

Performance and Finance Scrutiny Sub-Committee AGENDA

DATE: Monday 23 July 2018

TIME: 7.30 pm

VENUE: Committee Room 5, Harrow Civic Centre

MEMBERSHIP (Quorum 3)

Chair: Councillor Ghazanfar Ali

Councillors:

Jeff Anderson
Ajay Maru

Nitesh Hirani
Pritesh Patel

Reserve Members:

1. David Perry
2. Dean Gilligan
3. Primesh Patel

1. Ameet Jogia
2. Amir Moshenson

Contact: Manize Talukdar, Democratic Services Officer

Tel: 020 8424 1323 E-mail: manize.talukdar@harrow.gov.uk

Useful Information

Meeting details:

This meeting is open to the press and public.

Directions to the Civic Centre can be found at:
<http://www.harrow.gov.uk/site/scripts/location.php>.

Filming / recording of meetings

The Council will audio record Public and Councillor Questions. The audio recording will be placed on the Council's website.

Please note that proceedings at this meeting may be photographed, recorded or filmed. If you choose to attend, you will be deemed to have consented to being photographed, recorded and/or filmed.

When present in the meeting room, silent mode should be enabled for all mobile devices.

Meeting access / special requirements.

The Civic Centre is accessible to people with special needs. There are accessible toilets and lifts to meeting rooms. If you have special requirements, please contact the officer listed on the front page of this agenda.

An induction loop system for people with hearing difficulties is available. Please ask at the Security Desk on the Middlesex Floor.

Agenda publication date: Friday 13 July 2018

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. APPOINTMENT OF VICE CHAIR

To appoint a Vice-Chair for the 2018/19 Municipal Year.

4. MINUTES (Pages 5 - 10)

That the minutes of the meeting held on 19 March 2018 be taken as read and signed as a correct record.

5. 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 in which they were received. There will be a time limit of 15 minutes for the asking and answering of public questions.

[The deadline for receipt of public questions is 3.00 pm, Wednesday 18 July 2018. Questions should be sent to publicquestions@harrow.gov.uk

No person may submit more than one question].

6. PETITIONS

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

7. REFERENCES FROM COUNCIL AND OTHER COMMITTEES/PANELS

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

8. EQUALITIES ANNUAL REPORT 2018/19 (Pages 11 - 46)

Report of the Divisional Director, Strategic Commissioning.

9. INFORMATION REPORTS: REVENUE AND CAPITAL OUTTURN 2017/18 & 2018-19 REVENUE MONITORING AS AT 31ST MAY 2018 (SUBMITTED AT CABINET ON 12.7.2018) (Pages 47 - 164)

Report of the Director of Finance.

10. ANY OTHER BUSINESS

Which cannot otherwise be dealt with.

AGENDA - PART II - NIL

*** 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

19 MARCH 2018

Chair: * Councillor Jerry Miles

Councillors: * Richard Almond * Pritesh Patel
* Phillip O'Dell * Mrs Rekha Shah

* Denotes Member present

109. Attendance by Reserve Members

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

110. Declarations of Interest

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

111. Minutes

RESOLVED: That the minutes of the meeting held on 11 December 2017 be taken as read and signed as a correct record, subject to the following amendments:

Delete the following sentence in paragraph 7, page 12

‘Statistics showed that the level of adverse health indicators in Pinner South Ward was high.’

Amend the resolution on page 13 to read:

RESOLVED: That

- (1) a reference be sent to Cabinet requesting that Green Gyms be installed in deprived areas such as Wealdstone and Queensbury - specifically in the Whitefriars Open Space, Weald Village and the open space by Artisan Place area, and these be funded from the 15% CIL (Community Infrastructure Levy) which would be received from new developments;
- (2) the report be noted.

112. Public Questions & Petitions

RESOLVED: To note that none were received.

113. References from Council and Other Committees/Panels

RESOLVED: To note that none were received.

RESOLVED ITEMS

114. Revenue and Capital Monitoring 2017/18 - Quarter 3 as at 31st December 2017

The Sub-Committee received the Revenue and Capital monitoring report of the Director of Finance, which had been considered at the 15th of February 2018 Cabinet meeting.

Members asked the following questions and officers provided the following responses:

- Page 23 Paragraph 2.5 of the agenda - What actions were the dedicated HR resource team taking and could these be applied to other areas of the Council such as the Resources Directorate?

Officers in the Community Directorate, specifically in Waste Services were working closely with HR colleagues to review all long-term sickness cases to ensure that all cases were dealt with in accordance with the Council's protocols and procedures relating to sickness absence. A recent case of long-term illness in the Resources Directorate was skewing the statistics for that Directorate. The dedicated HR staff member would be working closely with managers in Waste Services to review the incidences of long-term sickness absence, providing additional training for assistant managers regarding the Council's sickness absence policy and implementing monthly monitoring reports and sickness logs in the Community Directorate to help monitor the situation. The person was also reviewing and amending processes and forms relating to sickness absence, to make them more user-friendly.

- Were these incidences of long-term sickness absence in the Community Directorate work-related ie due to lifting heavy equipment or other physical activity? If so, what was being done to address this?

The Director of Finance undertook to circulate more detailed information regarding the matter to Members after the meeting.

- Page 35 Para 3.12 - which Green Grid projects would not go ahead and how much had been saved on the current year's projects?

The Director of Finance advised that the proposed projects at Rayners Mead, Roxbourne and a number of others sites had been reprogrammed and would be progressed in 2018/19. The savings made amounted to approximately £38k.

- Page 47 Savings Tracker PA_10A - Why had these savings not been achieved ?

These savings were linked to the Pilot Community Tender Model in Adult services where, as part of its community engagement strategy, the Council sought to commission third sector groups to run the Council's Neighbourhood Resource Centres such as Milmans and Kenmore and had anticipated achieving significant savings from this venture. However, the project had been beset by number of challenges relating to transportation costs. These items would be removed from the 2018/19 budget with a view to re-instating them into the budget at a later date.

- Page 59 CP Summary - What projects had been dropped or delayed due to reduction in Transport capital spending?

The outcome of the Council's bids for TfL LIP funding was usually announced after the Council's annual budget setting process. The amount allocated by TfL in 2018/19 had been less than the amount projected in the budget, and officers had therefore been obliged to adjust the budget accordingly. The Director of Finance undertook to circulate information to Members detailing those projects which had been dropped or delayed as a consequence.

- Was there a time limit imposed on items that had slipped from the Capital budget?

The Director of Finance stated that there were no hard and fast rules regarding this. If a Directorate did not use all its capital in a year, then these monies would eventually be withdrawn. It was important to note that some of the figures in the table of Capital Projects looked similar as they related to rolling programmes of works. She added that going forward, these slippages would be more closely monitored and appropriate action taken.

- Page 32, paragraph 3.1 – What was the reason for the 25 % reduction in quarter 1 and had this figure been affected by the re-profiling of the debt? Had some Capital commissioning projects been put on hold as a result?

The Director of Finance advised that the bulk of this related to delays to the proposed developments at Poets Corner, Byron Quarter and the new Civic Centre site, which had resulted from shifts in the overall scope of the Regeneration Programme. In January 2017, concerns had been raised regarding the overall debt and a spending review had been undertaken, resulting in a re-profiling of the programme and formulation of an indicative budget in December 2017. The review had resulted in a larger than anticipated underspend. For example, the original budget approved in January 2017 had forecast £197m income from the Regeneration project, however, this amount had been re-calculated to be £70m following the review.

- Was this because the Regeneration Programme had been poorly planned and researched without a thorough assessment of all implications? How would revenue income streams be affected by the fact that some of these schemes would not be progressed?

The Director of Finance advised that a Scrutiny review of the Regeneration Programme was underway. Capital receipts and rental income expected would be achieved in the future. Financial modelling related to the Programme would be re-assessed with the aim of achieving a cost-neutral position.

- Why were the B&B savings of £0.445m and £0.068m for the first 100 Homes and the subsequent 50 Homes of the Property Acquisition Programme considered to be unachievable?

The Director of Finance stated that the intention behind the 100 homes initiative had been to accommodate homeless families or those in temporary accommodation. Although there had been a cost saving against the B&B budget, the projected savings were unlikely to be achieved in the current financial year as the number of homeless in the borough continued to increase which put pressures on the B&B budget. She added that there were plans to acquire an additional 50 homes and she anticipated that the projected savings would be achieved in the future.

- What was the reason for the £0.150m overspend in Children and Young People's Service Frontline Teams Services? Why were the costs related to the purchase of laptops and mobiles so high?

The Director of Finance undertook to circulate more detailed information regarding the overspend and the IT costs to Members after the meeting.

- What were the advantages to the Council of recruiting social workers from India, what benefits were being offered to them and what savings were anticipated?

The Director of Finance stated that the savings related to the high cost of employing agency staff and reducing the high turnover in staff in the service. The Social Workers from India were offered a package and employing them would be cheaper in the long-term.

- With regard the B&B savings identified in the MTFS (Medium Term Financial Strategy) on track?

An officer responded that these were on track and related to further homelessness prevention work as part of the 100 homes initiative.

- With regard to the MTFS and projection of future rental income – why had these been reversed out of the budget for 2018/19?

The Director of Finance stated that this had been due to delayed returns arising from delays in launching the Regeneration Programme. The income generated would not cover loss of revenue streams from items such as car parking charges. These items would be re-introduced into the budget at a future date.

- Would the returns be less than anticipated because the Regeneration Programme was significantly smaller than initially anticipated?

The Director of Finance responded that the Regeneration Programme was evolving and would likely be further amended as would the financial modelling. It was therefore difficult to predict whether the £2.3m rental income would be achieved and officers had decided that it would be easier to reverse this item out of the budget for the time being.

- Was the 51% forecast spend on the Capital Programme an unusual figure?

The Director of Finance advised that in 2017 this figure had been between 68%-70%. The figures for the current year were slightly skewed due to the value of the Regeneration Programme. There had been deliberate efforts to achieve an underspend on the Capital Programme for 2017/18 & 2018/19. These slippages and under spends would be closely monitored as these could adversely impact on the Council's borrowing resulting in the high cost of capital financing.

RESOLVED: That the report be noted.

115. 6-12 Month Review of Homelessness Review Recommendations

The Sub-Committee received a report of the Divisional Director Housing Services which provided an update on the recommendations of the Homelessness Scrutiny Review Challenge Panel which was presented to Cabinet on 8 December 2016.

Members asked the following questions and officers provided the following responses:

- What would be the next phase following the Homelessness Reduction Act? What information had been presented to Cabinet regarding this?

An officer advised that the 5-year Homelessness Strategy would have input from the Corporate Strategy Board and the Housing Service would be focussed on formulating prevention strategies. Officers anticipated increased rates of referral to the Service.

- With regard to the completion of the Skills Escalator Programme - were these fixed term projects with grant funding?

An officer responded that bids for new projects were in the pipeline and the Housing team was working closely with the Xcite Employment Programme to support the homeless back into work.

- What did the phrase 'supported back into work' mean and how was its effectiveness measured?

An officer stated that many homeless individuals had either not worked for some time or had never worked before. These individuals were offered a programme of skills, language and other types of training to get them into work. The officer undertook to circulate some case studies to Members after the meeting.

RESOLVED: That the report be noted.

116. Exclusion of the Press & Public

RESOLVED: That the press & public be excluded during consideration of Appendix 5 of the report 'Revenue and Capital Monitoring 2017/18 – Quarter 3 as at 31 December 2017'.

(Note: The meeting, having commenced at 7.30 pm, closed at 8.40 pm).

(Signed) COUNCILLOR JERRY MILES
Chair

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

Date of Meeting: Monday 23 July, 2018

Subject: Annual Equalities Report 2017/18

Responsible Officer: Alex Dewsnap, Divisional Director,
Strategic Commissioning

**Scrutiny Lead
Member area:** Councillor Ghazanfar Ali
Councillor Pritesh Patel

Exempt: No

Wards affected: All

Enclosures: Appendix 1 - Annual Equalities Report
2017/18

Section 1 – Summary and Recommendations

This report highlights the Council's performance and work towards advancing equality of opportunity, and helps evaluate the equality of service provision. It also considers whether that work is benefitting local communities in Harrow and looks at ways work has been undertaken to eliminate unlawful discrimination and promote good relations between the different communities that make up Harrow.

Recommendations:

To approve the report for publication.

Section 2 – Report

Introduction

Harrow prides itself in being one of the most ethnically and religiously diverse Boroughs in the country with people of many different backgrounds and life experiences living side by side. The aim of this report is to assess our performance against our Corporate Equality Objectives via a basket of indicators and case studies and includes this year the annual equalities data for the Council and the borough. The report provides details of the progress we are making in achieving our equality objectives. It illustrates the wide range of work carried out by the Council to promote inclusion, cohesion, fairness and justice and sets out our suggested priority actions for the year ahead.

Being the diverse borough that it is, it is important to recognise and celebrate the good work that is being done across the Council to further equality and to celebrate the Borough's diversity and build on the commitment to promote fairness and diversity, as outlined in Harrow's Corporate Plan.

Work to ensure equalities is embedded into all Council work is overseen by the Corporate Equalities Group (CEG), which is chaired by the Interim Chief Executive. This group provides senior leadership and strategic direction for our work on equality and diversity and oversees the delivery of the Equalities Action Plan. Each Directorate has a Directorate Equality Task Group (DETGs) which forms a link between the CEG and Directorates. As well as playing a role in championing equality, diversity and inclusion, promoting good practice on equality and diversity with regards to employment and service delivery, ETGs are tasked with ensuring that corporate equality commitments and objectives are translated into action.

There are no additional implications on resourcing or cost.

Equality Act 2010 and the Public Sector Equality Duty

The Equality Act contains a range of rights, powers and obligations to help the advancement of equality. Section 149 of the Act details the Public Sector Equality Duty (PSED) which requires public authorities, in the exercise of their functions, to have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act
- Advance equality of opportunity between people who share a protected characteristic and those who do not
- Foster good relations between people who share a protected characteristic and those who do not.

The PSED covers Age, Disability, Gender Reassignment, Pregnancy and Maternity, Race (this includes ethnic or national origins, colour or nationality) Religion or Belief (includes lack of belief), Sex and Sexual Orientation; it also applies to Marriage and Civil Partnership but only in respect of the requirement to have due regard to the need to eliminate discrimination.

The PSED is supported by specific duties which are intended to help public authorities to meet their requirements, and we are required to

- (1) publish (by the 31 January each year) information to demonstrate their compliance with the general equality duty; and
- (2) prepare and publish equality objectives by 6 April 2012, and at least every four years thereafter.

Collate and Publish Equalities Information

We continue to review how we publish annual equalities data. In response to feedback from officers, the data and format we intend to publish on 2017/18 is included in this report and this year covers data on the nine protected characteristics in Harrow as well as a narrative around some of the key drivers of inequality in Harrow. This can then be compiled once a year and used numerous times by officers for the strategic context for key strategies (such as the Harrow Ambition Plan and the Community Safety Plan) and in the drafting of equality impact assessments and by partners to developing projects and funding bids. Unfortunately due to capacity restraints at the start of the year we had to prioritise other work around equalities, particularly our work on mental health and disability, which has meant that we have missed the deadline for publishing the data for this year. The data for 2017/18 will be published by the end of July, after the P&F meeting.

Our intention is that for 2018/19, now we have a new format, the data will be updated as part of the Harrow Ambition Plan process and therefore be able to be published by the 31st January deadline. The annual equalities report will then come to P&F in February, enabling P&F the opportunity to shape the Corporate Equalities Action Plan for the year ahead based on the data published at the end of January.

Developing and Publishing Equality Objectives

Our Corporate Equality Objectives were last reviewed in 2016 and were agreed by Cabinet in March 2016. They are:

- An inclusive workforce that feels valued, respected and reflects our community

- An improved understanding of our communities to ensure services are fair, equitable and accessible to all and reduce inequality
- Promote and celebrate the diversity of our borough and foster community cohesion

We are not proposing any changes to the Corporate Equality Objectives for 2018/19 and they will next be reviewed by March 2020 at the latest.

Measuring Performance against Corporate Equality Objectives

Directorates produce quarterly progress reports against their directorate scorecards for the Improvement Boards, which form the basis of the annual equalities report. This has ensured the objectives are embedded within existing processes and service plans.

CEG receives a quarterly progress report on the Corporate Equalities Action plan.

Financial Implications

Any costs are managed within existing budgets.

Performance Issues

How the Council performs against the Corporate Equality Objectives is monitored via the Council's Improvement Boards and reported to Cabinet in the Strategic Performance Report.

Environmental Impact

There are none specific to this report.

Risk Management Implications

Risk included on Directorate risk register? No

Separate risk register in place? No

Equalities implications

Was an Equality Impact Assessment carried out? No

This is an Annual Equalities report, the purpose of which is to demonstrate the current state of equalities practice in the Council and in the community.

Council Priorities

Working Together to Make a Difference for Harrow

This Report contributes towards all Council priorities:

- Build a better Harrow
- Be more business-like and business-friendly
- Protect the most vulnerable and support families

Section 3 - Statutory Officer Clearance

Not Required

Ward Councillors notified:	NO
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Section 4 - Contact Details and Background Papers

Contact: Fola Irikefe, Policy Officer, Tel: 020 8420 9389 Ext: 6333

Background Papers: None

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Our Harrow, Our Story - Meeting the Public Sector Equality Duty

Annual Progress & Data Analysis Report 2017/18



Foreword

Welcome to the 2017/18 Annual Equalities Progress and Data Analysis Report which outlines our performance against our Corporate Equality Objectives via a basket of indicators and case studies and includes this year the equalities data for the Council and the borough. This report provides details of the progress we are making in achieving our equality objectives. It illustrates the wide range of work carried out by the Council to promote inclusion, cohesion, fairness and justice and sets out our suggested priority actions for the year ahead.

Harrow prides itself in being one of the most ethnically and religiously diverse boroughs in the country with people of many different backgrounds and life experiences living side by side. As a community leader, we will continue to work in partnership with the public, voluntary and private sectors to ensure we achieve this vision for our borough.

The Council operates a robust approach to the governance and mainstreaming of equality and diversity across the organisation. Our Corporate Equalities Group (CEG) provides senior leadership and strategic direction for the equality and diversity agenda in Harrow. It sets the priorities for the equalities annual action plan and monitors the outcomes and progress. Each Directorate has a Directorate Equality Task Group (DETGs) which forms a link between the CEG and Directorates. As well as playing a key role in championing equality, diversity and inclusion, promoting good practice on equality and diversity with regards to employment, service delivery and equality impact assessments. ETGs also have a role in supporting the delivery of the equalities action plan. Alongside this we are indebted to the work that staff and Councillors do in addition to their paid role as Diversity Champions, Straight Allies or Mental Health Champions to promote diversity, tolerance and inclusion in the workplace and the wider community. Equalities truly is everybody's business and we couldn't make the difference we do without their passion, dedication and commitment.

Harrow is a vastly diverse Council and borough, and there is much being done across the Council to continue to further equality and to celebrate the Borough's diversity. The borough's diversity is something to value and the Council can be proud of the achievements highlighted in this report, which build on our firm commitment to promote fairness, inclusiveness and tolerance, as outlined in our Corporate Plan. The report highlights examples of our continued commitment to maintaining and building on our strengths by ensuring equality and diversity are integral to everything we do and uses this evidence to inform the priorities for the year ahead.

Cllr Graham Henson
Leader

Tom Whiting
Interim Chief Executive

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1. Introduction

Harrow is one of the most ethnically and religiously diverse boroughs in London with people of many different backgrounds and life experiences living side by side. It is the richness of this diversity, and the positive impact that it has on the borough and our community, that we believe helps make Harrow such a great place to live, work and visit. We know that the borough's diversity is something to value and encourage and this report highlights our commitment to maintaining and building on our strengths by ensuring equality and diversity is integral to everything we do.

In serving a diverse population, the Council aims to ensure there is equality of opportunity for its residents, service users, employees, elected members, stakeholders and partner organisations irrespective of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex and sexual orientation. However, we recognise that in our society, groups and individuals continue to be unlawfully discriminated against and we acknowledge our responsibilities to eliminate unlawful discrimination and to promote equality of opportunity and good relations within the rich diversity of Harrow's communities.

The Equality Act 2010 introduced the Public Sector Equality Duty (PSED) which requires public authorities, in the exercise of their functions, to have due regard to the need to:

- Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act;
- Advance equality of opportunity between people who share a protected characteristic and those who do not; and
- Foster good relations between people who share a protected characteristic and those who do not.

The PSED covers nine protected characteristics:

- Age
- Disability
- Gender Reassignment
- Pregnancy and Maternity
- Race – this includes ethnic or national origins, colour or nationality
- Religion or Belief – this includes lack of belief
- Sex
- Sexual Orientation
- Marriage and Civil partnership

Our vision for equality and diversity in Harrow is: “*A Proud, Fair & Cohesive Harrow, a Great Place to Live, Work & Visit*”. In order to achieve this vision we set three Corporate Equality Objectives, as set out in the ‘Harrow Council Corporate Plan 2015-19, which are:

1. An inclusive workforce that feels valued, respected and reflects our community
2. An improved understanding of our communities to ensure that services are fair, equitable and accessible to all and reduce inequality
3. Promote and celebrate the diversity of our borough and foster community cohesion

As an employer, we are committed to employing a diverse workforce, to help us to understand and relate to the community we serve. Through our recruitment policies and practices, we will aim to improve on our record and explore further initiatives and opportunities to encourage applicants from all sections of the community to consider joining us.

As a service provider and commissioner, we are committed to ensuring our services are open, fair and accessible by taking into consideration the needs and requirements of our diverse community and service users. We will continue to improve our services through a comprehensive Equality Impact Assessment (EqIA) process, engaging with and listening to our communities and service users.

As a community leader, we will continue to work in partnership with the public, voluntary and private sectors to foster good relations in our community and ensure people from all backgrounds continue to get on well with each other.

2. Our Harrow, Our Community – Equalities Profile

Harrow prides itself in being one of the most ethnically and religiously diverse boroughs in the country with people of many different backgrounds and life experiences living side by side. It is the richness of this diversity, and the positive impact that it has on the borough and our community, that we believe helps make Harrow such a great place to live, work and visit. The following headline data and information provides a profile of equality and diversity in Harrow. The information is updated annually and is based on the latest available information as at March 2018 (n.b not all information is updated annually.) More detailed information can be found in the respective strategies, links to which are available on the Council's website.

PROTECTED CHARACTERISTICS

Population: Harrow's resident population is estimated to be 248,750¹ so Harrow's population is estimated to have increased by 42,550 (20.5%) since 2001.

Age – 20.6% of Harrow's residents are under 16. 64.2% of Harrow's population are of working age (16 to 64) and 15.2% of Harrow's residents are 65 or older.² The average (median) age is 37.4 years, lower than many other places³. As with most areas in the country, the borough has an aging population. It is expected that the number of residents aged 65 plus will increase by 41% and those aged 85 plus could increase by over 67% by 2031⁴. It is also expected that the number of children (0-15) will also increase by 14% during the 10 year period between 2014 – 2024.

Disability – 13.7% of Harrow's working age population classified themselves as disabled, a total of 22,100 people⁵. 6,470 individuals, 2.6% of the total population, receive Disability Living Allowance.⁶ A total of 2302 people received long term social care services primarily for physical support needs during 2016-17. This is about 1% of the total resident population. An additional 86 people received long term support primarily for sensory impairments. There were 575 Harrow residents receiving long-term social care support from Harrow Adult

¹ At 30th June 2016, Office for National Statistics (ONS) 2016 Mid-Year Estimates

² ONS, 2016 Mid-Year Estimates

³ ONS, 2016 Mid-Year Estimates

⁴ 2017-2032, ONS, 2014 Sub-National Population Projections

⁵ July 2015 - June 2017, ONS, Annual Population Survey

⁶ May 2017, ONS/DWP. Rates calculated using the ONS 2016 Mid-Year Estimates

Social Care Services for learning disabilities during '16-17. 518 (approximately 90%) were younger adults under the age of 65. (source: SALT). 18% of younger adults with learning disabilities were in paid employment during the year. In comparison to London (7.2%) and England (5.7%), Harrow has a high number of LD clients who are in employment. In 2016-17, 73% younger adults with learning disabilities were in settled accommodation (with security of tenure). This is slightly below the England average (76%), but is above that of London (71%).

Gender reassignment – we do not hold and information on gender reassignment in Harrow.

Pregnancy and Maternity – in 2016 there were 14.5 live births per 1000 population which is higher than the UK average of 11.8. The fertility rate is 2.03 children per woman, higher than the UK average of 1.79. For women under the age of 18, the birth rate was 3.7 per 1000 population which is in line with the London average of 3.8 and lower than the UK average of 5.7. Harrow has the lowest levels of live births outside of marriage in the country (19.4%)⁷

Race (Ethnicity) – 61.8% of residents classify themselves as belonging to a minority ethnic group. The White British group forms the remaining 38.2% of the population, (down from 50% in 2001). 26.4% of Harrow's residents are of Indian origin – the largest minority ethnic group in the borough, followed by Kenyans and Sri Lankans. Harrow is home to the largest Sri Lankan born community in the country. 8.2% of residents are 'White Other', up from 4.5% in 2001.

In 2015/16 Harrow recorded its 2nd highest levels of migration in a decade signifying a significant change in population make up since the 2011 census. The top three nationalities of these most recent arrivals are Romanian, Indian and Polish.

The top 5 most recorded community languages in Harrow are: English, Gujarati, Tamil, Romanian, Arabic and there are over 155 languages spoken in Harrow schools.

Religion or Belief – Harrow is also said to be the most religiously diverse borough in the country. The borough had the highest proportion of Hindus, Jains and members of the Unification Church, the second highest figures for Zoroastrianism and was 6th for Judaism. 37% of the population are Christian, the 5th lowest figure in the country. Muslims accounted for 12.5% of the population⁸. In Greenhill and Wealdstone there are proportionately more followers of Islam and slighter lower Hindus. There is a higher proportion of Bangladeshi and

⁷ ONS Births by mothers' usual area of residence in the UK 2016

⁸ ONS, 2011 Census, Table KS209EW

Pakistanis in these wards. Those ethnic groups have high levels of residents aged 16-64 who are economically inactive (35.4%) compared to Indians (14.7%)⁹.

Gender/Sex – 49.9% of the population are male and 51.1% are female¹⁰.

Sexual Orientation – It is estimated that 10% of the UK population are lesbian, gay and bisexual (LGB), which would equate to approximately 24,713 of our residents.

Marriage, Civic Partnerships and Same Sex Marriage

54% of Harrow residents are married, the highest level in London. As of 31st December 2016, there have been 142 Civil Partnerships in Harrow, 19 of which have been converted to marriage. There have been 32 same sex marriages in Harrow since inception on 29th March 2014.

DRIVERS OF INEQUALITY

Employment

Harrow has seen a reduction in unemployment and the number of long term unemployed claimants. However, a number of residents are in low paid jobs and have low functional skills.

The JSA claimant count in January 2018 showed 1.1% (1,805 residents) were claiming job seekers allowance below the London and national average of 1.9% and 1.8% respectively¹¹, 55% were men and 46% were women. The overall employment rate in Harrow is 76.5%, but rates vary by population group¹². The employment rate for white UK born residents is 82.9%, compared to 88.5% for white non-UK born residents. For UK born ethnic minority groups the employment rate is 68.4% and 69.4% for non-UK born ethnic minority groups¹³.

⁹ ONS Annual Population Survey, October 2015 to September 2016

¹⁰ ONS, 2016 Mid-Year Estimates

¹¹ ONS Claimant Count data

¹² ONS Annual Population Survey, October 2016 to September 2017

¹³ The employment rate is the number of people in employment expressed as a percentage of all people of that cohort aged 16-64, ONS Annual Population Survey (APS), October 2016 to September 2017. The APS is a sample survey and confidence intervals vary for the different groups.

The employment deprivation domain within the 2015 Index of Multiple Deprivation (IMD) indicates 12,083 of Harrow's residents experiencing employment deprivation. This includes people who would like to work but are unable to do so due to unemployment, sickness or disability, or caring responsibilities. Overall Wealdstone is Harrow's most deprived ward for employment deprivation, closely followed by Roxbourne. Unemployment figures are highest in Greenhill, Wealdstone and Roxbourne wards.

Income deprivation - The Income Deprivation scale indicates that 30,733 of Harrow's residents are experiencing income deprivation. Wealdstone is Harrow's most deprived ward for income deprivation and for income deprivation affecting children, closely followed by Roxbourne, then Marlborough and Harrow Weald.

Over a fifth of Harrow's residents are in low paid jobs. Wages paid in Harrow workplaces (average £575.00/week for full-time workers) are generally lower than in London (£692.20) and in most of the West London Boroughs (£575-£689). In part this relates to the business composition of the borough, with small businesses paying less than larger companies and in part due to a significant number of residents having low skills. The earnings of Harrow residents (estimated average of £714.80/week for full-time workers) are the second highest of the West London Boroughs and a little over the London average (£701.40).¹⁴

At 2.1%, the borough has the lowest level of 16-17 year old NEETs (not in education, employment or training) nationally¹⁵.

Skills - 45% of Harrow's residents (aged 16-64) have higher level qualifications (NVQ Level 4+), with 2.8% having no qualifications at all. The borough has a high percentage of residents with 'Other' qualifications (including foreign qualifications), at 11.5%, compared to London (8.2%) and England overall (6.7%)¹⁶. Within Harrow, the highest proportions of the population without qualifications or with low level qualifications are in Kenton East, Edgware, Roxbourne and Roxeth.

Poor language skills are a major barrier to progressing in the workplace. Harrow was one of 25 local authority areas identified by the Department for Communities and Local Government as an area with high levels of need for English Language provision. 28.5 % of Harrow's residents have a foreign first language. In 15.9 % of households English is not the main language of any household occupants,

¹⁴ Source: ONS Annual Survey of Hours and Earnings 2017 – Residents and Workplace analyses – using median of full-time workers' gross pay

¹⁵ DFE, 2016 Figures. Isles of Scilly excluded, due to very low counts overall

¹⁶ ONS Annual Population Survey, 2016

the 10th highest ranking nationally and much higher than the national level of 4.3 %. The 2011 census showed 1% of Harrow residents unable to speak English at all, compared to 0.6% for London and a national figure of 0.3%.

Benefits

The Housing Benefit and Council Tax Support caseloads have been continually reducing in Harrow since 2014. The rate of reduction in 2016/17 has slowed with 16,242 and 12,862 households in receipt of Housing Benefit and/or Council Tax Support respectively as at January 2017. However, as the caseload has reduced, the makeup has changed with the number of in-work claims continuing to rise. Harrow has the second highest proportion of in-work Housing Benefit households in the country, reflecting the number of lower-paid jobs available in the borough. Furthermore Harrow has the ninth highest proportion of Housing Benefit claimants in private sector properties due to the limited social housing available. With the widening gap between average market rents and Housing Benefit, this puts increasing pressure on Harrow households to be able to remain in the borough, even if they are in employment.

Health Inequality

Harrow's ranking for health deprivation has improved and is better than the national average, but there are health disparities within the borough. Overall statistics for health in the borough are generally good,

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In 2011 the census showed that 14.6% of residents in Harrow had a limiting long-term illness or disability. This was an increase of 13.2% (+4,000) since 2001. Harrow's rate is now higher than the average for London (14.2%)¹⁷.

In 2016-17, 18.4%% of all 4-5 year olds are classified as having excess weight with 8.3% of them being considered obese. Obesity rates in the reception year for children are falling overall. The rates for reception year children are lower than both the London and National averages. 36.5% of 10-11 year olds are classified as having excess weight with 20.6% being classified as obese. The rates are lower than the London rates but higher than the National rate.

Mental health problems affect 1 in 6 adults and national data has estimated 22,700 people in Harrow have a common mental health problem. Rates are higher in some BAME communities, particularly new arrival refugees (Afghan, Somali, Iranian, Tamil).

¹⁷ 2011 Census, ONS

Across the borough there are marked geographical inequalities in life expectancy. There is a 10 year difference for women between Pinner South and Wealdstone. Overall Greenhill ward is Harrow's most deprived for health and disability, closely followed by Wealdstone and Roxbourne. Greenhill, Roxbourne and Wealdstone wards have the lowest life expectancy in Harrow. Life expectancy has decreased in Greenhill and West Harrow.

Slope index of inequality in life expectancy at birth within English local authorities (SII) is an indicator that measures the results of inequalities with the borough. The SII is a measure of the social gradient in life expectancy, i.e. how much life expectancy varies with deprivation. It takes account of health inequalities across the whole range of deprivation within each local authority and summarises this in a single number. The healthy life expectancy (HLE) gap between the least and most deprived areas of Harrow for women aged at 65 is 10.7 years and for men is 9.3 years.

The Joint Strategic Needs Assessment says a lot about what is good in Harrow. It is generally a healthy place and we perform better or similar to national levels for many health indicators although there are a few indicators where Harrow performs worse than the England average such as:

- High rate of statutory homelessness
- High rate of fuel poverty
- High percentage of adult social care users who do not have as much social contact as they would like
- High rates of low birth weight babies
- High rates of excess weight in 10-11 year olds
- Low amount of fruit and vegetables eaten
- Low amount of exercise taken
- People entering prison with substance misuse problems who are not already known to community services
- Low rates of cervical cancer screening
- Low rates of health checks
- Low rates for HPV, PPV and flu vaccination
- High rates of late diagnosis of HIV
- High rates of TB
- High rates of tooth decay in children

The PHE segment tool allows us to look at the causes of death that are driving the inequalities gap. It shows that in men the biggest contributor to the inequalities gap is circulatory disease followed by respiratory disease and cancer. In women, the gap is being driven by cancer, circulatory disease respiratory disease and digestive system disease (including chronic liver disease)¹⁸. Personal lifestyle factors appear in most of these underlying causes but the ability to make healthier choices is determined by wider factors. People can be empowered to improve their own well-being, but they need to have healthy home, work and learning environments and access to the right opportunities, in order to make lasting changes to their daily lives.

Figure 1 Underlying causes

	Risk factors	Link to inequalities
Circulatory Disease	Smoking Obesity and poor diet Physical inactivity Hypertension Diabetes Alcohol	Higher rates of most risk factors in more deprived communities. Higher rates of many risk factors in BAME groups.
Respiratory disease	Smoking Influenza Cold weather	Higher rates of smoking in more deprived communities. Lower rates of flu immunisation in higher deprivation areas Poor housing/cold homes/fuel poverty
Cancers	Smoking Obesity Poor diet Physical inactivity Alcohol Genetic Factors Sunburn	Higher rates of most risk factors in more deprived communities. Higher rates of some risk factors in BAME groups.
Digestive diseases (including alcohol related)	Alcohol Hepatitis	Higher rates of binge drinking in more deprived communities but significant hidden harm from alcohol in more affluent communities.

¹⁸ Diabetes which is a leading cause of morbidity in Harrow is included in the “other” category, but the majority of deaths in people with diabetes are due to circulatory disease.

Child Poverty

- Child poverty is increasing. There were 4.1 million children living in poverty in the UK in 2016/17 (compared to 3.7m in 2013/14) that's 30 per cent of children, or 9 in a classroom of 30. London is the area with the highest rates of child poverty in the country.
- Child poverty levels in Harrow are 19% before housing costs (BHC), and rise to 29% after housing costs in Harrow (2017). The Highest levels of child poverty are found in Roxborne (28.4% BHC), Wealdstone (25.3% BHC) and the lowest in Pinner South (10% BHC) and Headstone North (9.43% BHC)
- Out of 326 most deprived Local Authority districts in England, Harrow is ranked 213th which is an improvement since 2010 when the borough was ranked 184th (where 1st is the most deprived). Harrow performs best in 'Education, Skills and Training' and performs worst in the 'Barriers to Housing' and 'Income affecting Older People' indicators.
- Work does not provide a guaranteed route out of poverty in the UK. Two-thirds (64 per cent) of children growing up in poverty live in a family where at least one member works.
- Children in large families are at a far greater risk of living in poverty – 34% of children in poverty live in families with three or more children.
- Child poverty has long-lasting effects. By GCSE, there is a 28 per cent gap between children receiving free school meals (FSM) and non FSM in terms of the number achieving at least 5 A*-C GCSE grades.
- Poverty is also related to more complicated health histories over the course of a lifetime, again influencing earnings as well as the overall quality – and indeed length of life. Childcare and housing are two of the costs that take the biggest toll on families' budgets.

Housing

At just 10% Harrow has the third lowest proportion of households living in social housing of any of the London boroughs¹⁹. At March 2018 there were 4,759 council properties and there are a similar number of Housing Association properties. Households from all of Harrow's diverse ethnic groups live in social housing, reflecting the overall make-up of the borough's population. Where ethnicity is known, the largest single ethnic group housed within the council's stock is White followed by Asian and then Black.

At the 2011 Census, 66% of residents were homeowners, but that has declined since to around 60% in 2017 whilst private rented sector is increasing from 22% in 2011 to around 30% in 2017. Over half of Harrow's council homes have been sold under Right to Buy since it was introduced in 1980.

¹⁹ 2016, Dwelling Stock Table 100, DCLG

The 2011 Census revealed that 5.8% of Harrow's households, almost 5,000 families, were 'severely overcrowded', and this is increasing over time. 'Severely overcrowded' is defined as being at least 2 bedrooms short of the national 'bedroom standard'. At 2.8 Harrow has the second largest average household size in England and is nationally ranked 24th worst of the 326 local authorities in England for severe overcrowding. There is a concentration of severely overcrowded households in the central wards as well as to the south-east and south-west of the Borough.

Applications for social housing have doubled over the last 7 years and the number accepted as being eligible, unintentionally homeless and in priority need has risen tenfold (45 in 2009/10 to 449 in 2016/17), mostly due to loss of private rented accommodation. Despite the huge emphasis on homelessness prevention there has been a 50% increase in demand for temporary and emergency accommodation over the last three years. At March 2018 we had about 880 families in temporary accommodation (with the majority leased from a private landlord) with about 10% placed out of borough. We have successfully brought down the number of households in emergency B&B accommodation by over 60% from a peak of 307 families in June 2016 to 116 families by the end of 2017.

Education and Attainment

Schools in Harrow are on the whole, among the best performing in the country which has been maintained over a number of years. There are 59 schools in the borough, of which 96% are judged as good or outstanding by Ofsted. Our primary schools rank in the top 10% nationally for key stage 2 results in reading, writing and maths and our secondary schools rank 15th out of 150 local authorities for pupils achieving Grade 5 or above in English & maths and 22nd for the Attainment 8 score at KS4. Harrow has also been ranked joint 4th best performing area nationally in 2017 for pupils progress (progress 8 score) and in December 2016 a report by the Education Policy Institute ranked Harrow top nationally for the highest density of high performing schools in England by local authority between 2010 – 2015. 98.7% of 16-18 year olds are in education, employment or training.

The inequality gap in achievement in Harrow continues to narrow, however is still above national averages. Whilst all pupils in Harrow have performed above national averages, particular ethnic groups within Harrow do not fare as well as others. Inequalities in education in Harrow exist particularly amongst children with special educational needs (SEN), those eligible for Free School Meals (FSM) and ethnic groups. The achievement gap between pupils with SEN and their peers at Key Stage 2 is slightly wider than the national average. Although there has been a reduction in the gap, children who receive FSM show less progress across all subjects between Key Stage 1 and Key Stage 2 compared to their peers.

Just over a third (36.7 per cent) of Harrow School children spoke English as a first language as at the January 2016 school census.

Adult Social Care

2227 older people were receiving long-term support services from Harrow Adult Social Care Services during 2016-17 (SALT) – approximately 6.6% of all older people in the Borough. This compares to London (which averages 8.5%) and England (average of 6.7%.) The majority (73%) of people receiving long-term services in Harrow are residing in the community. The remaining users are in either residential (14%) or nursing care (13%). The proportion is almost identical to the London average. Older service users (74%) are similarly mainly residing in the community with the remaining users either in (14%) residential or (12%) nursing settings. In comparison to the England average (61%), we find Harrow has a much higher proportion of older people receiving services in the community and a far smaller proportion in residential placement (25%). Nursing placements in England (13%) are however the same as Harrow.

The 2017 Long Term Services User Survey found differences in self-reported Quality of Life between those respondents over and under 75. Those over 75 were less likely to report “very poor” Quality of Life, but also less likely to report “very good” Quality of Life. Those over 75 were less likely to report being “extremely satisfied” with the support they received than those under 75.

Carers

376 carers assessed or supported by the local authority during 2016-17 were aged 65 or over, accounting for 36% of all carers supported by the local authority. 39 (3.7%) of them were aged 85 and older. The Quality of Life of older carers responding to the survey was not significantly different than younger carers (2016-17 Carers Survey)

Our Workforce

Amongst the councils staff, including schools, as at the end of March 2018, 43.72% are BAME, 77.10% are female and 22.90% are male and 1.99% declared a disability.

3. Reviewing Progress & Setting Priorities

The following section of this report outlines Harrow Council’s progress in 2017/18 against the Corporate Equality Objectives. As well as reporting our overall performance against key performance indicators, it also highlights some examples of the work we are doing to contribute to each objective. This section also includes an overview of how many of the performance indicators associated with each Corporate Equality Objective (listed in appendix 1) were Green, Amber and Red, using the following criteria:

- High Green:** Target exceeded by more than 5%
- Low Green:** Target Met
- Amber:** Target missed by no more than 5%
- Low Red:** Target missed by 5-10%
- High Red:** Target missed by over 10%

Each Equality Objective has been given an overall ‘RAG’ status using the following criteria:

If two thirds of the indicators within a priority are a particular status then this will determine its status. If not, then the priority status will become Amber.

Overall, progress against delivery of the Equalities Objectives is being reported as green in the Council’s Strategic Performance Report for quarter 4 of 2017/18.

Deliver improvements against our Corporate Equality Objectives	On the whole, good progress is being made against the Corporate Equality Objectives Action Plan as reported to the Corporate Equalities Group in January 2018.	GREEN
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Objective 1 – An inclusive workforce that feels valued, respected and reflects our community

Green	5
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Amber	1
Red	4
Overall Status	A

It is a key priority that our workforce reflects our community. We continue to try to improve our understanding of the profile of the workforce as a substantial number of staff still do not provide any social identity information and in particular in respect of religion and sexual orientation. Steps are being taken to acquire this information from staff that do not have immediate access to IT. The Council is doing well with regards to the number of BAME staff and female top earners thanks to targeted recruitment briefs, development and succession plans for staff, mentoring and coaching and blind recruitment. However, we need to continue to focus on improving the percentage of disabled employees, employees under 25 and the completion of the mandatory e-learning for new starters where we are planning to undertake team E-Learning and face-to-face sessions in 2018/19.

Reducing the stigma of mental health in the workplace

In partnership with Public Health, a new course '*Being a mindful manager*' was launched to support this objective.

A workshop was delivered by Thrive London in January was held at the Civic Centre. The purpose of the workshop was to look at how the six principles of Thrive London can be achieved. The workshop was attended by approximately 50 residents and community groups, with some excellent ideas on how to achieve Thrive's principles. The next steps are for a borough wide Action Plan for this year to be developed, which will include initiatives, projects and events being delivered by partners, stakeholders and the VCS. So far events have included a workshop on how to cope with stress hosted by Mind in Harrow to mark Mental Health Awareness Week, story telling at Harrow libraries and the promotion of the '*Being a mindful manager*' course. There is also a corporate offer to support managers to deal with staff in times of emotional and mental health.

Stonewall Workplace Equality Index

In 2017, we were ranked at 154 in the Stonewalls Workplace Index which we are pursuing in order to ensure we are as fair, inclusive and LGBT friendly in the execution of our HR policies. We are currently in the process of developing our submission to Stonewall. The process for this year's submission has now been launched by the senior officer – Paul Hewitt and member champion – Cllr Adam Swersky, who have circulated Stonewalls feedback report to a cross-council virtual working group made up of officers who will be responsible for providing evidence for the 2018 submission.

Disability Working Group

The Council has set up a Disability Working Group this year to address a number of issues that were raised by staff including accessibility to facilities such as toilets, IT issues and compatibility with specific software. In March 2018, radar locks were installed to three toilets. Parking was another issue being addressed with plans to paint yellow lines around the two disabled parking spaces next to the council's canteen that is constantly misused.

The group is now looking at a further range of issues that effect staff. The Two Tick Disability Scheme has been replaced with the Disability Confident Scheme and in April 2018, the council signed up to Level 1 and the disability confident logo and scheme information has started to be used on the council's recruitment pages from June onwards. The group is also working on putting on further Disability Awareness training and there are plans in place to link it to the Mental Health Action Plan.

2017 gender pay gap.

In 2017 all employers with 250 or more staff were required to publish statutory gender pay gap calculations for the first time. The gender pay gap compares the average (mean) and median (central point) of all male and female hourly pay rates. The presence of a gender pay gap does not imply that there is an equal pay issue. Equal Pay is the right for men and women to be paid the same, for the same, or equivalent, work or work of equal value. The pay gap value for female employees in Harrow Council is greater than that for male employees with the mean hourly rate for women 3.88% higher than men's and the median women's pay rate 13.3% higher than men's. The reasons for the gender pay gap at Harrow Council are:

- There is a higher % of women in the top quartile (62%), the upper middle quartile (70%) and the lower middle quartile (68%) of the workforce. Compared to the workforce as a whole women in these three bands account for 61.5% and men 38.5%.
- There is a lower % of women in the bottom quartile of the workforce (46%), when compared to the whole workforce, (61.5% women, 38.5% men)

Objective 2 – An improved understanding of our communities to ensure services are fair, equitable and accessible to all and reduce inequality

Green	3
Amber	0
Red	1

Equality Impact Assessments

In 2017 we undertook a review of our Equalities Impact Assessment (EQIA) form. This is the form all services in the council use to assess if there is any disproportionate impact from any new initiatives or service changes to the nine protected characteristics set out in the PSED and if there is, what mitigations, if any, can be put into place. The EQIA serves to demonstrate how decision-makers in the Council have paid due regard to the requirements of the PSED. The new template was devised in consultation with council officers and built on best practice in other councils. The shorter, simpler form was approved in February 2018 and should make it easier for officers to complete, thereby improving the quality of the EQIAs and our understanding of our communities and the services we provide or commission.

Mental Health in schools

Ten mental health awareness training sessions were delivered in conjunction with Mind in Harrow in various communities across Harrow. Support continues to those secondary schools who have Youth Health Champions; and the Mental Health First Aid for Schools session in March 2018 was well attended.

Early Intervention Childrens' Services

The Council's new Early Support model went live in 2017. It is delivered via Children's Centres and youth centre hubs ensuring these centres are kept open and accessible to residents in the areas of greatest need, despite budget constraints. Part of the Early Support Model is a Youth Offer which is integrated with the Youth Offending Team and local voluntary and community organisations to ensure as many young people as possible are engaged in positive activities and have an array of support available to target support for those considered at risk.

Harrow's Early Support hubs had reached 82% of children (age 0-5) living in the most deprived areas of Harrow by the end of March 2018. Around 7,950 different families have accessed Early Support hubs since January 2017. The Early Years Strategy has as one of its focuses the improvement in the quality of provision across all settings, targeting disadvantaged children, those with special educational needs and disability, funded children, and those eligible for the pupil premium, many of whom fall into the bottom 20%. As well over 90% of private, voluntary, and independent (PVI) settings and currently 100% of schools with early years provision are judged "good" or better by Ofsted [above the national average], it is clear that the vast majority of disadvantaged children are educated in strong settings.

Harrow Young People's Needs Analysis

In 2017 Young Harrow Foundation in partnership with Harrow Council and over 50 voluntary organisations conducted the largest ever survey and analysis of young people's needs. This comprised an extensive survey of over 4000 young people aged 10-19 in the borough, focus groups and a data review. The Analysis revealed that Mental Health, youth violence and employment were the top priorities for young people. The rich evidence base we now have about young people's needs in the borough is the beginning of being able to help local charities deliver and fund some of the most important and vital services to help more young people reach their potential. We hope this can play a role in helping to prove local need and increase external funding into Harrow as well as provide an online platform to see the issues and specific opportunities for young people based on the survey findings and a new Young Harrow Foundation website to include searchable platform for children and young people services in Harrow.

Housing

We know housing is a key factor in inequality with a combination of a lack of affordable housing and changes to welfare benefits exacerbating the problem. The Council's response has been to start to build the first new council homes in a generation, providing new family homes at affordable rents. By March 2018, 50 new council homes were completed or on site and there are 30 more in pipeline awaiting funding. The Grange Farm estate regeneration project to deliver circa 500 new mixed tenure homes has been using GLA grant and HIF funding has been approved and our 100 homes property acquisition programme providing temporary accommodation at LHA level rents supported by General Fund borrowing has been launched helping to reduce the numbers in emergency B&B accommodation.

We have also been working to improve the standards of rented properties in Harrow by introducing licensing schemes in Edgware, Wealdstone and South Harrow and tackle unlicensed houses of multiple occupation. We have also continued to improve our own stock by investing £20m in a five year programme to upgrade the quality of our homes with more efficient boilers, new kitchens and bathrooms, upgraded door entry systems and fire safety works.

Prevention remains challenging while there is such a gap between actual rents and Housing Benefit payments, but we have succeeded in bringing down the number of households in emergency B&B accommodation by over 60% from a peak of 307 families in June 2016 to 116 families by the end of 2017. We have largely done this through our property purchase programme, actively working with private landlords to prevent homelessness and offering longer term private rented accommodation in London and elsewhere to end the uncertainty of homelessness.

Crime and Community Safety

In July 2017 Harrow undertook a Home Office led Locality Assessment focussing on the issue of gangs and serious youth violence. The process involved a series of interviews and focus groups with front-line practitioners to gather information, knowledge and perception whilst building a qualitative picture of the key issues and drivers around county lines, gangs, youth violence and vulnerability. The

assessment provided us with a much deeper understanding of the key issues and drivers of youth violence, which have since informed our Youth Offending Plan and Community Safety Violence, Vulnerability and Exploitation Strategy.

In 2017 we were also allocated funding under the Mayor's London Crime Reduction Fund (LCPF). We worked with our Voluntary and Community Sector to design a range of interventions that have been proven to be successful in the borough and elsewhere to reduce offending, these were:

1. The development of a problem profile to underpin our strategy on Violence, Vulnerability and Exploitation which has improved our understanding of local gang activity, drugs market, links between gang activity and missing/absent young people and other vulnerable groups.
2. Work with 69 young offenders resulted in half starting to make positive choices and 40% increasing their aspirations and hopes for the future.
3. An art and drama project in schools to divert young people away from youth violence and gain increased confidence, self-esteem and skills demonstrated progress in 88% of participants
4. Work to reduce the number of young people involved in the supply of illicit substances and to build resilience in young people so that they are able to spot the signs of dealer grooming.
5. Providing critical support to the most vulnerable members of our community who are affected by domestic and sexual violence.
6. Reducing alcohol and drug-related reoffending via targeted early support and treatment for ex-prisoners so now over 20% of drug using offenders in treatment.
7. To generate and embed a cultural shift within the schools on the issues of sexual assault, Child Sexual Exploitation and digital exploitation and to promote a culture of awareness. To date 75% of children and young people involved in the project report an increased awareness about the issues and 70% of young victims supported reported a significant improvement in their sense of safety from repeat victimisation.

Apprenticeships

Xcite Employment Project is a council programme supporting Harrow residents that helps people into work, provides Apprenticeship brokerage linking young people to training providers and businesses, accesses funding for vocational training for eligible people in work to improve their career opportunities and provides a Construction employment specialist providing job brokerage and training advice and funding for eligible residents. The table below summarises the Xcite team's performance in 2017/18 against equality indicators.

Clients	Clients	Job outcomes	% of clients	% of into work
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Male	269	144	64%	73%
Female	152	53	36%	27%
BAME	236	101	56%	51%
White	184	96	44%	49%
Disability	39	9	9%	5%
Total	421	197		

Objective 3 – Promote and Celebrate the Diversity of our Borough and Foster Community Cohesion

Green	1
Amber	0
Red	0
Overall Status	G

38

As and extremely diverse borough community cohesion is integral in all that we do. We set out to increase the amount of those who felt that people from different backgrounds get on well together in the area. In order to support this objective, we agreed an annual diversity calendar for 2017/18. Diversity Champions, the staff Making a Difference group, partners, stakeholders and the VCS worked together to organise, deliver and celebrate the events including: an event on gender violence and domestic abuse in November 2017 to coincide with White Ribbon Day; celebrating LGBT history Month in February 2018 and organising a Thrive Harrow Community Event on reducing the stigma of mental health in January to coincide with Time to Talk day on 1st February 2018.

The Council also organised events for 'Remembering Sebrenica' – the largest genocide in Europe since the Second World War and Holocaust Memorial Day. We were also pleased to be able to provide match-funding to the Wealdstone Active Community group to put on three successful community events: a St George's Day Festival, a Summer Festival and a Carol Concert as part of a prototype crowdfunding project.

We are taking active steps to ensure hate crime in the borough does not escalate and that there are effective third party reporting channels. Following the Manchester, London Bridge and Finsbury Park attacks, a community leaders meeting was held which involved the Leader, CEO & Borough Commander where they talked about hate crime and voiced that it would not be tolerated in Harrow. Key messages regarding the importance of reporting hate crime were also given and this was followed up by a press release. Community Leaders were encouraged to share this message with their communities/members/congregations.

Ongoing work to ensure the Prevent Duty requirements (under the Counter Terrorism and Security Act 2015) continues to take place with over 1500 people trained by the Council using the Home Office WRAP package, Chanel Panel and the delivery of Equaliteach critical thinking project to schools in the borough.

4. Proposed priorities for the 2018/19 Action Plan

Based on the data and evidence in this report and what we know about the priorities for the Council for 2018/19, the following priorities are proposed for the 2018/19 action plan. The intention is for the 2018/19 action plan to focus on a smaller number of projects where we want to make a concerted difference that year. It is these projects whose progress will be monitored by the Corporate Equalities Group on a quarterly basis. Other mainstreamed equalities and diversity work will continue within the services and be monitored via their own service plans and strategies. We will capture relevant information via a revised basket of indicators and case studies that we will use in the annual report to demonstrate progress against our Corporate Equality Objectives.

Objective 1 – An inclusive workforce that feels valued, respected and reflects our community

Disability

Improve our processes as a council to achieve Disability Confident accreditation.

Mental Health

Focus on reducing the stigma of mental health in the work place and work with the Youth Parliament on young people and mental health – the top issue identified in the Young Harrow Foundation’s Youth Needs Analysis.

Stonewall

To continue to participate in the Stonewall Workplace Equality Index and work towards a top 100 ranking.

Social Identity Recording

To continue to increase the levels of social identity recording amongst staff.

Mandatory Equality Matters e-learning training

To continue to increase the numbers of staff completing the mandatory e-learning training

Objective 2 – An improved understanding of our communities to ensure services are fair, equitable and accessible

40

to all and reduce inequality

Communities and Regeneration

Gain a better understanding of the transient migrant populations and the impact on community cohesion and community safety especially fly tipping and overcrowding housing.

Improve understanding of homelessness, particularly the impact of the Homeless Reduction Act

Peoples

Adult social care Resilient Communities vision and improved accessibility to adult social care website, information packs and online information, improved profiling of young offenders.

Resources and Commercial

L&D – Member induction, e-learning, EQIA guidance and quality assurance

Objective 3 – Promote and Celebrate the Diversity of our Borough and Foster Community Cohesion

Diversity Champions, Straight Ally and community events

Appendices

Appendix 1 – Corporate Equality & Diversity Performance Targets 2017/18

Measure	Target 2017/18	Actual 2017/18	RAG Status	Comments (include comparisons against National Average and Neighbouring Borough(s) where available)
Objective 1: An inclusive workforce that feels valued, respected and reflects our community				
Improve on our position in Stonewall Workplace Index (WI) <ul style="list-style-type: none"> KPI – Achieving a top 100 place in the workplace index in 2017 	100	154	A	We have maintained our position in 2017 with a ranking of 154 out of 439.
Achieve a more comprehensive profile of the workforce by improving the reporting and recording of protected characteristics, particularly disability. <ul style="list-style-type: none"> KPI - % of staff providing social identify information 	20.8%	27.2%	HG	<ul style="list-style-type: none"> The issue is raised at corporate induction The staff Making a Difference Group are discussing ideas for how to incentivise staff to update their info on SAP Staff awards were held to celebrate work against the values including work around Equalities & Diversity. Values also included as part of the appraisal where staff can update any work around equalities for the “do it Together” Value. There’s a high percentage of unknowns still for both Religion or Belief (77.33%) and Sexual Orientation (78.42%). Stonewall data indicates that nationally only 27% of LGBT staff feel confident disclosing their sexuality at work.

Measure	Target 2017/18	Actual 2017/18	RAG Status	Comments (include comparisons against National Average and Neighbouring Borough(s) where available)
Improve the proportion of BAME staff <ul style="list-style-type: none"> • KPI – Proportion of BAME employees • KPI - % of top 5% earners who are BAME 	45% 20%	45.99% 25.49%	LG HG	<p>The proportion of BAME staff is steadily increasing (it was 45.47% last year); whilst it is above target is it still short of reflecting the proportion of BAME residents in the borough which is at around 62%.</p> <p>The proportion of BAME in the top 5% of earners has also increased from 21.9% in 2016/17. This is on a par with national figures from DWP which state that 24% of BAME households are in the top income band earning £1000/wk or more gross.</p>
Improve the proportion of disabled employees <ul style="list-style-type: none"> • KPI – proportion of disabled employees • KPI - % of top 5% earners who are disabled 	3% 3%	2.02% 3.92%	HR HG	<p>The employment rate for disabled people has remained at around 2%, but has decreased from 2.2% in 2016/17; however there has been good progress in increasing the number of disabled people in the top5% of earners in the council.</p> <p>According to the Labour Force survey there are over 3.4m disabled people in employment in the UK which would represent about 5% of the population.</p>
Improve % top 5% earners who are women <ul style="list-style-type: none"> • KPI - % top5% earners who are women 	50%	51.96%	LG	<p>The actual rate has declined by 2.3% since 2016/17 but remains above target. The Council's gender pay gap report also presents a positive story about female pay in the council.</p>
Improve the recruitment, support and retention of young people <ul style="list-style-type: none"> • KPI - Proportion of Harrow Council employees aged less than 25 	3.31%	2.41%	HR	<p>Despite strong performance in getting over 500 young people into apprenticeships in the borough, the percentage of employees under 25 in the council has fallen compared to 2016/17.</p> <p>We have meet with external recruitment provider, Pertemps, to identify actions that would</p>

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Measure	Target 2017/18	Actual 2017/18	RAG Status	Comments (include comparisons against National Average and Neighbouring Borough(s) where available)
				encourage young people to apply for opportunities in Harrow. We are also working with Xcite to identify apprentices that can be trained in areas across the council.
<p>All staff to complete the mandatory Equality Matters training every two years to ensure they are up to date with the latest legislation, Council's policies and best practice.</p> <ul style="list-style-type: none"> KPI - % of new starters who completed the mandatory Equality Matters training (either face to face or E-Learning Module) within the first 8 weeks of their employment KPI - % of existing staff (as at April '16) who are up to date with Equality Matters refresher training (either face to face or E-Learning Module) 	<p>95%</p> <p>95%</p>	<p>36%</p> <p>75%</p>	<p>HR</p> <p>HR</p>	<p>The % of new starters completing the training is higher than it was last year (up 10%) but has fallen back from a high of 78% in Q3. As previously reported, at present a high proportion of depot staff have no access to online training. We are planning on undertaking team ELearning and face-to-face sessions throughout 2018/19 to improve the situation</p> <p>The % of existing staff completing the training has increased by 12% from last year. Improved reporting from the Learning Management System and a greater focus on this from managers has contributed to the increase</p>
Objective 2: An improved understanding of our communities to ensure that services are fair, equitable and accessible to all and reduce inequality				
<p>DisabledGo – increase the number of people who use the Access Guide</p> <ul style="list-style-type: none"> KPI – No. access guide views 	8,000	8,806	HG	The number of Access Guide views has increased every year over the past 3 years (7311 in 2015) thanks to increased communications. The top guides were Harrow Association for the Disabled, Harrow on the Hill Station, Harrow Arts Centre, Harrow Children's Centres and Harrow Leisure Centre.
<p>Narrow the education attainment gap</p> <ul style="list-style-type: none"> The percentage inequality gap in 	24%	31%	HR	There has been no change in this indicator

Measure	Target 2017/18	Actual 2017/18	RAG Status	Comments (include comparisons against National Average and Neighbouring Borough(s) where available)
achievement across all the Early Years Learning Goals (EYFS)				
Adult Learning Development, delivery and evaluation of community learning programmes to support recovery from mental health problems <ul style="list-style-type: none"> KPI - % of adults in contact with secondary mental health services in paid employment 	7%	8.3%	HG	
Adult Social Care <ul style="list-style-type: none"> KPI – equality of service provision (Adult Social Care) 	0.9-1.1%	0.97%	G	There has been no change in this indicator
Objective 3: Promote and celebrate the diversity of our borough and foster community cohesion				
Work in partnership with partners, stakeholders and the VCS to organise, deliver and celebrate key diversity events within the borough <ul style="list-style-type: none"> KPI - % of residents who agree that my local area is a place where <i>people from different ethnic backgrounds</i> get on well together. 	70%	77%	G	Harrow Residents Survey July 2017 shows community cohesion remains positive in Harrow despite various terrorist attacks that year. Nationally 81% of people think their local area is a place where people from different ethnic backgrounds get on well together. But given the higher levels of diversity in Harrow compared with other local authorities a score of 77% is good.

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Date of Meeting:

23 July 2018

Subject:

INFORMATION REPORT
Revenue and Capital Outturn 2017/18 report to
Cabinet 21 June 2018
And
2018-19 Revenue Monitoring as at 31st
May 2018 - Report to Cabinet 12 July 2018

Responsible Officer:

Dawn Calvert, Director of Finance

**Scrutiny Lead
Member area**Scrutiny Lead Members – Councillor Sachin
Shah and Councillor Kantilal Rabadia**Exempt:**

No, except for Appendix 5 of Revenue and
Capital Outturn report, which is exempt on the
grounds that it contains “exempt information”
under paragraph 3 of Part I of Schedule 12A to
the Local Government Act 1972 (as amended) in
that it contains information relating to the financial
or business affairs of any particular person
(including the authority holding that information).

Wards affected:

All

Enclosures:Revenue and Capital Outturn 2017/18 report and
appendices 1 to 6 (appendix 5 is exempt)2018-19 Revenue Monitoring as at
at 31st May 2018 and appendices 1- 3

Section 1 – Summary and Recommendations

This covering report includes 2 budget monitoring reports which have been considered at Cabinet meetings in June and July 2018 and are for further consideration by this sub-committee.

Recommendations :

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

Section 2 – Report

Introductory paragraph

The Council undertakes regular monitoring of the Council's revenue and capital budgets, with reports being presented to Cabinet on a quarterly basis throughout the year and with the year end outturn being reported in June following the end of the financial year. There are 2 reports attached.

The first report is the Revenue and Capital Outturn 2017/18 which shows the final outturn for the Council for the financial year 2017/18 as reported to June in 2018 and the second report attached sets out the latest 2018/19 Revenue monitoring position as at 31st May 2018 reported to Cabinet in July 2018.

In advance of this meeting a number of questions were raised on the 2017-18 Revenue and Capital Outturn report and the responses to those questions have been circulated to Members of this Committee in advance of this meeting.

Financial Implications

These are contained within both of the attached reports.

Performance Issues

These are contained within both of the attached reports.

Environmental Impact

There are no direct impacts.

Risk Management Implications

There are contained within both of the attached reports.

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

Name: Dawn Calvert

Chief Financial Officer

Date: 12th July 2018

Ward Councillors notified:

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

Tel: 020 8424 1332

Background Papers: None

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REPORT FOR: CABINET

Date of meeting:	21 June 2018
Subject:	Revenue and Capital Outturn 2017/18
Key Decision:	Yes
Responsible Officer:	Dawn Calvert, Director of Finance
Portfolio Holder:	Councillor Adam Swersky, Portfolio Holder for Finance and Commercialisation
Exempt:	No, except for Appendix 5, which is exempt on the grounds that it contains “exempt information” under paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972 (as amended) in that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information)
Decision subject to Call-in:	Yes
Wards affected:	All wards
Enclosures:	Appendix 1 - Revenue Carry forward Schedule Appendix 2 - Capital Receipts Flexibility Strategy Appendix 3 - Movements in Reserve 2017/18 Appendix 4 - 2017-18 MTFS Savings Tracker Appendix 5 - Concilium Business Services Performance Report Appendix 6 - Capital Outturn and Funding

Section 1 – Summary and Recommendations

This report sets out the Council’s revenue and capital outturn position for 2017/18

Recommendations:

1. That Cabinet notes the revenue and capital outturn position for 2017/18 as detailed in paragraphs 1.0 to 1.3.
2. That Cabinet approves debt write offs totalling £61,381 as specified in paragraphs 2.15.
3. That Cabinet notes the movement between reserves outlined in paragraphs 2.26 to 2.35.
4. That Cabinet notes the revenue carry forwards outlined at paragraphs 2.34 to 2.35 and detailed in Appendix 1 that have been approved under delegated authority by the Director of Finance.
5. That Cabinet notes the carry forwards on the capital programme outlined in table 8 and set out at Appendix 6 that have been approved under delegated authority by the Director of Finance.
6. That Cabinet notes the timetable for preparation of the Statement of Accounts, Pension Fund Account and External Audit Review as outlined in paragraphs 4.1.

Reason (for recommendation)

To report the financial position as at 31 March 2018

Section 2 – Report

1.0 EXECUTIVE SUMMARY

- 1.1 The revenue outturn position for the Council’s General Fund at the end of the financial year 2017/18 year shows a balanced position after transfers to and from reserves. The outturn position is summarised below:

	£m
• Overspend on Directorates	4.278
• Corporate Items	(2.325)
• Corporate Contingency	(0.274)
• Technical and Corporate Adjustment	(5.354)
• One off Income	(0.824)
• Reduction in Capital Receipts Flexibility	<u>1.301</u>
• Net underspend applied as follows:	<u>(3.198)</u>
• Contribution to 2019/20 Budget	2.000
• Capacity to support delivery of the MTFS	<u>1.198</u>
	0

- 1.2 The balanced budget position assumes a revenue budget carry forward of £0.469m, which is added to reserves in 2017/18 for use in 2018/19.
- 1.3 Total spend on the capital programme for the year is £94.131m (47%) against a budget of £201.252m, giving a variance of £107.121m. The variance of £107.122m is made up of total slippage of £65.5m which will be carried forward into 2018/19 and underspends of £41.621m which are no longer required and will be removed from the programme. More detail is included in table, including the split between the general fund and the HRA.

2.0 REVENUE OUTTURN

2.1 The Directorates are reporting a net overspend of £4.278m which is offset by (£7.476m) of under spends in corporate budgets and additional income. This leaves a net underspend of £3.198m which will be transferred into the Budget Planning Contingency and earmarked as follows:

- Contribution towards 2019/20 budget £2m
- Capacity to support delivery of MTFS £1.198m

Table 1 below sets out the Summary Revenue Outturn position:

Table 1: Revenue Outturn 2017/18 Summary

Directorate	Revised Budget	Outturn	Outturn variance	Carry Forward	Outturn variance after carry forward
	£000	£000	£000	£000	£000
Resources and Commercial	21,923	20,975	(948)	315	(633)
Resources Total	21,923	20,975	(948)	315	(633)
Community	37,913	39,513	1,600	-	1,600
Community Total	37,913	39,513	1,600	-	1,600
Adults	64,706	65,138	432		432
Public Health	1,288	1,288	-		-
Children's	37,614	39,208	1,594	46	1,640
People Total	103,608	105,634	2,026	46	2,072
Planning and Enterprise	2,046	2,117	71	108	179
Regeneration	(350)	710	1,060		1,060
Regeneration Total	1,696	2,827	1,131	108	1,239
Total Directorates	165,140	168,949	3,809	469	4,278
Corporate Items	6,016	3,691	(2,325)		(2,325)
Corporate Contingency	1,248	974	(274)		(274)
Technical and Corporate Adjustment	(4,561)	(9,915)	(5,354)		(5,354)
Use of Capital Receipts	(3,039)	(1,738)	1,301		1,301
Other Income		(824)	(824)		(824)
Total Budget Requirement	164,804	161,137	(3,667)	469	(3,198)
Contribution to 2019/20 Budget and Capacity Funding	-	3,198	3,198		3,198
Carry Forward		469	469		
Total Budget Requirement After One-Off Contribution to 2019/20 Budget	164,804	164,804	-		-

Directorates' Outturn

2.2 The outturn for the Directorates is a net over spend of £4.278m after taking into consideration a carry forward of £0.469m. The position for each directorate is summarised as follows:

Resources

2.3 The outturn position for Resources is an under spend of (£0.633m) after allowing for a carry forward of £0.315m. The key reasons for the under spend are detailed below:

- The Director of Resources is showing a net (£0.480m) underspend which represents the in year spending freeze across the Resources directorate as their contribution to their spending control target of £0.500m.
- The Finance division is reporting a net (£0.167m) underspend, which relates mainly to reduce insurance premiums for the authority and a number of other minor variances.
- Legal and Governance are reporting an overall net (£0.171m) underspend that is due to higher than budgeted income from the legal practice.
- Other under spends across the services of (£0.039m).

The above are partly offset by over spends as detailed:

- The Business Support division is reporting a net overspend of £0.111m which results from temporarily diverting resources to undertake a lean review of the service for longer term benefit and additional spend on agency staff.
- The Strategic Commissioning division is reporting a net overspend of £0.114m mainly due to unachieved MTFS savings targets combined with the increased income target in relation to Communication services. In addition Community Resilience reported underachieved income resulting from Schools not subscribing to the service.

The recommended carry forward requests of £0.315m are set out in Appendix 1

Community

2.4 The outturn position for Community is an over spend of £1.6m. However, £0.143m is funded from capacity already set aside corporately to fund the loss of parking income as a result of regeneration. This leaves a balance of £1.457m detailed below:

- **Libraries and Leisure service** is over spent by £0.442m. The Libraries Service was provided by Carillion until January 2018. The net cost impact arising from the company's liquidation is £0.140m due to the outstanding unpaid sum relating to rent and service charges due from Carillion, for which a 100% bad debt provision is made. There are a couple of unbudgeted costs relating to the contract indexation price increases during the contract period £0.09m and a backdated rent cost of £0.120m for Gayton Library following a rent re-

negotiation. The MTFs saving in Leisure Service £0.100m is unachieved due to the delay in the redevelopment of the Harrow leisure centre.

- In **Public Protection**, there is an income shortfall of £0.337m as the number of licensable activities is less than anticipated. There is an unfunded counsel cost of £0.030m in relation to the prosecution of a food safety manslaughter case.
- **Museum Service** is over spent by £0.148m due to additional agency staffing and operating costs, primarily premises related.
- **Waste Services** have experienced a high level of sickness absence during 2017/18. Additional properties, as a result of new housing developments and increasing number of HMOs, have led to the need to introduce waste collections over the weekend. Additional agency staff was therefore used to complete collections rounds and cover for sickness absence, resulting in an over spend of £0.582m.
- In **Clean & Green**, there is a one-off overspend on agency staff of £0.130m due to operational issues and an under achievement of grounds maintenance income of £0.173m.
- During the re-structure of the **Environment & Culture division**, there was an interim cover for two vacant Heads of Service positions and project management support, resulting in a one-off cost of £0.124m.

These overspend are partially offset by:

- (£0.402m) under spend on waste disposal costs.
- Over achievement of income in Cemeteries (£0.060m) and the Arts Centre (£0.063m)

People Services

2.5 People Services is reporting an over spend of £2.072m after taking into consideration a carry forward of £0.046m. The net over spend of £2.072m is made up of an over spend of £0.432m on Adults and an over spend of £1.640m in Children's Services. The key reasons for the over spends are detailed below:

Adult Services

2.6 Adult Services is reporting an over spend of £0.432m. The key reasons for the over spend are detailed below:

- £2.996m in relation to Adult Social Care. This relates in the main to:
 - £1.621m relates to the increased cost of adult placement costs reflecting increasing complexities and increases in the discharges from hospital into adult social care, together with an increased requirement to fund aged debt of £0.382m.
 - £0.604m relates to children and young adults with disabilities.

- £0.565m in relation to Mental Health services managed by Central North West London (CNWL).
- £0.452m reduction in the level of funding for the 2017/18 Better Care Fund (BCF) in relation to the protection of social care (a BCF condition). The 2017/18 budget assumed that the BCF funding would be consistent with 2016/17 levels as assured by the CCG, however following negotiations the CCG were unable to continue this level of funding and as a result the agreed position reflected a reduction to that budgeted.
- There is £0.932m over spend on in-house provided services. These pressures arise from delays (including those associated with planning and building related issues) associated with the achievement of MTFs savings, including the Sancroft Phoenix project. This MTFs shortfall has been partially mitigated across the division.

The overspend above is partly offset by the following underspends:

- (£3.628m) representing the improved better care grant, announced after budget setting to fund adult social care and used for the purposes of meeting adult social care needs, reducing pressures on the NHS, including supporting more people to be discharged from hospital when they are ready and stabilising the social care provider market.
- (£0.022m) Safeguarding quality assurance - underspend includes holding posts vacant to mitigate wider pressure.
- (£0.298m) Strategic Management – this relates to the impact of spending control reductions across the division held centrally to mitigate wider pressures, and includes not recruiting to a Head of Service post.

Children's Services

2.7 The over spend for the division is £1.640m, after accounting for a carry forward of £0.046m.

2.8 This is made up of a headline pressure of £2.643m partially offset by one off management actions and additional sources of external funding of (£1.003m) which are not anticipated to reoccur in future years. This is a significantly improved position from the projected net overspend reported at the start of the financial year of £4.1m. This is due to significant management actions and budget oversight which has taken place throughout the year. These are covered in more detail in the following sections:

2.9 The main areas of over spend are detailed below:

- **Children's Placement and Accommodation £1.835m overspend.** There is an overall reduction of £1.487m from the overspend reported at Month 2 in May 2017. This is due to an overall net reduction of young people in accommodation by 35. Nearly a third of the reduction comes from residential children's homes which are the most expensive type of accommodation as well as a reduction in semi-independent and leaving care placements. In house fostering placements have remained consistent and this is one of the most cost effective provisions.

A significant amount of work has been undertaken in order to mitigate and monitor spend on children's placements including the introduction of a number of weekly, monthly and quarterly access to resources and themed tracking and monitoring panels chaired by the Divisional Director.

In addition, the Keeping Families Together Service is now in place, and demonstrating evidence of preventing young people coming into care, whilst also helping some young people to step-down into more cost-effective accommodation.

All of these actions continue to enable the directorate to develop a culture whereby cost management is seen as an integral part of care planning for all practitioners and managers within the division.

- **Children and Young People's Service Frontline Teams £0.177m overspend.** The main pressure is as a result of agency staff covering vacant posts, sickness and maternity together with 'as and when' required staff carrying out supervised contact. This is a reduction from the pressure reported at the start of the year of £0.205m.

Agency costs have been reduced due to the recruitment of 18 social workers from India who joined at various stages of the year as well as the permanent recruitment of social workers who completed the front-line and step-up programmes.

Whilst the reduction in overspend has been significantly reduced throughout the year it is anticipated that there will always be a pressure on staffing since the full establishment is required to be filled in order to safely maintain service delivery. However this will be kept to a minimum through continued recruitment of permanent staff to vacant posts.

- **Capital Team £0.228m overspend.** The overspend relates to costs for external legal services and external commercial and technical advice services in relation to continued efforts to close the accounts for School Expansion Programme phase 2 (SEP2).
- **Harrow School Improvement Partnership £0.226m overspend.** There has been shortfall of income in the Harrow School Improvement Partnership which is required to generate external funding, primarily from schools, to recover the full cost of running the service. As a result of this the model for School Improvement has been redesigned and the new structure comes into place in August 2018.
- **Signers and Interpreters Fees £0.075m overspend.**

2.10 The above is partly offset by under spends listed below:

- **Families with No Recourse to Public Funds and Section 17 (£0.206m) underspend.** Expenditure relates to families being supported by the Council because they have no recourse to public funds (NRPF). The welfare reforms, along with stricter enforcement of Asylum Legislation are the main causal factors for this demand, which is unpredictable in terms of volume and costs. The exit routes for ceasing funding are dependent on variable factors, many of which cannot be controlled by the Council.

This budget also provides support and subsistence payments to children in need. The total expenditure on these families was £0.727m. This is a reduction of £0.280m from the pressure reported at the start of the year.

- **Departmental Legal Costs (£0.082m) underspend.** At the start of the year the directorate reported a projected overspend in relation to disbursements for barristers, experts, court fees and other expenses in relation to care proceedings, of £0.103m. This has reduced by £0.185m by the end of the financial year due to an increase in the number of Public Law Outline (PLO) pre proceedings work by 30%. This is in order to ensure that as much work has been carried out as possible before or instead of the beginning of care proceedings as well as carrying out any necessary assessments and work with the family which may either delay or incur additional costs once the care proceedings have begun.
- **SEN Transport (£0.039m) underspends.**
- **External funding and additional management actions (£0.560m) underspend.** These pressures are partially offset by one off management actions totalling £0.160m. In addition to this £0.400m of additional external income has been received including the Controlling Migration Fund grant and the recently announced grant relating to building capacity for unaccompanied asylum seeking children. Both of these are offsetting expenditure already being incurred by the LA.

2.11 The recommended carry forward for People Services of £0.046m which relates to the SEND Reform Grant in Children's Services is set out in Appendix 1.

Public Health

2.12 Public Health is reporting a balanced position at year end.

2.13 Across the directorate there were lower levels of spend on wider health improvement as a result of the cessation of planned projects and a lower level of spend in relation to statutory demand led open access sexual health services, which enabled an increase in the public health reserve of £1.079m. As the grant is ring fenced, this lower level of expenditure enabled a contribution towards the specific public health reserve of £1.079m which will enable additional resources to deliver public health outcomes in future years.

2.14 The shared public health service with Barnet ceased on 31st March 2018.

Debt Write Off

2.15 Cabinet is requested to write off debt of a historic adult social care debt of £61,381 which is not considered recoverable and which has been fully provided for within the Adults bad debt provision. This debt relates to the payment of care, which was expected to be recovered through access to funds through the courts and property transactions. The service user died in 2011 and despite efforts to assess contributions following probate this debt remains unpaid. Given the age of the debt and the length of time which has passed since the death of the service user, the debt is no longer considered recoverable.

Regeneration, Enterprise and Planning

2.16 The outturn position for the Regeneration, Enterprise and Planning division shows a variance of £1.239m after taking into consideration a carry forward of £0.108m. However, £1.060m of Regeneration activity is funded from the capacity already set aside corporately which leaves a balance of £0.179m. The key reason for the net over spend is detailed below:

- Net overspend of £0.179m in Planning services due to additional agency staff costs to cover vacancies.

2.17 The recommended carry forward requests of £0.108m are set out at Appendix 1

CORPORATE ITEMS

Corporate Items

2.18 The net underspend on corporate items is (£2.325m) as detailed below;

- (£0.152m) is the underspend against the £0.400m set aside for the Apprenticeship levy.
- (£1.425m) of bad debt provision relating to housing benefit overpayments within the Housing Benefit Service which is no longer required. The bad debt provision now stands at 78% of £10.4m debt.
- (£0.435m) write back on the Good Received /Invoice Received suspense account.
- (£0.107m) is due to 2017/18 Employer's contribution adjustment which is a result of over recovery of pension contributions.
- (£0.156m) reduction in subscription charges paid in the year.
- Other minor underspend on corporate item of (£0.050m).

Contingency

2.19 Of the £1.248m contingency for unforeseen items, £0.974m was used, leaving an under spend of (£0.274m).

Technical and Corporate Adjustments

2.20 The variance of (£5.354m) on Technical and Corporate Adjustments is detailed:

- (£1.518m) relates to the utility Inflation and other inflation provisions against which no draw downs were made.
- The budget set aside for increase in NNDR as a result of revaluation was underspent by (£0.348m).

- (£0.526m) relates to a further revenue contingency budget set aside for unforeseen circumstances which was not utilised in 2017/18.
- (£0.877m) relates to a contingency held in respect of reductions to the public health grant which did not materialise in 2017/18.
- (£0.235m) relates to an underspend as the amount of provision required in respect of litigation was less than that assumed in the budget.
- Additional grant income of (£2.4m) was received during 2017/18, which mainly relates to Section 31 grant to reimburse councils for exemptions and reliefs given to small businesses in respect of Business rates, which could not have been budgeted for at the start of the year.
- There has been a net underspend of (£0.497m) on capital financing, this is mainly as a result of delay in spend on the Capital Programme.

2.21 The above under spend is offset by £1m as a result of not drawing down the £1m from the budget planning reserve.

Capital Receipts Flexibility 2017/18

2.22 In the Spending Review 2015, it was announced that to support local authorities to deliver more efficient and sustainable services, the government will allow local authorities to spend up to 100% of their fixed asset receipts on the revenue costs of reform projects. This flexibility was initially being offered to the sector for the three financial years 2016/17 to 2018/19, but this has now been extended for a further 3 years. Qualifying expenditure is expenditure on any project that is designed to generate on-going revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners.

2.23 The budget assumed using £3.039m of capital flexibilities. The sum actually applied was £1.738m, allowing flexibility of £1.3m to be carried forward and applied in future years

2.24 The actual sum identified as qualifying expenditure in 2017/18 was £1.738m compared to the £3.039m in the budget as detailed in Appendix 2 attached.

Other Income

2.25 (£0.824m) of additional income was received after the 2017/18 budget was set and held centrally.

RESERVES

2.26 The main reserves are set out in the following table, supported by narrative. A more detailed analysis of the movement in reserves is set out in Appendix 3.

Table 2: Movement In Main Reserves

Earmarked Reserves Summary				Appendix 3
	Balance b/f 1/4/17	Draw down from reserves	Addition to reserves	Balance c/f 31/03/18
Revenue grant reserve	908,632.17	-508,681.28	2,731,531.00	3,131,481.89
Projects in progress (c/fwds)	2,336,000.00	-2,336,000.00	453,564.54	453,564.54
Business Risk	2,109,000.00	-2,109,000.00		0.00
MTFS Implementation cost	2,856,704.90	-415,937.00		2,440,767.90
Priority Initiatives (TPIF)	2,534,409.00	-1,508,104.00	800,000.00	1,826,305.00
PFI Schools Sinking Fund	2,512,969.76	-141,391.00		2,371,578.76
PFI NRC Sinking Fund	1,414,035.00		88,579.00	1,502,614.00
Commercialisation Reserve	404,620.00	-50,000.00		354,620.00
Budget Planning and Capacity Reserve	2,000,000.00		5,382,000.00	7,382,000.00
CIL Harrow	6,132,569.00	-4,800,000.00	4,554,000.00	5,886,569.00
CIL Mayor	155,396.00		113,000.00	268,396.00
				0.00
General Fund Balance	10,008,000.00	0.00	0.00	10,008,000.00

2.27 Revenue Grant Reserve – This reserve contains revenue grants to be used for specific purposes or which may be subject to claw back if conditions of the grant are not met. The net contribution to this reserve in 2017/18 is £2.223m.

2.28 Business Risk Reserve - This reserve was established as part of the 2012/13 outturn to provide for a number of identified business risks. There have been no drawdowns during the year and the balance of £2.109m has been transferred to the Budget planning reserve.

2.29 Medium Term Financial Strategy Implementation Reserve (MTFS) – This reserve is earmarked to facilitate the achievement of MTFS savings. The balance at the start of the year was £2.857m, £0.416m has been drawn down in the year to fund redundancy and pension strain costs, which leaves a balance of £2.441m

2.30 Transformation and Priority Initiatives Fund (TPIF) - The balance at 1 April 2017 was £2.534m. During the year £1.508m was drawn down from the reserve to fund both revenue and capital expenditure, and the balance of £0.800m on the Standing Up For Those In Need reserve have been transferred to this reserve, which leaves a balance of £1.826m. Draw downs totalled £1.508m and the main items are detailed below;

- Awards for Major Projects (AMP) - £0.427m
- Making Harrow Clean Again - £0.300m
- Improving the street scene (Fly tipping) - £0.244m
- Fighting Domestic Violence - £0.113m
- CA Site Traffic Management - £0.077m

- Sancroft project - £0.120m
- Combating Street Trading - £0.027m
- Food Strategy - £0.080m

2.31 **Commercialisation Reserve** – The balance at the beginning of the year was £0.405m. During the year £0.050m was drawn down for Project Infinity which leaves a balance of £0.355m.

2.32 **Budget Planning Reserve** – The balance at the beginning of the year 1 April 2017 was £2m. It was assumed that £1m would be drawn down into the 2017/18 budget which is now no longer required. The 2017/18 (£3.198m) under spend has been added to this reserve. The Rapid Response Reserve (£0.075m) and Business Risk Reserve (£2.109m) have been consolidated into this reserve bringing the closing balance to £7.382m.

2.33 **Harrow and Mayor CIL Reserve** – The **Community Infrastructure Levy** is a planning charge, introduced by the Planning Act 2008 as a tool for local authorities in England and Wales to help deliver infrastructure to support the development of their area. Harrow has £6.288m in the reserve as at 31st March 2017, £4.667m has been added during the year and £4.800m drawn down, giving a closing balance of £6.155m.

2.34 **Revenue Carry forward requests** - were received, mainly in relation to projects not completed and government grants not yet spent. The carry forward requests are summarised below and listed in Appendix 1.

Table 3 Summary of Revenue Carry Forwards

	Council Funding	Grant Funding	Total
	£'000	£'000	£'000
Resources	255	60	315
People Services	-	46	46
Regeneration	-	108	108
Carry Forward Total	255	214	469

2.35 Carry Forward requests have been agreed in line with the criteria set out in the Financial Regulations.

GENERAL RESERVES

2.36 General Fund balances remain at £10.059m. The 3 years MTFs 2018/19 to 2020/21 assumes no use of reserves.

MTFS Implementation Tracker

2.37 The 2017/18 budget includes approved MTFS savings of £10.241m. The actual achievement of savings is summarised in table 4 below and shown in more detail in Appendix 4:

Table 4 Summary of MTFS Tracker

	Resources	People	Community	Regeneration	Pan Organisation	Final outturn	Percentage
	£000	£000	£000	£000	£000	£000	
Red	82	1,365	389	100	350	2,286	22%
Amber	0	420	909	0	0	1,329	13%
Green	1,452	1,128	2,718	47	0	5,344	52%
Blue	307	925	50	0	0	1,282	13%
Total	1,841	3,838	4,066	147	350	10,241	100%

Red	Savings not achieved
Amber	Savings only partially achieved or risk remaining
Green	Achievement of savings on track
Blue	Savings achieved and banked

2.38 Of the £10.241m of savings in 2017/18, a total of £2.286m are been categorised as red savings which means they were not achieved in 2017/18. Some of these savings are red as the implementation was delayed and, although not achieved in 2017/18, will be progressed in 2018/19. Others relate to savings which have been reversed out as part of the 2018/19 budget setting process.

Analysis of the Red Savings

2.39 Resources directorate £0.082m savings classified as red are detailed as follows:

- A saving of £0.057m from retendering of the Communication service was not achieved as the demand for the service in the organisation did not reduce as expected. The saving has been reversed as part of the 2018/19 budget setting.
- A saving of £0.025m in Communications from additional income will be difficult to achieve in 2018/19. Any pressure will be managed through the Resources Directorate, and proposals will be brought forward to create a sustainable position for Communications during 2018.

2.40 In **Community** the red savings of £0.389m relates to the following:

- Extension of Property Purchase 50 Homes £0.254m – a gross saving of £948k is included in the MTFS. Capital financing costs are assumed at £573k leaving a net contribution to the MTFS of £375k. This net contribution is now being reversed out of the budget over 2018/19 and 2019/20. The £15m capital budget for the purchase of the 50 homes remains in the Capital Programme. The updated MTFS assumes that, when the 50 homes are purchased, all capital financing costs will be met from savings on bed and breakfast accommodation budgets within the Housing Division to ensure the

second tranche of the property purchase initiative is cost neutral to the revised MTFS.

- Redevelopment of Harrow Leisure Centre £0.100m - The redevelopment of Harrow Leisure Centre will not now be completed until 2020/21 at the earliest. In 2018/19, the savings target will be mitigated elsewhere within the service for example, the installation of new soft play area in Harrow leisure centre to generate income.
- Efficiencies arising from Selective Licensing £0.035m – The roll out of the selective licensing scheme to other wards were delayed. However South Harrow scheme is now live.

2.41 The red savings in Regeneration Enterprise & Planning division of £0.100m is in relation to the Planning Fees. The new fees were only implemented in January 2018. It is anticipated that this will contribute to achieving this saving target in 2018/19.

2.42 **People Services** savings of £1.365m are rated as red.

2.43 In **Adult services**, the red savings of £1.365m are detailed as follows:

- Commissioning £0.187m – a delay in implementing the saving in 2017/18 resulted in a shortfall, however this has been implemented and the saving will be delivered in full in 2018/19.
- Wiseworks £0.069m – the additional commercial income was not fully achieved in 2017/18 and the ongoing shortfall, and further MTFS savings will be mitigated in 2018/19.
- Milmans Community Tender £0.175m – the community model was unsuccessful. These savings were mitigated in part during 2017/18 and there are plans to mitigate the 2018/19 MTFS savings through commercial rental income and maximisation of day centre occupancy in 2018/19 and beyond.
- Sancroft savings of £0.334m - these savings were superseded by a local authority trading company operating from Sancroft under project Phoenix. The ongoing shortfall is expected to be mitigated in part by the extension of the building to enable increased LA placements at lower costs and potentially increased trading profits.
- Transport £0.200m – savings anticipated to be delivered following the implementation of the community model which was unsuccessful with the savings realigned as part of the 2017/18 budget build. Approved future year MTFS savings have been reversed as part of the 2018/19 approved budget.
- Shared Lives commercialisation through selling model to neighbouring borough of £0.150m – this level of commercial income could not be achieved, with the saving being realigned as part of the 2017/18 budget build on an ongoing basis.

- Bedford House £0.250m - delays in the planning, procurement and building process resulted in a shortfall in 2017/18, however as the works have now been finalised these savings are expected to be fully delivered in 2018/19.

2.44 The **Pan Organisation** saving of £0.350m has not been achieved, and has been reversed out of the MTFS.

Analysis of the Amber Savings

2.45 The amber rating indicates that a saving was partially achieved in the year but not fully achieved. The £1.329m of amber savings (in Table 4) have been further analysed to show how much was achieved (green) and the amount of unachieved savings (Red).

Table 5: Analysis of 2017/18 Amber Savings

	People	Community	Final outturn	Percentage Split
		£000	£000	
Amber	420	909	1,329	
Red	35	571	606	46%
Green	385	338	723	54%
Total	420	909	1329	100%

2.46 **Community** - of the £0.909m of amber savings, £0.571m were not achieved in year as follows:

- Of the £0.108m Library Strategy Phase 2 saving, £0.058m was not achieved, this relates to the re-provision and commercialisation of libraries, which is delayed. The 2018/19 saving is to be re-profiled to align with the timescale of the re-provision of Central Library, as part of 2018/19 MTFS.
- In Housing, of the Property Purchase Initiative (100 Homes) savings of £0.801m, £0.513m will not be achieved and this has been reversed as part of the 2018/19 budget setting.

2.47 **Adults** - Of the £0.420m Voluntary sector saving, £0.035m was not achieved due to a month delay in implementing the cessation of voluntary sector contracts, however the saving will be delivered in full in 2018/19.

HOUSING REVENUE ACCOUNT (HRA)

2.48 Results for the HRA show a surplus of £1.082m against a budgeted deficit of £1,488k, £0.500m of this surplus has been transferred in to a new HRA Transformation Reserve which will be set aside to support redundancy and restructuring costs to ensure full achievement of cost reductions required in the HRA Business Plan. This results in a surplus of £0.582m. The surplus has arise mainly as a result of £0.880m planned cost reductions in repairs and estate services as well as unplanned underspends including recharges from General Fund for grounds maintenance, utilities, and bad debt provisions.

2.49 A summary of the HRA position is set out in table 6 below.

Table 6: Summary of HRA Position

HRA revenue balances £'000	Outturn 2016-17	Revised Budget	Outturn 2017-18	Variance
Balance b/fwd	-6,737	-6,245	-6,892	-647
Net (surplus) deficit	-155	1,488	-582	-2,070
Balance c/fwd	-6,892	-4,757	-7,474	-2,717

Concilium Business Services

2.50 The Quarter 3 performance of Concilium Business Services was reported to Cabinet in February 2018. Any profits generated from trading companies can be used to support the general fund, subject to agreement with the respective Board of Directors. Any retained losses must be held against Council reserves in light of potential realisation. The Quarter 4 performance of the Company is set out in Confidential Appendix 5.

3.0 CAPITAL

3.1 Total spend on the capital programme for the year is £94.131m, which is 47% of the approved budget of £201.252m. The variance of £107.122m comprises slippage of £65.5m and an underspend of £41.621m as set out in table 7.

Table 7: Summary of Capital Outturn

Directorate	TOTAL BUDGET	Actuals	Variance	Slippage	Underspend after slippage
	£'000	£'000	£'000	£'000	£'000
TOTAL GENERAL FUND	168,795	82,254	-86,541	46,900	-39,641
TOTAL HRA	32,457	11,877	-20,580	18,600	-1,980
TOTAL GENERAL FUND & HRA	201,252	94,131	-107,121	65,500	-41,621

The slippage identified in Table 8 below and detailed in Appendix 6 has been approved under delegated authority as carry forwards by the Chief Finance Officer.

Table 8: Capital Outturn and Funding 2017/18

Directorate	Original Programme	CFWD's	Adjustments	External	LBH	Total Budget	Actual	Variance	Slippage	Under spend
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Community	55,231	4,837	-8,673	11,162	40,233	51,395	39,158	-12,237	12,571	334
People	17,315	20,534	-1,581	14,892	21,375	36,267	18,098	-18,169	18,435	266
Resources	9,949	23,589	-9,078	32	24,428	24,460	9,743	-14,717	14,751	34
Regeneration	46,130	10,513	30	902	55,771	56,673	15,255	-41,418	1,143	-40,275
TOTAL GENERAL FUND	128,625	59,473	-19,302	26,988	141,807	168,795	82,254	-86,541	46,900	-39,641
HRA	15,238	17,219	0	0	32,457	32,457	11,877	-20,580	18,600	-1,980
TOTAL GENERAL FUND & HRA	143,863	76,691	-19,302	26,988	174,264	201,252	94,131	-107,121	65,500	-41,621
TOTAL CAPITAL PROGRAMME	143,863	76,691	-19,302	26,988	174,264	201,252	94,131	-107,121	65,500	-41,621
NOTE:										
General Fund Funding:										
Grant	-14,252	-19,439	12,504	-21,187	0	-21,187	13,309	-7,878	-9,571	-1,693
Section 106/20/CIL	-3,256	-40	-2,437	-5,732	0	-5,732	5,056	-676	-18	658
RCCO	0	0	-69	-69	0	-69	487	418	0	-418
Capital Receipt	0	0	0	0	0	0	6,403	6,403	30	-6,373
Borrowing	-111,117	-39,994	9,304		-141,807	-141,807	56,999	-84,808	-37,341	47,467
TOTAL GENERAL FUND	-128,625	-59,473	19,302	-26,988	-141,807	-168,795	82,254	-86,541	-46,900	39,641
HRA Funding:										
Revenue (MVR)	-9,039	-3,254	0		-12,293	-12,293	7,221	-5,072	-2,792	2,280
Grant		0	0		0	0		0	0	0
Contribution	-100	0	0		-100	-100	400	300	0	-300
Main Programme	-9,139	-3,254	0	0	-12,393	-12,393	7,621	-4,772	-2,792	1,980
Affordable Housing (Sec 106)	-1,260	1,046	0		-214	-214	0	-214	-214	0
Contribution		0	0		0	0	0	0	0	0
Capital Receipt - Right to buy	-1,824	-15,850	0		-17,674	-17,674	1,734	-15,940	-15,940	0
Capital Receipt - Others		0	0		0	0	0	0	0	0
Borrowing	-2,176	0	0		-2,176	-2,176	1,477	-699	-699	0
Revenue (MRR)	-839	839	0		0	0	1,045	1,045	1,045	0
Affordable Housing	-6,099	-13,965	0	0	-20,064	-20,064	4,256	-15,808	-15,808	0
TOTAL HRA	-15,238	-17,219	0	0	-32,457	-32,457	11,877	-20,580	-18,600	1,980
TOTAL CAPITAL PROGRAMME	-143,863	-76,692	19,302	-26,988	-174,264	-201,252	94,131	-107,121	-65,500	41,621

DIRECTORATE OUTTURN

3.2 The capital programme by directorate is included in Appendix 6 showing performance against the latest approved budget for each programme line. Set out below is narrative to explain the capital outturn and the major variances:

Resources

3.3 The directorate spent £9.743m against a budget of £24.460m, a 40% spend and a variance of £14.717m, £14.751m will be slipped to 2018/19 while £0.034m budget is the net overspend which is fully funded by grant. There are no revenue implications as a result of this slippage. The key reasons for slippage are listed below

- Property Investment Portfolio – £5.174m of the £9.599m budget has been spent in 2017/18 and the remaining (£4.425m) will be slipped to 2018/19 whilst the search for appropriate investment opportunities continues.
- The majority of the slippage relates to the on-going refresh and enhancement of ICT (£3.589m), devolved application refresh (£1.382m), SAP financial Ledger and System Control (£0.585m) and the enhancement of the ICT (£0.443m) to fund the on-going transformation of ICT within the authority. A number of projects included in the transformation programme such as Middleware Replacement, Enterprise Portfolio Assessment and Microsoft Exchange Upgrade have been delayed resulting in related capital payments moving into subsequent financial years.
- The general fund underspend of £6.847m in 2016/17 was carried forward into 2017/18 and fully reallocated to several other projects, £3.088m has been spent on these projects to date, and the remaining budget of £3.770m will be carried forward to be used for the rest of the projects in 2018/19.

Community

3.4 The net position for the Community Directorate is an outturn of £39.158m against the budget of £51.395m, a 76% spend. The variance is £12.237m (£12.571m of slippage and a net overspend of £0.334m within the Housing General Fund).

Commissioning, Environmental and Cultural Services

3.5 The services spent £24.062m against a budget of £27.866m, £3.350m is requested to be slipped into 2018/19 and relates mainly to the following projects. There is no revenue implication of these capital slippages.

- Depot redevelopment (£2.2m). There was a delay in achieving planning permission on demolition and new build works due to an objection from LB Hillingdon, with full planning permission subsequently not received until February 18. However the completion date remains in line with the original timetable.
- Redevelopment of Vernon Lodge (£0.710m). The scope of works to Vernon Lodge has been extended to incorporate the wider redevelopment of the site, with this project held back pending agreement of the wider development proposals.

- Harrow Arts Centre roof work (£0.281m). Delay in implementing the scheme due to clarifications around the extent of works required to weatherproof the listed building, exacerbated by further delays due to adverse weather conditions and gaining approval on proposal materials. The work is anticipated to be completed in early 2018.
- Other smaller projects (£0.159m) mainly due to the delay in completion by 3rd party contractors

Housing General Fund

3.6 The service spent £14.725m against a budget of £23.529m, a 63% spend. This includes the property purchase initiative spent of £11.473m and spends on the remaining Housing General Fund projects was £3.252m.

Property Purchase Initiative for temporary accommodation

3.7 £11.473m was spent against a budget of £20.012m, a 57% spend and a variance of £8.539m. The £20.012m budget is split as £11.012m for the first tranche of 100 homes and £9m for the second tranche of 50 homes.

3.8 Net variance of £8.539m is made up of slippage of £9m for the 50 homes which needs to be carried forward into 2018/19 and a £461k adverse variance for the first 100 homes. The first 100 properties have now all been acquired. The £461k variance has arisen as there was an estimated saving of £3m made to the budget for the first 100 homes in 2016/17 as the estimated final cost at the time was felt more likely to be nearer to £27m than £30m. However, the final saving was £2.539m as opposed to £3m, giving the £461k variance in 2017/18.

3.9 Other Housing General Fund projects - against a budget of £3.516m, a 92% spend. Of this variance of £0.265m, £0.158m of the variance has been slipped to 2018/19, with a net underspend of (£0.107m) on Empty Property Grants and improvement Grant.

3.10 Slippage relates mainly to second phase of the Property Acquisition Programme being reviewed and therefore not being progressed in 2017/18. The revenue estimates for 2018/19 assume the additional Property Acquisition Programme properties for use as temporary accommodation. If this scheme does not progress this could result in higher revenue spend in 2018/19 on the more expensive temporary and emergency accommodation solutions like Bed & Breakfast if alternative cheaper temporary accommodation supply is not brought forward.

People Services

3.11 The net position for People's Service is an outturn of £18.098m against the budget of £36.267m, a 50% spend, with a variance of £18.169m. (£18.435m of slippage and £0.266m overspend relating mostly to capital projects is fully funded by external funding).

Children's Service

3.12 The final outturn in 2017/18 for the schools capital programme is spend of £10.928m against a total budget of £27.975m. This represented expenditure of 39% against the budget. £17.517m of the variance has been slipped to 2018/19.

SLIPPAGE

3.13 The reported slippage for 2017/18 is £17.517m. There are no revenue implications as a result of this slippage. The majority of these items are set out as follows;

- £2.625m relates to funding set aside for secondary expansions. As reported to Cabinet in June 2017 the projections for Year 7 places continue to show a lower trajectory of increase than the 2015 projections. With the current number of places available there will be a shortfall of 4 to 5 forms of entry in 2022/23. This reduces to 3-5 forms of entry in 2027/28. However, at this time there are a higher number of Year 7 places than required which is resulting in vacancies being concentrated in a small number of schools. It is proposed to slip the funding to 2019-20 and ensure that the situation is monitored and that once there is greater clarity about changes on the borough boundaries that a local solution to meet the growing need is developed with the High Schools.
- The majority of slippage relates to SEP2 (including secondary and SEN) of £6.363m due to the ongoing contractual issues.
- SEP3 slippage totals £3.627m. This is the final project in SEP3 and relates to Welldon Park Junior School. Work is anticipated to start on site in February 2018 and completed by October/November 2018. The slippage does not impact on the school as the expanded year groups are still working through the infant school which is on a different site.
- Special Educational Needs provision slippage totals £0.975m. Funding has been included in the capital programme to support additional in-borough SEN provision which is currently being reviewed and scoped. The outcome of the review will inform any decisions about future provision but will not be spent until 2018-19.
- The remainder of the slippage is for IT and funding for bulge classes were not needed this financial year.

Secondary Expansion Programme 1 and 2 including Secondary and SEN

3.14 Keepmoat, the Council's Framework Partner was commissioned to deliver the majority of the Phase 1 (SEP1) and Phase 2 (SEP2) construction projects. The projects in SEP1 and SEP2 have reached Project Completion and the schools are occupying their new accommodation. The Children's Capital Project Team is working to resolve a number of building defects with Keepmoat post completion. There are on-going contractual issues with Keepmoat and the council has appointed Legal and Commercial advisers to secure resolution.

Secondary Expansion Programme 3

3.15 Following procurement processes, Arcadis were appointed as Technical Advisers and Willmott Dixon as the single supplier from the SCAPE framework for the SEP3 projects. The SCAPE framework is local authority owned and specialises in school construction. There are four school expansions over five school sites. Four of the projects are completed and the final scheme is scheduled to commence in February 2018. The majority of this project will therefore slip into 2018-19. In addition, Weald Rise is being rebuilt by the Priority Schools Building Programme (PSBP) and the LA is providing a top up to expand the school to 4 forms of entry.

Adult Services

3.16 The service spent £7.170m against a budget of £8.293m, a 86% spend, with a variance of £1.123m (£0.918m relating to slippage and a £0.204 net underspend). The slippage relates to the following;

- Project Infinity (£370k) – funding for ongoing development work including interface, licence and migration of data from OCC.
- Integrated Health Model (£85k) carry forward represents funding for Continuation of N3 work to achieve 90% + NHS Number identifier for Adults and Children's, together with Mosaic implementation of GP access and hospital discharge.
- House Residential (£100k) - plans for improvements in place, the majority of which relate to Milman for roof and floor works together with other remodelling as appropriate to maximise rental income to achieve MTFs savings.
- Sancroft (£355k) – balance of funding required for extension to premises anticipated during 2018-19.
- The net underspend of £0.204m relates to the Mentis Pilot project that is no longer going forward.

Regeneration, Enterprise and Planning

3.17 The net variance for the Regeneration, Enterprise and Planning Directorate is an outturn of £15.255m against the budget of £56.673m, a variance of £41.418m. (£1.143m of slippage and £40.275m underspend).

3.18 The division has continued the major regeneration programme and associated Town Centre improvements in line with the Regeneration Strategy agreed in December 2014. In 2017/18, the main regen programme spent £15.074m against a budget of £55.771m, a 27% spend. £0.422m of the variance has been slipped to 2018/19. There are no revenue implications as a result of this slippage. As a result of the Commercial & Financial Review of the Regeneration programme in 2017/18, a revised programme capital budget was agreed by Council in February 2018 and it is this revised budget that will be taken forward.

3.19 Other budget slippage includes £0.690m on the Trinity square project and £0.030m on the mobile technology in the community project. There is no revenue implication; there is an agreement from the GLA that the funding for Trinity square can be carried forward into 2018/19. The external funding for mobile technology is for 2017/18 academic year and therefore will be spent in quarter 1 and 2 of 2018/19.

Housing Revenue Account

3.20 HRA spent £11.877m against a budget of £32.457m, including Homes-4-Harrow, a spend of 37%. £18.6m will be carried forward to 2018-19 leaving a £1.980m underspends against the planned investment programme. Of the £18.6m of slippage

£2.793m will be carried forward for the main planned investment programme with £15.808m carried forward in respect of the Homes-4-Harrow programme.

3.21 With regard to Homes-4-Harrow, planning objections for the Grange Farm Estate regeneration scheme have been successfully resolved. The Council's Infill programme, aimed at developing under-utilised pockets of Council land in and around the Borough is in build phase and properties have started to become available. Financing for all schemes in the HRA is being reviewed as part of the planned HRA Business Plan refresh which will be reported to Cabinet.

3.22 Slippage in new build housing, resulting mainly from by planning and procurement issues. This is not expected to have significant revenue implications as the HRA budget has already taken account of the revised delivery programme in terms of when the increased rental income to the HRA will occur. Slippage for the main planned investment programme is the result of prioritisation of statutory and health & safety works and is not expected to have any significant revenue implications.

4.0 TIMETABLE FOR PREPARATION OF DRAFT STATEMENT AND EXTERNAL AUDIT REVIEW.

4.1 All Local Authorities must now have their draft statutory Statement of Accounts published by 31st May each year (previously 30th June) and the audit opinion issued by 31st July (previously 30th September). The Finance Team are on track to produce the 2017/18 accounts within the new timescales.

5.0 IMPLICATIONS OF THE RECOMMENDATIONS

The recommendations are asking the Cabinet mainly to:

- To note the revenue and capital outturn position for the 2017/18
- To note the movement between reserves
- To note the revenue carry forwards
- To note the timetable for preparation of the capital programme.

These recommendations do not affect the Council's staffing / workforce and have no equalities, procurement, data protection or community safety impact.

6.0 PROCUREMENT IMPLICATIONS

There are no procurement implications arising from this report

7.0 LEGAL IMPLICATIONS

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.

Under B66 of the Financial Regulations, 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.
- Funding has been allocated to a specific project and the project is not yet complete, and both the directorate and the Council in total are not overspent.
- External funding has been received for a specific project which is not yet complete.

8.0 FINANCIAL IMPLICATIONS

Financial implications are contained within the body of the report.

9.0 PERFORMANCE ISSUES

Good financial monitoring is essential to ensuring that there are adequate and appropriately directed resources to support delivery and achievement of Council priorities and targets as set out in the Corporate Plan. In addition, adherence to the Prudential Framework ensures capital expenditure plans remain affordable in the longer term and that capital resources are maximized.

Financial performance is considered quarterly at Cabinet.

10.0 ENVIRONMENTAL IMPACT

There is no direct environmental impact

11.0 RISK MANAGEMENT IMPLICATIONS

The Key financial risks are managed through the risk management strategy. There are two significant financial risks currently included on the Corporate Risk Register:

Risk 2 – Failure to deliver a 3 year MTFS. This risk is currently rated at B2, high likelihood and critical impact.

Risk 26 – There are insufficient financial reserves. This risk is currently rated at D2, low likelihood and critical impact.

The Corporate Risk Register, reported quarterly to the Corporate Strategic Board and the GARMS.

12.0 EQUALITIES IMPLICATIONS / PUBLIC SECTOR EQUALITY DUTY

The MTFS savings have had equality impact assessments completed on them where required and these have been published with the budget setting

13.0 CORPORATE PRIORITIES

The Council's Outturn Report for 2017/18 has been prepared in line with the Council's vision:

Working Together to Make a Difference for Harrow

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

Section 3 - Statutory Officer Clearance

Name: Dawn Calvert	<input checked="" type="checkbox"/>	Director of Finance
Date: 8.06.2018		
Name: Jessica Farmer	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 22.05.2018		
Name: Nimesh Mehta	<input checked="" type="checkbox"/>	on behalf of the Head of Procurement
Date: 07.06.2018		

Ward Councillors notified:	NO
EqlA carried out:	NO
EqlA cleared by:	N/A

Section 4 - Contact Details and Background Papers

Contact: Sharon Daniels (Sharon.daniels@harrow.gov.uk)

Background Papers:

[...\\.\.\.\.\BUDGET\Budget 2017-18\February Cabinet\Final report\Final Report Appendices for Daksha\V4 Final Budget Report 070217.doc](#)

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

NOT APPLICABLE

[Call –in applies]

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Revenue Carry Forward Schedule

Appendix 1

Services	Description	Council Funding £000	Ring Fenced Grant Funding £000	Total £000	Reason for Carry Forward & Consequences of not carrying forward.
Resources and Commercial Directorate					
Director of Resources	Land Charges	250		250	This funding is intended to part cover the pressures resulting from pension liability relating to transfer of legal personnel from Buckinghamshire CC. If the funds are not carried forward the pressure would have to be met centrally.
Strategic Commissioning	Health Watch contract		25	25	Grant funding to cover statutory contract commitment with a local voluntary sector organisation - Enterprise Wellness for the provision of the Healthwatch Harrow Service. Funding ring-fenced, if the project is not delivered there is a reputational risk to the Council.
Strategic Commissioning	Edward Harvist Trust Grant		15	15	This grant funding to be distributed to the voluntary organisation projects which are carried out for the good of the local community. The grant is ring-fenced and the funding needs to be available to enable distribution as and when required outside of the financial year cycle. If not carried forward the projects will not be delivered posing reputational risk to the Council.
Strategic Commissioning	One Public Estate Grant		20	20	Grant income received in the latter part of the year to be spent on the community as per grant recommendation. If not carried forward the projects will not be delivered posing reputational risk to the Council.
Human Resources	Members training	5		5	There was a saving taken on the Member Development budget in 2016, which in effect meant that the budget was reduced by 75%. The rationale for this was that the major use of the budget was every four years after each Local Election. Therefore in taking the saving, the expectation was to roll this budget forward each year to create a pot which every four years could be used to fund the new intake of Members. This carry forward is to facilitate this in order to give a circa £18k budget every four years. If the funds are not carried forward there will be a budget overspend in the year of local elections.
Total Resources and Commercial	Total 2017/18	255	60	315	

Services	Description	Council Funding £000	Ring Fenced Grant Funding £000	Total £000	Reason for Carry Forward & Consequences of not carrying forward.
Peoples Directorate					
Education	SEND Reform gant		46	46	SEND reform grant to support the service in converting 1600 special educational need statements into Education Health and Care Plans by December 2018. Therefore full grant was not spent but work remains outstanding and service would like to recommission this interim in 2018-19 to finish the work
Total Peoples Directorate	Total 2017/18	0	46	46	
Regeneration Enterprise and Planning Directorate					
Economic Development	GLA grant - Creative Enterprise Zone		25	25	Funds were released at the end of 17/18, but the project is not due to commence until 18/19. If the funds are not carried forward then the project will not be delivered and money will be clawed back. Reputational risk and potential abortive costs.
Economic Development	DWP/Job centre plus - Raising Ambition		35	35	Funds were released at the end of 17/18, but the project is not due to commence until 18/19. If the funds are not carried forward then the project will not be delivered and money will be clawed back. Reputational risk and potential abortive costs.
Planning Policy	(former) Department of Energy and Climate Change – District heating funding		48	48	This grant is ring-fenced received in 16/17. £87k in total was carried forward to 17/18, of which £39k was used in 17/18 to fund eligible expenditure. If it was not spent in accordance with the grant conditions, it would be repayable. Further expenditure is planned in 18/19 to complete the heat network feasibility study.
Total Regeneration Enterprise & Planning Directorate	Total 2017/18	0	108	108	
Grand Total		255	214	469	

Savings reference	Description of savings	Category of expenditure	Amount
			£000
Community			
PO 03	Regeneration - Indicative net income realised from a long term regeneration strategy for the borough, to be formalised following consultation launched in early 2015.	Loss of Parking Income	143
E&E_06	Reduction in Facilities Management costs	Redundancy	2
CE_10.1	Management savings on team leader posts across the Environmental Service Delivery division.	Redundancy	66
CE_12	Project Phoenix - Commercialisation projects (Staff efficiencies in Parking and Network Teams)	Redundancy	96
Community total			307
Regeneration			
PO 03	Regeneration - Indicative net income realised from a long term regeneration strategy for the borough, to be formalised following consultation launched in early 2015.	Staffing and other implimentation costs	1060
Total Regeneration			1060
Resources			
BSS01	Reorganisation and rationalisation of the Business Support function	Redundancy	112
Resources Total			112
Adults			
PC 15	Review of posts in MASH	Redundancy	48
PC 16	Review of posts in Family Information Service	Redundancy	101
PA 29b	Total Community ePurse - explore new commercialisation opportunities	Project Management	50
Adult Total			199
Children			
PC13	Early Intervention & Youth Development Integration and restructure of children centres, early intervention and youth development service	Redundancy	60
Children's Total			60
Grand Total			1738

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Earmarked Reserves Summary

Appendix 3

	Balance b/f 1/4/17	Draw down from reserves	Addition to reserves	Balance c/f 31/03/18
Revenue grant reserve	-908,632.17	508,681.28	-2,731,531.00	-3,131,481.89
Projects in progress (c/fwds)	-2,336,000.00	2,336,000.00	-453,564.54	-453,564.54
Legal Services Contingency	0.00	0.00	-500,000.00	-500,000.00
Headstone Manor Restoration Reserve	0.00		-240,750.00	-240,750.00
Business Risk	-2,109,000.00	2,109,000.00		0.00
MTFS Implementation cost	-2,856,704.90	415,937.00		-2,440,767.90
Priority Initiatives (TPIF)	-2,534,409.00	1,508,104.00	-800,000.00	-1,826,305.00
Public Health (cfwd)	-1,123,195.00		-1,079,055.00	-2,202,250.00
CIL Harrow	-6,132,569.00	4,800,000.00	-4,554,000.00	-5,886,569.00
CIL Mayor	-155,396.00		-113,000.00	-268,396.00
POCA	-285,000.00			-285,000.00
Libraries	-250,000.00			-250,000.00
RCCO Schools Contribution	-33,796.93		-13,000.00	-46,796.93
Legal expansion reserve	-418,639.00	0.00	0.00	-418,639.00
Insurance reserve	-500,000.00			-500,000.00
Borough Elections	-211,860.00		-186,000.00	-397,860.00
Harvist Reserve Harrow Share	-19,495.24		-15,435.46	-34,930.70
Personal Injury Reserve	-110,147.12			-110,147.12
Standing up for those in need	-800,000.00	800,000.00		0.00
Rapid response	-75,000.00	75,000.00		0.00
IT reserve	-678,000.00	533,000.00		-145,000.00
Compensatory Added Years	-562,782.37	80,000.00		-482,782.37
PFI Schools Sinking Fund	-2,512,969.76	141,391.00		-2,371,578.76
PFI NRC Sinking Fund	-1,414,035.00		-88,579.00	-1,502,614.00
HSIP	-12,324.14	12,324.14		0.00
Commercialisation Reserve	-404,620.00	50,000.00		-354,620.00
Budget Planning and Capacity Reserve	-2,000,000.00		-5,382,000.00	-7,382,000.00
HRA Transformation Reserve	0.00		-500,000.00	-500,000.00
Total	-28,444,575.63	13,369,437.42	-16,656,915.00	-31,732,053.21

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2017-18 MTFs Savings Tracker

Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2017/18	2018/19	2019/20	Total	Rag rating	Comment
			£000	£000	£000	£000		
						-		
RES_01	Customer Services and IT	Increase Helpline Income Developing a robust multi-channel marketing plan to build the brand and promote the Helpline service to generated additional income through the existing service.	80	100	100	280	Green	Saving achieved
RES_13	Customer Services and IT	Technology and Transformation Services Reduce level of support on SAP.	64	-	-	64	Blue	Saving achieved
RES_CS06	Customer Services and IT	Technology and Transformation Services Reduce level of support on SAP.		300		300	Purple	Saving reversed during the 2018/19 budget process
RES_14	Procurement / HR	Early re-procurement of Agency Staff Contract	150			150	Green	Saving achieved
RES_15	Procurement / HR	Re-procurement of Occupational Health contract delivering an overall cheaper pricing model on the service.	24			24	Blue	Saving achieved

2017-18 MTFs Savings Tracker

Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2017/18	2018/19	2019/20	Total	Rag rating	Comment
			£000	£000	£000	£000		
RES_HR01	HR	Shared HR Service with Buckinghamshire County Council - Business Case Under Development	140	110		250	Blue	Saving achieved
RES_HR03	HR	Organisational Development - Review existing shared OD service provision	155			155	Blue	Saving achieved
RES_CP01	Commercial, Contracts & Procurement	Selling services through shared procurement arrangements.	(19)	29	0	10	Green	Saving achieved
RES15	Procurement	Restructuring of the Commercial, Contracts and Procurement Division's function.	201	151		352	Green	Saving achieved
RES_16	Strategic Commissioning	VCS funding - This saving reduces community grants and transfer funding from the emergency relief fund, to support the information and advice strategy as the December cabinet report.	110	57	50	217	Green	Saving achieved
RES_17a	Strategic Commissioning	Member Development Reducing the frequency in spend of the member development budget.	26	-		26	Blue	Saving achieved

2017-18 MTFs Savings Tracker

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Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2017/18	2018/19	2019/20	Total	Rag rating	Comment
			£000	£000	£000	£000		
RES_SC01	Strategic Commissioning	Income from Communications Through Gain Share Model	25	13		38	Red	Plans being brought together to make sure that 2018/19 savings target is achieved..
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	Alternative Funding of domestic violence budget	21	61		82	Green	Saving achieved
RES_SC04	Strategic Commissioning	Proposed savings in Health watch Funding		50		50	Purple	Future year, still in development.
RES_SC05	Strategic Commissioning	SIMS Team Contribution to Overheads and Additional Income	20	20		40	Green	Saving achieved
RES_SC06	Strategic Commissioning	Commissioning Capacity in the Council	10	50		60	Blue	Saving achieved

2017-18 MTFs Savings Tracker

Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2017/18	2018/19	2019/20	Total	Rag rating	Comment
			£000	£000	£000	£000		
RES16	Strategic Commissioning	Retender of the Communications Service to take account of reductions in spend phased in the following way: 2015/16 - 20% reduction, 2016/17 - 10% reduction, 2017/18 - 10% reduction.	57			57	Red	The saving has not been delivered and it was removed from the budget during the 2018/19 budget process.
RES_10	Legal	Political Office Support Councillors are supported by a variety of administrative arrangements. The proposal reduces the amount allocated to each member /group office.	100			100	Blue	Saving achieved
RES_LG04	Legal & Governance	Expansion of the Legal Practice	210	210		420	Green	Saving achieved
RES12	Legal & Dem Services	Reduction in Legal cost, in the initial instance by growing the business	144	144		288	Green	Saving achieved
RES 18	Finance	Finance - 'Insurance Savings from re-tendering of Insurance contract.	50			50	Green	Saving achieved
RES_F02	Finance & Assurance	Improved Treasury investment return from increased Risk appetite (Primarily lending for longer and to institutions with lower credit ratings)	595	625		1,220	Blue	Saving achieved

2017-18 MTFs Savings Tracker

Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2017/18	2018/19	2019/20	Total	Rag rating	Comment
			£000	£000	£000	£000		
RES_F03b	Finance & Assurance	Audit and Fraud - deletion of Fraud Investigation Officer post	15			15	Green	Saving achieved
RES_F04	Finance & Assurance	Investment Portfolio	350	350		700	Green	Saving achieved
		Total Resources excluding Business Support	2,528	2,377	150	5,055		
						£0		
BSS_02	Business Support	PA Support The creation of a new Central PA Hub to support the Chief Executive, Corporate Directors and Directors offering a fixed catalogue of services.	100			100	Green	Saving achieved
BSS_07	Business Support	Community Hub A reorganisation of the Community hub will re-allocate a prioritised workload over a smaller team.	20			20	Green	Saving achieved
		Total Business Support	120	-	-	120		
		sub - Resources Total	2,648	2,377	150	5,175		

2017-18 MTFs Savings Tracker

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Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2017/18	2018/19	2019/20	Total	Rag rating	Comment
			£000	£000	£000	£000		
BSS 01	BSS	Reversal of saving - 'A thorough review of Business Support has been undertaken in the last year, as a result of which over £1m of savings have been identified that are being delivered. However it has been decided that further reduction in these areas are not appropriate, and therefore savings proposed in previous budgets will not be progressed and need to be reversed. This is reversing the 2017/18 and 2018/19 savings.	(557)			(557)	Blue	Savings Reversed in17/18
RES_LG05	Legal & Governance	Delayed implementation of land charges transfer of service	(250)	(250)		(500)	Blue	Growth
		Resources Total	1,841	2,127	150	4,118		
PA_01	Adults	Voluntary Sector - cessation of all services other than those required under the Care Act. There is a separate cabinet report to the December 2016 cabinet in respect of this saving.	420			420	Amber	Shortfall of £35k, following consultation delay, which was mitigated by Adult Social Care grant.

2017-18 MTFs Savings Tracker

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Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2017/18	2018/19	2019/20	Total	Rag rating	Comment
			£000	£000	£000	£000		
PA_03	Adults	Commissioning - Cessation of Adults commissioning function (2.6FTE) from People's commissioning team resulting in spot purchasing only, and limited strategic commissioning for the Adult's services.	187			187	Red	Saving was not achieved in 2017-18 due to a delay in implementation. Staff did not leave until October. Full saving will be achieved in 2018-19.
PA_04	Adults	Management - further reduction in strategic management function, reducing by 1FTE (Head of Service) from 4FTE down to 3FTE i.e.; DASS plus 2 Heads of Service	127			127	Blue	Saving achieved
PA_05	Adults	Contracts & Admin - in line with the voluntary sector proposals and move to personalisation model, the function of this team (4FTE) will be deleted. Any residual duties will be accommodated within already stretched social work teams.	161			161	Blue	Saving achieved
PA_06	Adults	Reduce Safeguarding Quality Assurance Team - Deletion of 2 FTE – reduction in ability to visit all 750 Community Providers and over 300 Care Homes in the year and respond to safeguarding alerts.	112			112	Blue	Saving achieved

2017-18 MTFS Savings Tracker

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Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2017/18	2018/19	2019/20	Total	Rag rating	Comment
			£000	£000	£000	£000		
PA_08	Adults	Reduce Occupational Therapy Team - Deletion of 4FTE – will increase the current 6 month waiting list with more vulnerable people delayed in hospital, and an increased number of vulnerable people placed unnecessarily in costly residential and nursing units	113			113	Blue	Saving achieved
PA_3	Adults	Wiseworks - commercialisation opportunities and to be self financing by end of MTFS period	69	56		125	Red	Additional commercial income not achieved
PA_4	Adults	Milmans Community tender	175	184		359	Red	£78k Achieved. £97k is being mitigated via budget realignments within Adults Services.
PA_6A	Adults	Vaughan NRC - service review to identify efficiencies in supporting the most complex	100			100	Green	Saving achieved

2017-18 MTFs Savings Tracker

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Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2017/18	2018/19	2019/20	Total	Rag rating	Comment
			£000	£000	£000	£000		
PA_9	Adults	Sancroft - contract management and service renegotiation	334			334	Red	Superseded by local authority traded service operating from Sancroft under project Phoenix. Expected to deliver £640k in a full year (after capital financing costs) and will increase with any dividend (after company expenses). Shortfall in 2017/18 (representing part year commencement) is mitigated by ASC grant.
PA_10A	Adults	Transport - review transport provision	200	350		550	Red	Saving not achieved in 2017/18 as efficiencies planned against routes are unlikely to be achieved.
PA_11A	Adults	MOW/Catering Service - review of service	65			65	Blue	Saving achieved
PA_14	Adults	Shared Lives - commercialisation through selling model to neighbouring boroughs.	150			150	Red	Saving not be achieved in 2017-18 as target commercial income was not achieved.

2017-18 MTFS Savings Tracker

Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2017/18	2018/19	2019/20	Total	Rag rating	Comment
			£000	£000	£000	£000		
PA_15	Adults	Bedford House / Roxborough Park - review provision within Bedford House. £650k less £400k reversed as part of 17.18 Budge setting.	250			250	Red	Shortfall due to building planning and procurement requirements and processes (after assuming redundancy costs funded centrally) which has been itigated through wider variations.
PA_16	Adults	7 Kenton Road - review provision through supporting living and shared lives	228			228	Green	Saving achieved
PA_26	Adults	My Community ePurse - commercialisation of My Community ePurse - Rephased.		1,000	600	1,600	Purple	Savings reversed as part of 2018/19 MTFS
PA_27	Adults	Re-phasing - add in new phasing		998	1,250	2,248	Purple	Savings reversed as part of 2018/19 MTFS
PA_28	Adults	Community Wrap - explore new commercialisation opportunities		640		640	Purple	Savings reversed as part of 2018/19 MTFS
PA_29B	Adults	Total Community ePurse - explore new commercialisation opportunities			2,250	2,250	Purple	Savings reversed as part of 2018/19 MTFS
		Total Adult	2,691	3,228	4,100	10,019		

2017-18 MTFS Savings Tracker

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Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2017/18	2018/19	2019/20	Total	Rag rating	Comment
			£000	£000	£000	£000		
PC_S05	Education Services	Virtual School Transfer funding for 1fte PEP Co-ordinator and 0.88fte Education Welfare Officer to external grant funding	90			90	Green	Saving achieved.
PC_S06	Children & Young People	Children & Young People Services Additional Savings Reduction 1.3fte posts and cessation of procurement contract	165			165	Green	Saving achieved
PC12	Children & Young People	Review of posts in Quality Assurance & Improvement Service		223		223	Purple	Savings partly reversed as part of 2018/19 MTFS
PC13	Children & Young People	Early Intervention & Youth Development Integration and restructure of childrens centres, early intervention and youth development service	266			266	Green	Saving achieved.
PC14	Children & Young People	Review of Adoption Contract		86		86	Purple	Savings reversed as part of 2018/19 MTFS
PC15	Children & Young People	Review of posts in MASH		100		100	Purple	Future year, still in development.

2017-18 MTFs Savings Tracker

Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2017/18	2018/19	2019/20	Total	Rag rating	Comment
			£000	£000	£000	£000		
PC16	Children & Young People	Review of posts in Family Information Service		61		61	Purple	Savings reversed as part of 2018/19 MTFs
PC17	Children & Young People	Review of posts in Access to Resources		57		57	Purple	Savings reversed as part of 2018/19 MTFs
PC19	Children & Young People	Review of Leaving Care, Children Looked After & Unaccompanied Asylum Seeking Children Teams		173		173	Purple	Savings reversed as part of 2018/19 MTFs
PC24	Education & Commissioning	Enhancing Achievement within Education Strategy Post should be 75% funded by grant management fees from April 2016, post holder redundant from August 2016	8			8	Blue	Saving achieved.
PC28	Cross Service	Non-pay inflation	150	150	150	450	Blue	Saving achieved.
PC33	Special Needs Service	Review of Special Educational Needs Transport	257			257	Blue	Saving reversed through growth - see PC 33 below.
PC36	Children & Young People	Review of posts in Quality Assurance & Service Improvement.		248		248	Purple	Savings reversed as part of 2018/19 MTFs

2017-18 MTFS Savings Tracker

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Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2017/18	2018/19	2019/20	Total	Rag rating	Comment
			£000	£000	£000	£000		
PC38	Children & Young People	Review of Children Looked After & Placements Service.		1,000		1,000	Purple	Savings reversed as part of 2018/19 MTFS
PC42	Special Needs Service	Review of Special Needs Service £1,164m ('Reversal of Savings - Special Educational Needs Placements In respect of PC41 approved February 2016. New funding regulations mean there will no longer be flexibility to further charge these costs to grant £651k)		513		513	Purple	Savings of £413k is reversed as part of 2018/19 MTFS
		Total Childrens Services	936	2,611	150	3,697		
PC33	Special Needs Service		(514)			(514)	Blue	Reversal of saving. See PC 33 above
			422	2,611	150	3,183		
PH	PH	Reduction in wider health improvement function.	107			107	Blue	Saving achieved
PH	PH	Reversal of Public Health wide growth to deal with small projects.	60			60	Blue	Saving achieved

2017-18 MTFS Savings Tracker

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Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2017/18	2018/19	2019/20	Total	Rag rating	Comment
			£000	£000	£000	£000		
PH_01	PH	Wider Health Improvement - bring forward approved 2018/19 savings in relation to wider determinants of health to 2017/18. Warmer Homes £50k retained until 2018/19.	96	(96)		-	Green	Saving achieved
PH_02	PH	Wider Health Improvement - breast feeding - saving scheduled for 2018/19 to allow service to develop alternative model.		65		65	Purple	Future year savings will be achieved as part of the 0-19 re-procurement.
PH_3	PH	Contract Efficiencies within Health Visiting contract	105			105	Green	Saving achieved
PH_5	PH	Tobacco Control & Smoking Cessation - reduction of service	279			279	Blue	Saving achieved
PH_9	PH	Health intelligence & Knowledge - reduction in staff costs	48			48	Green	Saving achieved
PH_10	PH	Staffing & Support - reduction in budget & deletion of additional procurement support	30			30	Green	Saving achieved

2017-18 MTFS Savings Tracker

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Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2017/18	2018/19	2019/20	Total	Rag rating	Comment
			£000	£000	£000	£000		
PH_11	PH	Drug and Alcohol - reduction in service (contract related costs. Employee costs included in PH_12)		1,500		1,500	Purple	£1m of this has been reserved out as part of 18/19 MTFS, balance of £0.5m on target to be achieved.
PH_12	PH	Reduction to service - staffing reductions		795		795	Purple	Future year, on target to be achieved.
		Total Public Health	725	2,264	-	2,989		
		People Total	3,838	8,103	4,250	16,191		
COM_S01	Commissioning & Commercial	Commercial projects under Project Phoenix - The Revenue Maximisation business case has identified commercial opportunities in parking, waste services, events, advertising and increased rental income. Implementation Costs: Projects will start during 16/17, and it is anticipated that implementation costs can be met from income raised in 16/17 achieving a break-even position.	520			520	Green	Saving achieved

2017-18 MTFs Savings Tracker

Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2017/18	2018/19	2019/20	Total	Rag rating	Comment
			£000	£000	£000	£000		
COM	Commissioning & Commercial	Income from expansion of Central Depot	68	239	246	553	Green	Saving achieved
COM_S04	Environment & Culture	Sports & Physical Activity - 2 options: either cease all activities or seek alternative funding to meet the costs including the use of S106 funding and/or funding the post by working together with other funding partners.	48			48	Green	Saving achieved
COM_S13	Commissioning & Commercial	Additional cost recovery in Network Management - Additional cost recovery from street works by having better use of traffic orders to manage street works	50			50	Green	Saving achieved

2017-18 MTFS Savings Tracker

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Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2017/18	2018/19	2019/20	Total	Rag rating	Comment
			£000	£000	£000	£000		
COM_S08	Environment & Culture	Phase 2 of Environment & Culture Review - Regulatory Services Review of Enforcement functions across the Division and the Council. Revised approach to prioritise commercial / cost recovery generating work and health and safety issues and to undertake all other services at minimum standards meeting the minimum level of Food Standards Agency and other regimes.		200		200	Purple	Future year saving in development
COM_S12	Environment & Culture	Route Optimisation on food waste collection	-	150		150	Purple	Future year saving has been re-profiled as part of the 2018/19 MTFS
COM_S11	All	Reduce staff training, stationery and conference budgets across the directorate	68			68	Green	Saving achieved
COM_S10	Commissioning & Commercial Division	Neighbourhood Investment Scheme (NIS) - cease funding. This is already an agreed MTFS saving for 18/19. This proposal is to bring forward the saving to 17/18.	210	(210)		-	Green	Saving achieved

2017-18 MTFs Savings Tracker

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Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2017/18	2018/19	2019/20	Total	Rag rating	Comment
			£000	£000	£000	£000		
CE_5	Directorate Wide	Reduction of supplies & services budget	50	50		100	Blue	Saving achieved
CE_8	ESD - Technical Services	Staff efficiency once Towards Excellence fully embedded - Deletion of 2 posts.	34	34		68	Green	Saving achieved
CE_9	ESD - Public Protection	Efficiencies arising from Selective Licensing - Through full cost recovery and reduction in failure demand.	35			35	Red	The target set for Selective Licensing was ambitious and is reliant on other Wards coming on board. South Harrow has been consulted on which should address this in 18/19..
CE_10.2	ESD - Management	Management savings Savings on a management post across the Environmental Service Delivery division.	75			75	Green	Saving achieved

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Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2017/18	2018/19	2019/20	Total	Rag rating	Comment
			£000	£000	£000	£000		
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.	30	50		80	Green	Saving achieved
E&E_20	Directorate-wide	Contractual/commissioned/SLA savings - To seek maximum value in savings from existing contracts, Service Level Agreements and all services commissioned, from third parties by re-negotiating terms that will yield cashable savings. To secure on-going cashable benefits from gain share and third party income arrangements.	200			200	Green	Saving achieved
CE_12	Commissioning Services	Project Phoenix - Commercialisation projects	0	1,525		1,525	Purple	The implementation of business cases approved to date will contribute towards the overall 3-year targets.

2017-18 MTFs Savings Tracker

Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2017/18	2018/19	2019/20	Total	Rag rating	Comment
			£000	£000	£000	£000		
CE_14	Commissioning Services	Highways Services - revenue savings on utilities and maintenance costs due to acceleration of the Street Lighting replacement programme and extension of the variable lighting regime.	10			10	Green	Saving achieved
CE_15	Commissioning Services	Highways Services - Reduction in revenue budget for reactive maintenance due to accelerated capital investment from 2014/15.	20	20		40	Green	Saving achieved
CE_16	Commissioning Services	Staff efficiencies in Parking and Network Teams - reduction in team leader and inspector posts. Staff consultation completed in June 15. The reduction in posts will be phased over the next 2 years to ensure minimal impact on service level.	80	20		100	Green	Saving achieved

2017-18 MTFs Savings Tracker

Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2017/18	2018/19	2019/20	Total	Rag rating	Comment
			£000	£000	£000	£000		
CE_17	Commissioning Services	General efficiencies across the Division (Policy, Community Engagement, Facilities Management and Contracts Management) - including capitalisation of senior contracts officer post, removal of some supplies & services budget.	9	80		89	Green	Saving achieved
CE_18	Commissioning Services	Income Generation - Facilities Management Service Level Agreements (SLAs) and Energy SLAs to schools.	20	20		40	Green	Saving achieved
CE_19	Commissioning Services	Road safety officer post - externally funded by Transport for London (TfL)	40			40	Green	Saving achieved
CE_20	Commissioning Services	Further contract efficiencies following the re-procurement of Facilities Management contract.	80			80	Green	Saving achieved

2017-18 MTFs Savings Tracker

Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2017/18	2018/19	2019/20	Total	Rag rating	Comment
			£000	£000	£000	£000		
E&E_01	Commissioning Services	Trading Standards - Further cost reduction in Trading Standards service by re-negotiating the Service Level Agreement with London Borough of Brent	40			40	Green	Saving achieved
E&E_05	Commissioning Services - Contract Mgt & Policy	Staff Efficiencies across the Division - Deletion of 3 posts	86			86	Green	Saving achieved
E&E_06	Commissioning Services - Facilities Mgt	Reduction in Facilities Management costs - reduce the controllable budget by 20% in the first 2 years through re-structuring and changing ways of service delivery and a further 5% over Years 3 & 4 through additional efficiencies post re-structuring. Consultation with staff already underway and it is proposed to delete 8 posts, 3 of these are currently vacant.	44	22		66	Green	Saving achieved
E&E_08	Commissioning Services - Highway Services	Reduce highways maintenance budget - Changes to the response times on non urgent works i.e. respond to these in 48 hours instead of existing 24 hours.	45			45	Green	Saving achieved

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Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2017/18	2018/19	2019/20	Total	Rag rating	Comment
			£000	£000	£000	£000		
E&E_09	Commissioning Services - Highways	Highways Contract - Extend the scope of the Highways Contract to include scheme design and / or inspection services when the contract is re-procured (current contract will expire in 16/17).	120	120		240	Green	Saving achieved
E&E_10	Commissioning Services - Highways	Review salary capitalisation of highway programme & TfL funded projects	50	50		100	Green	Saving achieved
E&E_11	Commissioning Services - Network Mgt	Additional income - from street works	10			10	Green	Saving achieved
E&E_12	Commissioning Services - Street Lighting	Changes in Street Lighting Policy to include variable lighting solutions.	10	12		22	Green	Saving achieved
E&E_13	Commissioning Services - Street Lighting and Drainage	Street lighting and Drainage budgets - capital investment allows for lower maintenance costs	40			40	Green	Saving achieved
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		10		10	Purple	Deliverable in 18/19 if there is a mild winter but not if there is a harsh winter. Subject to winter weather conditions because a pay as you go system has been introduced from 16/17

2017-18 MTFS Savings Tracker

Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2017/18	2018/19	2019/20	Total	Rag rating	Comment
			£000	£000	£000	£000		
CE_21	NIS	Neighbourhood Investment Scheme (NIS) - a base budget of £210K is available for all 21 wards. A one-off saving has been offered as part of the early year saving. It is now proposed that the full budget is removed from 16/17 onwards.		210		210	Purple	This saving has been achieved early in 2017-18 [see COM-S10]
CC_2	C&C	Library Strategy Phase 2 - delivery of network of libraries and library regeneration	108	209		317	Amber	The saving is partially met from the reduction of book fund. The remaining saving is dependent on the re-provision / commercialisation of libraries, which is delayed. 18/19 saving is to be re-profiled to align with the timescale of the re-provision of Central Library, as part of 18/19 MTFS.
CC_4	C&C	Arts & Heritage - delivery of business plan (reallocation of savings based on Cabinet report May 2015)	282			282	Green	Saving achieved

2017-18 MTFs Savings Tracker

Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2017/18	2018/19	2019/20	Total	Rag rating	Comment
			£000	£000	£000	£000		
CHW12	C&C	Redevelopment Harrow Leisure Centre Site. This will need to link with Regeneration Programme. 17/18 saving is expected to be met from one-off income through the improvement to playing pitches at Bannister Sports Centre.	100			100	Red	The redevelopment of Harrow Leisure Centre will not now be completed until 2020-21 at the earliest.
		Total Community & Culture	2,582	2,811	246	5,639		
CC_4	C&C	Arts & Heritage Services - Total saving in the original MTFs proposal in relation to the proposed transfer of the services to Cultura London was £455k (£173k of which was profiled in 16/17). At this stage the service remains in-house, subject to any further decisions regarding the future of the arts centre and therefore at this stage the saving is being reversed. Should this position change, adjustments would be made to the MTFs and be reflected in the Final Budget report.	(455)			(455)	Green	Saving achieved
			2,127	2,811	246	5,184		
						-		

2017-18 MTFS Savings Tracker

Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2017/18	2018/19	2019/20	Total	Rag rating	Comment
			£000	£000	£000	£000		
						-		
COM_S09	Housing	Supporting People - savings from contract renegotiation and/or review of service delivery	50			50	Green	Saving achieved
COM_S02	Housing	Home Improvement Agency - increase in fee income as a result of increased capital expenditure on Disabled Facilities Grants - savings are conditional on capital budget increases being approved with additional amounts being administered by HIA.	100			100	Green	Saving achieved
COM_G05.3	Housing	Homelessness - Extension of Property Purchase Initiative (Additional 50 homes) - Purchase of a further 50 homes for use as TA to reduce pressure on B&B.	254	469	225	948	Red	MTFS savings of £375k reversed out as part of MTFS refresh leaving savings £573k to offset capital financing costs to yield net nil impact on General Fund.

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Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2017/18	2018/19	2019/20	Total	Rag rating	Comment
			£000	£000	£000	£000		
COM_G05.3	Housing	Homelessness Invest to save - Reduction in expenditure resulting from work undertaken by temporary additional staff resources taken on to undertake additional prevention work, local procurement of properties and areas recovery.	494			494	Green	Saving achieved
CH_3	HGF	Supporting People - cessation of funding for Handyperson Scheme, which is intended to become self-supporting through commercialisation	25			25	Green	Saving achieved
CH_4	HGF	Supporting People - Sheltered Housing floating support - savings assumed to result from contract renegotiation or review of service delivery.	60			60	Green	Saving achieved
CH_7	HGF	Watkins House - Options review £100k (This is a 16/17 savings , full Reversal of savings was agreed in 17/18 however £25k was approved as growth in 16/17 hence the £25k net savings in 17/18)	25	0		25	Green	Saving achieved

2017-18 MTFs Savings Tracker

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Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2017/18	2018/19	2019/20	Total	Rag rating	Comment
			£000	£000	£000	£000		
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.	31	(2)	42	71	Amber	
CH_9	HGF	Additional income - 'Property purchase initiative - net benefit to Council of proposals to purchase 100 homes, per Cabinet report appendix. Homelessness savings are part of the equation.	770	355	(4)	1,121	Amber	£513k B&B savings not achieved and £288k net rental income, achieved,
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	130			130	Green	Saving achieved but assumed adequate referral rate for Adult on an ongoing basis.
		Total Housing	1,939	822	263	3,024		

2017-18 MTFs Savings Tracker

Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2017/18	2018/19	2019/20	Total	Rag rating	Comment
			£000	£000	£000	£000		
		Community Total	4,066	3,633	509	8,208		
REP_S01	Development Control	Planning income - Increase of pre-application charges to a competitive level (subject to the approval as part of annual F&C review process)	20			20	Green	Saving achieved
REP_S03	Economic Development	Economic Development & Regeneration – Reduction in activity to support economic development and regeneration	27			27	Green	Saving achieved
E&E_36	Planning - Development Mgt	Planning Fees: following an increase in 2013, the government may increase the statutory planning fees at some point over the next four years	100			100	Red	In Feb 2017, a proposed 20% increase in planning fees was announced by the DCLG for implementation in the summer. However this has been delayed by the call for a General Election. The implementation of the increase only commenced in January 2018.
		Regeneration Total	147	-	-	147		

2017-18 MTFS Savings Tracker

Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2017/18	2018/19	2019/20	Total	Rag rating	Comment
			£000	£000	£000	£000		
PO 03	Pan Organisation	Regeneration - Indicative net income realised from a long term regeneration strategy for the borough, to be formalised following consultation launched in early 2015.	350	2,000	0	2,350	Red	Saving reversed during 2018/19 budget process.
Total Savings			10,241	15,863	4,909	31,014		

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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Appendix 6 Capital Outturn 17-18

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Project Definition	Original Programme	16/17 Carry Forwards	Changes in Q1-Q4	Revised Budget	Outturn	Variance	Slippage to 18-19	Over / (Underspend)	Reason for Variance
	£000	£000	£000	£000	£000	£000	£000	£000	
MOSAIC Implementation - Adults & Children's Services	0	272	0	272	417	145	0	145	Completion of the Mosaic Implementation was delayed owing to the change of IT Support Provider to Sopra Steria. An extended process to commission, quote and carry out the works required, resulted in additional technical costs (in excess of those expected when capital funding was agreed) and the department continued to incur costs for the associated project team whilst this delay continued.
Adults Personal Social Services - Community Capacity Grant	0	0	0	0	4	4	0	4	
Capital Strategic Reviews	0	284	56	340	427	87	0	87	Relates to costs at Bedford House and additional works required in relation to kitchen and redecoration following building works.
Reform Of Social Care Funding	0	0	0	0	1	1	0	1	No
Integrated Health Model	0	85	0	85	0	(85)	85	0	carry forward represents funding for Continuation of N3 work to achieve 90% + NHS Number identifier for Adults and Childrens, together with Mosaic implementation of GP access and hospital discharge
Maintenance of Adults Properties	0	149	0	149	0	(149)	0	(149)	Overlap with in-house residential budget, variation offsets overspends on other projects
Project Infinity	2,000	0	(1,500)	500	116	(384)	370	(14)	Budget included provision for development of interfaces, migration of data and licence costs which are expected to be incurred during 2018-19 once the minimum viable product has been produced.
In-House Residential	100	100	(56)	144	7	(138)	100	(38)	Budget exists to support works to Adults premises. Plans for improvements at Milmans for 2018-19 (including roof and potential remodelling works) to support the commercial opportunity to maximise rental income to achieve MTFS savings. Consequences of not carrying forward could be potential for not realising revenue savings with modern premises.
Sancroft Care Home	5,100	0	1,452	6,552	6,197	(355)	355	0	Capital provision included funds for building extension planned at Sancroft, now expected to be delivered in 2018-19 hence the need to carry forward the funding.
Mentis Pilot	250	0	0	250	1	(249)	8	(241)	Feasibility study carried out during 2017-18 determined that the original planned works would not deliver the planned MTFS savings. Funding carried forward pending further review of scope for dementia hub. Consequences of not carrying forward could be potential for not realising revenue savings.
Total Adult	7,450	891	(48)	8,293	7,170	(1,123)	918	(204)	
School Amalgamation	0	600	0	600	179	(420)	420	0	Rolling programme retained for school amalgamations as and when they happen. Anticipate 2 schools will amalgamate Sept 2018
Bulge Classes	150	138	0	288	35	(252)	252	0	Rolling programme retained for school bulge classes
Schools Capital Maintenance	1,350	1,931	0	3,281	749	(2,533)	2,516	(16)	Rolling programme retained for capital maintenance. The majority of this has been earmarked to fund the Keepmoat defects schedule
Devolved Formula Non VA Schools	0	53	0	53	364	310	53	364	Ring-fenced grant belonging to schools. This is not an overspend as the grant is passed directly to schools and funded externally.
Secondary Expansions	2,625	2,017	0	4,642	294	(4,348)	4,348	0	Ring-fenced grant belonging to schools & Keepmoat dispute still not resolved
SEN Provision	1,560	4,505	(3,200)	2,865	69	(2,796)	2,796	0	Earmarked for new SEN provision & Keepmoat dispute still not resolved

Appendix 6 Capital Outturn 17-18

Project Definition	Original Programme	16/17 Carry Forwards	Changes in Q1-Q4	Revised Budget	Outturn	Variance	Slippage to 18-19	Over / (Underspend)	Reason for Variance
	£000	£000	£000	£000	£000	£000	£000	£000	
Schools Expansion Programme - Phase 1	0	220	(214)	6	22	16	0	16	
Schools Expansion Programme - Phase 2	0	2,929	0	2,929	109	(2,819)	2,819	0	Keepmoat dispute still not resolved
Schools Expansion Programme - Phase 3	3,180	6,490	0	9,670	6,043	(3,627)	3,627	0	Final phase of SEP3 will be completed in Summer Term 2018.
Schools Expansion Programme - Phase 4	1,000	0	(1,000)	0	0	0	0	0	
Pinner Wood Ground Stabilisation Works	0	0	2,860	2,860	2,979	119	0	119	Additional ground works required to complete the project
Free School Meals	0	6	0	6	0	(6)	0	(6)	
Whitmore School	0	11	(11)	0	0	0	0	0	
Hatch End MUGA	0	0	0	0	0	0	0	0	
Short Breaks	0	0	32	32	26	(6)	0	(6)	
Children's IT Development	0	743	0	743	59	(684)	684	0	This has been earmarked for continued 'tools for the trade' programme social workers and hardware and software improvements required for Mosaic across adults and children's
Total School and Children	9,865	19,643	(1,533)	27,975	10,928	(17,047)	17,517	470	
TOTAL PEOPLE	17,315	20,534	(1,581)	36,267	18,098	(18,169)	18,435	266	
Environment									
Carbon Reduction Programme	300	(210)	0	90	90	(0)	0	(0)	
Carbon Reduction - Schools	0	0	69	69	69	0	0	0	
Car Parks Infrastructure	20	4	0	24	16	(8)	0	(8)	
City Farm/Pinner Park Farm	0	91	0	91	2	(89)	89	0	Delay to scheme caused by on-going, protracted, negotiations with existing tenant to agree their share of costs, as per the agricultural lease arrangements, which have only now been resolved. Our ability to undertake essential works to a listed building will be put at risk if the budget is not carried forward.
Corporate Accommodation Maintenance	255	0	0	255	264	9	0	9	
Harrow On Hill Station	12,000	0	(12,000)	0	0	0	0	0	
High Priority Plan Maintenance Corporate Property	400	(102)	0	298	325	27	(27)	0	Negative slippage
Highway Drainage Improvements & Flood Defence Infrastructure	500	0	339	839	835	(4)	0	(4)	
Highway Improvement Programme	6,900	(113)	2,400	9,187	9,308	121	(121)	0	Negative slippage
Parking Management Programme	300	6	0	306	323	17	(17)	0	Negative slippage
Neighbourhood Investment Scheme	0	0	0	0	0	0	0	0	
Waste and Recycling	200	0	0	200	201	1	0	1	
Section 106 Schemes for Highways	0	0	30	30	30	0	0	0	
Street Lighting Improvement Programme	3,000	87	0	3,087	3,037	(50)	50	0	Street lighting is a rolling programme for replacing the borough's old lamp columns and replacing the lighting with more energy efficient equipment.
TfL Principal Roads	0	0	659	659	664	5	0	5	
TfL Transport Capital	2,000	(50)	(299)	1,651	1,523	(128)	0	(128)	This is not a real underspend as all TfL grant allocation has been utilised to deliver projects. The budget does not accurately reflect the actual TfL funding for the year.
Trade Waste	200	57	0	257	280	23	(23)	0	Negative slippage
Town Centre Regeneration	0	0	0	0	0	0	0	0	
Harrow Green Grid	150	60	0	210	166	(44)	54	10	
CCTV cameras and equipment at the depot	150	0	0	150	145	(5)	0	(5)	
Parks Infrastructure	875	(127)	0	748	745	(3)	0	(3)	
Parks Litter Bins	65	0	0	65	65	0	0	0	
Green Gym	50	0	0	50	50	(0)	0	(0)	
Street Litter Bins	300	0	0	300	299	(1)	0	(1)	

Appendix 6 Capital Outturn 17-18

Project Definition	Original Programme £000	16/17 Carry Forwards £000	Changes in Q1-Q4 £000	Revised Budget £000	Outturn £000	Variance £000	Slippage to 18-19 £000	Over / (Underspend) £000	Reason for Variance
Redevelopment of Vernon Lodge	750	0	0	750	43	(707)	707	0	The scope of works to Vernon Lodge has been extended to incorporate the wider redevelopment of the site, with this scheme held back pending agreement of the wider development proposals. Carry forward of this budget is required as part of the funding for the wider redevelopment - failure to do so would adversely affect our proposals for redevelopment of this site and our ability to reduce our costs associated with homelessness provision and a failure to realise the income opportunities additional units will provide
Depot redevelopment	5,260	0	0	5,260	3,051	(2,209)	2,209	0	This is a multi year project with works already commenced on installation of the temporary accommodation to facilitate the demolition of existing buildings and subsequent new build. There was a delay in achieving planning permission on demolition and new build works due to an objection from LB Hillingdon, with full planning permission subsequently not received until February 2018. Failure to carry the budget forward will result in an inability to complete the redevelopment scheme.
Total Environment	33,675	(297)	(8,802)	24,576	21,532	(3,044)	2,920	(124)	
Housing									
Disabled Facilities Grants	2,030	0	632	2,662	2,764	102	0	102	
Empty Property Grant	480	307	(113)	674	398	(277)	158	(119)	
Improvement grant	70	128	(18)	180	90	(90)	0	(90)	
Housing Property Purchase - 100 Homes	7,500	3,512	0	11,012	11,473	460	63	523	2017-18 budget reduced by £3m to assist with pressures elsewhere in Council; if reduction £2.5m there would be capacity to accommodate carry forward; approval will permit properties to be used as temporary accommodation thereby alleviating homelessness pressures on General Fund
Housing Property Purchase - 50 Homes	9,000	0	0	9,000	0	(9,000)	9,000	0	
Total Housing	19,080	3,948	501	23,529	14,725	(8,804)	9,221	417	
Culture									
Sec 106 Banister Sport Pitch	50	40	0	90	72	(18)	18	0	Multiple year programme.
Harrow Arts Centre	1,470	0	(1,000)	470	189	(281)	281	0	Delay in commencement of scheme due to the need to provide further clarifications around the extent of works required to weatherproof the building, exacerbated by further delays due to adverse weather conditions and gaining approval on proposed materials once a contractor was appointed. The scheme has now commenced and a failure to carry forward the budget will leave works incomplete, leave the building exposed to greater damage as works to "open up" the roof have now commenced, lead to a failure to appropriately maintain and preserve a listed building and present significant reputational damage.
Headstone Manor	806	1,010	459	2,275	2,318	43	0	43	The full cost is met from grants and therefore it is not a real overspend. The budget does not accurately reflect the full funding in 17/18.
HAC/Museum - ICT	0	0	102	102	72	(29)	29	0	Delay in the completion of the project by Sopra Steria - including delay in the installing of a new phone line at Headstone Manor and Museum.
Central Library Refit/Refurb	0	0	60	60	16	(44)	44	0	Delay in the procurement of a design team for the new library. This is a multiple year project, with the new library planned to be open in early 2020.
Libraries and Leisure Capital Infrastructure	150	136	7	293	235	(58)	57	(1)	

Appendix 6 Capital Outturn 17-18

Project Definition	Original Programme	16/17 Carry Forwards	Changes in Q1-Q4	Revised Budget	Outturn	Variance	Slippage to 18-19	Over / (Underspend)	Reason for Variance
	£000	£000	£000	£000	£000	£000	£000	£000	
Total Culture	2,476	1,186	(372)	3,290	2,901	(388)	430	42	
Total Community	55,231	4,837	(8,673)	51,395	39,158	(12,237)	12,571	334	
BTP - Public Realms	0	639	(639)	0	0	0	0	0	
Capital cost of transition and transformation of ICT service	999	2,005	(1,201)	1,803	1,360	(443)	443	0	This programme of work is for a group of projects that were commissioned by the Authority with Sopra Steria at the time the ICT Services Agreement was signed with them in 2015. The projects are contractually binding and were set out to ensure the Authority's infrastructure remains in support through to 2020. Committed Expenditure relates mainly to the middleware replacement project which will result in the end-of-life JCAPS SeeBeyond product being replaced by RedHat FUSE. Also committed expenditure is for the telephony upgrade and SharePoint remediation projects that overran and will complete in 2018/19.
ITO Transformation	0	118	(102)	16	16	0	0	0	
Web Upgrade Project	0	25	(25)	0	0	0	0	0	
SAP: Financial Leger/Systems Control Imp	250	436	0	686	101	(585)	585	0	Committed projects pending approval
BTP - IT BTP Refresh - Waste Collector	0	206	120	326	261	(66)	66	0	This budget has already been committed (PO raised) for Sopra Steria to provide an Impact Assessment on the Streets & Grounds IT solution and project management support. The IA will be completed in late April to inform the final costs of the project.
BTP - Mobile & Flex	0	721	(721)	0	68	68	0	68	
ICT Infrastructure & Corporate Applications	0	86	(10)	76	2	(75)	75	0	Committed expenditure is for the MetaCompliance project that overran but will complete in 2018/19.
IT Corporate System Refresh	0	750	(318)	432	268	(164)	164	0	Committed expenditure is for the payment of delivery milestones relating to the CCPH replacement project that will complete in 2018/19.
LAA Performance Reward Grant	0	89	0	89	2	(86)	86	0	
Loan Payment - Capital	0	225	0	225	225	(0)	0	(0)	
Ongoing refresh & enhancement of ICT	2,000	1,956	901	4,857	1,200	(3,657)	3,589	(68)	Unspent budget is required to be carried forward to fund remaining contractually binding IT transformation milestones, middleware replacement, Xerox upgrade, a new solution for remote access gateway, comprehensive end-point device refresh and SharePoint remediation
Small Schemes (Council wide)	0	5,852	(2,082)	3,770	0	(3,770)	3,770	0	
FM Minor Work	0	500	0	500	467	(33)	66	34	Due to requirement to secure additional funding, undertake consultations and revise design there has been a delay in this project. Failure to carry forward will lead to cancellation of the project and may lead to returning of external funding & significant loss of reputation.
IER Grant	0	12	0	12	0	(12)	0	(12)	
My Harrow Service Account	0	268	0	268	280	12	0	12	

Appendix 6 Capital Outturn 17-18

Project Definition	Original Programme	16/17 Carry Forwards	Changes in Q1-Q4	Revised Budget	Outturn	Variance	Slippage to 18-19	Over / (Underspend)	Reason for Variance
	£000	£000	£000	£000	£000	£000	£000	£000	
Property Investment	5,000	9,599	(5,000)	9,599	5,174	(4,425)	4,425	0	More investment options are being considered, one property acquisition is in the pipeline
HR Shared Service	0	100	0	100	0	(100)	100	0	Embedding the HR Shared Services to function effectively in Harrow requires some improvements in our IT systems specifically SAP, SIMS to SAP and Civica systems. Currently the service is unable to provide the reporting functionality to schools and services and is facing a risk of losing these commercial contracts for HR and payroll services. The budget variance is a result the timescale of the HR Shared Service embedding process.
Devolved Applications refresh	1,700	0	0	1,700	318	(1,382)	1,382	0	Unspent budget is required to be carried forward to fund upgrades to Bartec and AIMS and the replacement of the Contact Centre workflow solution.
TOTAL RESOURCES	9,949	23,589	(9,078)	24,460	9,743	(14,718)	14,751	33	
Station Road Highway and Environmental Improvements	0	0	0	0	(0)	(0)	0	(0)	
Artisan Studios	0	109	0	109	109	0	0	0	
Trinity Square	0	763	0	763	72	(691)	691	0	This budget relates to the construction phase of Wealdstone Square which is programmed to be completed in Autumn 2018. The project is at the Technical Design Stage (RIBA Stage 4). Design delays were caused due to unknown ownership of drainage pipes and their condition. The project is grant funded from the GLA. The consequences of not carrying the budget forward are abortive design costs and reputational damage to the council as stakeholder expectations have been set following consultation with local residents and businesses.
Mobile technology in Community Learning	0	0	30	30	0	(30)	30	0	GLA funding only received in Q4, which is to be used in 2017/18 academic year.
Regeneration Programme	46,130	9,641	0	55,771	15,074	(40,697)	422	(40,275)	This programme of works is made up of a combination of nine different capital regeneration schemes at various stages of their RIBA cycle of works. Slippage across various schemes has resulted from a combination of reasons including, design delays and value engineering requirements, procurement clarification delays, additional requirements by the LPA following planning submission, and changes to the original project scope. In 2017, a Commercial & Financial Review of the Regeneration Programme was undertaken and resulted in a revised Capital Programme budget agreed by Cabinet/Council in February 2018 and resulted in £40.275m being surplus to requirements.
TOTAL Regeneration	46,130	10,513	30	56,673	15,255	(41,418)	1,143	(40,275)	
TOTAL GENERAL FUND	128,625	59,473	(19,302)	168,795	82,254	(86,542)	46,900	(39,642)	
Housing Programme	9,139	3,254	0	12,393	7,621	(4,772)	2,793	(1,980)	Non statutory works not included in carry fwd request; underspend contributes to cost reductions required across in HRA as a result of Government imposed rent reductions
Grange Farm Redevelopment	0	7,150	0	7,150	1,751	(5,400)	5,400	0	Slippage caused by delays in planning permission which has now been granted

Appendix 6 Capital Outturn 17-18

Project Definition	Original Programme £000	16/17 Carry Forwards £000	Changes in Q1-Q4 £000	Revised Budget £000	Outturn £000	Variance £000	Slippage to 18-19 £000	Over / (Underspend) £000	Reason for Variance
Affordable Housing - Infill Phase 1	0	6,814	0	6,814	2,505	(4,309)	4,309	0	Slippage relates to delays in new build schemes which will increase supply of affordable accommodation
Affordable Housing - Infill Phase 2	6,099	0	0	6,099	0	(6,099)	6,099	0	Slippage relates to delays in new build schemes which will increase supply of affordable accommodation
TOTAL HRA	15,238	17,219	0	32,457	11,877	(20,580)	18,600	(1,980)	
Total General Fund and HRA	143,863	76,691	(19,302)	201,252	94,130	(107,122)	65,500	(41,621)	

REPORT FOR: CABINET

Date of meeting:	12 July 2018
Subject:	2018-19 Revenue Monitoring as at 31 st May 2018
Key Decision:	Yes
Responsible Officer:	Dawn Calvert, Director of Finance
Portfolio Holder:	Councillor Adam Swersky, Portfolio Holder for Finance and Resources
Exempt:	No
Decision subject to Call-in:	Yes
Wards affected:	All wards
Enclosures:	Appendix 1 - Revenue Budget Summary as at 31 May 2018 Appendix 2 – 2018-19 MTFS Savings Tracker Appendix 3 - Draw Down from Reserves

Section 1 – Summary and Recommendations

This report sets out the Council's revenue monitoring position as at Month 2 2018/19 (31 May 2018) and progress on achieving the 2018/19 savings included in the Medium Term Financial Strategy (MTFS) approved by Council in February 2018.

Recommendations:

1. That Cabinet notes the revenue forecast positions set out at paragraphs 1.1 to 1.2.
2. That Cabinet note the progress on achieving the 2018/19 savings set out at paragraph 1.3.

3. That Cabinet approves the proposed addition to capital programme as set out at paragraph 4.1.

Reason (for recommendation)

To report the 2018/19 forecast financial position as at 31 May 2018 and update Cabinet members on the progress in achieving the 2018/19 MTFs savings agreed by Cabinet in February 2018.

Section 2 – Report

1.0 INTRODUCTION

1.1 This is the first monitoring report of the year and covers the revenue position as at 31st May 2018. The next monitoring report will be presented to cabinet in September 2018 and will cover both Revenue and Capital monitoring as at 30th June 2018 (Quarter 1).

1.2 The net forecast position as at Month 2 (31st May 2018) on the revenue budget is an overspend position of £1.684m after the planned use of reserves which are largely applied to fund one-off projects and contribution to spending controls across the directorates of £1.1m. The forecast position at month 2 is summarised below:

	£m
• Adult service overspends	2.521
• Environment and Culture overspend	0.263
• 18/19 Contribution to spending control	<u>(1.100)</u>
	<u>1.684</u>

1.3 There are substantial savings of £9.179m (gross) included in the 2018/19 budget. This report outlines progress on the MTFs savings as at Month 2. In summary, 75% of the savings are rated as already banked, 15% are rated Amber (savings partially achieved or risk remaining), while 10% of the savings are rated red (savings not achievable).

2.0 REVENUE MONITORING

2.1 The Revenue forecast position at Month 2 (as at 31st May 2018) is showing an overspend position of £1.684m which is after allowing for a draw down from reserves of £1.608m as detailed in appendix 3 and £1.1m of spending controls across the directorates. The summary of the forecast by division is detailed in appendix 1.

2.2 Table 1 below set out summary of the Month 2 monitoring position:

Table 1: Revenue Monitoring – as at 31st May 2018 (Month 2)

Directorate	Revised Budget	Forecast Outturn	Month 2 Variance	Draw Down From Reserves	Revised Month 2 Variance
	£000	£000	£000	£000	£000
Resources and Commercial	16,346	16,463	117	(117)	-
Resources Total	16,346	16,463	117	(117)	-
Commissioning, Environment and Culture	32,614	33,481	867	(604)	263
Housing	8,113	8,113	-	-	-
Regeneration, Enterprise and Planning	2,002	2,757	755	(755)	-
Community Total	42,729	44,351	1,622	(1,359)	263
Adults	64,294	66,947	2,653	(132)	2,521
Public Health	(1,704)	(1,704)	-	-	-
Children's	42,851	42,851	-	-	-
People Total	105,441	108,094	2,653	(132)	2,521
Total Directorates	164,516	168,908	4,392	(1,608)	2,784
Corporate Items	5,760	5,760	-	-	-
Corporate Contingency	1,774	1,774	-	-	-
Technical and Corporate Adjustment	(433)	(433)	-	-	-
Use of Capital Receipts	(2,700)	(2,700)	-	-	-
Spending Control		(1,100)	(1,100)		(1,100)
Total Budget Requirement	168,917	172,209	3,292	(1,608)	1,684

Resources and Commercial

2.3 At Month 2, the Resources and Commercial Directorate is forecasting a balanced position for the 2018/19 financial year. This is after an assumed draw down from reserves of (£0.117m) as detailed in appendix 3.

Community

2.4 At Month 2, the Community Directorate is forecasting an overspend of £0.263m overall. This is after allowing for a total of (£1.359m) draw down from reserves as detailed in appendix 3.

Table 2: Community Directorate variance

	Month 2 £000
Commissioning and Commercial	-
Environment and Culture	263
Housing General Fund	-
Regeneration, Enterprise and Planning	-
Total	263

- 2.5 **Commissioning & Commercial Services** forecasts a balanced position.
- 2.6 Forecast pressure of **£263k** is reported in **Environment & Culture** due to the cost pressure of the dry recycling disposal contract. The gate fee per tonne has increased significantly since February 18 due to unfavourable market prices for dry recyclables.
- 2.7 **Housing General Fund** forecasts a balanced position. This assumes potential pressures are fully neutralised by the potential capacities and grant income. Flexible Homeless Support Grant and New Burdens Funding of £1.985m and £0.167m are expected in 2018/19 with a further £1.449m unutilised grant brought forward from 17/18 bringing total grant funding of £3.602m.
- 2.8 **Regeneration, Enterprise and Planning** forecasts a balanced outturn on the basis that the revenue costs of regeneration activity (estimated at £755k) are funded from the capacity already set aside.

People Services

- 2.9 The People's Directorate is forecasting an over spend of £2.521m at Month 2, the forecast includes assumed draw down from reserves of (£0.132m) as set out in appendix 3.

Table 3: People's Directorate Variance

	Period 2 £000
Adult	2.521
Public Health	-
Children	-
Total	2.521

Adult Services

- 2.10 The period 2 Adults forecast is projecting a net overspend of £2.521m relating to adult social care placements, offset by wider divisional underspends. This assumes that MTFs savings will be fully delivered, with a further £0.6m of mitigating actions associated with assessment of need within the placement budget.
- 2.11 The growth of £5.825m in the 2018-19 adults budget assumed £2.786m for underlying pressures and £3.038m for new placements.

2.12 Further to the budget setting, the increasing requirement to meet social care need has resulted in the growth estimates being revised which results in the overspend now being reported. This is an early indication of the likely year end position; however, the assumptions made within this forecast will be reviewed on a regular basis and as a result will be subject to change as the year progresses.

2.13 The key factors in arriving at the overspend are:

- An increase in the number of weeks of care provided in residential/nursing and supported accommodation settings of 1,176 weeks.
- Increases in average weekly costs within residential settings - £16 per week for supported accommodation and £21 per week across residential and nursing.
- An increase in the costs of care in the community, reflecting a number of factors:
 - a lower level of personal budgets offset by an increase in the number of commissioned home care packages
 - an average increase of £20 per week for cash personal budgets.
- Cost increases represent both the market pressure and increased complexity of care

Children's Services

2.14 In 2018/19 the directorate received budget growth of £2.9m in response to a significant increase in the number of young people and families and complexity of need in 2016/17.

2.15 The forecast for the directorate is a balanced position in Month 2.

HOUSING REVENUE ACCOUNT

2.16 Period 2 forecasts an underspend of £0.103m due mainly to the impact of ongoing service reviews aimed at reducing expenditure and increasing income to stabilise HRA position resulting from ongoing impact of Government reforms including rent reduction, borrowing cap and welfare reforms. Depreciation charges are expected to be higher than budget which partially offsets these cost reductions although this results in a transfer of resources between reserves only and no additional financial cost. The approved budget assumes revenue cost reductions and increased income of £1.9m per annum by March 2021.

2.17 If this is not achieved the HRA will be at risk of becoming unviable which is not legally permitted. Restrictions on borrowing have required a reduction in planned investment scheme to ensure only statutory and essential health & safety works are carried out.

2.18 Although, phase 1 of the Grange Farm Regeneration scheme, (which has secured planning consent and external HIF funding), will be proceeding, a review of the HRA Business Plan is underway to ensure capacity exists to complete the Infill programme and initiate a wider spectrum of new build schemes to reverse sustained stock depletion from right to buys. A key component of this review will be bidding for additional borrowing capacity, grant and flexibilities in use of retained right to buy receipts from Greater London Authority.

2.19 Given the extremely challenging financial circumstances the HRA is in no position to absorb further costs from the General Fund and must reduce both revenue and capital expenditure to remain viable. Extensive consultation will also be required with tenants and leaseholders to as part of the service reviews where increases in fees and charges are proposed.

2.20 A summary of the HRA position is provided below which includes estimated balances:

Table 4: Housing Revenue Account Variance

HRA revenue balances	Outturn 2017/18 £'000	Budget £'000	YTD Actual £'000	Forecast outturn £'000	Variance £'000
Balance b/fwd, pre-audit	-6,892	-7,531		-7,474	57
Net (surplus) deficit	-582	1,099	1,949	995	-103
Balance c/fwd	-7,474	-6,432		-6,479	-46

CORPORATE BUDGETS

2.21 Corporate budgets including the central contingency are forecast to balance as at Month 2.

CONTINGENCIES AND RESERVES

2.22 The contingencies exist to cover unavoidable pressures together with other unforeseen items and spending pressures and to cover areas such as risk, health and safety, equality impacts and uncertainty. The Central Contingency is forecast as being fully utilised at this early stage in the year, but this will be kept under review as we continue through the year.

2.23 There are also a number of earmarked reserves for a variety of purposes as identified in table 5 below:

Table 5: Contingencies and Earmarked Reserves

	Budget Planning and Capacity	Commercialisation	TPIF	Carry Fwd	MTFS Implementation cost	CIL Harrow and Mayor
	£000	£000	£000	£000	£000	£'000
Balance at Start of Year April -18	7,382	355	1,826	469	2,441	6,155
Estimated to be drawn down in 2018/19 as at month 2	0	0	(701)	0	0	0
Estimated to be drawn down in 2018/19 and future years	0	0	(96)	(469)	0	0
Available after commitment in 2018/19	7,382	355	1,029	0	2,441	6,155

SPENDING CONTROL FREEZE

2.24 The overspend position of £1.684m in month 2 assumed a one-off contribution to spending controls across the directorates of £1.1m. The forecast position reported by Directorates assumed these contributions will be made.

2.25 Table 6 below shows the breakdown of the £1.1m by directorate.

Table 6: Contribution to Spending Control

Directorate	Contribution to Spending control
	£000
Resources and Commercial	(450)
<i>Community and Culture</i>	<i>(75)</i>
<i>Planning and Enterprise</i>	<i>(75)</i>
Community Total	(150)
<i>Children</i>	<i>(250)</i>
<i>Public Health</i>	<i>(250)</i>
People Total	(500)
Total Directorates	(1,100)

National Non Domestic Rates (NNDR)

2.26 As a first step towards 100% Business rates retention Harrow joined the 100% business rates retention pilot proposal for 2018/19 covering all London Boroughs. Harrow will receive a proportion of the collective growth in London arising from the pool and the no detriment clause agreed by central Government guarantees that no Council could be worse off than it would have been had the pilot not been put in place. Currently, Central government have committed to the pool for the period of 1 year only. Full implementation of 100% retention will require primary legislation although the latest indication is that rather than 100%, it could be a 75% scheme.

2.27 At the time of preparing the 2018/19 budget, no indicative figures were available for potential growth from the pilot pool therefore, as a prudent measure; no benefit was built into the final budget. Early indications are that Harrow could benefit from an estimated £3.8m of one off income in 2018/19. However, this is dependant on Business rate growth estimates from all London Boroughs and then actual growth achieved by 31/03/19. London Council's have requested an update of business rates growth estimates by the end of July to compare against original estimates. Any income from the pilot will improve the in year position but the working assumption is that this income will be used against the 2019/20 budget. This assumption is to mitigate the risk of having to pay back to the pool any estimated growth monies received in year if the estimated growth does not materialise in full. Further updates will be reported in subsequent quarterly budget monitoring updates to Cabinet in September, December and February.

3.0 SAVINGS TRACKER

3.1 The 2018/19 budget includes approved MTFS savings of £9.179m.

3.2 Appendix 2 shows a list of the individual red, amber, green and blue rated savings in the MTFS. The definitions used to classify savings rating in this report are detailed in table 7 below:

Table 7: Savings Definition

Green - Low or no risk to delivery of	Clear delivery plans in place
	Project running to timescale
Amber - Medium/some risk to delivery	Potential for slippage but project will be delivered as originally intended but not within timescale, so saving will not be fully realised.
Red - High risk to delivering forecast savings	Project may have started but will deliver no savings in the current financial year
	Project cannot be delivered but underspends found else where to mitigate savings.
Purple	Future year's savings

Table 8 below shows the summarised position for each directorate as at month 2;

Table 8: Savings Tracker 2017/18 – Directorate Summary

	Resources	People	Community	Regeneration	Period 2	Percentage Split
	£000	£000	£000	£000	£000	
Red	369	340	239	0	948	10%
Amber	130	1,202	0	0	1,332	15%
Green	1,806	1,597	3,446	50	6,899	75%
Purple	0	0	0	0	0	0
Total	2,305	3,139	3,685	50	9,179	100%

3.3 The total gross savings for 2018/19 is £9.179m. As at Period 2, 75% of the 2018/19 savings are rated green (Clear delivery plans in place and running to timescale), this is a significant improvement when compared to this time last year's percentage of 65%. 15% are rated as amber (Potential for slippage but project will be delivered as originally intended but not within timescale, so saving will not be fully realised), whilst 10% are rated as red (Project may have started but will deliver no savings in the current financial year, Project cannot be delivered but underspends found else where to mitigate savings). The 10% of savings rated as red relates to 9 savings totalling £0.948m, as follows:

Resources

3.4 There are four savings totalling £0.329m that are rated red in Resources, these savings are detailed as follows:

- Saving reference RES15 for £0.151m for restructuring of the commercial, contracts and procurement division's function. The saving will not be delivered due to the cessation of shared service arrangement with Brent. However, the saving will be mitigated by realigning the overall directorate's budget.
- The Strategic Commissioning savings RES_SC01 and RES_SC_02 of £0.013m and £0.107m respectively which relate to Income from Communications, will not be achieved. Proposals will be brought forward to create a sustainable position for Communications during 2019/20 budget process. Any pressure that arises as a result of not achieving this saving will be managed across the directorate.

- Special Responsibility Saving RES 18.19 06 of £0.058m will not be achieved. The new administration has confirmed the number of cabinet members will not change.
- Member meetings, member self-service, change to standards regime saving RES 18.19 05 will not be achieved due to risk of the legal challenge and recent judicial review of the processes in another council.

These savings are being mitigated by reductions in other budgets across the Directorate.

Community

- 3.5 There is one red saving in Community of £0.239m which relates to Income from expansion of Central Depot with savings reference COM. Additional income from the depot is not possible until after the new depot which provides extra office and parking spaces has been built. The saving will be mitigated in other areas within the directorate this year.

People Services

- 3.6 Three savings totalling £0.340m are classified as red in People's Directorate and detailed as follows:
- **In Children's**, the net saving of £0.100m which was intended to be a reduction in SEN assessment and review service is now classified as red. Given the rise in demand in the number of young people with SEN, the remainder of this saving is no longer considered achievable. This will be mitigated in other areas of the directorate.
 - Wiseworks commercialisation opportunity savings (PA_3) of £0.056m is categorised as red. The shortfall in delivery of 2018/19 income targets together with further increased income requirement unlikely to be achieved. However this is expected to be mitigated in full across the internally provided services.
 - The Milmans Community tender saving ref PA_4 will not be achieved in 2018/19 as the community model is unsuccessful. These savings are expected to be mitigated in full through the achievement of rental income (£128k in a full year) and maximisation of capacity at NRC's enabling externally funded placements to be supported through in house provision.

4.0 AMENDMENT TO THE CAPITAL PROGRAMME

Addition to the Capital Programme

- 4.1 External grant to support Council's Disabled Facilities Grant (DFG) programme has increased by £226k than assumed in the approved budget therefore an increase in the DFG budget of the same amount is requested from £2.030m to £2.256m for 2018-19 a £226 K increase. This will support the achievement of MTFs Telecare savings held in the Resources Directorate with no additional borrowing requirement.

5.0 REPORTING FOR THE 2018/19 FINANCIAL YEAR

5.1 Cabinet will receive quarterly monitoring reports during the year as follows:

- Quarter 1 - September 2018
- Quarter 2 - December 2018
- Quarter 3 - February 2019
- Outturn report - June 2019

6.0 IMPLICATIONS OF THE RECOMMENDATIONS

The recommendations are asking the Cabinet mainly to:

- To note the revenue position for 2018/19
- To note the movement between reserves
- To agree an addition to the Capital Programme

These recommendations do not affect the Council's staffing / workforce and have no equalities, procurement, data protection or community safety impact.

7.0 PROCUREMENT IMPLICATIONS

There are no procurement implications arising from this report

8.0 LEGAL IMPLICATIONS

8.1 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.

8.2 Under the Council's Financial Regulation B48 Additions in year to the Capital Programme up to £500,000 additional capital spending can be approved by Cabinet on specific projects where the expenditure is wholly covered by additional external sources; and the expenditure is in accordance with at least one of the priorities listed in the capital programme; and there are no significant full year revenue budget effects. The additional capital spending agreed by Cabinet in one financial year cannot exceed £2.5 million.

9.0 FINANCIAL IMPLICATIONS

Financial implications are contained within the body of the report.

10.0 PERFORMANCE ISSUES

Good financial monitoring is essential to ensuring that there are adequate and appropriately directed resources to support delivery and achievement of Council priorities and targets as set out in the Corporate Plan. In addition, adherence to the Prudential Framework ensures capital expenditure plans remain affordable in the longer term and that capital resources are maximized.

The forecast position at month 2 is showing an overspend position of £1.684m.

For the 2018/19 savings built into the MTFs, the overall position is that 75% of the savings are RAG rated as Green (Clear delivery plans in place and project running to timescale), 15% amber (Potential for slippage, project will be delivered as originally intended but not within timescale, so saving will not be fully realise) and 10% red (Project may have started but will deliver no savings in the current financial year).

11.0 ENVIRONMENTAL IMPACT

There is no direct environmental impact

12.0 RISK MANAGEMENT IMPLICATIONS

The Key financial risks are managed through the risk management strategy. There are two significant financial risks currently included on the Corporate Risk Register:

Risk 2 – Failure to deliver a 3 year MTFs. This risk is currently rated at B2, high likelihood and critical impact.

Risk 26 – There are insufficient financial reserves. This risk is currently rated at D2, low likelihood and critical impact.

The Corporate Risk Register, reported quarterly to the Corporate Strategic Board and the GARMS.

13.0 EQUALITIES IMPLICATIONS / PUBLIC SECTOR EQUALITY DUTY

The MTFs savings have had equality impact assessments completed on them where required and these have been published with the budget setting report.

[..\..\BUDGET\Budget 2018-19\February Budget Report\Final Report\Report and Appendices for Daksha\V3 Final Budget Report 2018-19 track changes 070218.doc](#)

14.0 CORPORATE PRIORITIES

The Month 2 Budget monitoring Report has been prepared in line with the Council's vision:

Working Together to Make a Difference for Harrow

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

Section 3 - Statutory Officer Clearance

Name: Dawn Calvert	<input checked="" type="checkbox"/>	Director of Finance
Date: 29 th June 2018		
Name: Jessica Farmer	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 29 th June 2018		

Section 3 – Procurement Officer Clearance

Name: Nimesh Mehta	<input checked="" type="checkbox"/>	on behalf of the Head of Procurement
Date: 26 th June 2018		

Ward Councillors notified:	NO
EqIA carried out:	NO
EqIA cleared by:	N/A

Section 4 - Contact Details and Background Papers

Contact: Sharon Daniels (Sharon.daniels@harrow.gov.uk)

Background Papers:

Call-In Waived by the Chair of Overview and Scrutiny Committee	NOT APPLICABLE <i>[Call –in applies]</i>
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Revenue Forecast Summary by Directorate

Appendix 1

	Revised Budget	Outturn	Period 2 Variance	Drawdown From Reserves	Period 2 Variance
	£000	£000	£000	£000	£000
Resources					
Controllable Budget					
Customer Services	23,795	23,704	● (91)	● 0	(91)
Business Support	3,464	3,464	● 0	● 0	0
Director of Resources	869	869	● 0	● 0	0
Assurance	583	629	● 46	● (45)	1
HRD & Shared Services	993	992	● (1)	● 0	(1)
Procurement & Commercial	293	234	● (59)	● 0	(59)
Legal & Governance	1,953	1,864	● (89)	● 0	(89)
Strategic Commissioning	1,865	2,176	● 311	● (72)	239
Finance	2,322	2,322	● 0	● 0	0
Contribution to spending Freez			● 0		0
Total Controllable Budget	36,137	36,254	117	(117)	0
Uncontrollable Budget	(19,791)	(19,791)	● 0		0
Total Directorate Budget	16,346	16,463	117	(117)	0
Community					
Controllable Budget					
Commissioning & Corporate Estate	(5,794)	(5,535)	● 259	(222)	37
Environment & Culture	20,734	21,342	● 608	(382)	226
Directorate Management	179	179	● 0	0	0
Housing General Fund	4,569	4,569	● 0	0	0
Regeneration, Enterprise and Planning	862	1,617	● 755	(755)	0
Total Controllable Budget	20,550	22,172	1,622	(1,359)	263
Uncontrollable Budget	22,179	22,179	● 0		0
Total Directorate Budget	42,729	44,351	1,622	(1,359)	263
People					
Controllable Budget					
Adult Services	57,707	60,360	● 2,653	(132)	2,521
Public Health	(1,814)	(1,814)	● 0	0	0
Children & Families	32,027	32,027	● 0	0	0
Total Controllable Budget	87,920	90,573	2,653	0	2,521
Uncontrollable Budget	17,521	17,521	● 0		0
Total Directorate Budget	105,441	108,094	2,653	(132)	2,521
Total Directorate Budgets	164,516	168,908	4,392	(1,608)	2,784
Corporate Items	5,760	5,760	● 0		0
Corporate Contingency	1,774	1,774	● 0		0
Technical and Corporate Adjustment	(433)	(433)	● 0		0
Use of Capital Receipts	(2,700)	(2,700)	● 0		0
Spending Controls Freeze		(1,100)	● (1,100)		(1,100)
Total Budget Requirement	168,917	172,209	3,292	(1,608)	1,684

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2018-19 MTFS Savings Tracker

Appendix 2

Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2018/19	2019/20	2020/21	Total	Rag rating	Comment
			£000	£000	£000	£000		
Resources								
RES_01	Customer Services and IT	Increase Helpline Income Developing a robust multi-channel marketing plan to build the brand and promote the Helpline service to generated additional income through the existing service.	100	100		200	Green	Ongoing work with Adult Social Care to ensure that opportunities to stay at home are maximised.
Res 18.19 01	Customer Services	Review of Postal Process - the post room will sort inbound post but services will need to collect from the Post Room. The post room will frank and send post out but services will be responsible for delivering mail to post room.	20	30		50	Green	Saving for 18/19 is accounted for through staff reduction. Hybrid Mail project underway to reduce annual cost of postage
RES_HR01	HR	Shared HR Service with Buckinghamshire County Council - Business Case Under Development	110			110	Amber	There is a small risk that part of the savings might not be achieved as some processes within the shared service need to be reviewed, mitigating activities are being put in place to release the savings. Risk element is £17.6k (40% Harrow share of £44k).
RES_CP01	Commercial, Contracts & Procurement	Selling services through shared procurement arrangements.	29	0		29	Green	SLA Income from schools - on track

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Appendix 2

Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2018/19	2019/20	2020/21	Total	Rag rating	Comment
			£000	£000	£000	£000		
RES15	Procurement	Restructuring of the Commercial, Contracts and Procurement Division's function.	151			151	Red	Third year of the savings, this was not achievable, now offset by underspend elsewhere
RES_16	Strategic Commissioning	VCS funding - This saving reduces community grants and transfer funding from the emergency relief fund, to support the information and advice strategy as the December cabinet report.	57	50		107	Green	On track
RES_SC01	Strategic Commissioning	Income from Communications Through Gain Share Model	13			13	Red	Increased savings combined with increased income will be difficult to achieve in 2018/19. Any spend pressure will be managed through the Resources Directorate, and proposals will be brought forward to create a sustainable position for Communications during 2018.
RES_SC03	Strategic Commissioning	Alternative Funding of domestic violence budget	61			61	Green	On track

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Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2018/19	2019/20	2020/21	Total	Rag rating	Comment
			£000	£000	£000	£000		
RES_SC04	Strategic Commissioning	Proposed savings in Health watch Funding	50			50	Green	For 2018/19, the saving has been achieved with carry forwarded from 2017/18. However, there is a risk to service operation from next year at £50k per annum. Health watch England are working with the local HW to see if the funding is sufficient to provide this statutory service under Social Care Act 2012
RES_SC02	Strategic Commissioning	Additional Income from Communications Provider and Further Savings	107			107	Red	Increased savings combined with increased income will be difficult to achieve in 2018/19. Any spend pressure will be managed through the Resources Directorate, and proposals will be brought forward to create a sustainable position for Communications during 2018.
RES_SC02	Strategic Commissioning	The previous tender of the Communications Service aimed to deliver a programme of reductions in spend phased over a number of financial years. With the service recently being brought back in house, it requires all available funding to keep up with demand.				(57)	Red	Saving reversed as part of 2018/19 budget setting process so there is no impact on the 2018/19 budget.

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Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2018/19	2019/20	2020/21	Total	Rag rating	Comment
			£000	£000	£000	£000		
RES_SC05	Strategic Commissioning	SIMS Team Contribution to Overheads and Additional Income	20			20	Amber	Income on-track on the basis of last years' performance. However, schools budgets are being put under more pressure so this is not guaranteed at this stage. Exploring joint marketing opportunities with Bucks CC.
RES_SC06	Strategic Commissioning	Commissioning Capacity in the Council	50			50	Green	On track
Res 18.19 06	Strategic Commissioning	Special Responsibilities Allowance	58			58	Red	New administration has confirmed the cabinet and the size of the cabinet will not be reduced.
Res 18.19 07	Strategic Commissioning	Restructure of the Policy team	25			25	Green	On track
RES_LG04	Legal & Governance	Expansion of the Legal Practice	210			210	Green	Based on last years performance this should be met depending upon the activity within the practice.
Res 18.19 05	Legal	Member meetings, member self service, change to standards regime	40			40	Red	Savings not achievable, not advisable due to recent judicial review of the processes in another council.
RES12	Legal & Dem Services	Reduction in Legal cost, in the initial instance by growing the business	144			144	Green	On track

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Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2018/19	2019/20	2020/21	Total	Rag rating	Comment
			£000	£000	£000	£000		
RES_F02	Finance & Assurance	Improved Treasury investment return from increased Risk appetite (Primarily lending for longer and to institutions with lower credit ratings)	625			625	Green	On track
RES_F04	Finance & Assurance	Investment Portfolio	350			350	Green	On track
Res 18.19 04	Finance	Insurance Tender Efficiencies. The following Insurance Policies were re-tendered and savings of £35k per annum will be realised from 01/04/17.	35			35	Green	On track
Res 18.19 03	Finance	Reduced contribution to the Insurance Fund - Harrow Council primarily self insures and makes an annual contribution from the general fund to the Insurance Fund. The annual contribution currently stands at £1,132,143. Due to tighter management of insurance claims, it is estimated that the contribution can be reduced by a further £50k. No implementation costs.	50			50	Green	On track
sub - Resources Total			2,305	180	-	2,428		
Resources Total			2,305	180	-	2,428		
People Services								
Adults								

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Appendix 2

Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2018/19	2019/20	2020/21	Total	Rag rating	Comment
			£000	£000	£000	£000		
PA_3	Adults	Wiseworks - commercialisation opportunities and to be self financing by end of MTFs period	56			56	Red	Shortfall in delivery of income target together with further increased income requirement unlikely to be achieved. However this is expected to be mitigated in full across the internally provided services.
PA_4	Adults	Milmans Community tender	184			184	Red	Community model (starting with Kenmore) was unsuccessful. These savings are expected to be mitigated in full through achievement of rental income (£128k in a full year) and maximisation of capacity at NRC's enabling externally funded placements to be supported through in house provision
PA01	Adult Social Care	Restructure of Adult Social Care Management Deletion of up to 7 management posts within Adult social care, whilst maintaining the number of staff required to support the delivery of care and Resilient Communities.	233	-	-	233	Amber	Following consultation senior management structure expected to be in place by 1st July (this will deliver majority of planned savings). Any shortfall in savings (current year only) expected to be mitigated through wider staff vacancies.

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Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2018/19	2019/20	2020/21	Total	Rag rating	Comment
			£000	£000	£000	£000		
PA02	Adult Social Care	Housing Provision with Floating Support A new modernised and flexible approach to supported living for vulnerable adults. Responding to the LGA Adults Finance Review which noted potential opportunities to be explored around housing options, given the number	50	-	-	50	Amber	A number of projects are underway providing alternative support for vulnerable adults, with the expectation that this can be fully achieved.
PA03	Adult Social Care	Review of Floating Support Contracts Savings through supporting people in appropriate housing rather than high cost placements	200	-	-	200	Amber	Delay of one month in retendered floating support and two months for mental health accommodation arising from an extended procurement process. Any shortfall expected to be mitigated within wider contractual efficiencies.
PA04	Adult Social Care	Retendering of Care Act Contracts to deliver efficiencies in contract cost	40	-	-	40	Green	Re-procured contracts commenced 1st April 2018 as planned. Procurement exercise achieved £33k of the £40k saving, balance expected to be mitigated within other re-procurement arrangements.

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Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2018/19	2019/20	2020/21	Total	Rag rating	Comment
			£000	£000	£000	£000		
PA05	Adult Social Care	Adult Services - Home In Harrow	719	1,251	-	1,970	Amber	New Adult Social Care vision, supported by re-deisgned pathway, including signposting to information and advice will support achievement of savings. Project and savings being closely monitored and reported accordingly.
		Total Adult	1,482	1,251	-	2,733		
Children's Services								
PC12	Children & Young People	Review of posts in Quality Assurance & Improvement Service	223			223	Green	Net saving is 0.5 fte principle social worker post which was deleted in 2017-18. Saving is achieved
PC12	Children & Young People	These savings were based on a reduction in the number of Looked After Children, Children in Need and Child Protection cases compared with 2015-16. However demand has increased since 2015-16 meaning these savings, in order to maintain a safe service, are now not achievable. The post affected is vacant, was deleted in 17.18	(185)			(185)	Green	Net saving is 0.5 fte principle social worker post which was deleted in 2017-18. Saving is achieved

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Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2018/19	2019/20	2020/21	Total	Rag rating	Comment
			£000	£000	£000	£000		
PC15	Children & Young People	Review of posts in MASH	100			100	Green	Net saving is generation of external income to contribute to Education MASH worker. SLA with schools was established in 2017-18. Saving is achieved.
PC15	Children & Young People	These savings were based on a reduction in the number of Looked After Children, Children in Need and Child Protection cases compared with 2015-16. However demand has increased since 2015-16 meaning these savings, in order to maintain a safe service, are now not achievable	(86)			(86)	Green	Net saving is generation of external income to contribute to Education MASH worker. SLA with schools was established in 2017-18. Saving is achieved.
PC28	Cross Service	Non-pay inflation	150	150		300	Green	Non pay inflation not included in children's budget and retained corporately. Saving is achieved
PC42	Special Needs Service	Review of Special Needs Service £1,164m ('Reversal of Savings - Special Educational Needs Placements In respect of PC41 approved February 2016. New funding regulations mean there will no longer be flexibility to further charge these costs to grant £651k)	513			513	Red	Net saving was intended to be reduction in SEN assessment & review service. Given the rise in demand in the number of young people with SEN the remainder of this saving is no longer considered achievable. This will be mitigated in other areas of the directorate

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Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2018/19	2019/20	2020/21	Total	Rag rating	Comment
			£000	£000	£000	£000		
PC42	Special Needs Service	Demand has continued to rise in the number of young people with Special Educational Needs, in particular for post 16 provision up to age 25, as well as an increase in complexity of growth.	(413)			(413)	Red	Net saving was intended to be reduction in SEN assessment & review service. Given the rise in demand in the number of young people with SEN the remainder of this saving is no longer considered achievable. This will be mitigated in other areas of the directorate
PC03	Commissioning & Strategy	Delete Capital Team The majority of the capital schemes for the School Expansion Programme have been completed or are near completion. Beyond 2017-18 there will be small numbers of rolling maintenance programmes which could be managed by the CDU in Regen. Any specific schools projects beyond that can be commissioned from the CDU and funded by capital as a capital project fee. This savings proposal deletes the revenue budget associated with the administration & project support. Project management has historically been capitalised. Estimated redundancy costs £40k unless staff can be transferred into CDU	91			91	Green	Capital team has been deleted and remaining staff and functions transferred to Community Services and Regeneration as appropriate. Saving is achieved
		Total Children's Services	393	150	-	543		
			393	150		543		
	Public Health							

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Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2018/19	2019/20	2020/21	Total	Rag rating	Comment
			£000	£000	£000	£000		
PH_01	PH	Wider Health Improvement - bring forward approved 2018/19 savings in relation to wider determinants of health to 2017/18. Warmer Homes £50k retained until 2018/19.	(96)			(96)	Green	On track
PH_02	PH	Wider Health Improvement - breast feeding - saving scheduled for 2018/19 to allow service to develop alternative model.	65			65	Green	Breast feeding services included in re-procured 0-19 service which commences 1st July 2018.
PH_11	PH	Drug and Alcohol - reduction in service (contract related costs. Employee costs included in PH_12)	1,500			1,500	Green	Reduced saving of £500k achieved following renegotiation of service delivery with contracted provider.
PH_11	PH	Drug and Alcohol - reduction in saving	(1,000)			(1,000)	Green	See above
PH_12	PH	Reduction to service - staffing reductions	795			795	<u>Green</u>	New structure implemented 1st April 2018 following cessation of shared service with Barnet. Following PHE engagement and staff consultation growth of £175k was allocated to reinstate three posts.
		Total Public Health	1,264	-		1,264		
		People Services Total	3,139	1,401	-	4,540		
Community								

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Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2018/19	2019/20	2020/21	Total	Rag rating	Comment
			£000	£000	£000	£000		
Community and Culture								
COM	Commissioning & Commercial	Income from expansion of Central Depot	239	246	681	1,166	Red	Additional income from the depot is not possible until after the new depot which provides extra office and parking spaces has been built. The MTFS target was originally set to offset against the capital financing cost associated with the depot redevelopment work. This is mitigated in other areas within the division.
COM_S08	Environment & Culture	Phase 2 of Environment & Culture Review - Regulatory Services Review of Enforcement functions across the Division and the Council. Revised approach to prioritise commercial / cost recovery generating work and health and safety issues and to undertake all other services at minimum standards meeting the minimum level of Food Standards Agency and other regimes.	200			200	Green	Plans are put in place to maximise licensing activities. The introduction of borough wide PSPO to address environmental issues and new enforcement powers under the Housing and Planning Act 2016 ensures that enforcement actions can be effectively undertaken.

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Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2018/19	2019/20	2020/21	Total	Rag rating	Comment
			£000	£000	£000	£000		
COM_S12	Environment & Culture	Route Optimisation on food waste collection	150			150	Green	Waste Review is underway and the collection of all waste streams will be reviewed to deliver route optimisation.
COM_S12	Environment & Culture	Route Optimisation on food waste collection This saving is predicated on the availability of a food waste transfer facility in a closer proximity. The latest update from West London Waste Authority is that the new facility is unlikely to be ready and in operation until Oct 2018, which means route optimisation is delayed to achieve cost efficiencies.	(75)	75		-	Green	Waste Review is underway and the collection of all waste streams will be reviewed to deliver route optimisation.
CE_5	Directorate Wide	Reduction of supplies & services budget	50			50	Green	18/19 budget adjusted to reflect the reduction in training, stationery and uniform budgets across the directorate.
CE_8	ESD - Technical Services	Staff efficiency once Towards Excellence fully embedded - Deletion of 2 posts.	34			34	Green	Restructure of Environmental Services completed. Post deleted.

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Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2018/19	2019/20	2020/21	Total	Rag rating	Comment
			£000	£000	£000	£000		
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.	50			50	Green	Restructure of Environmental Services completed. Posts deleted to meet budget availability.
CE_12	Commissioning Services	Project Phoenix - Commercialisation projects	1,525			1,525	Green	Plans are put in place to generate additional income from a range of commercial activities including parking, rent reviews, advertising, commercial waste, events etc. Income will be monitored regularly to track progress against the full target.
CE_15	Commissioning Services	Highways Services - Reduction in revenue budget for reactive maintenance due to accelerated capital investment from 2014/15.	20			20	Green	Revenue budget reduced in 18/19 to reflect the saving target. The spend is capped within the budget availability.

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Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2018/19	2019/20	2020/21	Total	Rag rating	Comment
			£000	£000	£000	£000		
CE_16	Commissioning Services	Staff efficiencies in Parking and Network Teams - reduction in team leader and inspector posts. Staff consultation completed in June 15. The reduction in posts will be phased over the next 2 years to ensure minimal impact on service level.	20			20	Green	One post already deleted in 17/18 as part of the restructure.
CE_17	Commissioning Services	General efficiencies across the Division (Policy, Community Engagement, Facilities Management and Contracts Management) - including removal of some supplies & services budget.	80			80	Green	Achieved by keeping 2 posts vacant in Community Engagement team, and salary recharge for externally funded projects.
CE_18	Commissioning Services	Income Generation - Facilities Management Service Level Agreements (SLAs) and Energy SLAs to schools.	20			20	Green	Service Level of Agreement price inflation uplift and new SLAs on energy management and FM.
E&E_06	Commissioning Services - Facilities Mgt	Reduction in Facilities Management costs - reduce the controllable budget by 20% in the first 2 years through re-structuring and changing ways of service delivery and a further 5% over Years 3 & 4 through additional efficiencies post re-structuring. Consultation with staff already underway and it is proposed to delete 8 posts, 3 of these are currently vacant.	22			22	Green	Achieved by deleting one post in FM team.

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Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2018/19	2019/20	2020/21	Total	Rag rating	Comment
			£000	£000	£000	£000		
E&E_09	Commissioning Services - Highways	Highways Contract - Extend the scope of the Highways Contract to include scheme design and / or inspection services when the contract is re-procured (current contract will expire in 16/17).	120			120	Green	The contract has since been extended to March 19. The saving is met by reducing contract spend.
E&E_10	Commissioning Services - Highways	Review salary capitalisation of highway programme & TfL funded projects	50			50	Green	Staff resource allocation against capital and externally funded projects completed to ensure the target is achieved.
E&E_12	Commissioning Services - Street Lighting	Changes in Street Lighting Policy to include variable lighting solutions.	12			12	Green	The street lighting replacement is on-going, with more lamp columns replaced with energy efficient lighting to ensure that the energy consumption is reduced. It is however likely that the energy price inflation will outstrip the financial saving arising from the reduction in energy consumptions.
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	10			10	Green	The contract is now on a pay as you go basis, so the level of spend will be subject to weather conditions in any given year.

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Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2018/19	2019/20	2020/21	Total	Rag rating	Comment
			£000	£000	£000	£000		
CC_2	Environment & Culture	<p>Library Strategy Phase 2 - delivery of network of libraries and library regeneration</p> <p>The original saving relates to the relocation of Gayton Library and Wealdstone Library. The new town centre library that replaces Gayton Library will be built by the developer as part of the redevelopment of 51 College Road. The latest timescale suggests that the new library will become operational no later than March 2020. Therefore the saving relating to Gayton Library (£159k) needs to be re-profiled to 2020/21 at the earliest.</p> <p>Wealdstone Library is likely to remain in Wealdstone Centre, and therefore the saving of £50k will not be achieved.</p>			159	159	Purple	Future year saving. It is anticipated to be achieved from rental saving once the new town centre library is open.
COM18.19_S01	Commissioning & Commercial Division - Parking	<p>Parking review - General efficiency review. Changes include the proposed Virtual Permits system.</p>	205			205	Green	Restructure completed during 17/18 with 3 posts deleted. Additional income anticipated from permits for new CPZs introduced.

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Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2018/19	2019/20	2020/21	Total	Rag rating	Comment
			£000	£000	£000	£000		
COM18.19_S03	Environment & Culture - Waste Services	Changes to the Household Recycle & Reuse Centre (HRRC) at Forward Drive 1. Restrict access for non residents to HRRC by introducing a charging regime for non residents. 2. Introduce charges for non household waste (e.g. building waste) deposited at HRRC by residents / non residents 3. Upgrade trade waste controls		20		20	Purple	Future year saving. Access restriction to the CA site already in place since Nov 2017. Any reduction in disposal costs for waste deposited at CA site will be reflected in 19/20 levy.
COM18.19_S04	Environment & Culture - Harrow Arts Centre	Reduce subsidy to the arts centre	150	150	137	437	Green	Investment in the new seating system to increase capacity will contribute to additional income. Introduced popular performances that will increase sales, coupled with marketing effort to promote these.

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Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2018/19	2019/20	2020/21	Total	Rag rating	Comment
			£000	£000	£000	£000		
COM18.19_S05	Environment & Culture - Waste Services	Waste Services Review - implementing waste management strategy to include the following: 1. Introduction of food / dry recycling in Flats 2. Review collection regime and resources Total target saving of £500k, subject to detailed proposals to be developed as part of Waste Review and requisite Cabinet approval. One-off implementation costs anticipated and estimated at £150k, leading to a net saving of £350k in 19/20 and £150k in 20/21.		500		500	Purple	Future year saving. Waste Review is already underway to scope work and identify saving opportunities.
COM18.19_S07	Commissioning & Commercial - Contracts Management	Savings from contract re-procurement		250		250	Purple	Future year saving. It is anticipated to be achieved through a number of major procurements being undertaken in 18/19.
COM18.19_S10	Commissioning & Commercial Division	Phoenix projects - Indicative net saving from the commercialisation of CCTV operations, subject to a business case.		200		200	Purple	Future year saving. A business case will be developed in 18/19.
		Total Commissioning, Environment & Culture	2,882	1,441	977	5,300		
Housing								

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Appendix 2

Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2018/19	2019/20	2020/21	Total	Rag rating	Comment
			£000	£000	£000	£000		
COM_G05.3	Housing	Homelessness - Extension of Property Purchase Initiative (Additional 50 homes) - Purchase of a further 50 homes for use as TA to reduce pressure on B&B.	469	225		-	<u>Green</u>	
COM_G05.3	Housing	Reversal - 'Homelessness - Extension of Property Purchase Initiative (Additional 50 homes) -The initiatives were included in the MTFS on the basis there would be a net saving against the B & B accommodation budget as a result of moving residents from B & B accommodation into the 150 homes. The savings against the B & B budget were originally intended to cover the capital financing costs incurred to purchase the properties and still make a positive contribution to the MTFS. However as a result of increased demand across the housing needs budget and the impact of the Homelessness Reduction Act, achieving a net saving against the B & B accommodation budget is no longer viable. In terms of the 50 homes, a gross saving of £948k is included in the MTFS. Capital financing costs are assumed at £573k leaving a net contribution to the MTFS of £375k	104	(225)		(375)	<u>Green</u>	Savings neutralise interest cost for purchase of additional 50 homes therefore no overall impact. If approval not granted, no saving or interest cost. If approval granted savings generated expected to cover pro rata interest costs with any shortfall funded from existing Housing Needs budgets
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.	(2)	42		40	<u>Green</u>	

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Appendix 2

Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2018/19	2019/20	2020/21	Total	Rag rating	Comment
			£000	£000	£000	£000		
CH_9	HGF	Additional income - 'Property purchase initiative - net benefit to Council of proposals to purchase 100 homes, per Cabinet report appendix. Homelessness savings are part of the equation.	355	(4)		351	Green	Additional net rental income £130k is expected to be achieved; B&B savings £230k is not achieved but has already been reversed out as part of the 2018-19 approved budget (see below).
CH_9	HGF	Reversal - 'Property purchase initiative - proposal to purchase 100 homes. - The initiatives were included in the MTFS on the basis there would be a net saving against the B & B accommodation budget as a result of moving residents from B & B accommodation into the 150 homes. The savings against the B & B budget were originally intended to cover the capital financing costs incurred to purchase the properties and still make a positive contribution to the MTFS. However as a result of increased demand across the housing needs budget and the impact of the Homelessness Reduction Act, achieving a net saving against the B & B accommodation budget is no longer viable. In terms of the 100 homes a gross saving of £1.192m is built into the MTFS. £435k of this can be achieved through additional rental income leaving £757k non achievable which is now being reversed out of the budget, £736k in 2018/19 and £21k in 2019/20.	(223)	(21)		(757)	Green	Reversal of MTFS savings, included in 2018-19 approved budget

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Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2018/19	2019/20	2020/21	Total	Rag rating	Comment
			£000	£000	£000	£000		
COM18.19_S08	Housing	Housing Related Support Procurement	100			100	Green	Pressures expected as result of late contract start date and unbudgeted TUPE expenditure; MTFS saving expected to be achieved by alternative means.
		Total Housing	803	17	-	(641)		
		Community Total	3,685	1,458	977	4,659		
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.	2,000	0		2,000	Green	Saving reverse
PO 03	Pan Organisation	Reversal - Regeneration Indicative net income realised from a long term regeneration strategy for the borough. . The Regeneration Programme is on going and key schemes are either in planning or about to be submitted but the income will not be realised by 2018/19 as originally anticipated. As a de-risking strategy to the MTFS, it is prudent to remove this income stream which will be re-instated into the budget as and when realised.	(2,000)	0		(2,350)	Green	Saving reverse

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Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2018/19	2019/20	2020/21	Total	Rag rating	Comment
			£000	£000	£000	£000		
REP18.19_S01	Development Control	Additional Planning/Development Management Income - Review of pre-application fees - Income from Proceeds of Crime work relating to planning enforcement	25			25	Green	Pre-application fees have been reviewed as part of annual fees & charges process.
REP18.19_S02	Building Control	Additional Building Control Income by - working for development partners outside the Borough (such as for Redrow in Luton) - sales of specialist services (such as Fire Officer).	25			25	Green	Working with development partners on-going to increase income.
		Net Savings Regeneration	50	-	-	(300)		
		Total Net Savings	9,179	3,039	977	11,327		

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Draw Down From Reserves

Appendix 3

	TPIF	MRP	Others	Total
	£000	£000		
Resources				
Domestic Violence	45			
Grant			72	
	45	0	72	117
Community				
Public Protection Projects	123			
Proceed Of Crime Act reserve			222	
Loss of car parking income as a result of regeneration activity		161		
Library reserve			98	
Regeneration				
Council Regen programme : MRP, forecast spend at period 2 is £755k therefore this is amount assumed to be drawn down		755		
	123	916	320	1359
People				
Adult				
Project Infinity	58			
Ewart House contract	19			
Age UK	55			
	132	0	0	132
Total	300	916	392	1608

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