresses, increasing thumbed organisations from 138 to 287
- Distribution of monthly newsletters, sent out at the beginning of every month
- Offering VCS organisations the opportunity to advertise news and events through the monthly newsletter.

#### **Developing Harrow Community Action for joint bidding & service delivery**

Membership to HCA was opened in June 2014. It provides an opportunity for Harrow organisations to work in partnership to secure larger contracts and they continue to receive membership applications which are discussed at HCA board meeting. As of 31st March 2015 HCA has 26 members. It is worthwhile to note

here that this is an additional service that HCA are providing out of the scope of their SLA and it is not therefore incumbent upon organisations to become a member of HCA in order to access/benefit from the services listed above.

HCA was successful in applying to the Big Assist programme and has received £1,200 of vouchers which can be used to support the development of HCA. HCA have commissioned ACEVO to work on three areas; structure of HCA including stage 2 of the membership process; business development (including support in getting HCA tender ready for larger contracts) and marketing (including working with commissioners to ensure they understand the role a consortium will be able to provide in ensuring local organisations have the capacity jointly to bid for larger local contracts.

This process has included setting up a number of protocols which will be used for future collaboration bids including:

- Expression of interest form
- Terms of reference for project steering group
- Process for dealing with conflict of interest around bidding for funding.

In addition HCA has reviewed its structure with support from ACEVO.

#### **2.3.4 2016/17 intentions:**

In December 2015, in view of the uncertainty around funding for the VCS and the on-going review being carried out by Councillor Barry Kendler to look at the Council's future relationship with Harrow's Voluntary and Community Sector it was agreed that grant funding be extended by six months to 30<sup>th</sup> September 2016 to the recipients of Outcome Based Grants and Small Grants to allow for the review to conclude.

## **2.4 Financial Implications**

In 2015/16 out of a total available budget of £428,000.00 the amount of funding awarded to projects and services was £426,349.00, with Small Grant awards made as one lump sum payment and OBG payments made quarterly. This represented a 29% funding cut on the previous year.

<b>Grant Award Total</b>	<b>Total Amount Awarded</b>
Outcomes Based Grant	£277,589
Small Grants	£73,760
Third Sector Support Service (Harrow Community Action)	£75,000

## **Performance Issues**

This year's monitoring process has highlighted some concerns about the quality of performance of some organisations. We are in discussion with these groups to find ways to improve the quality of information provided, including equalities data where the protected characteristics described within the Equality Act 2010, do not reflect the demographic engaged.

On a positive note however, despite absorbing a 29% funding cut and a Small Grants programme that ran for nine, rather than the usual twelve month term, delivery of services and numbers of beneficiaries engaged compares favourably with the project delivery in 2014/15.

## **Environmental Impact**

One organisation, Harrow Heritage Trust is dedicated solely to the delivery of a project that focuses specifically on managing and improving the environment in Harrow's five nature reserves for the benefit of Harrow's residents.

## **Risk Management Implications**

The main risk in running the grants programme is that organisations enter into financial difficulty and do not use the grant awarded for the terms of the award. Although SLAs are in place, if an organisation has become insolvent there is a risk that the Council would not receive its monies back. This is mitigated by applicants having to supply audited accounts which would demonstrate they were solvent at the point of receipt of the monies. The half yearly monitoring mechanism and frequent contact with organisations by the Grants Officer also ensures that any potential difficulties are picked up and addressed.

## **Equalities implications**

A number of the organisations that the Council funds through Community Grants provide a positive impact on those with protected characteristics. An analysis has not been carried out specifically on these impacts, but the nature of a lot of the client groups of those organisations in receipt of grants and the fact that the number of beneficiaries within 2015/16 exceeded expectations, would indicate a positive impact.

## **Council Priorities**

The Council's vision:

### **Working Together to Make a Difference for Harrow**

The nature of the Grants programme attracts applications from a cross-section of organisations that deliver a diverse number of projects/services which ensure that all of the Council's Priorities are, in varying degrees, positively impacted. Namely:

- 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**

Given the nature of this report, which is setting out the impact of Community Grants spend in 2015/16, statutory officer clearance has not been deemed necessary.

<b>Ward Councillors notified:</b>	<b>NO</b>
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### **Section 4 - Contact Details and Background Papers**

**Contact:** Michelle Moran, Commissioning & Funding Officer, Policy team, 020 8736 6291

#### **Background Papers**

Finance & Scrutiny Sub-Committee Report (Community grants Scheme 2014-15)

<http://moderngov:8080/documents/g62742/Public%20reports%20pack%20Wednesday%2009-Dec-2015%2019.30%20Performance%20and%20Finance%20Scrutiny%20Sub-Committee.pdf?T=10>

Voluntary & Community Sector: Outcome of consultation on funding and recommendations for funding 2015-16

<http://moderngov:8080/documents/b19413/Supplemental%20Agenda%20Thursday%2019-Mar-2015%2018.30%20Cabinet.pdf?T=9>

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**REPORT FOR: Performance & Finance  
Scrutiny Sub –  
Committee**

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<b>Date of Meeting:</b>	20 March 2017
<b>Subject:</b>	<b>INFORMATION REPORT</b> 2016/17 Revenue and Capital Monitoring for Quarter 3 as at 31 December 2016
<b>Responsible Officer:</b>	Dawn Calvert, Director of Finance
<b>Scrutiny Lead Member area</b>	Performance Lead Member – Councillor Phillip O'Dell Policy Lead Member – Councillor Stephen Wright
<b>Exempt:</b>	No
<b>Wards affected:</b>	All
<b>Enclosures:</b>	Appendix 1 – 16 February 2017 Cabinet : 2016/17 Revenue and Capital Monitoring for Quarter 3 as at 31 December 2017

**Section 1 – Summary and Recommendations**

This report includes as an appendix, the Revenue and Capital monitoring report considered at the 16<sup>th</sup> of February 2017 Cabinet meeting, for consideration by this sub-committee.

## **Recommendations :**

To note the report and to make any recommendations the sub-committee wishes for consideration by Cabinet or officers.

## **Section 2 – Report**

### **Introductory paragraph**

The Council undertakes monitoring of the Council's revenue and capital budgets on a monthly basis, with reports being presented to Cabinet on a quarterly basis with the year end outturn reported in June following the end of the financial year. The attached report shows the forecast position as at the end of quarter 3 (31 December 2016).

### **Financial Implications**

These are contained within the December Cabinet report attached.

### **Performance Issues**

These are contained within the December Cabinet report attached.

### **Environmental Impact**

There are no direct impacts.

### **Risk Management Implications**

There are contained within the December Cabinet report attached.

### **Equalities implications**

Was an Equality Impact Assessment carried out ? No

The report is for noting and comment only

### **Council Priorities**

The Council's vision :

#### **Working Together to Make a Difference for Harrow**

The Council's priorities are :

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

Good financial governance contributes to achieving them



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

Not required

<b>Ward Councillors notified:</b>
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No

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

**Contact:** Sharon Daniels Head of Strategic Finance and Business (Deputy S151) e-mail [sharon.daniels@harrow.gov.uk](mailto:sharon.daniels@harrow.gov.uk)

Tel: 020 8424 1332

**Background Papers:** None

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**REPORT FOR: CABINET**

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<b>Date of Meeting:</b>	16 February 2017
<b>Subject:</b>	2016/17 Revenue and Capital Monitoring for Quarter 3 as at 31 December 2016
<b>Key Decision:</b>	Yes
<b>Responsible Officer:</b>	Dawn Calvert, Director of Finance
<b>Portfolio Holder:</b>	Councillor Adam Swersky, Portfolio Holder for Finance and Commercialisation
<b>Exempt:</b>	No
<b>Decision subject to Call-in:</b>	Yes
<b>Wards affected:</b>	All
<b>Enclosures:</b>	Appendix 1- Revenue Budget Summary (Directorates) as at 31 December 2016 Appendix 2 – MTFS 2016/17 to 2019/20 Savings Tracker Appendix 3- Capital Programme as at 31 December 2016

**Section 1 – Summary and Recommendations**

This report sets out the Council's revenue and capital monitoring position as at Quarter 3 2016/17 (31 December 2016).

**Recommendations:**

1. That Cabinet note the revenue and capital forecast positions detailed in this report as at Quarter 3 2016/17.

2. That Cabinet approves the bad debt write-offs within the Community Directorate and Housing Revenue Account as outlined in paragraphs 2.24 and 2.31.
3. That Cabinet note the proposed reduction to the 2016/17 Capital Programme as outlined in paragraphs 3.21 and 3.22
4. In respect of School Expansion Programme 1&2 Cabinet is requested to delegate authority to the Corporate Director People Services, following consultation with the Leader of the Council, Portfolio Holder for Finance & Commercial and the Finance Director (section 151 officer) to settle the final accounts with the contractor including to affect any virements required as a result of this decision as set out in paragraphs 3.38 and 3.39.
5. That Cabinet approves the capital additions as set out in paragraph 3.45

**Reason: (For recommendation )**

To report the 2016/17 forecast financial position as at 31 December 2016 and to seek approval for budget adjustments which require Cabinet approval in accordance with Financial Regulations.

## **Section 2 – Report**

### **1 INTRODUCTION**

- 1.1 The net forecast position at Quarter 3 on revenue is an estimated pressure of £9.816m on directorate budgets, after mitigating actions of £2.595m have been allowed for. This reduces to £5.134m after the assumed use of the central contingency budget (£1.329m), the use of the Welfare reform and Homelessness reserves (£2m) and an under spend against Corporate budgets of (£1.353m). The £5.134m position represents an increase in the outturn forecast position of £1.285m since Quarter 2.
- 1.2 The capital programme is reporting a forecast spend of £108.857m against a budget of £169.901m. This represents a total forecast spend of 64%. In terms of general fund capital, there is a forecast of spend of £94.842m against a budget of £140.078m. Of the variance of (£45.237m), £45.078m is requested for slippage into 2017/18 and £0.159m represents capital budgets that are no longer required. For the HRA, variance of (£15.807m) has been forecast of which £15.307m budget is requested to be carried forward into 2017/18 and a budget of £0.500m is no longer required.

(Please note, all number in brackets relates to income/underspends)

## 2. REVENUE MONITORING

2.1 It is crucial to balance the 2016/17 budget whilst doing everything possible to protect frontline services. To achieve this, a plan is in place to be as lean and efficient as possible. Specifically, this includes the implementation of spending controls, reviews of non-essential spend, the improved use of assets, and a range of other efficiency and effectiveness initiatives.

2.2 A summary of the quarter 3 monitoring is shown in table 1 below:

**Table 1: Revenue Monitoring – Quarter 3 2016/17**

Directorate	Revised Budget	Forecast Outturn Before Mitigations	Quarter 3 Variance	One off Income/ earmarked reserves	Quarter 3 Variance After Mitigations	Quarter 2 Variance	Movement between Quarter 2 and Quarter 3
	£000	£000	£000	£000	£000	£000	£000
Resources and Commercial	20,207	19,582	(625)	(65)	(690)	(652)	(38)
Business Support	1,373	2,264	891		891	877	14
Community	40,967	44,464	3,497	(418)	3,079	3,276	(197)
People	98,264	106,345	8,081	(1,890)	6,191	4,693	1,498
Regeneration	2,193	2,760	567	(222)	345	345	-
<b>Total Directorates</b>	<b>163,004</b>	<b>175,415</b>	<b>12,411</b>	<b>(2,595)</b>	<b>9,816</b>	<b>8,539</b>	<b>1,277</b>
Corporate Items	(1,346)	(2,699)	(1,353)		(1,353)	(1,361)	8
Corporate Contingency	3,329	2,000	(1,329)		(1,329)	(1,329)	-
Homelessness Reserve				(1,000)	(1,000)	(1,000)	-
LEP Topslice Reserve				(1,000)	(1,000)	(1,000)	-
<b>Total Budget Requirement</b>	<b>164,987</b>	<b>174,716</b>	<b>9,729</b>	<b>(4,595)</b>	<b>5,134</b>	<b>3,849</b>	<b>1,285</b>

2.3 In November 2016, a report was taken to Cabinet detailing the Property Disposal Programme 2016/17. The report stated that the capital receipts generated from disposals would be applied under the new capital receipt flexibilities granted to Local Authorities by central government to support on-going revenue savings, transformation costs and long terms cost reductions. As the authority has a MTFs including such initiatives, appropriate costs incurred will be applied to the capital receipts.

## Resources & Commercial

**Table 2 Resources & Commercial Variance**

	Quarter 3 Variance	Quarter 2 variance	Movement between Quarter 3 and Quarter 2
	£'000	£'000	£'000
Resources	(690)	(652)	(38)
Business Support	891	877	14
Total	201	225	(24)

- 2.4 At quarter 3, Resources is forecasting to underspend by (£690k) compared to a forecast underspend of (£652k) at Quarter 2, which is a favourable movement of (£24k).
- 2.5 The underspend of (£690k) relates to the following key variations:
- 2.6 Customer Services is forecasting an under spend (**£674k**) due to the improved recovery of Housing Benefits overpayments, coupled with the one off anticipated receipt of Government subsidy. In addition, the Business Transformation Partnerships team has delivered spending reductions from previous identified savings opportunities relating to negotiated service credits and IT support costs.
- 2.7 Legal & Governance received (£208k) from Central Government for the costs of European Elections incurred in 2015/16, which has contributed to the under spend of (**£166k**) reported by the service.
- 2.8 Human Resources Directorate & Shared Services is forecasting to under spend by (**£223k**) following the phase 1 implementation of the shared services with Buckinghamshire County Council.
- 2.9 Strategic Commissioning is forecasting an over spend of **£174k** due to a partly achieved MTFs savings and the underachievement of income that service recognised but will now not be received in the current financial year.
- 2.10 Procurement is forecast to overspend by **£196k** due to underachievement of savings relating to the Pan Organisation MTFs target. Pan Organisation savings target will not be fully achieved by £100k and the service is experiencing a further over spend as a result of a pressure relating to West London Alliance fees £41k and additional staffing cost of £50k.
- 2.11 Finance & Assurance is forecasting an overspend of **£106k** due to staffing pressures within the Corporate Finance budget.
- 2.12 The directorate has also delivered in year savings of (**£65k**) through controlled expenditure since the last reporting cycle. This figure is reflected within the projections made in this report.

## Business Support

- 2.13 Business Support is forecasting to overspend by £891k at Quarter 3 compared to £877k in Quarter 2. The MTFS savings target of £650k for 'Business Support Review' is resulting in a pressure, the rest of the overspend is due to the staffing pressure from Children Services.
- 2.14 A review of the Business Support budgets has been taking place in response to significant demand led pressures, with an analysis of the support required for the Children's front line service. This has included reviewing Business Support activity within Children's Services. The cost pressure associated with this review is reflected in the children's forecast for 2016/17 and will be transferred to Business support in the next financial year.

## Community Directorate

- 2.15 At Quarter 3 the Community Directorate is forecasting an over spend of £3.079m an improvement from quarter 2 of (£197k).

**Table 3: Community Directorate's Variance**

	Quarter 3 Variance	Quarter 2 Variance	Movement between Quarter 3 and Quarter 2
	£'000	£'000	£'000
Commissioning & Commercialisation	(418)	(410)	(8)
Environment & Culture	1,287	1,204	83
Directorate Management	(96)	(96)	0
Housing General Fund	2,724	2,996	(272)
One off in-year mitigations	(418)	(418)	0
<b>Total</b>	<b>3,079</b>	<b>3,276</b>	<b>(197)</b>

- 2.16 The favorable movements from Quarter 2 to Quarter 3 relate to an improvement in the homelessness pressures of **(£272k)**, which is partially offset by the net additional costs of arts & heritage services **£68k** and delay in transfer of North Harrow Library **£7k**.
- 2.17 Environment's overspend relates to an amber rated MTFS saving associated with the changes of garden and food waste collection system. There is a forecast pressure of **£1.3m** on this MTFS saving relating to an income shortfall of £0.5m against the original target for garden waste (which was set prior to the final agreed regime for garden waste service), additional operational costs of £0.8m due to

more crews deployed than anticipated as a result of on-going IT issues, and additional Access Harrow staffing. Management actions are being undertaken to address this pressure and these include route optimisation, the review of administrative support and recycling campaigns.

- 2.18 A pressure of **£0.936m** is forecast for Arts and Heritage service following a decision to explore further options for the arts centre at Quarter 2. Of this, (**£170k**) costs are to be met by Transformation Priority Initiative Fund. An over spend on Libraries & Leisure of **£129k** is also reported mainly relating to £73k additional costs of libraries contract due to contract indexation uplift and £30k associated with the delay in the transfer of North Harrow Library.
- 2.19 The over spends have been partially offset by (£1.422m) as detailed below:
- A one-off saving of (**£0.77m**) identified on waste disposal costs.
  - The forecast overachievement of income of (**£0.652m**), consisting of one off (£0.5m) income from Parking as a result of a change in accounting policy, (£188k) additional income from HRA and (£126k) one off additional income from cemeteries. These have been partially offset by a £62k shortfall in car park income due to closure of Gayton Road Car Park and £22k shortfall on Civic Amenity site income and £78k shortfall on waste services income.
- 2.20 A significant amount of the forecast pressure - **£2.5m** relates to homelessness. The combined impact of a shortage of affordable accommodation in London, rapidly increasing rents in the private rented sector and the Government's welfare reforms continue to place pressure on household incomes, which has driven extraordinary growth in the number of families becoming homeless across London. Homelessness prevention initiatives are, however, becoming increasingly successful, and as a result the forecast pressure has now started to reduce.
- 2.21 For 2017/18 the Council will need to consider any implications arising from the proposed Homelessness Prevention Bill which is expected to result in significant extra staffing costs in respect of prevention and administration activities. Although every effort will be made to contain the pressures within the growth added to the budget for 2017/18, its adequacy will have to be kept under review. This also applies to the on-going effects of the Government's Welfare Reforms. The subsidy payments for Temporary Accommodation costs are changing from 1/4/2017, but the government has yet to issue the guidance. We have been assured that we will receive as much subsidy in 2017/18 as we got in 2016/17. The government is currently undertaking calculations but any shortfall in subsidy funding will give rise to a further budget pressure.
- 2.22 Other pressures within Housing include the review of Watkins House to ensure compliance with applicable regulations.



- 2.23 Of the £4.974m 2016/17 MTFs targets, there is one red rated saving at Quarter 3 relating to Arts and Heritage service (£173k in 2016/17 and £282k in 2017/18).

Bad Debt Write Off

- 2.24 An invoice of £75,162.97 was raised a property company, the freeholder of the property, following works carried out by the Council to make a dangerous structure safe in 2015. However the property was leased out at that time and the tenants denied liability. Following legal advice, the outstanding debt is considered to be irrecoverable. It is therefore recommended that this is written off.

**Housing Revenue Account**

- 2.25 Quarter 3 forecasts a pressure of £635k, a deterioration against Quarter 2 of £5k.
- 2.26 The pressure is due mainly to unforeseen repairs expenditure required to meet legislative requirements and discharge mandatory health & safety obligations.
- 2.27 The costs of the compulsory upgrade of IT systems, and unbudgeted Depot bin hire and bulk waste disposal recharges, for which offsetting savings will have to be found.
- 2.28 Welfare reform and the extension of rent reduction to sheltered housing will impact on the HRA in 2017/18, though other initiatives such as Pay to Stay and Forced Sale of high value Council properties, which were anticipated to take effect next year, have either been shelved or postponed. The challenges facing the HRA are addressed in the HRA draft budget report elsewhere on this agenda.
- 2.29 A summary of the HRA position is provided below which includes estimated balances.

**Table 4: HRA Variance**

<b>2016-17 Revised Budget</b>	<b>Quarter 3 Forecast</b>	<b>Variance</b>
<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>(144)</b>	<b>491</b>	<b>635</b>

- 2.30 Based on the forecast overspend of £0.635m, it is estimated that an HRA balance of (£6.245m) will be carried forward into 2017-18.

Bad Debt Write Off

- 2.31 Following a review of its debts, the Housing Service has identified amounts in the Housing Revenue Account totalling £72k which are no longer considered recoverable, £44k of which relates to deceased tenants, with the remainder due to tenants not traceable following exhaustion of all approved channels. These debts have already been provided for and represent no additional charge to HRA balances. In

line with the Council's debt management policy, it is recommended Cabinet approves the write off of this amount.

### People's Directorate

- 2.32 The People's Directorate is forecasting an over spend of **£6.191m** at Quarter 3. This is after one off planned management actions and use of Children's Social Care Reserve of £1.890m.

**Table 5: People's Directorate's Variance**

	Quarter 3 Variance	Quarter 2 Variance	Movement between Quarter 3 and Quarter 2
	£'000	£'000	£'000
Adult	2,802	2,400	402
Children	4,300	2,821	1,479
Public Health	(911)	(528)	(383)
Total	6,191	4,693	1,498

### Adult Services

- 2.33 At Quarter 3, the Adults Division is forecast to overspend by **£2.8m**. This represents an increase in forecast of **£0.402m** on the position at quarter 2.
- 2.34 The movement of **£0.402m** between Quarter 2 and Quarter 3 is largely due to increased pressures on purchasing budgets (including an increased shortfall in the MTFs saving tracker (Appendix 2) associated with Sancroft) and a reduction in some of the staffing mitigations previously assumed.
- 2.35 In reporting this outturn it is assumed that increased spend finalising the Infinity contract of £0.095m will be funded from the Commercialisation Reserve.
- 2.36 The overspend of **£2.802m** represents the following key variations:
- A net pressure of **£3.042m** in relation to Adult Social Care (including on-going pressures in relation to DoLs and Mental Health). Purchasing pressures continue to rise, however these are reduced by a reduction in the cost of re-ablement. Winter pressures and the need for prompt discharges from hospital could add further pressures between now and the end of the year. Pressures in relation to placement costs for children with disability (within the all age disability pathway) of £75k are assumed to be fully mitigated by income received from Harrow CCG in relation to contributions towards health care.

- A pressure of **£0.744m** on in-house provided services. This is largely due to pressures of £949k in relation to delays in achieving MTFS proposals (including Kenmore of £489k). It has not been possible to deliver the MTFS savings for both Kenmore and Sancroft as originally anticipated. These savings continued to be included in the base budget for 2017/18 and the expectation now is that these will be delivered through commercialisation projects. The above is offset by underspends over a range of budgets, including reductions in staffing costs.
- Safeguarding quality assurance net underspends of **(£34k)** – this includes reductions in staffing costs.
- Strategic Management underspend of **(£0.950m)** – this relates to the impact of spending control reductions across the division now held centrally. As a consequence of the need to mitigate the wider pressures, any contingencies have now been exhausted.

### Children's Services

- 2.37 As at Q3 the headline pressures totals £6.190m. This reduces to a net reported overspend for the division of £4.300m after the use of one off management and reserve actions totalling (£1.890m).
- 2.38 The net increase in pressure of £1.479m from the position reported at Q2 is as a result of the following:
- 2.39 **Children's Placements Increased Pressure £1.353m** - The increased pressure results mainly from 2 new residential placements, 3 residential placements being extended to the end of the year, 1 placement previously in independent fostering now back in a residential placement, 13 new in house fostering placements, 7 new semi-independent placements, 1 new leaving care placement and 1 new mother and baby placement. Also more young people have been made subject to remand or custody arrangements by the courts which incur placement costs for the authority.
- 2.40 **Children and Young People's Staffing Pressure £153k** – The increased pressure mainly results from additional vacancies in the Children's Access Service being covered by agency staff which are more expensive than permanent employees, continued agency sickness cover in Quality Assurance and increased supervised contact support in the Placements Service.
- 2.41 Various reductions across the directorate **(£27k)**.
- 2.42 The overspend of **£4.3m** represents the following key variations:
- 2.43 **Special Needs Transport £1.178m** overspend – Special Needs Transport underwent a significant review in 2014/15 with a view to achieving a £0.570m savings target. It was only possible to meet approximately half of this savings target due in main to contract prices being higher than anticipated. In addition savings of £257k in 2016/17 have also not been achieved which were largely due to a review of eligibility and a number of other actions which have been undertaken. However, it is not yet apparent that any significant

savings can be achieved to drive down the existing pressure. These contribute to part of the overspends. There has also been an increase in demand, particularly for transport from home to school as the SEND reforms that extends special educational provision to age 25 years has led to an increased number of young adults with complex needs continuing in education.

- 2.44 **Children's Placements £2.854m overspend** – The overspend mainly results from an increase in the number of children in high cost residential placements. A number of these placements have been needed in response to significant risks relating to child sexual exploitation and gang involvement.
- 2.45 **Children and Young People's staffing £1.467m overspend** – The volume of referrals from the police to the Multi Agency Safeguarding Hub have gone up by 37%, many of these referrals are about domestic abuse and risk. In addition the volume of referrals linked to homelessness has gone up significantly and means that children are particularly vulnerable in temporary housing. The number of children on child protection plans has gone up by 20% and this includes all forms of abuse especially neglect. A growth bid for additional social work posts in 2017/18 has been submitted.
- 2.46 **Families with No Recourse to Public Funds £0.638m overspend** – These families are being supported by the council because they have no recourse to public funds. 1.5 FTE bespoke workers have been recruited to focus specifically on these families to help reduce costs and mitigate the financial pressures on this budget. These workers are currently supporting a total of 12 cases. 13 cases have been successfully closed which has mitigated what would have been an even greater pressure.
- 2.47 **Business Support Staffing in Children's Services £327k overspends** – The model of practice within Children's Services is to integrate business support throughout the children's pathway. These are specialist posts supporting social work pods, and the specialist panels e.g. Adoption Panel which supports the multiple statutory functions throughout Children's Services. The rise in demand in Children's Services which has resulted in additional social workers as set out above has also increased the requirement for additional business support staff. A growth bid for additional Business Support staff to support the growth bid for social work staff has also been submitted.
- 2.48 These pressures are partially offset by use of one off children's earmarked reserves and one off management actions totalling **(£1.890m)** together with on-going centrally held management actions totalling **(£274k)**.

#### Dedicated Schools Grant

- The total notified DSG budget at Q3 is £130.757m. There is an anticipated pressure on the DSG in 2016/17 totalling **£0.484m**.
- **Early Years £168k overspend** – due to an increase in participating 2, 3 and 4 year olds where the funding has lagged. This will be offset by a centrally held early year's contingency.

- **High Needs £0.980m overspend** – due to an increase in demand and complexity and the change in age range to 0-25 year olds in relation to the SEND reforms.
- **Central Fund (£498k) underspends** – due to a reduction in the number of bulge classes required in 2016/17.
- In addition to this there is a deficit on the schools funding formula of £2.069m which is being funded from a brought forward schools contingency in 2016-17. There is no impact on the Council's General Fund position from the Dedicated School Grant pressure.

#### Public Health

- 2.49 Public Health's position at Quarter 3 is a **(£911k)** underspends, a favourable movement of **(£0.383m)** when compared to Quarter 2. The reason for the improve position is largely due to forecast underspends against contracted activity, especially around activity led sexual health budgets.
- 2.50 The 2016/17 budget process created capacity of (£184k) in the grant against which wider public health outcomes could be charged. Further capacity of (£727k) has been identified and represented the following;
- 2.51 Reduced spend on wider health improvement together with the funding allocated by members to fund specific projects in areas of cuts **(£375k)**.
- 2.52 Underspends against contracted activity **(£290k)**.
- 2.53 Forecast underspend against the sexual health budget **(£332k)**, based on actual activity to August 2016. The demand led nature of sexual health services reflects the greatest financial risk that activity may increase which has the potential to reduce the underspend accordingly.
- 2.54 The above underspends have been offset by various additional pressures of **£86k**.

#### Regeneration, Enterprise and Planning Services

**Table 6: Regeneration, Enterprise and Planning Variance**

	Quarter 3	Quarter 2	Movement
	Variance	Variance	between
	£'000	£'000	Quarter 3 and
			Quarter 2
			£'000
Economic Development & Research	(6)	(6)	-
Planning	68	68	-
Regeneration	505	505	-
One-off in year mitigation	(222)	(222)	-
Total	345	345	-

- 2.55 At Quarter 3, Regeneration, Enterprise & Planning are reporting an overspend of £0.345m [33.2%] over the total net controllable budget. This is broadly in line with what was reported in Quarter 2.
- 2.56 The overspend relates in the main to the revenue costs of regeneration activity. A review of estimated expenditure against the Council's Capitalisation Guidance indicates revenue expenditure not qualifying as capital to be **£505k** based on estimates at quarter 3. The pressure is made up of £385k staffing costs, £116k community engagement & communications, £43k planning policy implementation and £89k consultant and other costs. In addition, an estimated £128k New Homes Bonus will be drawn to offset this expenditure. The £0.505m pressure above is mitigated from the £1.36m underspends within the corporate budget.
- 2.57 Planning are reporting an overspend of **£68k** at quarter 3, The increase relates to £26k forecast public inquiry costs in relation to a John Lyon's s106 application coupled with a forecast under recovery of building control income of £43k mainly as a result of the delayed introduction of increased building control fees.
- 2.58 (**£222k**) one off in year savings has been identified as part of the spending protocol. The directorate is currently on track of delivering these cost reductions / additional income.

## **CORPORATE BUDGETS**

- 2.59 Corporate budgets are forecast to underspend by £1.353m in Quarter 3. This is broadly in line with what was reported in Quarter 2. Of the above underspends, **£595k** will be used to offset the Regeneration budget pressure in 2016/17 while the remaining **£758k** will be used to mitigate the Directorate pressures.

### Contingencies and Reserves

#### **Central Contingency**

- 2.60 The Central Contingency for unforeseen items in 2016/17 is £1.329m. This will be used in full to mitigate directorate pressures.

#### **Contingencies and Reserves**

- 2.61 The contingencies are there to cover unavoidable spending pressures together with other unforeseen items, areas of risk and uncertainty and unmitigated equalities implications. There are also a number of specific reserves for a variety of purposes as identified in table 2 below.
- 2.62 The main changes to these reserves are the assumed drawdowns listed in the table below:

**Table 7: Contingencies and Earmarked Reserves**

	Unforeseen Contingency	Budget Planning	Rapid Response	Standing up for those in need	IT Impl./Trans.	Welfare Reform / Homelessness	Children Social Care Reserve	Public health	Commercialisation	TPIF	Carry Fwd	Business Risk	MTFS Implementation cost
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at Start of Year	1,329	2,000	75	800	1,454	0	218	898	520	3,189	1,794	2,109	875
To be added at year end					400	2,000							2,954
Total Earmark Reserve Balance	1,329	2,000	75	800	1,854	2,000	218	898	520	3,189	1,794	2,109	3,829
Total Applied/ To Be Applied	(1,329)	(2,000)	0	0	(1,190)	(2,000)	(218)	0	(185)	(941)	(1,794)	(80)	(1,181)
Available after commitment	0	0	75	800	664	0	0	898	335	2,248	0	2,029	2,648

**MTFS SAVINGS TRACKER**

2.63 The 2016/17 budget includes approved MTFS savings of **£17.553m**. The progress on implementation of these savings is summarised below in table 8 below and shown in more detail in Appendix 2. As at the end of December 2016, Quarter 3, 36% of savings had already been banked (blue savings), 51% of savings (green and amber) are on track or partially achieved, with 13% of savings being declared as red.

**Table 8 MTFS Tracker**

	Resources	Community	People	Regeneration	Pan Organisation	Total at Quarter 3	Total at Quarter 2	Movement
	£000	£000	£000	£000	£000	£000	£000	£000
Red	774	515	1,051	0	0	2,340	1,400	940
Amber	974	2,071	2,573	30	220	5,868	6,642	-774
Green	258	1,612	1,158	50	0	3,078	3,244	-166
Blue	2,558	776	2,923	10	0	6,267	6,267	0
<b>Total</b>	<b>4,564</b>	<b>4,974</b>	<b>7,705</b>	<b>90</b>	<b>220</b>	<b>17,553</b>	<b>17,553</b>	<b>0</b>

The movement between Q2 and Q3 is detailed below:

- 2.64 The Red Savings has increased by **£940k** as follows:
- 2.65 In Adult **£166k** is the Sancroft Contract Management saving that was previously categorised as Green, this savings will not now be achieved as detailed in the 2016/17 MTFS tracker (Appendix 2), an alternative management action has been taken to mitigate the impact of not achieving this saving this year.
- 2.66 In Resources, a savings relating to income from the Communications provider of **£125k** and the savings for Business Support Review **£649k** which were previously categorised as Amber have now moved to Red.

### 3. CAPITAL PROGRAMME

#### Capital Programme Forecast at Quarter 3

- 3.1 The 2016/17 capital programme agreed by Council in February 2016 totalled £127.033m. After allowing for agreed slippage from 2015/16 outturn and other approved amendments, the programme now totals £169.901m at Quarter 3.
- 3.2 The forecast spend at Quarter 3 is £108.857m, 64% of the total capital programme.
- 3.3 The forecast variance on the General Fund at Qtr 3 is a variance of (£45.237) (33%) of which £45.078m is requested for slippage into 2017/18 and £0.159m represents the capital budgets no longer required.
- 3.4 The forecast variance on the HRA at Quarter 3 is £15.807m, of which £15.307m will be slipped into 2017/18 and £500k budget is no longer required.
- 3.5 Tables 9 and 10 below summarise the capital forecast position and Appendix 4 shows the capital programme in more detail:

**Table 9 Summary of forecast by directorate**

Directorate	Original Programme	CFWD's	Virement	Other Adjustment (Additional)	External	LBH	TOTAL BUDGET	Forecast Spend	Forecast Variance	Slippage	Underspend after slippage
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>PEOPLE</b>	<b>17,920</b>	<b>19,287</b>	<b>0</b>	<b>1,650</b>	<b>33,823</b>	<b>5,033</b>	<b>38,857</b>	<b>20,372</b>	<b>-18,484</b>	<b>18,484</b>	<b>0</b>
<i>Adult</i>	1,750	3,340	0	-2,278	619	2,192	2,811	981	-1,831	1,831	0
<i>Schools and Children</i>	16,170	15,948	0	3,928	33,204	2,841	36,046	19,392	-16,654	16,654	0
<b>COMMUNITY</b>	<b>38,980</b>	<b>8,439</b>	<b>5,000</b>	<b>-2,585</b>	<b>8,289</b>	<b>41,544</b>	<b>49,834</b>	<b>43,122</b>	<b>-6,712</b>	<b>6,553</b>	<b>-159</b>
<i>Environment and Commission</i>	15,520	401	5,000	-1,631	2,819	16,471	19,290	19,290	0	0	0
<i>Housing</i>	16,970	6,814	0	0	800	22,984	23,784	18,195	-5,589	5,430	-159
<i>Culture</i>	4,670	0	0	-954	4,670	2,090	6,760	5,638	-1,123	1,123	0
<b>RESOURCES</b>	<b>20,525</b>	<b>10,343</b>	<b>0</b>	<b>-906</b>	<b>2,159</b>	<b>27,803</b>	<b>29,962</b>	<b>19,449</b>	<b>-10,513</b>	<b>10,513</b>	<b>0</b>
<b>REGENERATION</b>	<b>19,058</b>	<b>3,264</b>	<b>0</b>	<b>-896</b>	<b>1,547</b>	<b>19,879</b>	<b>21,426</b>	<b>11,899</b>	<b>-9,528</b>	<b>9,528</b>	<b>0</b>
<b>CROSS CUTTING</b>	<b>5,000</b>	<b>0</b>	<b>-5,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL GENERAL FUND</b>	<b>101,483</b>	<b>41,333</b>	<b>0</b>	<b>-2,738</b>	<b>45,818</b>	<b>94,260</b>	<b>140,078</b>	<b>94,842</b>	<b>-45,237</b>	<b>45,078</b>	<b>-159</b>
<b>TOTAL HRA</b>	<b>25,550</b>	<b>16,684</b>	<b>0</b>	<b>-12,412</b>	<b>0</b>	<b>29,822</b>	<b>29,822</b>	<b>14,016</b>	<b>-15,807</b>	<b>15,307</b>	<b>-500</b>
<b>TOTAL GENERAL FUND &amp; HRA</b>	<b>127,033</b>	<b>58,017</b>	<b>0</b>	<b>-15,149</b>	<b>45,818</b>	<b>124,083</b>	<b>169,901</b>	<b>108,857</b>	<b>-61,043</b>	<b>60,384</b>	<b>-659</b>



**Table 10 Analysis of Forecast Outturn variance**

Directorate	Outturn variance	Split of outturn variance by funding		Slippage	Slippage by funding		Underspend after slippage	Split of Underspend after slippage	
		Grant/sec106	LBH		Grant /Sec 106	LBH		Grant	LBH
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
PEOPLE	-18,485	-15,691	-2,794	-18,484	-15,691	-2,794	0	0	0
Adult	-1,831	-589	-1,242	-1,831	-589	-1,242	0	0	0
Schools and children	-16,654	-15,102	-1,552	-16,654	-15,102	-1,552	0	0	0
<b>COMMUNITY</b>	<b>-6,712</b>	<b>0</b>	<b>-6,712</b>	<b>-6,553</b>	<b>0</b>	<b>-6,553</b>	<b>-159</b>	<b>0</b>	<b>-159</b>
Environment and commission	0	0	0	0	0	0	0	0	0
Culture	-1,123	0	-1,123	-1,123	0	-1,123	0	0	0
Housing	-5,589	0	-5,589	-5,430	0	-5,430	-159	0	-159
RESOURCES	-10,513	0	-10,513	-10,513	0	-10,513	0	0	0
REGENERATION	-9,528	0	-9,528	-9,528	0	-9,528	0	0	0
CROSS CUTTING	0	0	0	0	0	0	0	0	0
<b>TOTAL GENERAL FUND</b>	<b>-45,236</b>	<b>-15,691</b>	<b>-29,545</b>	<b>-45,078</b>	<b>-15,691</b>	<b>-29,387</b>	<b>-159</b>	<b>0</b>	<b>-159</b>
TOTAL HRA	-15,807	0	-15,807	-15,307	0	-15,307	-500	0	-500
<b>TOTAL</b>	<b>-61,043</b>	<b>-15,691</b>	<b>-45,352</b>	<b>-60,384</b>	<b>-15,691</b>	<b>-44,693</b>	<b>-659</b>	<b>0</b>	<b>-659</b>

## **RESOURCES DIRECTORATE**

- 3.6 As at Quarter 3 the forecast spend is £19.449m, 65% of the 2016/17 Resource's directorate capital budget. The forecast variance is (£10.513m) which will all be slipped into 2017/18.
- 3.7 The main items of slippage are detailed below:
- 3.8 Property Investment Portfolio – It is been estimated that £5.371m of the £15m budget will be spent this year and the remaining **£9.629m** will be slipped to 2017/18. The implication of this slippage is the potential for not achieving £0.350m MTFs savings in 2017/18. This will be monitored closely.
- 3.9 FM Minor work project – This is a £0.500m budget set aside to carry out any in-year minor work that might materialise. Of this budget it is estimated that only £200k will be spent this year and the remaining **£300k** will be slipped into 2017/18. The financial impact of slipping the £300k is the one off savings on revenue cost budgeted this year for this project.
- 3.10 LAA Performance Reward Grant - **£100k** of this budget will be slipped into 2017/18.
- 3.11 **£0.534m** will be carried forward on various IT Projects.

## **COMMUNITY DIRECTORATE**

- 3.12 As at Quarter 3 the forecast is £43.122m, 87% of the total budget.
- 3.13 The forecast variance is £6.712m of which £6.553m will be slipped to 2017/18 and the remaining £0.159m budget will no longer be required.
- 3.14 The main items of slippage and underspend are detailed below:

### **Environment & Commissioning**

- 3.15 At Quarter 3 the whole capital programme of £19.290m is expected to be spent this year.
- 3.16 At the end of Quarter 3, Environment & Commissioning spent and/or committed £16m (84%) of total budget of £19m. This has exceeded the profiled budget at this time of the year, indicating that effective project delivery planning allows capital projects to be commenced and implemented at the front end of the financial year. The investment will improve the borough's infrastructure and make significant contributions towards the delivery of the administration's priorities in coming years.

### **Culture**

- 3.17 At Quarter 3 the forecast is £5.638m against the budget of £6.760m. The forecast variance (£1.123m) will all be slipped into 2017/18.
- 3.18 A couple of projects are delayed. The refurbishment of Kenton Library requires planning permission due to listed building status and therefore works are now planned for April 17.
- 3.19 The capital grant of £1m to Cultura London as a contribution to the extension work of Elliot Hall was previously reported as an under spend. Following Cabinet approval of the 'Future Delivery of Arts and Heritage Service update and approval of lease length' report in December, the budget is now required. However the delay in transferring the arts & heritage services means that the capital grant will not be released until 2017/18 at the earliest.
- 3.20 Some budget adjustments are required to bring the programme up to date, and these are detailed below.

## **BUDGET REDUCTION**

### **Headstone Manor**

- 3.21 There is a total budget of £5.19m in the current capital programme for the Headstone Manor refurbishment project. This is largely funded by Heritage Lottery Fund and other external funders, with a contribution from the Council of £0.91m (£570k in the current capital programme and £340k capital funding in HLF reserves set aside in previous years). Apart from repair & restoration work and the construction of a new welcome centre, the project also delivers new staff employment

and training, publicity, and other equipment & materials, the costs of which are of revenue nature. It is therefore requested that the budget in the capital programme is to reflect the costs of construction work and professional fees associated with this only, as per the table below.

- 3.22 The £1.490m reduction will remove the Revenue element that was previously included as capital in the programme.

<b>Headstone Manor Refurbishment Project</b>	<b>Gross value</b>	<b>External Funding</b>	<b>Net value</b>
	<b>£</b>	<b>£</b>	<b>£</b>
As per capital programme	5,190,000	4,620,000	570,000
Proposed budget adjustments	-1,490,000	-1,490,000	0
<b>Revised capital budget</b>	<b>3,700,000</b>	<b>3,130,000</b>	<b>570,000</b>

#### BUDGET RE-PROFILING

- 3.23 In addition, the Headstone Manor project is a multiple-year project with the completion of physical work anticipated in 2018/19. It is recommended that the revised capital budget is profiled to reflect the delivery timetable and will be included in the 2017/18 Capital Programme.

	2016/17			2017/18			2018/19			Total		
	Gross value	External Funding	Net value	Gross value	External Funding	Net value	Gross value	External Funding	Net value	Gross value	External Funding	Net value
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Proposed budget re-profile:	2.752	2.182	0.570	0.806	0.806	0.000	0.142	0.142	0.000	3.700	3.130	0.570

- 3.24 Due to the delay in transferring the arts & heritage services to Cultura London, the capital grant of £1m (approved by Cabinet in June) in relation to a contribution to the extension work to Elliot Hall will not be released until 2017/18 at the earliest. It is therefore requested that the budget of £1m is re-profiled to 2017/18.

#### Housing General Fund

- 3.25 As at Quarter 3 the forecast spend is £18.195m, 76% of the 2016/17 Housing General Fund capital budget. The forecast variance is

(£5.589m) of which (£5.430m) is requested to be slipped to 2017/18 and the remaining £0.159m can be removed from the Capital Programme.

- 3.26 The spent and committed expenditure at Quarter 3 is £1.208k (49%) of total budget of £2.477m. Disabled Facilities Grants of £1.531m are expected to be spent in full. Spend on Empty Property Grants are expected to be £0.320m below budget, of which £0.170m is expected to be carried over to financial year 2017/18 leaving an underspend of £0.150m and this is set out in the capital programme reported elsewhere in the agenda.

#### Housing Property Purchase Initiative

- 3.27 At Quarter 3, the Housing Property Purchase Initiative spends and committed expenditure is £9.136m (43%) of total the budget of £21.307m. The forecast spend is £16.138m with the remaining £5.169m carried over into the next financial year. The forecast assumes that 57 properties will be purchased by March 2017.

### **PEOPLE**

- 3.28 At Quarter 3 the forecast spend is £20.372m, 52% of the 2016/17 People's directorate capital budget.
- 3.29 The forecast underspend is £18.484m and will all be slipped into 2017/18. The main items of slippage are detailed below:

#### Adults

- 3.30 At Quarter 3 the forecast is £0.981m against the budget of £2.811m. The forecast variance (£1.831m) will all be slipped into 2017/18.
- 3.31 The main reasons for slippage are detailed as follows:
- 3.32 Mosaic Implementation - £0.406m will be slipped into 2017/18 for Mosaic system which is due to go live in April 2017, the slippage will be required for embedding the system in the new financial year. This slippage will result in a one-off savings on the budgeted revenue cost for this project in 2017/16
- 3.33 Project Infinity - £1.250m will be slipped into 2017/18. The revenue savings for this savings has been re-profiled in the budget draft report, therefore there is no impact.
- 3.34 Maintenance of Adult Properties and other projects within Adult Service of £0.075m will also be slipped into the next financial year.
- 3.35 The above slippages are required for- Programme of building works to modernise catering facilities of residential homes, some of this work will be slipped into the next financial year.

## Schools

- 3.36 The budget for the school expansion programme through to 2019/20 is £14.577m. The forecast spend in 2016/17 is £19.392m 54% of the total budget.
- 3.37 This is an improvement on the Q2 position as the funding to the Education Funding Agency (EFA) for Weald Rise School has been paid earlier than anticipated.

## SEP1 and SEP2

- 3.38 The Council employs cost consultants to provide valuations of the works carried out by the contractors. Cabinet in June 2016 approved merger of the uncommitted SEP4 programme budgets, anticipated to be delivered by the Free School Programme, and the SEP2 programme budgets and, based on the current work being undertaken to close the final accounts, there will be sufficient funding to meeting this pressure. However, the account valuations provided by the contractor vary significantly to those provided by the council's cost consultants and this could be a further pressure, and may require council borrowing to fund.
- 3.39 The forecasts continue to be monitored and updated as projects are completed and the accounts clarified and agreed with the contractors. Work is being undertaken with Legal Services to support the process of closing the programme with Keepmoat. For the purposes of the Q3 budget monitoring report, these are forecast to spend to budget.

## SEP3

- 3.40 The forecasts provided by the council's cost consultants include four schemes which have been approved by planning, as well as Welldon Park Junior School which is still subject to planning approval.
- 3.41 Welldon Park Junior School is still going through the value engineering process and where possible costs will be driven down. However, as this scheme is still subject to planning approval there could be further works or redesigns required to meet any additional planning conditions which could put further financial pressure on this programme. Any pressure on this programme will result in an over spend which would have to be funded from Council borrowing.
- 3.42 Weald Rise Primary School, also part of SEP3, is being rebuilt as part of the Priority School Building Programme. However the expansion of the school is in addition to the works being provided by the EFA. Therefore the council has committed to a top up fee in order to deliver the expansion element of this programme, totalling £2.28m. This is included in the overall budget for the programme.

## Slippages and Implication

- 3.43 The reported slippage as at Q3 is £16.654m. The majority of slippage of £6.924m relates to Stag Lane and Welldon Park Junior Schools which are parts of phase 3 of the expansion programme for which the majority of the work will be undertaken in 2017/18. There is minimal impact to the schools as a result of these delays since the expanded

year group at Welldon Park is still working its way through the infants (which is on a separate site and whose building works were completed for September 2016). There will be sufficient capacity in the junior school until building works are completed for September 2017. In relation to Stag Lane the school expanded its pupil numbers from September 2016 and there will also be sufficient capacity within the school to accommodate the increased numbers until the building works are completed for September 2017.

- 3.44 The position with the school projections reported to Cabinet in July 2016, indicate that the demand for secondary school places is lower than previously expected and there will be a shortfall at a later stage than anticipated, from 2022. It is therefore proposed to slip £945k of Secondary provision funding into 2017/18. In addition £5.090m of SEN funding will also be slipped into 2017/18. The Council has submitted an Expression of Interest to the EFA for a special free school in Harrow. The outcome of this decision will inform the capital requirements for special school provision in the future. The majority of the remainder of the slippage relates to rolling programmes for amalgamations, bulge classes and capital maintenance.

#### Addition

- 3.45 An additional sum of £1.864m of external funding in relation to school conditions was received in 2016/17 that had not been previously anticipated and therefore it is proposed that this funding is used to offset council borrowing by £1.864m.

### **REGENERATION**

- 3.46 The Division forecast to spend £11.899m against budget of £21.426m on this year's budget allocation. The following budget will be slipped into 2017/18:
- 3.47 £8.746m variance which is due to unavoidable delays, relating to land assembly, planning outcomes and unpredictable approval delays to procurement processes which will all be slipped into 2017/18. This slippage on Regeneration Programme is expected to result in the deferral of financing costs from 2016/17 to 2017/18.
- 3.48 Trinity Square project is a 2 year project; therefore of the GLA capital grant of £0.850m, £0.782m will be slipped into 2017/18, there is no financial or social implication to slipping these budget because the project is still within its projected time of completion.

### **HOUSING REVENUE ACCOUNT**

- 3.49 As at Quarter 3 the forecast spend is £14.016m, 47% of the 2016/17 HRA's latest capital Budget
- 3.50 The forecast variance is £15.807m most of which will all be slipped to 2017/18. The main HRA programme and Homes-4-Harrow are

expected to be £2.674m and £13.133m below budget respectively. The HRA main programme is expected to carry forward £2.173m with the remaining £0.500m recognised as an under spend. The whole of the £13.133m for Homes-4-Harrow will all be carried forward into 2017/18.

- 3.51 These adjustments to capital programme will not have any wider impact on delivery of the approved programme of works, which already has sufficient budget provision.

## **4. Legal Implications**

- 4.1 Section 151 of the Local Government Act 1972 states that without prejudice to section 111, every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs". Section 28 of the Local Government Act 2003 imposes a statutory duty on a billing or major precepting authority to monitor, during the financial year, its income and expenditure against budget calculations.
- 4.2 Under Allocation of Responsibilities in the Constitution, Council is responsible for all decisions, which are expected to result in variations to agreed revenue or capital budgets. Cabinet must agree, or delegate agreement for all virements between budgets as set by the Financial Regulations.
- 4.3 Under the Council's Financial Regulations B66, a year-end balance is the amount by which actual income and expenditure varies from the final budget, normally identified down to budget manager level. Unspent balances will not be carried forward, except with the permission of the CFO. Unspent balances will only be considered for carry forward where: There is an unspent ring fenced grant and grant must be repaid if it is not spent on its intended purpose.
- 4.4 Under the Council's Financial Regulations D22, The CFO is responsible for writing off irrecoverable bad debts up to the limits specified in Section F where necessary. All requests for write-off must be accompanied by a brief report in a format specified by the CFO. Debts over £25,000 need cabinet approval to be written off.

## **5. Equalities**

- 5.1 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:

- 5.2 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.
- 5.3 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.
- 5.4 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.
- 5.5 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.
- 5.6 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:
- a) Age
  - b) Disability
  - c) Gender reassignment
  - d) Pregnancy and maternity
  - e) Race
  - f) Religion or belief



- g) Sex
  - h) Sexual orientation
  - i) Marriage and Civil partnership.
- 5.7 A full equalities impact assessment was completed on the 2016/17 budget when the budget was set by Full Council. Equalities implications are taken into account by individual directorates whilst running services and making decisions to vire money. A full equality impact assessment will be completed on the budget for 2017/18.

## **6. Financial Implications**

Financial matters are integral to the report.

## **7. Performance Issues**

Good financial performance is essential to achieving a balanced budget. The financial performance is integrated with the strategic performance of the Council through quarterly Directorate Improvement Boards which consider the financial position alongside performance including key projects, service KPIs (including customer data and complaints) and workforce. Monitoring of finance and performance is reported regularly to the Corporate Strategic Board and Cabinet and is also considered by the Council's Performance and Finance Scrutiny Sub- Committee.

The overall net projected variance of £5.134m from the revenue budget of £164.9m is currently forecast to be an overspend of 3.1%.

For the 2016/17 savings built into the MTFs, the overall position is that 36% of the savings are RAG rated as blue (achieved and banked), 18% green (achievement of saving on track), 33% amber (saving only partially achieved or risks remaining) and 13% red (agreed saving not achievable).

## **8. Risk Management Implications**

The risks to the Council and how they are being managed are set out in the report.

Risks are included on the Directorate risk registers

## **9. Council Priorities**

The Council's vision is:

### **Working Together to Make a Difference for Harrow**

The Council's priorities are:

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

This report deals with Revenue and Capital monitoring which is key to delivering the infrastructure to deliver the Council's priorities.

### Section 3 - Statutory Officer Clearance

Name: Dawn Calvert	<input checked="" type="checkbox"/>	Chief Financial Officer
Date: 17 January 2017		
Name: Jessica Farmer	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 7 February 2017		

<b>Ward Councillors notified:</b>	<b>NO, as it impacts on all Wards</b>
<b>EqIA carried out:</b>	<b>NO</b>
<b>EqIA cleared by:</b>	Not applicable

### Section 4 - Contact Details and Background Papers

**Contact:** Sharon Daniels ([sharon.daniels@harrow.gov.uk](mailto:sharon.daniels@harrow.gov.uk)),  
 Deputy sec151 officer Tel: 020 8424 1332

**Background Papers: Cabinet February 18 2016:** [Capital Programme 2016/17 to 2019/20](#)  
**Cabinet December 8 2016:** [Quarter 2 Revenue Monitoring Report.](#)

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

**NOT APPLICABLE**

[Call-in applies]

## Appendix 1

	Revised Budget	Forecast Outturn	Quarter 3 Variance	Mitigation	Variance at Quarter 3 after Mitigation	Variance	Quarter 2 Variance	Movement between Quarter 2 and Quarter 3
	£000	£000	£000	£000	£000	%		
<b>Resources</b>								
<b>Controllable Budget</b>								
Customer Services	24,250	23,576	● (674)		(674)	(2.8%)	(655)	(19)
Director of Resources	538	493	● (45)		(45)	(8.4%)	(48)	3
HRD & Shared Services	1,808	1,585	● (223)		(223)	(12.3%)	(153)	(70)
Legal & Governance	2,782	2,616	● (166)		(166)	(6.0%)	(157)	(9)
Procurement & Commercial	611	807	● 196		196	32.1%	141	55
Strategic Commissioning	2,167	2,341	● 174		174	8.0%	180	(6)
Assurance	562	569	● 7		7	1.2%	(2)	9
Finance	3,214	3,320	● 106		106	3.3%	107	(1)
<b>Total Controllable Budget</b>	<b>35,932</b>	<b>35,307</b>	<b>● (625)</b>	<b>0</b>	<b>(625)</b>	<b>0</b>	<b>(587)</b>	<b>(38)</b>
Uncontrollable Budget	(15,725)	(15,725)	● 0		0	0.0%	0	0
One off Mitigation				(65)	(65)		-65	0
<b>Total Directorate Budget</b>	<b>20,207</b>	<b>19,582</b>	<b>● (625)</b>	<b>(65)</b>	<b>(690)</b>	<b>0</b>	<b>(652)</b>	<b>(38)</b>
					0			
<b>Business Support</b>					0			
Business Support	2,381	3,272	● 891		891	37.4%	877	14
Uncontrollable Budget	(1,008)	(1,008)	● 0		0	0.0%	0	0
<b>Total Business Support</b>	<b>1,373</b>	<b>2,264</b>	<b>● 891</b>	<b>0</b>	<b>891</b>	<b>0</b>	<b>877</b>	<b>14</b>
					0			
<b>Community</b>					0			
<b>Controllable Budget</b>					0			
Commissioning & Corporate Es	(1,861)	(2,279)	● (418)	0	(418)	22.5%	-410	(8)
Environment & Culture	19,655	20,942	● 1,287	0	1,287	6.5%	1204	83
Directorate Management	282	186	● (96)	0	(96)	(34.0%)	-96	0
Housing General Fund	3,637	6,361	● 2,724		2,724	74.9%	2996	(272)
<b>Total Controllable Budget</b>	<b>21,713</b>	<b>25,210</b>	<b>● 3,497</b>	<b>0</b>	<b>3,497</b>	<b>1</b>	<b>3,694</b>	<b>(197)</b>
One off Mitigation	418	0	● 0	(418)	(418)	0.0%	-418	0
Uncontrollable Budget	18,836	18,836	● 0		0	0.0%	0	0
<b>Total Directorate Budget</b>	<b>40,967</b>	<b>44,046</b>	<b>● 3,497</b>	<b>(418)</b>	<b>3,079</b>	<b>1</b>	<b>3,276</b>	<b>(197)</b>
<b>People</b>								
<b>Controllable Budget</b>								
Adult Services	55,290	58,092	● 2,802	0	2,802	5.1%	2400	402
Public Health	790	(121)	● (911)		(911)	(115.3%)	-528	(383)
Children & Families	26,529	32,392	● 5,863		5,863	22.1%	4344	1,519
<b>Total Controllable Budget</b>	<b>82,609</b>	<b>90,363</b>	<b>● 7,754</b>	<b>0</b>	<b>7,754</b>	<b>(1)</b>	<b>6,216</b>	<b>1,538</b>
Additional Business Support in Children's Services		327	● 327		327		323	4
One off Children's Social Care Reserve	0	0	● 0	(1,890)	(1,890)	0.0%	-1790	(100)
Planned Management Action				0	0		-56	56
Uncontrollable Budget	15,655	15,655	● 0		0	0.0%	0	0
<b>Total Directorate Budget</b>	<b>98,264</b>	<b>106,345</b>	<b>● 8,081</b>	<b>(1,890)</b>	<b>6,191</b>	<b>(1)</b>	<b>4,693</b>	<b>1,498</b>
<b>Regeneration</b>								
Economic Development & Research	668	662	● (6)		(6)	(0.9%)	(6)	0
Planning	148	216	● 68		68	45.9%	68	0
Regeneration Programme	0	505	● 505		505	0.0%	505	0
One off Mitigation	222	222	● 0	(222)	(222)	0.0%	(222)	0
<b>Total Controllable Budget</b>	<b>1,038</b>	<b>1,605</b>	<b>● 567</b>	<b>(222)</b>	<b>345</b>	<b>0</b>	<b>345</b>	<b>0</b>
Uncontrollable Budget	1,155	1,155	● 0		0	0.0%	0	0
<b>Total Directorate Budget</b>	<b>2,193</b>	<b>2,760</b>	<b>● 567</b>	<b>(222)</b>	<b>345</b>	<b>0</b>	<b>345</b>	<b>0</b>
<b>Total Directorate Budgets</b>	<b>163,004</b>	<b>174,997</b>	<b>● 12,411</b>	<b>(2,595)</b>	<b>9,816</b>	<b>1</b>	<b>8,539</b>	<b>1,277</b>
Corporate Items	(1,346)	(2,699)	● (1,353)		(1,353)	100.5%	-1361	8
Corporate contingency	3,329	2,000	● (1,329)		(1,329)	(39.9%)	-1329	0
Homelessness Reserve				(1,000)	(1,000)		-1000	0
LEP Top Sliced				(1,000)	(1,000)		-1000	0
<b>Total Budget Requirement</b>	<b>164,987</b>	<b>174,298</b>	<b>● 9,729</b>	<b>(4,595)</b>	<b>5,134</b>	<b>1</b>	<b>3,849</b>	<b>1,285</b>

# MTFS Tracker Savings Tracker

Unique Reference No.	Specific Service Area	Description	2016/17	2017/18	2018/19	2019/20	Total	RAG Rating	Comment
			£000	£000	£000	£000	£000		
<b>Resources &amp; Commercial</b>									
RES_SC01	Strategic Commissioning	Income from Communications Through Gain Share Model	125	25	13		163	Red	Work continues to be undertaken to establish whether this saving can be achieved and is sustainable into 2017/18 as income targets will increase in this year. To date the underachievement is being covered through the Resources and Commercial Directorate underspend position
RES_SC02	Strategic Commissioning	Additional Income from Communications Provider and Further Savings			107		107	Purple	Future Year saving, still in development
RES_SC03	Strategic Commissioning	Domestic Violence Budget Reduction Based on Alternative Funding		21	61		82	Purple	Future Year saving, still in development
RES_SC04	Strategic Commissioning	Proposed savings in Healthwatch Funding	13		50		63	Green	Saving for 2016/17 made.
RES_SC05	Strategic Commissioning	SIMS Team Contribution to Overheads and Additional Income	30	20	20		70	Amber	Income levels in 2015/16 would cover this additional income, and new income of £10k has already been developed for 2016/17.
RES_SC06	Strategic Commissioning	Commissioning Capacity in the Council	371	10	50		431	Amber	All staff savings have been delivered and integrated into budgets for 2016/17. The majority of this saving is achieved, with further work taking place to deliver the full saving by the end of the year.  Around £87k of the 2016/17 target is at risk. There are plans to mitigate this by looking to underspend in other parts of the Division. The plan to stop the Small Grants Programme from 1st October will contribute an additional £30k to the £87k shortfall. Therefore this saving is now £57k short of delivery.
RES_HR01	HR	Shared HR Service with Buckinghamshire County Council - Business Case Under Development		140	110		250	Green	The shared HR Service went live on 1 August 16 and all the MTFS savings are built in to the fees and charges for the shared Service. There is sufficient budget provision to meet the service charges for 16/17 and the implementation costs.

# MTFS Tracker Savings Tracker

Unique Reference No.	Specific Service Area	Description	2016/17	2017/18	2018/19	2019/20	Total	RAG Rating	Comment
			£000	£000	£000	£000	£000		
RES_HR03	HR	Organisational Development - Review existing shared OD service provision		155			155	Purple	The OD Service has been subsumed within the new shared HR Service and the MTFS savings built in to the fees and charges.
RES_F01	Finance & Assurance	Reduction in Contribution to Insurance Fund due to improved claims performance	200				200	Blue	Contribution reduction built into 16/17 budget
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	Green	Harrow remains in the upper quartile for rates received on its short term treasury investments. Although performance remains high, a lower level of balances means that investment income will not increase significantly, however a review of borrowing to support the Capital Programme will achieve the 2016/17 savings.
RES03	Finance and Assurance	Review of the Finance structure 2015/16 and 2016/17 proposals	415				415	Amber	Team re-structure completed to delete 7fte. New structure in place from 01/05/16. 3 posts remain covered by agency staff and are currently being recruited to. Agency cover to back fill staff absence due to sickness is also creating a pressure. Estimated pressure in 2016/17 is £100k.
RES_F03b	Finance & Assurance	Audit and Fraud - staffing reductions	30	15			45	Blue	Corporate Fraud Investigator post deleted - £30k removed from budget therefore saving achieved
RES_F04	Finance & Assurance	Investment Portfolio		350	350		700	Purple	Future Year saving, still in development
RES_LG02	Legal & Governance	Committees		100			100	Purple	Future Year saving, still in development. There is no plan or political support to deliver these savings.
RES_LG03	Legal & Governance	Shared Registrars Service	50				50	Amber	Reports to effect a shared registrars service with Brent are scheduled for both Council's Cabinets in the Autumn.
RES_LG04	Legal & Governance	Expansion of the Legal Practice 15/16 and 16/17 proposals	384	354	354		1,092	Blue	2016/17 savings achieved. Achievement of future savings will become clearer as the year progress.

# MTFS Tracker Savings Tracker

Unique Reference No.	Specific Service Area	Description	2016/17	2017/18	2018/19	2019/20	Total	RAG Rating	Comment
			£000	£000	£000	£000	£000		
RES_CP01	Commercial, Contracts & Procurement	Selling services through shared procurement arrangements. 15/16 and 16/17 proposals	108	182	180	-	470	Amber	The delay to the establishment of the Procurement Shared Service by the withdrawal of Bucks has made the delivery of savings for 2016/17 difficult but everything is being done to ensure delivery. 2017/18 savings are subject to a revised staffing structure and consultation with Unions. Plans for 2018/19 not yet developed.
RES_CS02	Customer Services and IT	Revenues and Benefits - Domestic and NNDR Site Review and Collection Rate			250		250	Purple	Future Year saving, still in development
PES_CS06 CT	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			300		300	Purple	Future Year saving still in development, and at risk as full HB caseload migration to Universal Credit (UC) still many years away which means administration savings by simplifying local Council Tax Support Scheme is unachievable. Progression to UC extremely slow. Saving unachievable and should be removed until DWP gives time lines for migration of HB Working Age caseload.
RES_CS07	Customer Services and IT	IT Maintenance Savings	67				67	Blue	Savings already achieved
RES_CS09	Customer Services and IT	IT Contract. Reduced costs assuming reduction of 100 IT users across the Council	31				31	Blue	Savings already achieved
RES_CS10	Customer Services and IT	IT - reduce colour printing across the organisation by 50%	50				50	Blue	Savings already achieved
RES_CS12	Customer Services and IT	Customer Services - review Helpline charging and commercialisation	65				65	Green	New schemes are being taken on increase revenue An inter-authority agreement is in process with Brent to supply the Helpline service A bid for funding is to be made to the commercial board to increase revenue streams through greater use of technology
RES_CS15	Customer Services and IT	Capital financing savings from IT contract being less than in the capital programme	260				260	Blue	Achieved
BSS 01	BSS	Business Support Review.	649	352	320		1,321	Red	Additional demand from Childrens Services due to increased activity at the front door. Deep Dive review carried out with Members and options on reducing costs presented to Commissioning Panel.



# MTFS Tracker Savings Tracker

Unique Reference No.	Specific Service Area	Description	2016/17	2017/18	2018/19	2019/20	Total	RAG Rating	Comment
			£000	£000	£000	£000	£000		
RES16	Strategic Commissioning	Retender of the Communications Service to take account of reductions in spend phased in the following way: 2016/17 - 10% reduction, 2017/18 - 10% reduction. <b>15/16 MTFS</b>	57	57			114	Blue	2016/17 savings achieved . Achievement of future savings will become clearer as the year progresses.
RES21	Directorate Wide	Management Savings <b>15/16 MTFS</b>	150				150	Blue	Savings on track to be achieved.
RES25	Customer Services & IT	Procurement savings across the contracts managed within the division. <b>15/16 MTFS</b>	949				949	Blue	Savings achieved.
RESG01	Customer Services & IT	<b>Welfare Reform contingency utilisation-</b> 6FTE Revenues and benefits £215k - reversal of one off growth <b>15/16 MTFS</b>	215				215	Blue	Savings achieved - Temporary staff contract terminated
RES082	Collections and Benefits	Revenues Staffing Reductions <b>14/15 MTFS</b>	40				40	Blue	Achieved and monies already taken from budget as at 1/4/2016
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. <b>14/15 MTFS</b>	125				125	Blue	Achieved and monies already taken from budget as at 1/4/2016
			4,564	2,376	2,790	-	9,730		
<b>Children &amp; Families</b>									
PC01	Education & Commissioning	<b>Schools Strategy</b> Education & Professional Lead - Early Years. Change funding to maximise use of grants	91				91	Blue	Achieved
PC02	Education & Commissioning	<b>Capital Team</b> <b>Delete Senior Professional after postholder retires £73k and increase capitalisation £70k</b> Post vacant	143				143	Blue	Post Holder retired September 2015 and the 2016-17 budgeted establishment has been adjusted to reflect the saving. Capitalisation built into the capital programme.
PC03	Special Educational Needs	<b>Residential School Placements</b> Maximise use of grants	500				500	Blue	Funding streams adjusted and 2016-17 budget reduced to reflect saving.
PC04	Special Educational Needs	<b>Educational Psychology</b> Income generation	50				50	Blue	Achieved
PC05	Children & Young People	<b>The Firs</b> Selling bed spaces, providing training to other LAs, renting out rooms/garden for activities	52				52	Green	To be achieved through a combination of income generation and efficiencies



# MTFS Tracker Savings Tracker

Unique Reference No.	Specific Service Area	Description	2016/17	2017/18	2018/19	2019/20	Total	RAG Rating	Comment
			£000	£000	£000	£000	£000		
PC06	Children & Young People	Children's Placements - Care Leavers Efficiencies in procurement	200				200	Amber	To be achieved through increasing the number of housing benefit claimants, moving young people into independent living at an earlier stage and improved contractual and commissioning arrangements to drive down costs. Demand and complexity, particularly in relation to gangs and exploitations, continues to increase and this may mean that savings are offset by pressures from demand. This will be closely monitored throughout the year
PC07 57	Children & Young People	Children's Placements - Looked After Children Negotiate price reductions and review packages of support	500				500	Amber	Robust monitoring and regular review of high cost placements at panels chaired by Divisional Director. Improved contractual and commissioning arrangements to drive down costs. Improved care planning so children and young people can be moved from expensive residential placements in a more timely manner. Demand and complexity continues, particularly in relation to gangs and exploitation, to increase and this may mean that savings are offset by pressures from demand. This will be closely monitored throughout the year
PC08	Children & Young People	Emergency Duty Team Full cost recovery	50				50	Green	Full cost recovery from Barnet in progress (awaiting contract sign off). Increased the core contract value to reflect actual costs.
PC12	Children & Young People	Review of posts in Quality Assurance & Improvement Service			223		223	Purple	Future Year saving, still in development
PC13	Children & Young People	Integration and restructure of childrens centres, early intervention and youth development service	416	266			682	Amber	The target implementation date of 31st March has slipped to the end of November. Full achievement of savings are expected in 2017/18.
PC14	Children & Young People	Review of Adoption Contract			86		86	Purple	Future Year saving, still in development
PC15	Children & Young People	Review of posts in MASH			100		100	Purple	Future Year saving, still in development
PC16	Children & Young People	Review of posts in Family Information Service			61		61	Purple	Future Year saving, still in development
PC17	Children & Young People	Review of posts in Access to Resources			57		57	Purple	Future Year saving, still in development
PC19	Children & Young People	Review of Leaving Care, Children Looked After & Unaccompanied Asylum Seeking Children Teams			173		173	Purple	Future Year saving, still in development

# MTFS Tracker Savings Tracker

Unique Reference No.	Specific Service Area	Description	2016/17	2017/18	2018/19	2019/20	Total	RAG Rating	Comment
			£000	£000	£000	£000	£000		
PC20	Education & Commissioning	<b>Commissioning</b> Reduction by 2.6FTE vacant posts	184				184	Blue	2.6FTE post holders left in 2015. 2016-17 budgeted establishment adjusted to reflect the savings
PC21	Education & Commissioning	<b>Governor Services</b> Governor Support Officer post	44				44	Blue	Post holder left March 2016. 2016-17 budgeted establishment adjusted to reflect the savings.
PC22	Education & Commissioning	<b>Schools Strategy</b> Non staffing budgets	35				35	Blue	2016-17 budgets adjusted to reflect saving
PC23	Education & Commissioning	<b>Harrow School Improvement Partnership</b> HSIP Full Cost recovery including Support Service Costs	130				130	Blue	HSIP Board notified and 2016-17 budgets adjusted to reflect saving
PC24	Education & Commissioning	<b>Enhancing Achievement within Education Strategy</b> Post should be 75% funded by grant management fees from April 2016, post holder redundant from August 2016	61	8			69	Blue	Post holder leaves August 2016. 2016-17 budget establishment adjusted to reflect the savings
PC25	Contracts	<b>Review of Young Carers Contract</b> Contractual efficiencies	20				20	Blue	New contract arrangements commenced Sept 15. 2016-17 budgets adjusted to reflect saving
PC28	Cross Service	<b>Non-pay inflation</b>	150	150	150	150	600	Blue	Funding retained centrally and therefore not included in 2016-17 budgets
PC29	Management	<b>Review of Management</b>	449				449	Blue	Posts deleted, post holders left and 2016-17 budgeted establishments adjusted to reflect the savings
PC31	Special Needs Service	<b>Children with Disabilities</b> Efficiencies as service seeks to merge with adults	50				50	Blue	The CWD service has been merged with the adults with disability service to create a 0-25 children & young people with disabilities service. Part of this restructure has deleted one vacant senior social worker post
PC32	Special Needs Service	<b>Educational Psychology</b> Income generation	50				50	Amber	Service under review and saving anticipated to be achieved
PC33	Special Needs Service	<b>Review of Special Educational Needs Transport</b>	257	257			514	Amber	The revised travel assistance policy was approved at September Cabinet. Any savings resulting from the application of this policy will be factored into future forecasts as and when they materialise. There is the potential to make financial savings but it is not possible to predict the exact amount as the population and complexities of those accessing Travel Assistance changes and will impact on this.
PC36	Children & Young People	<b>Review of posts in Quality Assurance &amp; Service Improvement</b>			248		248	Purple	Future Year saving, still in development

# MTFS Tracker Savings Tracker

Unique Reference No.	Specific Service Area	Description	2016/17	2017/18	2018/19	2019/20	Total	RAG Rating	Comment
			£000	£000	£000	£000	£000		
PC38	Children & Young People	Review of Children Looked After & Placements Service			1,000		1,000	Purple	Future Year saving, still in development
PC39	Education & Commissioning	Education Strategy & Capital Capitalise 2fte	137				137	Blue	Capitalisation built into capital programme
PC42	Special Needs Service	Review of Special Needs Service			1,164		1,164	Purple	Future Year saving, still in development
			3,569	681	3,262	150	7,662		
<b>Adults</b>									
PA_1	Adults	Supporting People - renegotiation of existing statutory contracts	150				150	Green	On track to be delivered with additional mitigations
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	Red	Following consultation Members have decided that the contract at the Bridge will not cease. 2016/17 financial implications have been addressed through the 2015/16 Revenue Outturn position. Future years funding will need to be addressed as part of the budget setting process.
PA_3	Adults	Wiseworks - commercialisation opportunities and to be self financing by end of MTFS period	50	69	56		175	Green	On track to be delivered
PA_4	Adults	Milmans Community tender		175	184		359	Purple	Future year saving in development
PA_5	Adults	New Bentley [formerly Byron NRC] Community Tender		446			446	Purple	Future year saving in development
PA_6A	Adults	Vaughan NRC - service review to identify efficiencies in supporting the most complex		100			100	Purple	Future year saving in development
PA_7	Adults	Kenmore NRC - Community Tender	609				609	Red	Community Model being taken forward, and risk of a significantly reduced saving.
PA_9	Adults	Sancroft - contract management and service renegotiation	166	334			500	Red	The savings in 2016/17 were expected to be delivered from contractual renegotiations around the day care services provided which are currently under utilised. The legal review of the contract has identified that it is not possible to renegotiate the contract to deliver the planned savings, and given the further savings anticipated in 2017/18, alternative options are now being explored. As a result, this reduction in expenditure cannot be achieved in the current financial year.

# MTFS Tracker Savings Tracker

Unique Reference No.	Specific Service Area	Description	2016/17	2017/18	2018/19	2019/20	Total	RAG Rating	Comment
			£000	£000	£000	£000	£000		
PA_10A	Adults	Transport - review transport provision	200	200	350		750	Green	Will be delivered through wider mitigation
PA_11A	Adults	MOW/Catering Service - review of service		65			65	Purple	Future year saving in development
PA_12	Adults	Southdown - review service through shared lives	139				139	Green	Slight delay in transitioning to new settings to be mitigated through ASC budget
PA_13	Adults	Welldon/Harrow View - review service through shared lives	106				106	Green	Slight delay in transitioning to new settings to be mitigated through ASC budget
PA_14	Adults	Shared Lives - commercialisation through selling model to neighbouring boroughs	50	150			200	Green	On track to be delivered
PA_15	Adults	Bedford House / Roxborough Park - review provision within Bedford House	150	650			800	Green	Delays in building redesign may require mitigation through ASC budget
PA_16	Adults	7 Kenton Road - review provision through supporting living and shared lives		228			228	Purple	Future year saving in development
PA_17	Adults	Hospital / STARRS Discharge - social care assessments through reablement in line with Care Act guidance	70				70	Green	On target to be achieved
PA_19	Adults	Reduce Commissioning Team - restructure to reduce the team by 2FTE	150				150	Amber	Restructure proposals halted pending decision around 17/18 MTFS which proposes deletion of the team.
PA_20	Adults	Demography - reduce remaining MTFS annual demographic growth provision to the Adult Social Care purchasing budget in 2016/17	1,000				1,000	Amber	The underlying pressures within ASC from 2015/16 together with the potential impact of the National Living Wage, delivery of MTFS including the reduction in demography indicates that this year will be more financially challenged than in recent years, with an overspend predicted.
PA_21	Adults	CHW Senior Management Restructure - savings from senior management restructure following consultation	261				261	Blue	Delivered budget reduced
PA_25	Adults	Maintenance team - services provided within existing staffing resources	165				165	Blue	Delivered budget reduced
PA_26	Adults	My Community ePurse - commercialisation of My Community ePurse		1,000	600		1,600	Purple	Future year saving in development. Procurement of commercial partner in progress. Competitive dialogue will indicate ability to deliver savings.
PA_27	Adults	Our Community ePurse - explore new commercialisation opportunities		998	1,250		2,248	Purple	Future year saving in development. Procurement of commercial partner in progress. Competitive dialogue will indicate ability to deliver savings.
PA_28	Adults	Community Wrap - explore new commercialisation			640		640	Purple	Future year saving in development

# MTFS Tracker Savings Tracker

Unique Reference No.	Specific Service Area	Description	2016/17	2017/18	2018/19	2019/20	Total	RAG Rating	Comment
			£000	£000	£000	£000	£000		
PA_29B	Adults	Total Community ePurse - explore new commercialisation opportunities			2250		2,250	Purple	Future year saving in development. Procurement of commercial partner in progress. Competitive dialogue will indicate ability to deliver savings.
CHW09	Adults	Reduced funding following review of WLA programme 2015/16 MTFS	50				50	Blue	Delivered budget reduced
		<b>Total</b>	<b>3,592</b>	<b>4,415</b>	<b>5,330</b>	<b>-</b>	<b>13,337</b>		
<b>Public Health</b>									
PH_1	PH	Health Checks - reduction in activity	100				100	Blue	Consultation responses supported reduction in health checks activity. This has been incorporated in the final EQIA.
PH_2	PH	Sexual Health - reduction of activity in projects & non contracted activity 16-17.	153				153	Blue	Delivered, budget reduced
PH_3	PH	Sexual Health - consolidation of activity within new contract efficiency 17-18		105			105	Purple	Pan London collaborative commissioning has delivered savings, however the current Contraceptive and Sexual Health services block contract is over delivering. This is likely to result in increased cost post reprocurement.
PH_4	PH	Tobacco Control & Smoking Cessation - reduction in promotional activities	20				20	Blue	Delivered, budget reduced
PH_5	PH	Tobacco Control & Smoking Cessation - reduction of		279			279	Purple	service.
PH_6	PH	Physical Activity - reduction of service	76				76	Blue	comments incorporated in the final EQIA. Contracts have not been renewed.
PH_7	PH	Young Peoples Public Health - reduction of Schools Programme	100				100	Green	Consultation did not support cessation of the programme and comments incorporated in the final EQIA. The programme was, however, for a fixed term.
PH_9	PH	Health intelligence & Knowledge - reduction in staff costs		48			48	Blue	On target to be delivered
PH_10	PH	Staffing & Support - reduction in budget & deletion of additional procurement support	54	30			84	Blue	Procurement costs reduced 2016/17 and on target to be delivered 2017/18
PH_11	PH	Drug and Alcohol - reduction in service (contract related costs. Employee costs included in PH_12)			1,500		1,500	Purple	Targetted reduction to be considered in consultation with contracted provider
PH_12	PH	Reduction to service - staffing reductions	41		795		836	Green	development
			<b>544</b>	<b>462</b>	<b>2,295</b>	<b>-</b>	<b>3,301</b>		
<b>Community</b>									
CE_1	ESD - Public Protection	Cessation of subsidy to Metropolitan Police	158				158	Blue	Achieved. Agreement with Met Police already terminated.



# MTFS Tracker Savings Tracker

Unique Reference No.	Specific Service Area	Description	2016/17	2017/18	2018/19	2019/20	Total	RAG Rating	Comment
			£000	£000	£000	£000	£000		
CE_2	Commissioning Services	<b>Highways Services</b> - 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.	80				80	Blue	Completed.
CE_3	Commissioning Services	<b>Mortuary Services</b> - Reduction in costs as a result of Barnet joining the partnership with Brent.	14				14	Blue	Completed in 15-16.
CE_4	Commissioning Services	<b>Staff efficiencies in Parking and Network Teams</b> - 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	Blue	Completed in 15-16.
CE_5	Directorate Wide	<b>Reduction of supplies &amp; services budget</b>	100	50	50		200	Blue	Achieved
CE_7	ESD - Waste Services	<b>Alternative funding for recycling officer post</b> - post to be commercially funded or deleted.	29				29	Blue	The post has not been deleted. However a Team Leader post has moved to Trade Waste Commercial team and has not been back filled, so funding for recycling officer post is available.
CE_8	ESD - Technical Services	<b>Staff efficiency once Towards Excellence fully embedded</b> - Deletion of 2 posts.		34	34		68	Green	This will be achieved as part of division-wide restructure taking place during 16/17.
CE_9	ESD - Public Protection	<b>Efficiencies arising from Selective Licensing</b> - Through full cost recovery and reduction in failure demand. Net income.	200	35			235	Green	Implemented.
CE_10.1	ESD - Management	<b>Management savings</b> Savings on <b>team leader posts</b> across the Environmental Service Delivery division.	86				86	Green	This will be achieved as part of division-wide restructure taking place during 16/17. Commercial activities within the division (e.g. grounds maintenance service under Project Phoenix) will ensure that full saving is met in 16/17.
CE_10.2	ESD - Management	<b>Management savings</b> Savings on a <b>management post</b> across the Environmental Service Delivery division.		75			75	Green	This will be achieved as part of division-wide restructure taking place during 16/17.
CE_12	Commissioning Services	<b>Project Phoenix</b> - Commercialisation projects	115	-	1,525		1,640	Green	The implementation of business cases approved to date will achieve the overall 3-year targets.

# MTFS Tracker Savings Tracker


Unique Reference No.	Specific Service Area	Description	2016/17	2017/18	2018/19	2019/20	Total	RAG Rating	Comment
			£000	£000	£000	£000	£000		
CE_13	ESD - Harrow Pride	<b>Contract savings</b> Roll out the successful trial of wider parks bins provision and move to a fully in house dog waste collection service.	35				35	Blue	Contract with SDK already terminated.
CE_14	Commissioning Services	<b>Highways Services</b> - revenue savings on utilities and maintenance costs due to acceleration of the Street Lighting replacement programme and extension of the variable lighting regime.	70	10			80	Green	Accelerated capital investment reduces revenue costs.
CE_15	Commissioning Services	<b>Highways Services</b> - Reduction in revenue budget for reactive maintenance due to accelerated capital investment from 2014/15.	60	20	20		100	Green	Accelerated capital investment reduces revenue costs.
CE_16	Commissioning Services	<b>Staff efficiencies in Parking and Network Teams</b> - 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.	75	80	20		175	Green	Restructure completed.
CE_17	Commissioning Services	<b>General efficiencies across the Division (Policy, Community Engagement, Facilities Management and Contracts Management)</b> - including capitalisation of senior contracts officer post, removal of some supplies & services budget	12	9	80		101	Green	16/17 target achieved by reducing Supplies & Services budget
CE_18	Commissioning Services	<b>Income Generation</b> - Facilities Management Service Level Agreements (SLAs) and Energy SLAs to schools	46	20	20		86	Green	On track. Additional schools buy-back as part of SLA renewal.
CE_19	Commissioning Services	<b>Road safety officer post</b> - externally funded by Transport for London (TfL)		40			40	Purple	To include this salary recharges in the funding bid to TfL on road safety activities.
CE_20	Commissioning Services	<b>Further contract efficiencies following the re-procurement of Facilities Management contract.</b>		80			80	Purple	To secure reduced costs through gain share mechanism on commercial opportunities.
CE_21	NIS	<b>Neighbourhood Investment Scheme (NIS)</b> - 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	Green	This saving will be achieved.
CE_22.1	ESD - Environmental Health	<b>Environmental Health team</b> - Introduction of Street Trading, Fixed Penalty receipts and other internal efficiencies	210				210	Green	Delivery plan in place. Implementation underway.

# MTFS Tracker Savings Tracker

Unique Reference No.	Specific Service Area	Description	2016/17	2017/18	2018/19	2019/20	Total	RAG Rating	Comment
			£000	£000	£000	£000	£000		
CE_22.2	ESD - Environmental Health	<b>Environmental Health team</b> - Introduction of Street Trading, Fixed Penalty receipts and other internal efficiencies	30				30	Green	On track
E&E_01	Commissioning Services	<b>Trading Standards</b> - Further cost reduction in Trading Standards service by re-negotiating the Service Level Agreement with London Borough of Brent. <b>15/16 MTFS</b>	40	40			80	Green	Additional Proceeds of Crime Act income anticipated, therefore reducing the overall SLA costs to Brent.
E&E_03	Commissioning Services - Community Engagement	<b>School Crossing Patrols</b> - 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. <b>15/16 MTFS</b>	64				64	Blue	SCP service included in the 16/17 School SLA pack. 12 schools have bought into the service.
E&E_05	Commissioning Services - Contract Mgt & Policy	<b>Staff Efficiencies across the Division</b> - Deletion of 3 posts 15/16 MTFS		86			86	Green	1 post has been deleted in 15-16 and the deletion of the other 2 posts is a 17/18 saving, for which a plan will be provided.
E&E_06	Commissioning Services - Facilities Mgt	<b>Reduction in Facilities Management costs</b> - 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. <b>15/16 MTFS</b>	44	44	22		110	Green	Head of FM post deleted, and work being covered by Head of Business & Commercial.
E&E_07	Commissioning Services - Facilities Mgt	Introduction of staff car parking charges. <b>15/16 MTFS</b>	30	-	-		30	Green	On track.
E&E_08	Commissioning Services - Highway Services	<b>Reduce highways maintenance budget</b> - Changes to the response times on non urgent works i.e. respond to these in 48 hours instead of existing 24 hours. <b>15/16 MTFS</b>	84	45			129	Green	This is being achieved through changes in response times and accelerated capital investment which reduces the need for responsive repairs.
E&E_09	Commissioning Services - Highways	<b>Highways Contract</b> - 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). <b>15/16 MTFS</b>		120	120		240	Purple	To be incorporated into contract re-negotiation by securing savings through contract extension. Alternatively, reducing staff.



# MTFS Tracker Savings Tracker

Unique Reference No.	Specific Service Area	Description	2016/17	2017/18	2018/19	2019/20	Total	RAG Rating	Comment
			£000	£000	£000	£000	£000		
E&E_10	Commissioning Services - Highways	Review salary capitalisation of highway programme & TfL funded projects. 15/16 MTFS	100	50	50		200	Green	On track for 16-17, however increasing this level of capitalisation will require some planning. Making efficiencies from reviewing the highways contract and outsourcing some design work could reduce staff numbers further and therefore the proportion of staff time working on capital will reduce. The balance between staff reductions and salary capitalisation needs careful consideration.
E&E_11	Commissioning Services - Network Mgt	Additional income - from street works. 15/16 MTFS	20	10			30	Green	On track.
 E&E_12	Commissioning Services - Street Lighting	Changes in Street Lighting Policy to include variable lighting solutions. 15/16 MTFS	68	10	12		90	Green	Additional capital budget agreed to implement CMS dimming solution. Agreed policy for dimming is up to 50%. Currently doing 66%, so further dimming within the parameters is possible thereby generating energy savings.
E&E_13	Commissioning Services - Street Lighting and Drainage	Street lighting and Drainage budgets - capital investment allows for lower maintenance costs. 15/16 MTFS	25	40			65	Green	Accelerated capital investment reduces revenue costs for Street Lighting..
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. 15/16 MTFS	20		10		30	Green	The contract has been renegotiated.
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. 15/16 MTFS		30	50		80	Purple	Plan to be developed to ensure that savings in 17/18 and 18/19 will be met.

# MTFS Tracker Savings Tracker

Unique Reference No.	Specific Service Area	Description	2016/17	2017/18	2018/19	2019/20	Total	RAG Rating	Comment
			£000	£000	£000	£000	£000		
E&E_20	Directorate-wide	<b>Contractual/commissioned/SLA savings</b> - 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. <b>15/16 MTFS</b>	200	200			400	Amber	16/17 target is planned to be met from TFM contract subject to the demand on responsive works and commercial agreements with neighbouring boroughs.
09 E&E_26	Environmental Services - Harrow Pride	<b>Reduce Parks service to statutory minimum:</b> 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 One-off vehicle early termination cost (2 tippers) is estimated at £23K. <b>Parks Management.</b> 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. <b>15/16 MTFS</b>	23				23	Blue	Saving already achieved during 15/16.
E&E_27	Environmental Services - Harrow Pride	<b>Highways verge grass cutting, moving from a three weekly to a six weekly cycle.</b> Reduce quality of service from 1st April 2015. One-off vehicle de-hire cost (1 tipper) is estimated at £11K. <b>15/16 MTFS</b>	11				11	Blue	Saving already achieved during 15/16.

# MTFS Tracker Savings Tracker

Unique Reference No.	Specific Service Area	Description	2016/17	2017/18	2018/19	2019/20	Total	RAG Rating	Comment
			£000	£000	£000	£000	£000		
67 E_34	Environmental Services -Waste Services	<p><b>Change mixed organic waste collection system with separate collection of food waste and introduce charges for garden waste from 1st October 2015.</b></p> <p><b>Food Waste</b> - 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><b>Garden Waste</b> - 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 <b>£75</b>. 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. <b>The saving figure assumes 40% of households will take up the chargeable service.</b></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). <b>2015/16 MTFS</b></p>	1,711				1,711	Amber	Revised service offer, charging regime and actual participation rate suggest a net saving in the region of £1.3m. The difference is being mitigated by a one-off saving on waste disposal costs as part of WLWA levy arrangements for 16/17.
		<b>Sub Total</b>	3,835	1,128	2,223	-	7,186		
CC_1	Community & Culture	<b>Senior Management Restructure</b> - Deletion of Divisional Director Community & Culture post	137				137	Blue	Achieved. Post deleted as part of senior management restructure.
CC_2	Community & Culture	<b>Library Strategy Phase 2 - delivery of</b> network of libraries and library regeneration	180	108	209		497	Amber	16/17 saving have been met in part. 17/18 and 18/19 savings - a delay in the timetable for the new Town Centre library means that the full MTFS saving in 2018/19 is currently unlikely to be achieved. Alternative savings / mitigations are being formulated.
CC_3	Community & Culture	<b>Reduction in library and leisure contract management function costs</b>	40				40	Blue	Saving made from a reduction in maintenance budget.

# MTFS Tracker Savings Tracker

Unique Reference No.	Specific Service Area	Description	2016/17	2017/18	2018/19	2019/20	Total	RAG Rating	Comment
			£000	£000	£000	£000	£000		
CC_4	Community & Culture	Arts & Heritage - delivery of business plan (reallocation of savings based on Cabinet report May 2015)	(342)	282			(60)	Amber	1st April 16. Delays in transferring the services to Cultura and one-off unfunded transition costs have resulted in an overspend this year. The current position assumes a transfer date of 31st March 2017.
CHW12	Community & Culture	Redevelopment Harrow Leisure Centre Site <b>15/16 MTFS</b>		100			100	Amber	A decision regarding a new leisure centre or refurbishment of the existing leisure centre has yet to be made.  Saving in 17/18 to be mitigated by the importation of environmentally approved soil to Bannister Sports Centre. Saving in 18/19 may be mitigated by a further one-off income from the importation of environmentally approved soil to other sites in Harrow (subject to viability studies).
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) . <b>15/16 MTFS</b>	515				515	Red	The service was originally planned to be transferred to Cultura on 1st April 16. Delays in transferring the services to Cultura and one-off unfunded transition costs have resulted in an overspend this year. The current position assumes a transfer date of 31st March 2017.
		<b>Sub Total Cultural Services</b>	530	490	209	-	1,229		
CH_1	HGF	Salaries recharges to HRA and capital - increase proportion of salaries charged to HRA and capital projects to reflect current working arrangements	163				163	Green	On track
CH_2	HGF	Supporting People - savings assumed to result from contract renegotiation or possible cessation of support in later years	68				68	Amber	Possibility savings may not be entirely delivered due to higher than anticipated DV contract costs and an under accrual from 2015-16
CH_3	HGF	Supporting People - cessation of funding for Handyperson Scheme, which is intended to become self-supporting through commercialisation	10	25			35	Green	On track
CH_4	HGF	Supporting People - Sheltered Housing floating support - savings assumed to result from contract renegotiation or review of service delivery		60			60	Green	On track
CH_5	HGF	Miscellaneous minor budgets - minor budget savings	10				10	Blue	Achieved
CH_7	HGF	Watkins House - Options review	(25)	100	100		175	Amber	It is not clear whether this is now deliverable in the light of the additional short term cost of managing the scheme to achieve compliance. Future costs of care provision are being assessed

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Unique Reference No.	Specific Service Area	Description	2016/17	2017/18	2018/19	2019/20	Total	RAG Rating	Comment
			£000	£000	£000	£000	£000		
CH_8	HGF	Private lettings agency - projected income from establishing a lettings agency		130	174	120	424	Purple	The Private Lettings Agency has now been established and has commenced operation. It is still developing as a business, and there is a possibility that the savings may not be entirely delivered due to combination of delay in becoming operational and increased costs from those originally assumed.
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.	230	31	(2)	42	301	Amber	Not likely to deliver the required level of savings in 2016/17 as a result of delays in the purchase process and a shortage of suitable properties within the Borough, but the shortfall is likely to be met from accelerating CH_10. More properties which meet the financial criteria are now being purchased out of borough.
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	(10)	130			120	Amber	Acceleration of this proposal is possible and will cover the majority, if not all, of any shortfall in income arising from CH_9 in 2016/17
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	Green	Achieved, and early savings delivered in 2015/16
CHW18	HGF	CHW Management savings -1 fte in Housing 2016/17, 15/16 MTFS	59				59	Amber	Expected to be achieved by alternative route; replaced by recharge of 25% Corporate Director Community's salary to HRA, and increasing the proportion of Director of Housing's salary charged to the HRA from 70% to 80% to reflect current patterns of work.
<b>Housing subtotal</b>			609	476	272	162	1,519		
<b>Community subtotal</b>			4,974	2,094	2,704	162	9,934		
<b>Regeneration</b>									
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	50				50	Green	On track.



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Unique Reference No.	Specific Service Area	Description	2016/17	2017/18	2018/19	2019/20	Total	RAG Rating	Comment
			£000	£000	£000	£000	£000		
REG_3	Regeneration and Planning	Additional income from Development Management and Building Control services - develop and provide party wall agreement and plan drawing service.	30				30	Amber	Details of new service offers are being drawn up. There may be a delay of implementing this due to resource constraints, however this will be mitigated by additional building control income anticipated following the review of current fees & charges.
REG_4	Regeneration and Planning	Reduction of supplies & services budget in Planning Division	10				10	Blue	Achieved.
REG_6	Economic Development	Commercialisation of work space, subject to agreement with St Edwards (income net of running costs)		50			50	Red	This saving is not achievable as the opportunity to acquire Stanmore Place no longer exists.
E&E_36 70	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. 2015/16 MTFS.		100			100	Amber	DCLG undertook a public consultation recently to seek views on the proposed approach to implementing the planning provisions in the Housing and Planning Bill, and this covered the area of changes to planning application fees. Responses are awaited. It is currently uncertain if there will be a national increase in fees, and if so, when this will be implemented.
			90	150	-	-	240		
<b>Pan Organisation</b>									
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. 2015/16 MTFS	220				220	Amber	A number of projects are in the pipeline to deliver this saving but at this stage it is felt that some may slip into 2017/18 and therefore will not all be delivered for 2016/17.
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. 2015/16 MTFS	-	350	2,000		2,350	Purple	Future Year saving, still in development
PO 04	Pan Organisation	Additional Commercialisation savings from projects in the pipeline		1,100			1,100	Purple	Future Year saving, still in development
<b>Total savings</b>			<b>220</b>	<b>1,450</b>	<b>2,000</b>	<b>-</b>	<b>3,670</b>		
<b>Total Savings</b>			<b>17,553</b>	<b>11,628</b>	<b>18,381</b>	<b>312</b>	<b>47,874</b>		

Project Definition	Original Programme	Brought Forward	Virement	Other Adjustment (Additional/Reduction)	External Funded (E)	Harrow Funded (B)	TOTAL BUDGET	Forecast Outturn	Forecast Variance	Slippage	Over/Underspend
	£	£	£	£	£	£	£	£	£	£	£
Adults Social Care-Framework-I & IT Integration	0	130,147	0	-130,147	0	0	0	0	0	0	0
MOSAIC Implementation - Adults & Children's Services	0	605,520	0	0	0	605,520	605,520	200,000	-405,520	405,520	0
Mental Health Supported Housing Repairs	0	0	0	0	0	0	0	0	0	0	0
Adults Personal Social Services - Community Capacity Grant	0	156,563	0	0	0	156,563	156,563	156,563	0	0	0
Capital Strategic Reviews	0	508,159	0	-108,159	0	400,000	400,000	400,000	0	0	0
Quality Outcome for People With Dementia	0	150,000	0	-150,000	0	0	0	0	0	0	0
Reform Of Social Care Funding	0	800,159	0	-800,159	0	0	0	0	0	0	0
Market Shaping And Development	0	250,000	0	-250,000	0	0	0	0	0	0	0
Integrated Health Model	0	422,271	0	-322,271	30,156	69,844	100,000	100,000	0	0	0
Milman's Day Centre - Remodeling and Ref	0	0	0	0	0	0	0	0	0	0	0
Carers Services Charges	0	0	0	0	0	0	0	0	0	0	0
Maintenance of Adults Properties	0	149,000	0	0	49,000	100,000	149,000	74,000	-75,000	75,000	0
Safeguarding Quality Assurance Quadrants (QAQ)	0	167,759	0	-117,759	0	50,000	50,000	50,000	0	0	0
Project Infinity	1,650,000	0	0	-400,000	540,000	710,000	1,250,000	0	-1,250,000	1,250,000	0
In-House Residential	100,000	0	0	0	0	100,000	100,000	0	-100,000	100,000	0
<b>Total Adult</b>	<b>1,750,000</b>	<b>3,339,578</b>	<b>0</b>	<b>-2,278,495</b>	<b>619,156</b>	<b>2,191,927</b>	<b>2,811,083</b>	<b>980,563</b>	<b>-1,830,520</b>	<b>1,830,520</b>	<b>0</b>
Schools Expansion Programme Phase 1	0	185,767	-153,511	214,000	246,256	0	246,256	246,256	0	0	0
Schools Expansion Programme Phase 2	0	1,840,039	0	2,239,000	3,972,039	107,000	4,079,039	3,191,340	-887,699	887,699	0
Schools Expansion Programme Phase 3	9,555,000	9,016,370	87,000	99,000	18,757,370	0	18,757,370	11,833,741	-6,923,629	6,923,629	0
Schools Expansion Programme Phase 4	0	420,000	-87,000	87,000	333,000	87,000	420,000	420,000	0	0	0
SEN Provision	4,200,000	459,154	32,460	470,000	5,161,614	0	5,161,614	71,614	-5,090,000	5,090,000	0
Secondary Expansions	525,000	728,258	149,859	819,000	878,117	1,344,000	2,222,117	1,276,656	-945,461	945,461	0
School Amalgamation	0	732,576	199,511	0	932,087	0	932,087	200,000	-732,087	732,087	0
Bulge Classes	150,000	208,510	-149,859	0	208,651	0	208,651	150,000	-58,651	58,651	0
Free School Meals	0	6,279	0	0	6,279	0	6,279	6,279	0	0	0
Hatch End MUGA	0	0	0	0	0	0	0	0	0	0	0
Schools Capital Maintenance	1,350,000	1,011,909	-78,460	0	2,283,449	0	2,283,449	767,000	-1,516,449	1,516,449	0
Devolved Formula Non VA Schools	390,000	504,334	0	0	390,000	504,334	894,334	894,334	0	0	0
IT Development	0	799,129	0	0	0	799,129	799,129	299,129	-500,000	500,000	0
Whitmore School	0	35,412	0	0	35,412	0	35,412	35,412	0	0	0

Project Definition	Original Programme	Brought Forward	Virement	Other Adjustment (Additional/Reduction)	External Funded (E)	Harrow Funded (B)	TOTAL BUDGET	Forecast Outturn	Forecast Variance	Slippage	Over/Underspend
	£	£	£	£	£	£	£	£	£	£	£
<b>Total School and Children</b>	16,170,000	15,947,737	0	3,928,000	33,204,274	2,841,463	36,045,737	19,391,761	-16,653,976	16,653,976	0
<b>TOTAL PEOPLE</b>	<b>17,920,000</b>	<b>19,287,315</b>	<b>0</b>	<b>1,649,505</b>	<b>33,823,430</b>	<b>5,033,390</b>	<b>38,856,820</b>	<b>20,372,324</b>	<b>-18,484,496</b>	<b>18,484,496</b>	<b>0</b>
<b>Environment</b>											
Carbon Reduction Programme 2015/16	300,000	0	0	0	0	300,000	300,000	300,000	0	0	0
Car Park Infrastructure	20,000	0	0	0	0	20,000	20,000	20,000	0	0	0
CCTV Crime Reduction Cameras 14/15	0	0	0	0	0	0	0	0	0	0	0
City Farm/Pinner Park Farm	0	514,256	0	0	0	514,256	514,256	514,256	0	0	0
Corporate Accommodation Maintenance	231,000	0	0	0	0	231,000	231,000	231,000	0	0	0
Carbon Reduction (Schools)	0	0	0	0	0	0	0	0	0	0	0
Harrow On Hill Station	2,000,000	0	0	-2,000,000	0	0	0	0	0	0	0
High Priority Plan Maintenance Corporate Property	575,000	0	0	0	0	575,000	575,000	575,000	0	0	0
Highway Drainage Improvements & Flood Defence Infrastructure	500,000	0	0	0	0	500,000	500,000	500,000	0	0	0
Highway Improvement Programme	4,750,000	-470,994	3,503,000	0	0	7,782,006	7,782,006	7,782,006	0	0	0
Neighbourhood Investment Scheme	0	0	0	0	0	0	0	0	0	0	0
Parking Management Programme	300,000	0	0	0	0	300,000	300,000	300,000	0	0	0
Queens House	0	0	0	0	0	0	0	0	0	0	0
Public Realm Services – Parks, Open Spaces & Cemeteries	0	0	0	0	0	0	0	0	0	0	0
Public realm Services – Waste and Recycling	200,000	15,890	0	0	0	215,890	215,890	215,890	0	0	0
Section 106 Schemes	0	105,000	0	50,000	155,000	0	155,000	155,000	0	0	0
Street Lighting Improvement Programme	3,000,000	-82,555	1,100,000	0	0	4,017,445	4,017,445	4,017,445	0	0	0
TfL Major Schemes	0	0	0	0	0	0	0	0	0	0	0
TfL Principal Roads	923,000	0	0	0	923,000	0	923,000	923,000	0	0	0
TfL Transport Capital	1,088,000	191,218	0	218,977	1,498,195	0	1,498,195	1,498,195	0	0	0
Trade Waste	400,000	0	0	0	0	400,000	400,000	400,000	0	0	0
Town Centre Regeneration	0	0	0	0	0	0	0	0	0	0	0
Harrow Green Grid	293,000	128,000	0	100,000	243,000	278,000	521,000	521,000	0	0	0
CCTV cameras and equipment at the depot	150,000	0	0	0	0	150,000	150,000	150,000	0	0	0
Park Infrastructure	675,000	0	397,000	0	0	1,072,000	1,072,000	1,072,000	0	0	0
Parks Litter Bins	65,000	0	0	0	0	65,000	65,000	65,000	0	0	0
Green Gym	50,000	0	0	0	0	50,000	50,000	50,000	0	0	0
<b>Total Environment</b>	<b>15,520,000</b>	<b>400,815</b>	<b>5,000,000</b>	<b>-1,631,023</b>	<b>2,819,195</b>	<b>16,470,597</b>	<b>19,289,792</b>	<b>19,289,792</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Housing</b>											



Project Definition	Original Programme	Brought Forward	Virement	Other Adjustment (Additional/Reduction)	External Funded (E)	Harrow Funded (B)	TOTAL BUDGET	Forecast Outturn	Forecast Variance	Slippage	Over/Underspend
	£	£	£	£	£	£	£	£	£	£	£
Disabled Facilities Grants	1,500,000	30,510	0	0	650,000	880,510	1,530,510	1,530,510	0	0	0
Empty Property Grant	400,000	391,000	0	0	150,000	641,000	791,000	470,918	-320,082	170,082	-150,000
Green Deals Communities Funding	0	0	0	0	0	0	0	0	0	0	0
Improvement grant	70,000	60,233	0	0	0	130,233	130,233	45,350	-84,883	76,053	-8,830
Housing Property Purchase	15,000,000	6,306,632	0	0	0	21,306,632	21,306,632	16,138,000	-5,168,632	5,168,632	0
Renovation Grants	0	25,460	0	0	0	25,460	25,460	10,004	-15,456	15,350	-106
<b>Total Housing</b>	<b>16,970,000</b>	<b>6,813,835</b>	<b>0</b>	<b>0</b>	<b>800,000</b>	<b>22,983,835</b>	<b>23,783,835</b>	<b>18,194,782</b>	<b>-5,589,053</b>	<b>5,430,117</b>	<b>-158,936</b>
<b>Culture</b>											
Sec 106 Banister Sport Pitch	0	1,004,000	0	-954,000	50,000	0	50,000	50,000	0	0	0
Harrow Arts Centre	1,000,000	0	0	0	0	1,000,000	1,000,000	0	-1,000,000	1,000,000	0
Sports & Leisure Sho	0	0	0	0	0	0	0	0	0	0	0
Headstone Manor	5,190,000	0	0	0	4,620,000	570,000	5,190,000	5,190,000	0	0	0
Leisure Centre Capital Infrastructure	300,000	220,000	0	0	0	520,000	520,000	397,500	-122,500	122,500	0
<b>Total Culture</b>	<b>6,490,000</b>	<b>1,224,000</b>	<b>0</b>	<b>-954,000</b>	<b>4,670,000</b>	<b>2,090,000</b>	<b>6,760,000</b>	<b>5,637,500</b>	<b>-1,122,500</b>	<b>1,122,500</b>	<b>0</b>
<b>Total Community</b>	<b>38,980,000</b>	<b>8,438,650</b>	<b>5,000,000</b>	<b>-2,585,023</b>	<b>8,289,195</b>	<b>41,544,432</b>	<b>49,833,627</b>	<b>43,122,074</b>	<b>-6,711,553</b>	<b>6,552,617</b>	<b>-158,936</b>
BTP - Public Realms	0	1,372,869	0	0	0	1,372,869	1,372,869	1,372,869	0	0	0
Capital cost of transition and transformation of ICT service	1,500,000	2,206,000	200,000	-582,000	0	3,324,000	3,324,000	3,227,000	-97,000	97,000	0
ITO Transformation	0	370,000	-91,200	0	0	278,800	278,800	266,800	-12,000	12,000	0
My Harrow Services Account Dev Prog	0	8,000	0	0	0	8,000	8,000	8,000	0	0	0
IT Improvement Project	0	200,000	-200,000	0	0	0	0	0	0	0	0
Web Upgrade Project	0	0	91,200	0	0	91,200	91,200	91,200	0	0	0
SAP: Financial Ledger/Systems Control Imp	270,000	171,912	0	0	0	441,912	441,912	441,912	0	0	0
BTP - Mobile & Flex	0	1,068,270	0	0	0	1,068,270	1,068,270	1,068,270	0	0	0
BTP - Corporate Resources	0	0	0	0	0	0	0	0	0	0	0
BTP Minor Projects	0	0	0	0	0	0	0	0	0	0	0
SAP Minor Developments	0	0	0	0	0	0	0	0	0	0	0
ICT Infrastructure & Corporate Applications	0	55,000	35,000	0	0	90,000	90,000	90,000	0	0	0
IT Corporate System Refresh	0	828,584	0	373,000	0	1,201,584	1,201,584	1,201,584	0	0	0
LAA Performance Reward Grant	0	123,649	0	0	0	123,649	123,649	22,683	-100,966	100,966	0
BTP - Hardware Refresh	0	35,000	-35,000	0	0	0	0	0	0	0	0
Loan Payment - Capital	915,000	2,158,638	0	0	2,158,638	915,000	3,073,638	3,073,638	0	0	0
Ongoing refresh & enhancement of ICT	2,000,000	1,196,000	0	-697,000	0	2,499,000	2,499,000	2,124,000	-375,000	375,000	0
Small Schemes (Council wide)	0	48,801	0	0	0	48,801	48,801	0	-48,801	48,801	0
FM Minor Work	0	500,000	0	0	0	500,000	500,000	250,000	-250,000	250,000	0
IER Grant	0	0	0	0	0	0	0	0	0	0	0

Project Definition	Original Programme	Brought Forward	Virement	Other Adjustment (Additional/Reduction)	External Funded (E)	Harrow Funded (B)	TOTAL BUDGET	Forecast Outturn	Forecast Variance	Slippage	Over/Underspend
	£	£	£	£	£	£	£	£	£	£	£
My Harrow Service Account	740,000	0	0	0	0	740,000	740,000	740,000	0	0	0
Property Investment	15,000,000	0	0	0	0	15,000,000	15,000,000	5,370,750	-9,629,250	9,629,250	0
HR Shared Service	100,000	0	0	0	0	100,000	100,000	100,000	0	0	0
<b>TOTAL RESOURCES</b>	<b>20,525,000</b>	<b>10,342,723</b>	<b>0</b>	<b>-906,000</b>	<b>2,158,638</b>	<b>27,803,085</b>	<b>29,961,723</b>	<b>19,448,706</b>	<b>-10,513,017</b>	<b>10,513,017</b>	<b>0</b>
Harrow Card	0	25,873	0	0	0	25,873	25,873	25,873	0	0	0
Station Road Highway and Environmental Improvements	0	514,546	-377,875	0	36,671	100,000	136,671	136,671	0	0	0
Artisan Studios	0	0	0	660,000	660,000	0	660,000	660,000	0	0	0
Trinity Square	0	0	0	850,000	850,000	0	850,000	68,000	-782,000	782,000	0
Regeneration Programme	19,058,000	2,723,694	377,875	-2,406,000	0	19,753,569	19,753,569	11,008,000	-8,745,569	8,745,569	0
<b>TOTAL Regeneration</b>	<b>19,058,000</b>	<b>3,264,113</b>	<b>0</b>	<b>-896,000</b>	<b>1,546,671</b>	<b>19,879,442</b>	<b>21,426,113</b>	<b>11,898,544</b>	<b>-9,527,569</b>	<b>9,527,569</b>	<b>0</b>
<b>Cross Cutting Investment in Infrastructure</b>	<b>5,000,000</b>	<b>0</b>	<b>-5,000,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>TOTAL GENERAL FUND</b>	<b>101,483,000</b>	<b>41,332,801</b>	<b>0</b>	<b>-2,737,518</b>	<b>45,817,934</b>	<b>94,260,349</b>	<b>140,078,283</b>	<b>94,841,648</b>	<b>-45,236,635</b>	<b>45,077,699</b>	<b>-158,936</b>
Housing Programme	22,285,000	2,546,205	-3,025,320	-10,846,845	0	10,959,040	10,959,040	8,285,562	-2,673,478	2,173,478	-500,000
Housing Programme - S106	1,495,000	0	0	-1,495,000	0	0	0	0	0	0	0
Housing Programme - S20	70,000	0	0	-70,000	0	0	0	0	0	0	0
Grange Farm Redevelopment	0	5,554,207	4,615,545	0	0	10,169,752	10,169,752	3,421,950	-6,747,802	6,747,802	0
HRA Affordable Housing	1,700,000	8,583,715	-1,590,225	0	0	8,693,490	8,693,490	2,308,000	-6,385,490	6,385,490	0
<b>TOTAL HRA</b>	<b>25,550,000</b>	<b>16,684,127</b>	<b>0</b>	<b>-12,411,845</b>	<b>0</b>	<b>29,822,282</b>	<b>29,822,282</b>	<b>14,015,512</b>	<b>-15,806,770</b>	<b>15,306,770</b>	<b>-500,000</b>
<b>Total General Fund and HRA</b>	<b>127,033,000</b>	<b>58,016,928</b>	<b>-</b>	<b>-15,149,363</b>	<b>45,817,934</b>	<b>124,082,631</b>	<b>169,900,565</b>	<b>108,857,160</b>	<b>-61,043,405</b>	<b>60,384,469</b>	<b>-658,936</b>

**REPORT FOR: PERFORMANCE AND  
FINANCE SCRUTINY  
SUB-COMMITTEE**

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<b>Date of Meeting:</b>	20 March 2017
<b>Subject:</b>	Report of the Scrutiny Review into Social and Community Infrastructure
<b>Responsible Officer:</b>	Paul Nichols - Divisional Director Planning Enterprise and Regeneration
<b>Scrutiny Lead Member area:</b>	Policy Lead - Jeff Anderson Performance Lead - Manjibhal Kara.
<b>Exempt:</b>	No
<b>Wards affected:</b>	All
<b>Enclosures:</b>	Report of the Scrutiny Review into Social and Community Infrastructure June 2016

**Section 1 – Summary and Recommendations**

The report provides members with an update on officer feedback in response to the Scrutiny Review into Social and Community Infrastructure review report and relevant recommendations.

**Recommendations:**

The Sub-Committee is requested to note the update to the response to the recommendations of the Scrutiny Review report.

## **Section 2 – Report**

### **Introductory paragraph**

The scope of the scrutiny review was to examine the factors that contribute to a new residential development becoming a community from examples across the country. This included examining the factors that help an existing community accept and integrate with new residents, and vice-versa, from examples across the country. The review explored the contribution that can be made by the Council and voluntary and community sector organisations to develop community benefits such as cohesion, self-help, volunteering, neighbourliness and mutual support. The review also set out a number of recommended initiatives. Responses to those recommendations are set out in this report, together with an update on implementation progress.

### **Background**

Harrow is undertaking a once in a lifetime regeneration programme to provide the infrastructure the borough needs. The Regeneration Strategy adopted by Cabinet in February 2016 sets out our objectives to maximise the benefits for our community and businesses from the £1.75bn of private and public sector investments that comprise the programme.

Our work centres around 3 key themes, Communities, Business and Place. The Strategy details key sites for development and the strategic objectives that will be delivered. These include:

#### **Community**

Creating new jobs, breaking down barriers to employment, tackling overcrowding and fuel poverty in our homes and working alongside other services to address health and welfare issues.

#### **Place**

Providing the homes, schools and infrastructure needed to meet the demands of our growing population and business base, with high quality town and district centres that attract business investment and foster community engagement.

#### **Business**

Reinforcing our commercial centres, promoting Harrow as an investment location, addressing skills shortages and supporting new business start ups, developing local supply chains through procurement.

The approach and recommendations of the Scrutiny Review are set out in the attached Report.

**Table A**  
**Recommendations from the Overview and Scrutiny Group**  
**Social and Community Infrastructure**

<b>Recommendations</b>	<b>Action &amp; Response (July 16)</b>	<b>Update at 6 months</b>
<p>1. Commission a site-specific master plan supported by Supplementary Planning Documents to ensure that the regeneration programme for Harrow fulfils the ambitions for successful cohesive, sustainable communities including quality housing, employment opportunities, viable retail, entertainment uses and a heritage offer (paragraph 8).</p>	<p>It is crucial that the regeneration programme delivers cohesive, sustainable communities, as described in this recommendation. These ambitions and values are incorporated into the Area Action Plan for the Heart of Harrow, which provides a vision for the development of the Opportunity Area as well as a full spatial framework for development and detailed policies for individual sites and infrastructure. This document forms part of Harrow's Development Plan and was adopted recently (2013). A programme of more detailed site-specific masterplanning is already in progress for the major regeneration sites. There will be a high level of stakeholder engagement in each of these masterplanning exercises. This will lead to outline or hybrid planning applications to establish the planning approach in each case. In our opinion, the preparation of site specific Supplementary Planning Documents is not required in addition to this. The preparation and adoption of such documents would</p>	<p>There has been substantial progress in preparing the masterplans for Poet's Corner (the existing Civic Centre site), Byron Quarter (including the Leisure Centre) and the New Civic Centre site. In all three cases there has been an intensive public and stakeholder engagement process, which continues. Outline and hybrid planning applications will be submitted in summer 2017.</p>

	cause a substantial delay in the implementation of the regeneration programme.	
2. Ensure that existing communities are substantially involved in the design of new developments and that these do not repeat some of the mistakes the Panel has identified in comparatively recent schemes (paragraph 11).	It is agreed that community engagement in the design of new developments is vital and this is the planned approach on each of the major regeneration sites, as outlined above.	A high level of engagement is taking place on each site in the regeneration programme, both with the public and with key stakeholders. This includes a series of widely publicised drop-in events at pre-application stage and detailed discussions with interested parties.
3. Commission a strategy for attracting and retaining employment uses in Harrow that recognises the Borough's advantages (paragraphs 21 and 24).	<p>It is agreed that strategic work to reinforce employment opportunities in Harrow is required. A wide ranging programme is in place to deliver this, as outlined below.</p> <p>The council's Regeneration Strategy sets out an ambition to Promote Harrow as an investment destination and the benefits of Harrow to business. It sets out the borough's advantages in respect of transport, accessibility, the skills base of the population, and investment opportunities. The strategy is being built on through the Build Innovate Grow (BIG) campaign which has taken the council to MIPIM and developer walkabouts to market our key opportunities.</p> <p>We have developed an effective business support programme to retain and grow local businesses and</p>	<p>The programme of work to support business development and growth in Harrow continues, as identified in July 2016.</p> <p>In addition, an Economic Development Needs Assessment (EDNA) has recently been completed.</p> <p>This provides an update of Harrow's Employment Land Review and Retail Study in order to provide evidence to:</p> <ul style="list-style-type: none"> <li>• recommend how Harrow can increase its business rate base;</li> <li>• support a future review of the Local Plan focussing on the use of available existing data sources and analysis where possible; and</li> <li>• provide recommendations to</li> </ul>

	<p>this has been recognised by the Federation of Small Businesses and London Councils. It includes the development of supply chains, provision of work space, business to business mentoring and growth workshops.</p> <p>Investment Guides have been developed to promote Harrow's district centres to businesses, and we are working jointly with the HA1 BID to help market the Metropolitan Town Centre not just as a destination to shoppers, but also as a business location.</p> <p>We are currently looking to commission work to determine space requirements of businesses and this will feed into work to attract employment use.</p> <p>We have worked with West London Business to deliver the Gateway Asia programme which built on our demographics and helped Harrow businesses gain trading opportunities in Asia and also helped promote the borough to Asian investors. We will continue to seek other external funds to promote Harrow.</p> <p>The council's planning policies are used to protect and enhance employment land, as far as possible, and are being used to create new workspace which would otherwise be lost.</p>	<p>inform the provision of non-residential employment uses on Harrow's key regeneration sites.</p> <p>The findings of the EDNA and resulting actions are currently being considered.</p> <p>Specific opportunities to provide new workspace, commercial space and other forms of employment are being incorporated into the masterplans for each of the major regeneration sites. For example, 14 work studios will be completed and ready for occupation in June 17 in Artisans Place and the 6 new build commercial units at Artisan studios have already been occupied.</p>
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<p>4. Evaluate the Complete Streets and Create Streets concepts in relation to the vision for residential regeneration in Harrow (paragraphs 9-11 and 27);</p>	<p>An evaluation of the Complete Streets and Create Streets concepts will be undertaken as proposed, alongside consideration of other best practice, to inform the development of designs for the major Council regeneration schemes in Harrow. Work in progress is already evaluating the potential of mid-rise mansion blocks on appropriate sites. There is also an emphasis on mixed use development, with active ground floors, incorporating neighbourhood employment, services and shops where this is commercially viable.</p>	<p>This work has been undertaken and informed the <i>Strategy for Major Development in Harrow</i> report which was delivered to the Major Developments Panel on November 9<sup>th</sup> 2016.</p>
<p>5. Investigate further the potential advantages of retaining the freehold of Council-owned land that forms part of the regeneration area to give greater control over the form of development and the tenure residential development provided (paragraph 28).</p>	<p>This is already a core principle of the Council's regeneration programme; the Scrutiny Committee's endorsement of this approach is very welcome. The proposed model is to retain ownership wherever possible, both in order to provide greater control over the development achieved and to secure a future income stream for the Council. Some land sales will be necessary in order to manage the overall level of borrowing required, but the principles of not 'selling the family silver' and retaining control over the development are fully accepted.</p>	<p>Nothing further to add on this point: this remains a core principle of the Council's regeneration programme.</p>



## **Risk Management Implications**

Risk included on Directorate risk register? Yes  
Separate risk register in place? No

## **Legal Implications**

None

## **Financial Implications**

The actions in response to the recommendations of the Scrutiny Review set out in Table A above are integral to the Regeneration Programme. The programme was approved by Cabinet in May 2016 and the costs of delivering the programme are incorporated into the financial model that underpins the Council's regeneration activity and the programme's budget requirements, which have been approved by Cabinet.

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

An EQIA on the Regeneration Strategy was undertaken. Where changes result from the acceptance of this report's recommendations, these will be accompanied by an EqIA.

## **Council Priorities**

The implementation of Harrow's Regeneration Strategy delivers the council's priorities.

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

Not required.

<b>Ward Councillors notified:</b>	<b>NO</b>
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## **Section 4 - Contact Details and Background Papers**

### **Contact:**

Paul Nichols (Divisional Director Planning Enterprise and Regeneration)

Tel: x 8736  
Email: Paul.Nichols@harrow.gov.uk

**Background Papers:** 2016 Scrutiny report on Social and Community Infrastructure.

## Report of the Scrutiny Review into Social and Community Infrastructure

### Introduction

1. A Scrutiny Review Panel was established in late December 2015 to:
  - Examine the factors that contribute to a new residential development becoming a community from examples across the country;
  - Examine the factors that help an existing community accept and integrate with new residents and vice-versa from examples across the country;
  - Explore in particular the contribution that can be made by the Council and voluntary and community sector organisations to develop less tangible community benefits such as cohesion, self-help, volunteering, neighbourliness and mutual support; and
  - Recommend initiatives that could facilitate community development in the Borough of Harrow.
  
2. The brief approved by the Overview and Scrutiny Committee identified the following measures of success:
  - Production of a menu of community infrastructure projects and initiatives, and their impact, that have been introduced across the country that contributed to the success of major residential development in terms of community cohesion both amongst new residents and between new and existing communities;
  - Recommendation of a specific package of measures for consideration in relation to the development in the Borough of Harrow that can lead to:
    - Successful integration of the new and existing communities;
    - The diversity of people's backgrounds and circumstances being appreciated and positively valued;
    - Those from different backgrounds having similar life opportunities; and
    - Strong and positive relationships being developed between people in the area.
  
3. In summary, the Review Panel was tasked with considering the general "soft" infrastructure provision that helps community formation from new and expanded residential development and then identifying specific provision that would be appropriate.
  
4. The Review Panel comprised Councillor Marilyn Ashton, who chaired the Review, and Councillors Jeff Anderson, Michael Borio, Ameet Jogia, Barry Macleod-Cullinane, Primesh Patel and Stephen Wright. The Panel met on four occasions and received presentations from Paul Nichols, Divisional Director of Planning; Mark Billington, Head of Economic Development and Research, Edwin Whittingham, representing the Institute of Directors and Frank Vickery, Architect and social housing entrepreneur. The Panel also undertook a site visit to identify lessons that could be learnt from developments that have taken place comparatively recently in the Borough. The Panel also reviewed an extensive library of reports and publications relating to various aspects of the brief.

Amongst these background documents, there were several definitions of sustainable and cohesive communities, many of which mixed physical features, service provision and social attitudes, but were not clear about how these less concrete qualities could be engendered. However, a common theme was that a cohesive community is one where there is a common vision and sense of belonging, and where people from different backgrounds have similar life opportunities so that the place where they reside becomes more than simply a place to sleep.

## **Approach**

5. The Review Panel identified three significant aspects to their brief early in the project: namely:
  - Developing a vision for an area/borough and master and site specific planning to achieve that vision;
  - Providing a range of employment opportunities; a range of employment initiatives are in place to ensure residents benefit from regeneration programme. (see attached)
  - Ensuring inclusivity in design (built into tender process).
  
6. The Panel felt that there were more fundamental issues that influenced the successful development of a community than the 'soft' issues set out in the brief. These fundamental issues included ensuring that there were adequate transport links for new developments; that the design did not visually and physically divide social from other forms of housing tenure in a manner where the development comprises a demarcation between the 'haves' and 'have nots'; and that there were employment opportunities and leisure provision so that, in the widest sense, there were 'things to do'. Without these basic elements built into regeneration proposals from the beginning, none of the softer social initiatives would have a realistic chance of success and, equally, if these elements were present, the need for social cohesion programmes would be reduced. These themes ran through the evidence provided by expert witnesses and spoke to the need to ensure development in general should reflect local needs articulated through supplementary planning documents to inform potential developers how an area needs to evolve.

## **Master Planning and site specific guidance**

7. The Review heard about the scale of the regeneration envisaged for the 'Heart of Harrow area', which it is hoped will include investment of some £1.75billion and the development of around 5,500 new homes, as well as schools and other infrastructure buildings. The Divisional Director of Planning has justifiably called the scale of proposed change to amount to "Place Making". In this context, it is important to have a vision of the sort of place that the Council is trying to make.
  
8. The regeneration programme includes helping to meet the need for more residential accommodation, which could include the conversion of office floor space to residential uses; and relocating the Civic Centre. These ambitions

need to be defined through more detailed outcomes that describe the sort of place that the Council wants Harrow to become. The evidence that the Panel heard clearly indicated that without the use of specific, site-by-site master planning, supported by supplementary planning documents, there is a danger that the economics of piecemeal development will produce an undesirable and incoherent result. The current very high value of residential development sites will tend to drive out other uses and exacerbate the danger of Harrow becoming a residential only location, better known as a purely dormitory borough, without a convincing employment, retail, entertainment or heritage offer. In fact, inappropriate and incoherent regeneration programmes can deliver the destruction of existing communities and has a less well-established capacity to create them.

9. The Review considered the work of Create Streets, a non-partisan social enterprise and independent research institute focusing on the built environment which encourages the creation of more and better urban homes. Create Streets believe that what gets built has become divorced from what people actually want. They think that this is due to:

- density targets;
- building and planning regulations;
- very high land values;
- little focus on long-term returns;
- a contempt by some for how most wish to live.

10. New developments often therefore meet top-down targets rather than real people's needs. Communities, neighbourhoods, even landowners have lost control of what is built in this country. The 'market' for new homes in certain instances is broken. Many oppose new homes as they don't like what gets built, hence the need for the adoption of comprehensive master planning and the adoption of Supplementary Planning Documents.

11. While the Review Panel does not support all of the analysis that Create Streets put forward, there is some compelling evidence that, as the demand for residential accommodation across the whole of London in particular is so far in excess of supply, there is little incentive for the market to produce well designed schemes that promote formation and sustainability of communities. The evidence that the Panel received suggested that the involvement of existing residents in estate renewal and existing communities in local area regeneration can help to define plans that support the development of a place in which people will actively want to live with a good prospect of becoming a community. Create Streets have been involved in the development of an alternative development proposal for the Mount Pleasant former post office sorting office site in Camden. The land owner's proposal was for a series of large blocks which local people have described as being like a fortress whereas Create Streets and the local community have proposed a higher density, but human scale alternative called Mount Pleasant Circus. Their lesson is that attractive development proposals only need imagination and need not provide fewer units on a site.

12. The council is undertaking a rigorous consultation process on each of its sites, to ensure the views of residents and businesses inform the design process. .
13. The importance of design was underscored by a site visit that members of the Panel undertook to comparatively recent developments in Harrow. At Bentley Grove, the Panel identified first, that the development is isolated due to the lack of easily accessible transport links making it very hard to get there without using a car. The Panel also noted that the development includes three blocks of flats within an estate otherwise comprising houses. The Panel found that these blocks were out of character and inappropriate because such a high density development belongs in a more urban environment and not in a Green Belt site such as this. The lessons from this development need to be applied to future development proposals such as that likely to be made at the RNOH.
14. Similarly, at RAF Stanmore, the Panel was stuck by the narrowness of the streets, which lead to a congested feel with parked cars creating pinch points. There are detached garages that are dotted around the estate looking like strange small houses. The design of the individual dwellings was acceptable, but they seem to be crammed in, giving an impression of overcrowding. The biggest issue here, however, was the complete separation of the social housing from the owner occupied dwellings and this degree of separation runs the risk of creating ghetto-like areas. The Panel felt that, with a little more imagination, RAF Stanmore Park could have delivered a real sense of place that people would have been really proud of as opposed to simply being somewhere to live.
15. The Panel also visited Stanmore Place where, again, the segregation of the social and private housing was plainly evident with no connectivity between the different homes provided giving no impression of a sense of community.
16. These examples, and particularly the estate version of the “poor door”, demonstrate that without site specific planning requirements, developments can too often provide designs that undermine the aspiration for a cohesive community, a common sense of belonging and give a physical manifestation of different life opportunities.
17. The next section, which deals with employment opportunities, also reinforces the importance of providing a vision for the Borough and site specific supplementary planning documents to ensure that the loss of employment in Harrow is halted and reversed.

## **Employment**

18. The Panel heard evidence from a representative of the Institute of Directors. This contrasted Harrow’s approach to seeking to expand the employment opportunities available in the Borough with those exhibited by Watford in generating a medical business campus adjacent to Watford General Hospital. The message of this evidence was that, rather than suggesting Harrow was available for all or any businesses, it needed to examine the local factors that

would appeal to particular forms of enterprise and market the Borough accordingly.

19. For Harrow, the plus factors included the quality of the environment, of education and of the quality of life that the Borough could offer. It has good transport links –especially rail - although this could also be a dis-benefit since it makes it easy to commute to work elsewhere in London and beyond.
20. Harrow's benefits were confirmed by an examination of a report prepared by Grant Thornton which scores a number of Business Location factors. The report helps local authorities, local enterprise partnerships, central government and other stakeholders understand and identify opportunities to address the factors that make areas less attractive. It is also used by businesses in making decisions about where to locate their premises. The combined Business Location Index score ranks the overall quality of areas but, as costs are also a critical factor, it includes an analysis of the costs of operating from each area. The most attractive business locations are also often the most expensive places.
21. Eight of the top ten performers on the index are in London. All London Boroughs score above the national median but the top locations are central London areas. Harrow does not feature in the top 25 authority areas nationally for quality versus cost; economic performance or people and skills. However, it is 18<sup>th</sup> in the Environment and Infrastructure category, which looks at connectivity, innovation based on the presence of universities and R&D centres and the quality of life based on health, school performance, crime levels and access to local amenities and an attractive natural environment. The current and projected level of traffic congestion is likely to threaten this good result if it can not be addressed.
22. The Institute of Directors advised that, rather than adopt an “open for anything” approach, Harrow should play to the strengths identified in the Grant Thornton report and other advantages including the diversity of the population as a draw for businesses based in Asia, and perhaps parts of Eastern Europe, developing an education business hub related to Harrow's strong education performance, and the extensive small business sector in the Borough.
23. The council's Build Innovate Grow (BIG) investment strategy is gaining momentum, focussing on promoting the boroughs strengths to developers and investors.
24. In relation to retail, the Panel heard that that the range of shops in Watford, Uxbridge, Brent Cross and Westfield at Shepherd's Bush would make it difficult for Harrow to compete for a mass shopping market. However, in addition to satisfying the local market, there might be scope for growing one or more niche shopping markets.
25. The council will build on its work with developers and the HA1 BID to maximise the capacity of Harrow Metropolitan Town Centre to realise the

potential of a catchment area of up to 1m shoppers and visitors.

26. The change in planning legislation that allowed offices to be converted to residential uses without the need for new planning consent had led to a loss of available office floor space – although much of that which had been lost had been vacant for some time and, therefore, this had not had an immediate impact on employment potential. The reducing supply and use of offices did however impact on the attractiveness of the Borough as a headquarters location as evidenced by the migration of companies out of the borough following mergers. In relation to new office uses, the Panel also considered the Government's Estates Strategy, but this envisages a concentration of staff into buildings currently in Government ownership rather than seeking new accommodation.
27. The Panel accepted the view that, in relation to employment opportunities, the Council needed to decide what it wanted from the regeneration opportunities, and to hold out for development that would advance this vision. The suggestion made earlier in this report regarding site specific planning briefs would be equally important to promote employment as attractive residential development. Without the Council having robust master planning and the adoption of Supplementary Planning Documents, it will find itself on the 'back-foot' with developers telling the Council what they want to build rather than the Council setting out its vision and enshrining that vision into adopted planning policy.

### **Inclusivity in Design**

28. One of the background papers that the Panel received was a report prepared by the Prince's Foundation entitled "What People Want" which examined the forms of housing development that are the most popular and how communities have influenced regeneration proposals through community consultation. Their research has revealed a reasonably clear picture: people want where they live to be more than just a building. They want it to be somewhere distinct, somewhere that enhances their quality of life: a place. Creating places goes beyond merely creating spaces - it means designing buildings that cater to the needs of residents, supporting quality public spaces and providing opportunities for communities to thrive. Their research has shown that people do want parks and green spaces but they also want buildings that respect a traditional form and (often) style. Very few people want to live in huge or high buildings. People prefer streets, blocks and squares. Mixed use and mixed communities are valued by most. Perhaps above all, communities want to be genuinely involved in a real and not stage-managed consultation process.
29. The report concluded that people do not want rapid urban development that is exclusive, overbearing or which compromises the character of their local areas. Policy-makers, developers, local representatives, designers and architects need to give these public preferences the consideration they are due if we are to achieve a successful, thriving built environment.



30. The design message of the Prince's Foundation report was echoed in a report prepared by Savills for the Cabinet Office, which suggests that more and better housing can be provided by replacing existing estates with what they termed "Complete Streets". This term means streets of terraced housing and mid-rise mansion blocks, which would also contain neighbourhood employment, services and shops. The report envisages increasing densities from the average for a 'blocks and towers' estate of 78 homes per hectare to an average of 135 homes hectare plus neighbourhood community and commercial premises. This insight should form part of planning briefs for the regeneration of Harrow, including in relation to re-provisioning of the Council's own stock.
31. These messages were given practical expression in evidence that the Panel received from Frank Vickery, architect and social housing entrepreneur. Mr Vickery described how, predominantly in East London, he had been involved in the development of high quality affordable housing through involving public sector land owners who in one way or another provide development land for little or no cost. While these approaches may not be directly applicable to the regeneration of Harrow, the Panel felt that there were valuable lessons to be gleaned from his description of partnership approaches, the advantages of retention by public bodies or social landlords of the freehold interest in land to maintain influence over the form and tenure of developments, and the use of cross subsidies to enable some of the issues that the Panel had identified in relation to master planning and design to be realised.
32. The Panel also noted the benefits of "meanwhile" uses of land proposed for redevelopment in the future – in the case of the Coin Street development, land had been used for temporary car parks over a number of years yielding significant income to support the provision of high quality social housing.
33. Finally, the Panel heard of the success of the HARCA in Poplar – a Housing and Regeneration Community Association. Poplar HARCA is a charity and Housing Association working in the capital's most deprived neighbourhoods, tackling entrenched poverty through an innovative approach to delivering youth work, employment, health, financial inclusion, social enterprise and community organising. Poplar HARCA was established in 1996 and is a resident led housing association. Working only in Poplar enables it to focus resources into the local neighbourhoods with a view to transforming these into thriving areas where people are proud to live. Again, the example may not be immediately applicable to Harrow, but it does embody the advantages of co-ordinated master planning for all of the land uses that contribute to supporting a successful, cohesive community to demonstrate that Harrow's regeneration could be more than just housing.

## **Recommendations**

Cabinet is recommended to:

1. Commission a site-specific master plan supported by Supplementary Planning Documents to ensure that the regeneration programme for Harrow fulfils the ambitions for successful cohesive, sustainable communities including quality housing, employment opportunities, viable retail, entertainment uses and a heritage offer (paragraph 8);
2. Ensure that existing communities are substantially involved in the design of new developments and that these do not repeat some of the mistakes the Panel has identified in comparatively recent schemes (paragraph 11);
3. Commission a strategy for attracting and retaining employments uses in Harrow that recognises the Borough's advantages (paragraphs 21 and 24);
4. Evaluate the Complete Streets and Create Streets concepts in relation to the vision for residential regeneration in Harrow (paragraphs 9-11 and 27);
5. Investigate further the potential advantages of retaining the freehold of Council-owned land that forms part of the regeneration area to give greater control over the form of development and the tenure residential development provided (paragraph 28).

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