

Employees' Consultative Forum Agenda

Date: Wednesday 12 January 2022

Time: 6.30 pm

Venue: Virtual Meeting - Online

Pre-meetings: [Council Side - 6.00 pm, Employees' Side - 5.30 pm]

Membership (Quorum: 3 from the Council Side and 2 trade union representatives from different trade unions)

Chair: Councillor Natasha Proctor

Labour Councillors: Angella Murphy-Strachan
Varsha Parmar
Sachin Shah

Conservative Councillors: Camilla Bath
Philip Benjamin
Mina Parmar

Employee Representatives:

Teachers Representatives:	Louise Crimmins Anne Lyons (1 vacancy)	- National Education Union - National Association of Head Teachers
Representatives of UNISON:	Ms S Haynes	Mr J Royle Mr D Searles (VC)
Representatives of GMB:	Ms P Belgrave	Ms A Jones

Reserve Council Members:

Labour Reserve Members:

1. Graham Henson
2. Vacancy
3. Kiran Ramchandani
4. Adam Swersky

Conservative Reserve Members:

1. John Hinkley
2. Pritesh Patel
3. Susan Hall

Contact: Daksha Ghelani, Senior Democratic Services Officer
E-mail: daksha.ghelani@harrow.gov.uk

Scan this code for the electronic agenda:



Useful Information

Meeting details

This meeting is open to the press and public and can be viewed on www.harrow.gov.uk/virtualmeeting

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The recording will be made available on the Council website following the meeting.

Agenda publication date: 20 December 2021

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. Membership of the Forum

To note that Cabinet appointed Sharon Hayes as a Unison representative to the vacancy on the Employees' Consultative Forum.

3. 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 Forum;
- (b) all other Members present.

4. Minutes (Pages 7 - 20)

That the minutes of the meeting held on 10 November 2021 be taken as read and signed as a correct record.

5. Petitions

To receive petitions (if any) submitted by members of the public/Councillors under the provisions of Executive Procedure Rule 47 (Part 4D of the Constitution).

6. Deputations

To receive deputations (if any) under the provisions of Executive Procedure Rule 48 (Part 4D of the Constitution).

7. Public Questions *

To receive any public questions received in accordance with paragraph 16 of the Executive Procedure Rules.

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, 7 January 2022. Questions should be sent to publicquestions@harrow.gov.uk

No person may submit more than one question].

8. Draft Revenue Budget 2022/23 and Draft Medium Term Financial Strategy 2022/23 to 2024/25 (Pages 21 - 64)

Report of the Director of Finance and Assurance.

9. **Annual Workforce Equality Report 2020-2021** (Pages 65 - 104)
Report of the Director of Human Resources and Organisational Development.

Agenda - Part II - Nil

*** Data Protection Act Notice**

The Council will record the meeting and will place the recording on the Council's website.

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

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Employees' Consultative Forum

Minutes

10 November 2021

Present:

Chair: Councillor Natasha Proctor

Councillors: Camilla Bath Mina Parmar
Philip Benjamin Varsha Parmar
Angella Murphy-Strachan Sachin Shah

**Teacher
Representatives:** Ms L Crimmins - NEU

**Unison
Representatives:** Mr J Royle Mr D Searles

**GMB
Representative:** Ms P Belgrave
Ms A Jones

Absent: Anne Lyons

63. Attendance by Reserve Members

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

64. Appointment of Vice-Chair

RESOLVED: That Davis Searles, Harrow Unison, be appointed from the Employees' side as Vice-Chair of the Employees' Consultative Forum for the Municipal Year 2021/22.

65. **Declarations of Interest**

RESOLVED: To note that there were no declarations of interests made by Members at the meeting except that Councillor Angela Murphy-Strachan had submitted a non-pecuniary interest in respect of all the agenda items in that she was a member of the NASUWT (National Association of Schoolmasters' Union of Women Teachers), as published on the Council's website prior to the meeting.

66. **Minutes**

RESOLVED: That the minutes of the meeting held on 25 January 2021, be taken as read and signed as a correct record.

67. **Petitions, Deputations and Public Questions**

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

Resolved Items

68. **Race Equality in Harrow Council**

The Forum received a report of the Chief Executive which set out the Council's Strategic Vision for Race Equality. An Action Plan for Change had been developed for implementation, as set out at Appendix A to the report. The report also launched a series of new corporate objectives designed to ensure that the Council's policies and practices were fair and equitable for all staff in the workplace, beginning with a focus on race and ethnicity.

An officer introduced the report and made a presentation, which is attached as an appendix to these minutes for reference purposes. The officer set out the key components of the Race Equality Plan and described the journey that had culminated into an Action Plan for Change for Harrow's employees at all levels.

As part of the presentation, Members were informed of the Council's approach which had included both qualitative and quantitative research. The Council had praised the involvement and openness of staff in the research undertaken. Members were advised of the key themes that had emerged from the Independent Race Review, such as psychological safety, racism in the workplace. Governance and accountability processes would also be reviewed.

Members were informed that the Council's Race Equality Action Plan centred around the following three themes:

- creating safe spaces.
- changing the organisations culture and behaviour.
- recruitment and retention, which included an ambitious target of 5% of the Council's staff to be representative of the overall resident

population by 2025. An aspect of this theme would include a move towards advertising vacant posts internally to give existing staff the opportunity to apply for the post first, thereby scoping out existing staff and providing a seamless approach.

Members were also informed that there would be a new offer for staff culminating into a zero-tolerance approach in all aspects of the Council's work, employment and service delivery which would also help ensure that staff were supported and trained.

Members were advised of how the Council's ambitions would be achieved which would involve staff at all levels through ongoing discussions. Finally, Members were informed of the next steps that had been put in place until January 2022. The officer was keen to receive feedback from the Forum and to identify any improvements that might be required prior to the initiatives being bedded in.

The Director of Human Resources and Organisational Development and an officer responded to questions from Members and Employee Representatives, as follows:

- the new Dignity at Work Policy would be non-contractual, but managers and staff would be required to comply and adhere to it. A Unison representative was of the view that the previous Policy had not been 'fit for purpose' because it did not form part of the contract of employment. He questioned why a Council that was aspiring to change the ethos of the organisation would not make the Policy contractual. A Member expressed similar concerns and stated that, whilst the Action Plan appeared to be aspirational, the Dignity at Work Policy was lacking in that it would be non-contractual. A GMB representative was also concerned that staff would not be required to adhere to the Dignity at Work Policy as part of their employment contract.
- In response, the Director stated that the intention was to change the culture of the organisation but that she would discuss the concerns expressed by Forum members with the Corporate Strategy Board. The intention was to change behaviours and to make staff feel protected. Psychological safety could not always be created by a contract and perhaps the Policy would require testing first and any adjustments made later. Training and transparency would be key, and staff would be allowed to raise issues anonymously. Dignity at Work cases would be reported through meetings with Employee Representatives where they could explore ways in which the Policy could be strengthened. She was of the view that it would be difficult to mandate behaviours and attitudes.
- The Race Equality Action Plan would be mainstream and embedded in different forms so that it would not lose focus towards the strides that the Council was making to become an anti-racist Council. It was a 5-year Plan and would be reported on a quarterly basis. It would also be reviewed and refreshed within a circular feedback model.

- There had been deficiencies in the organisation's training and development and, in moving forward, the team would be better resourced. Previously, access to training had been inconsistent - with some staff saying that they had never been on a training course - and it was intended to remove such blockages.
- Positive discrimination was not an option as it was unlawful except in certain limited circumstances. The Council's focus would be on positive action which would be applied in areas which had been identified to have underrepresentation and where a targeted approach would be applied. The focus would be on training, encouragement, and targeted advertising, including ensuring that our recruitment agencies worked within the confines of the law. Positive steps would be undertaken but these were not intended to disadvantage or alienate groups that were not underrepresented. Diversity programme would include open schemes, apprenticeships, and management opportunities for the benefit of all staff. A Member welcomed the move towards positive action and suggested that the Action Plan ought to clarify the approach being taken.
- The Race Survey had highlighted issues and specific cases of bullying and harassment and these had been shared with management. Some cases had been referred on for further investigation. A culture of psychological safety could not be achieved immediately, and it was hoped that the drop-in sessions would help and make the Plan more visible.

Another GMB representative expressed concern that managers would be made responsible for the various Action Plans, the same managers that the staff survey had possibly highlighted issues with. She asked if any monitoring had been put in place and who would decide which staff were mentored, trained, etc.

In response, the officer stated that all staff would contribute, inform, and take ownership of the Divisional Action Plans. Monitoring would take place through the normal HROD reporting process, which would also help ensure that the correct approach was being used. Training programmes would be open to all staff and would not require managerial approval; however, in some cases such as apprenticeships that required off the job training, managers would need to ensure business needs could be met. The Director of Human Resources and Organisational Development added that there would be staff autonomy allowing them to access training courses, but a process would be required. The business needs of the Council would need to be balanced against releasing staff for training courses. However, the Corporate Strategy Board and the Leadership Team would hold managers to account for refusing to release staff. Training courses would also be open to all frontline staff and those who wanted to change careers.

The Director of Human Resources and Organisational Development stressed that it was not intended to give the Black, Asian and Minority Ethnic staff an unfair advantage in terms of recruitment and retention but to address inequalities faced by the Black, Asian and Minority Ethnic community, particularly staff in junior posts and those in the frontline. It was to ensure that

all staff had access to training courses and devices and the Council needed to improve its performance in this regard, which the People Strategy would provide. The Strategy was intended to address identified race inequalities and discrimination. She acknowledged that this message needed to be made clear as it was intended to open opportunities for all staff.

There was cross-party support in that white privilege existed and that the Action Plan sought to address this issue. A Member was of the view that the Action Plan was not ambitious enough.

RESOLVED: That

- (1) the Council's strategic approach on race equality in Harrow and the Race Equality Action Plan at Appendix A to the report be noted and that annual updates on the progress be received following the formal launch of the Action Plan;
- (2) the Zero Tolerance Statement attached at Appendix B to the report be noted.

69. Annual Health and Safety Report

The Forum received a report of the Divisional Director of Human Resources and Organisational Development, which set out the Council's Health and Safety performance for the year 1 April 2020 to 31 March 2021, providing an update of activities and giving information on outcome measures such as the response to the Covid-19 pandemic, training required, audits carried out and the number of accidents reported. The report also included the Council's Health and Safety Strategy and the Corporate Health and Safety Plan Policy. For completeness, the report also included information about Occupational Health and Safety.

An officer introduced the report and identified the six key areas, details of which were set out in the report. He stated that the Health and Safety Strategy, Performance Plan and Health and Safety Policy formed the foundations to a positive health and safety culture.

Members were briefed on the work streams, such as the need to carry out risk assessments which were dominated by the Covid-19 pandemic, details of which were set out on page 78 and onwards of the agenda. A governance and risk assessment process had been established and initially reviewed by the Health and Safety Compliance Manager to ensure that the right controls were in place. These were then shared and further reviewed by the relevant Corporate Strategy Board sub-group. There was confidence that robust processes had been put in place and this had been confirmed by the random spot checks carried out by the Health and Safety Executive who had applauded and provided a positive feedback on the processes that the Council had put in place.

Various measures were also put in place as part of the Council's Wellbeing and Agile Working agenda, including support for those with mental health issues and wellbeing activities. There had been a marked drop in the number of accidents reported which had been due to the Covid-19 pandemic and the

initial closure of schools. Several (17) RIDDOR reports were submitted to the Health and Safety Executive. Most accidents were in schools and had been attributed to physical assaults. The Council was fortunate in that it had been possible to carry out much of the training on Health and Safety face- to-face.

The officer apologised for the typographical error and confirmed that the Strategy, which was for 3 years, would be reviewed in March 2022. He acknowledged that the Strategy had been signed off the former Corporate Director of Community and would be refreshed but that the Strategy was being monitored by the Director of Human Resources and Organisational Development. He responded to questions as follows:

- there had been a low uptake in staff volunteering for Covid-19 vaccination, but the service had been made available. A Unison representative questioned this further and wondered if misinformation had been in circulation.
- the Housing stock had been reviewed during the year. In terms of the risk assessment methodology and the comparison with the Grenfell Tower fire disaster, the Council was satisfied that the one high rise building in its stock met the necessary safety requirements. A Member questioned if there had been delays in completing certain works to buildings because of asbestos and she cited an example. The officer agreed to communicate with the Member in this regard and requested further information to be sent to him before he was able to respond.

RESOLVED: That

- (1) the accidents and incidents report be noted;
- (2) the Strategies and Policies enclosed in the appendices to the report be noted.

70. Date of Next Meeting

RESOLVED: To note that the Forum was schedule to next meet on Wednesday 12 January 2022.

(Note: The meeting, having commenced at 6.34 pm, closed at 8.08 pm).

(Signed) Councillor Natasha Proctor
Chair

Race Equality in Harrow Council

An Action Plan for Change

Our approach

We started our work on race equality in September 2020 and have been led by the strategic principles that guide our corporate work on equality, diversity, and inclusion, this involved:

- Evidence and insight
- Consultation and Partnership working
- Developing a strategic approach
- Communicating our strategic approach
- Development of an Action Plan
- Implementation

We took the following approach:

Qualitative research

- Conducted an Independent Race Review by Prof. Patrick Vernon
- Feedback from 573 staff members via Race Survey conducted by FW Business
- Focus Groups with over 230 staff members

Quantitative research

- Analysis of Workforce Profile
- Ethnicity Pay Report (published as part of Cabinet papers)
- Findings from Race Survey

The Action Plan has considered key themes that emerged from the Independent Race Review, including:

- Psychological safety
- Racism in the workplace
- Challenges with management behaviour
- Lack of career opportunities for Black, Asian and Multi-Ethnic staff
- Impact of racism on health and well-being
- Race and sexism
- Institutional and structural racism

The council's high-level approach for the Race Equality Action Plan centres around:

1. **Creating safe spaces**
2. **Changing the organisation's culture and behaviour through leadership, training, and development**
3. **Recruitment and Retention**

Response to the Independent Race Review

Acknowledging and recognising the journey of 'righting the wrongs'

- A clear commitment to addressing deep-rooted inequalities and doing all that we can to become an inclusive anti-racist organisation and the recognition that we need to invest in the capacity to lead this and our broader EDI work.
- Personal pledge by CSB around their commitment to the EDI agenda

Recruitment and retention

- Reviewing our recruitment practices, including looking at more creative ways to ensure we are sourcing talent from a more diverse pool of candidates, and launching equality training for all recruiting managers.

Changing the organisation's culture and behaviour through leadership, training and development

- Making a clear commitment to developing our staff across all levels of the organisation by making EDI integral to the people strategy, 'Great People, Great Culture' and launching a series of new Diverse Talent Management training programmes and reviewing our use of the apprenticeship levy.

Creating safe spaces

- All staff will be expected to undergo mandatory EDI training and we are exploring ways to create a new reporting mechanism, which will allow staff to raise incidents of bullying, harassment, and racism anonymously both online and onsite.
- New Dignity at Work Policy and Zero Tolerance Statement

Governance and accountability processes

- New governance and accountability structures in place through CSB and the newly established Cross-Party Member's Working Group on BLM and EDI. The council's strategic objectives on race equality will be reported against quarterly as part of our usual HROD reporting mechanisms.

The Council's Race Equality Action Plan

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Creating safe spaces

1. To develop an inclusive culture of dignity at work for all and zero tolerance of racism and discriminatory practices.
2. To create a culture of openness and inclusivity by continuing to listen to our Black, Asian and Multi-ethnic staff on an ongoing basis and learning from their experiences in the workplace.
3. Senior leaders to cultivate an environment of psychological safety for all staff within the organisation, directorates, divisions, teams and on a one-to-one basis through personal interactions.

Changing the organisation's culture and behaviour through leadership, training and development

1. Senior leader sponsorship of our Black, Asian and Multi-ethnic staff with the aim of increasing representation at senior levels of the organisation through a number of avenues, such as shadowing, mentoring, access to opportunities, career coaching.
2. Each directorate to create their own clearly defined pathways for Black, Asian and Multi-ethnic staff by exploring opportunities for them to gain exposure to broad areas of work that contribute towards their career development.
3. Targeted training and development programme for staff from Black, Asian and Multi-ethnic backgrounds to progress from junior to middle management grades.

Recruitment and retention

1. The top 5% of our staff to be representative of our overall resident population by 2025.
2. Each Directorate to review the number of Black, Asian and Multi-ethnic staff within their services areas and take steps to adequately represent the community that we serve at all levels.
3. Transparency in the recruitment process across the organisation by providing sufficient training for staff before they undertake a recruitment exercise in order to tackle bias throughout the process and to ensure fairness.

A new offer for staff

Consideration for managers: Terminology and providing psychological safety

- Clear guidance for managers and all staff around creating safe spaces to build up psychological safety
- Key principles around what to do and what not to do when discussing race in the workplace
- Using the right inclusive language to help all staff along this journey

New approach to dignity at work and zero tolerance towards all forms of discrimination

- New Dignity at Work Policy which sets out the council's intention to create an environment built on dignity and respect
- New Zero Tolerance Statement aimed at staff, residents, suppliers, members, and all stakeholders that have an association with the organisation

Training and development

- A suite of new Diversity Talent programmes aimed at staff up to G8 and MG+ grades, including a women's development programme, Be You, Black on Board, First Steps to Management, Management Apprenticeships
- A more formalised approach towards mentoring, coaching and sponsorship

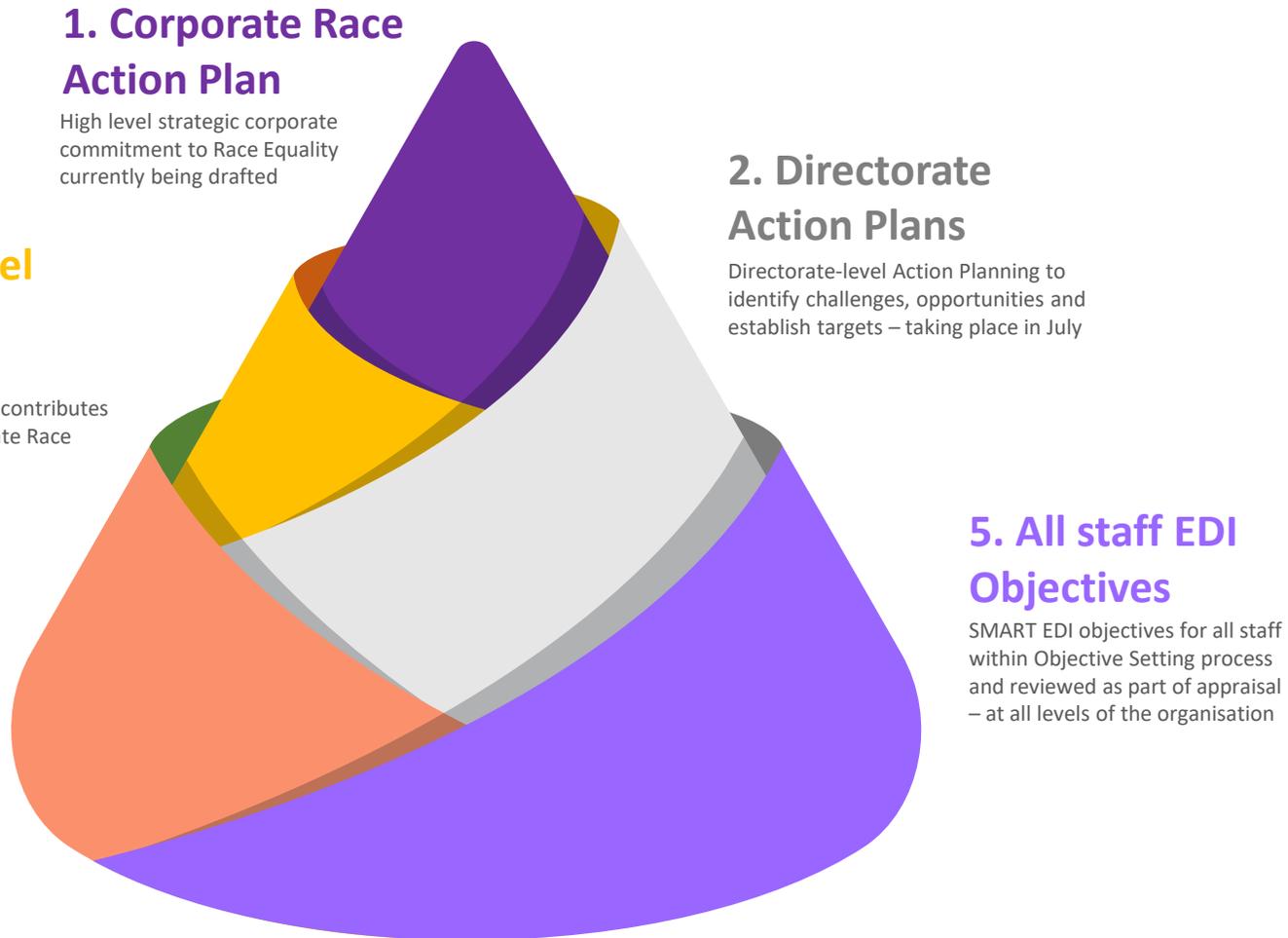
Supporting staff

- EDI mandatory training and anti-racism training
- New training to undertake Equality Impact Assessments
- Better access to evidence and insight via the EDI hub

In the process of launching:

- A new confidential reporting mechanism for all staff
- A new EDI toolkit to help managers guide the conversation around race equality in teams
- Anti-racism webinars to support staff around emerging language and building equity
- Equality training for the recruitment process for all recruiting managers
- EDI training during procurement to ensure diversity within our supply chains

Achieving our ambitions



Next steps

Last week

- The Race Equality in Harrow Council Report and Action Plan was published last week
- A new space has been created for Race Equality on the hub which contains details of all new initiatives
- A Staff Guidance has also been published to help staff navigate the Action Plan

This month

- The EDI team will be hosting a series of hybrid drop-in sessions to discuss the Action Plan and answer any questions (on-site and online)
- A paper copy of the report will be sent to colleagues who cannot access it remotely

November - December

- Continue to work with Directorates and Divisions over the coming months to support staff in setting their local objectives

January 2022

- A series of further drop-in sessions hosted by the EDI team for staff for post-implementation discussions and to take feedback on where improvements can be made on all initiatives that have been launched as part of the Action Plan

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**REPORT FOR: ECF
CABINET**

Date of Meeting:	12 January 2022 09 December 2021
Subject:	Draft Revenue Budget 2022/23 and draft Medium Term Financial Strategy 2022/23 to 2024/25
Key Decision:	Yes
Responsible Officer:	Dawn Calvert – Director of Finance and Assurance (S151 Officer)
Portfolio Holder:	Councillor Natasha Proctor – Portfolio Holder for Finance and Resources
Exempt:	No
Decision subject to Call-in:	Yes
Wards affected:	All
Enclosures:	Appendix 1A – Growth/Reversed savings and savings from 2021/22 Budget Process Appendix 1B – Savings and Growth 2022/23 from the 2020/21 Budget Process Appendix 2 - Medium Term Financial Strategy 2022/23 to 2024/25 Appendix 3 - Schools Budget 2022/23 Appendix 4 - Draft Public Health Budget 2022/23

This report sets out the draft revenue budget for 2022/23 and draft Medium Term Financial Strategy (MTFS) for 2022/23 to 2024/25. The budget and MTFS will be brought back to Cabinet in February 2022 for final approval and recommendation to Council.

Recommendations: (to Cabinet)

Cabinet is requested to:

- 1) Approve the draft budget for 2022/23 and the MTFS 2022/23 to 2024/25 for general consultation as set out in Appendices 1 and 2 so that Cabinet may later consider the budget in light of the consultation responses and the equality impact assessment (s) before it is referred to Council in February 2022.
- 2) Note the Spending Review 2021 confirmed broad plans for public spending for 2022/23, which will impact on local government, and that the draft budget will be updated when the detail is announced in the Indicative Financial Settlement which is expected mid to late December followed by the Final Settlement no later than January 2022 (paragraph 1.10).
- 3) Note the balanced budget position for 2022/23, the estimated budget gap of £14.847m for 2023/24 and an estimated balanced budget for 2024/25 based on the scenario of a Council Tax increase of 2.99% per annum over all three years of the MTFS (Table 2).
- 4) Note the use of £15.7m Budget Planning Reserve MTFS to achieve the balanced budget position for 2022/23 which is reversed out in the following year (Table 2).
- 5) Note the proposal to increase core Council Tax by 1.99% per annum 2022/23 to 2024/25 in line with Central Government spending power calculations (Table 2 and paragraph 1.20).
- 6) Note the proposal to increase Council Tax by 1% per annum 2022/23 to 2024/25 in line with Central Government spending power calculations in respect of the Adult Social Care Precept (Table 2 and paragraph 1.20).
- 7) Note the requirement to develop a fully costed budget and implementation plan to support the estimated financial challenges over the MTFS for presentation to Cabinet (paragraph 1.40).
- 8) Note there are no proposed structured changes to the schools funding formula for 2022/23 as set out in Appendix 3 and paragraph 1.47.

- 9) Approve the draft Public Health budget for 2022/23 as set out in Appendix 4.
- 10) Note the assumed funding for the protection of social care 2022/23 through the BCF as set out in paragraphs 1.51 to 1.54.
- 11) Authorise the Director of Finance and Assurance, following consultation with the Portfolio Holder for Finance and Resources, to agree Harrow's 2022/23 contribution to the London Borough's Grant Scheme (paragraph 1.57).

Final approval will be sought from Cabinet and Council in February 2022.

Reason: (For recommendations)

To ensure that the Council publishes a draft budget for 2022/23 and a draft three Year MTFS to 2024/25.

Section 2 – Report

BACKGROUND

- 1.1 Prior to the Covid-19 pandemic, Local Government finances continued to have a very difficult decade. A number of bodies, over recent years, have published studies which paint a similar picture of the challenges faced by the sector. In its recent publication ‘The Local Government Finance System: Overview and Challenges’, the National Audit Office provided an insight into such challenges including:
- After removing Council Tax, spending power funded by central government fell in real terms by more than 50% on a like for like basis between 2010/11 and 2020/21 with the reliance on Council Tax growing significantly over this period.
 - Funding reductions have coincided with growing service demand and cost pressures:
 - The population as a whole has grown by 7% since 2010/11.
 - Between 2010/11 and 2019/20 the number of adults aged 65 to 84 has increased by 21% and those over 85 have increased by 20%
 - Overall gross spending on Children’s social care has increased by 17% between 2010/11 and 2019/20
 - The number of homeless households in temporary accommodation has increased from approximately 48,000 in 2010/11 to approximately 92,000 by 2019/20
- 1.2 In their publication ‘Local Government Funding – Moving the conversation’ (June 2018) the Local Government Association shared a similar picture with their key statistics including:
- Analysis indicated that local services face a funding gap of £7.8billion by 2025 of which £6.6 billion would relate to Adults social care and Children’s services.
 - By 2020, local authorities will have faced a reduction to core funding from central Government of nearly £16 billion over the preceding decade.
- 1.3 In their press release following Spending Review 21, London Councils highlighted the specific challenges for London with borough’s seeing a 25% reduction in funding since 2010 even though population growth means there are now a million more Londoners.
- 1.4 With the Local Government sector being at the forefront of the response to both the public health and economic crises caused by Covid 19, it is hardly surprising that the pandemic has had a significant impact on local government finances which were already in a difficult position. Throughout the pandemic London Councils have monitored the financial impact of Covid-19 on boroughs using the monthly returns submitted to the Department for Levelling Up, Housing and Communities (DLUHC). Current findings show

that, as at September 2021, Boroughs are forecasting just over £1b of additional funding pressures in 2021/22. Total estimated funding for 2021/22 is £666b therefore funding announced so far falls short of the estimated impact by £384m.

- 1.5 Harrow remains one of the lowest funded Councils both within London and nationally. Table 1 below summarises the key financial changes over the 9 year period up to 2022/23:

Table 1: Summary of Key Financial Changes 2013/14 to 2022/23

	Revenue Support Grant	Demand Led Growth	Technical Growth	Savings	Additional Revenue from Council Tax	Business Rate	Revised Budget Requirement	Amount to be raised from Council Tax	Council Tax as a % of Budget Requirement
	£000	£000	£000	£000	£000	£000	£000	£000	%
2013/14	52.1	10	10	-22	-1.8	14.7	181,063	93,039	51
2014/15	42.6	5.5	-2.1	-10	-1.9	14.5	174,426	95,067	55
2015/16	32	7.7	5.9	-20.6	-3.4	14	166,171	98,496	59
2016/17	21.9	4.7	9.5	-16.6	-6.8	13.2	164,987	105,256	64
2017/18	13	10.7	-0.6	-10.2	-7.3	14.4	164,804	112,530	68
2018/19	7.3	9.8	1.7	-7.4	-5.3	14.4	168,917	117,804	70
2019/20	1.6	7.4	-4	-5.2	-8.5	14.4	167,081	126,295	76
2020/21	1.6	5.1	5.7	-3.8	-7.2	14.9	174,762	133,492	76
2021/22	1.6	16.5	-6.7	-3.6	-6.4	14.9	178,856	139,706	78
2022/23	1.6	4.2	0.9	1.0	-6.5	15.1	185,482	146,185	79
Total	50.5	81.6	20.3	-98.4	-55.1				

Over the 10-year period, the table shows:

- The Council's Revenue Support Grant (RSG), its main source of funding from central government, has reduced by 97% to just £1.6m, a reduction of £50.5m. To set this in context, the Council's net revenue budget requirement to support service delivery is £185.4m.
- In addition to the RSG, the Council does receive a number of other grants to support services. In the current financial year government grants are estimated at £329m however these grants are all ring fenced to specific areas of activity and cannot be used to support the core budget. The most significant of the grants include the Dedicated Schools Grant (£138m), Housing Benefits Grants (£116m) and Public Health Grant (£11m). The RSG is unringfenced and the Council has the discretion to spend it across all services hence why its reduction has caused significant challenges.
- Until SR 21 and the allocation of the Core Spending Grant, the Council has not received additional funding to meet demographic and

inflationary pressures. Therefore, growth of circa £81.6m has had to be provided to fund the continued pressures on front line services, including adults and children's social care, homelessness and waste services. Technical growth of £20.3m has had to be provided to fund inflationary pressures (pay and non-pay) and the cost of capital investment for which the council receives no additional funding.

- These three factors have taken the total budget shortfall to find over the nine years to £152.4m to achieve a balanced budget.
- Savings and efficiencies of £98.4m have been achieved but the profiling of these savings, and how the quantum has reduced in recent years, demonstrates the challenges of finding sustainable savings year on year. For the first time in 2020/21 the Council had to rely upon the use of reserves to balance its budget. Thankfully, through tight financial management, these reserves are now unlikely to be drawn down and can be retained to support the even larger pressures the Council faces over its MTFS.
- Council Tax has been increased largely in line with referendum limits and full use has been made of the Adults Social Care precept, both of which are in line with central government expectation. Again for 2022/23, the Council has little limited options and is proposing the maximum allowable increase in Council Tax of 2.99% which increases the transfer of responsibility onto the council taxpayer to 79%. It is important to note that again the Council is following central government expectations in terms of Council Tax increases as per their spending power calculations.

1.6 Despite all reasonable actions, including council tax increases, significant savings, and efficiencies and generating income, it still remains a considerable challenge for the Council to balance its annual budget in light of continued demand pressures, demographic changes and inflationary pressures compounded by a historically low funding base. In February 2021 full Council approved the Medium Term Financial Strategy (MTFS) 2021/22 to 2023/24. Despite achieving a balanced budget for 2021/22, there remained a budget gap of £29.749m over the final two years of the MTFS.

1.7 A budget gap of £29.749m is enough of a significant financial challenge from which to refresh the MTFS. Factor into this a disproportionate impact of Covid- 19 on the Borough and it leaves the Council in a grave financial position facing very difficult budget decisions. Covid-19 has had a disproportionate impact on the residents of Harrow. Since August 16th there have been 9,117 diagnosed cases of Covid-19 in Harrow, which represents a rate of 3,613 per 100,000 residents, a rate significantly higher than London of 3,110 per 100,000. Since the start of the pandemic the rate of deaths within 28 days of a positive test in London was 189 per 100,000 residents, in Harrow the rate was 218.

The Covid-19 pandemic has shown a light on existing health disparities within particular community cohorts which need managing. A particular example is the significant migration of the Romanian Community into Harrow. In

proportion to the overall population of the borough, Harrow has the highest number of Romanian residents in the country – 34,090 which represents 57.6 percent of our total European population (EUSS Statistics Home Office March 2021). It is in such community cohorts, that we have found higher degrees of vaccine hesitancy and reluctance to undertake Covid-19 testing which presents not only a health risk to the community, but also a risk to Harrow's Councils recovery plans.

- 1.8 Covid-19 has been shown to disproportionately affect older people and people from BME communities. Both these groups are more likely to become ill from Covid-19, require admission to hospital and subsequent support, and both these groups are more highly represented in Harrow than many other London Boroughs. The high number of 57 residential and care homes in Harrow, and outbreaks within them have certainly contributed to the high number of cases of Covid-19 in Harrow.
- 1.9 The disproportionate impact felt by Harrow has not been matched by a proportionate share of funding. Analysis shows that, over the four tranches of Emergency Funding received, Harrow ranked in 108th position nationally (out of 339) and across London in 26th position (out of 33, which is 8th lowest). In terms of the £1.55b grant allocated in the current financial year to Local Authorities to meet additional Covid-19 expenditure, Harrow received £6.051m, the 7th lowest allocation across London.

SUMMARY

- 1.10 The draft budget set out in this report shows an updated MTFs with several changes which Cabinet are asked to note. The changes achieve a balanced budget position for 2022/23, a budget gap of £14.847m for 2023/24 and an estimated balanced budget position for 2024/25. It's important to note that for 2024/25, a number of the budget adjustments are estimated at a high level due to the challenges of forecasting complex issues such as demand and demographics so far in advance. As the budget is approved annually the latter two years of the MTFs will be subject to much review and adjustment before finally being approved.

The draft MTFs is based on the SR 21, announced 27 October, which confirmed broad plans for public spending for the three years 2022/23 to 2024/25. SR 21 contained several policies and announcements which will impact on local government although the detail of these will only become clear in the Local Government Indicative Financial Settlement expected mid-December. There is still uncertainty around a number of adjustments, the most significant uncertainties being external grants and in particular the £1.5b per annum core spending grant. Estimates have been based on the most up to date information known at the time of setting the draft MTFs. but is very likely this position will change following the indicative settlement and this change could be for the better or worse. The final settlement is expected to be agreed no later than the end of January 2022. Whilst it is intended that Members will approve the MTFs in February 2022, it could still be subject to assumptions in relation to grant settlements, council tax income, legislation and demographics. The Council does hold a contingency for unforeseen items (£1.248m) which is intended to support uncertainties and the Council will still be required to review the Council's budget on a yearly basis.

EXTERNAL FUNDING POSITION

- 1.11 Harrow Council remains one of the lowest funded councils both in London and nationally. Harrow's core spending power per head in 2019/20 was estimated to be £170 lower than the London average and £75 lower than the rest of England average. Spending Review announcements since these calculations have done little to address the relative position of Harrow's funding baseline.

SPENDING REVIEW 2021

- 1.12 On 27 October 2021, the Chancellor of the Exchequer delivered Spending Review 21 (SR21) and the Autumn Budget. The latter set out the Government's taxation and public expenditure plans for the year ahead and SR21 confirmed resources and capital budgets for the three years 2022/23 to 2024/25. The key areas of the review pertaining to Local Government are detailed below and those that have been quantified in enough detail have been included in the draft budget and MTFs:

- The headline announcement was that Local Government Core Spending Power is to increase by £8.5b over 3 years (3% per annum in real terms). However, this assumes that Council Tax will be increased by the maximum allowable per annum over the three years of SR21. After excluding funding allocated for the Adult Social Care Reforms, the real terms increases are reduced to an average of 1.8% per annum.
- Council Tax referendum level is expected to remain at 2% and the Adults Social Care Precept at 1% per annum over the three years
- £3.6b over the three years for the Adult Social Care Funding Reform to cover preparation and implementation of the reforms, supporting those who reach the care cap and the fairer cost of care.
- £1.5b per annum of new grant funding intended to cover inflationary pressures, the employer NI increase of 1.25%, announcements on public sector pay, Covid-19 impact on demand (Adult social care, mental health and Children's Services). This must also cover the inflationary pressures felt by those outside Local Government which will come back into the sector via increased costs.
- There will be no separate compensation for 2021/22 Covid-19 Tax losses and no separate funding was announced for the legacy impacts of Covid-19, either income or expenditure.
- The Public Health Grant will stay flat in real terms
- The fundamental review of business rates 3 yearly revaluation from 2023, a freeze to bills in 2022/23 and 2 new reliefs but no major reform.

- Three announcements on pay:
 - Public Sector workers will receive pay rises over the next three years via the normal pay setting process
 - 6.6% increase to the National Living Wage to £9.50 per hour from April 2022
 - Increase in the National Minimum Wage
- £2.6b of capital funding for school places for children with special educational needs and disabilities
- There was no specific confirmation regarding funding for New Homes Bonus, Settlement Funding Assessment, Improved Better Care Fund, Adult Social Care Support Grant, Winter Pressures Funding, Social Care Grant, Rural Services Delivery Grant and Lower Tier Services Grant. For budgeting purposes, if the Council are entitled to these grants, they will be assumed to remain at 2021/22 levels.
- There was no confirmation of either the scope or timetable for the planned Local Government Finance Reforms, including business rates reset and the review of Relative Needs and Resources.

DELIVERY OF THE 2021/22 BUDGET

- 1.13 In these unprecedented times, delivery of the 2021/22 budget is critical to maintaining the Council's financial standing and to do everything possible to protect front line services whilst managing the impact of Covid-19 and the future impact of demand and activity on the MTFS.
- 1.14 Harrow has a good track record of robust financial management and has not reported a revenue budget overspend for many years. The performance against the 2021/22 budget is detailed in a separate report on this agenda, 'Qtr 2 Revenue and Capital Budget Monitoring 2021/22' report. This report forecasts a net overspend of £101k. This is reduction of £540k on the Qtr 1 reported forecast and is a positive sign the Council will achieve a balanced budget position by the end of the financial year.
- 1.15 The 2021/22 budget is supported by £6.051m of grant to meet additional Covid-19 expenditure, £700k Covid-19 income compensation grant and £3.5m of Controlling Outbreak Management Funding (COMF). SR21 made no announcement of continued funding for Covid-19 beyond 2021/22. The current MTFS already assumes that the first two sources of Covid-19 grant support are non-recurrent. In terms of the COMF, it has been confirmed that this funding cannot be carried forward into future years. Hence all activities funded from the COMF are being reviewed to ensure they are ceased by the end of March 2022 to prevent unfunded cost pressures being carried forward into 2022/23. Other Covid-19 Grant funding, which is received to support specific expenditure and not the general budget is all accounted for on a non-recurrent basis and is detailed in Appendix 3 of the 'Qtr 2 Revenue and Capital Budget Monitoring 2021/22' report which is elsewhere on this agenda

BUDGET PROCESS 2022/23

- 1.16 The Council has a statutory obligation to agree and publish the budget for 2022/23, and approval for this will be sought in February 2022. In preparing the 2022/23 budget and rolling forward the MTFS to cover the three-year period 2022/23 to 2024/25, the current MTFS has been the starting point for the process.
- 1.17 The Council's financial position and its operational environment has always been dynamic affected by a number of financial uncertainties and adjustments that impact upon its financial position over the short and medium term. In preparing the draft budget for 2022/23 the existing MTFS has been:
- Refreshed and rolled on a year
 - Updated to reflect the estimated impact of Covid -19 (both expenditure and income) beyond the current year
 - Updated to reflect the estimated impact of SR 21 where the financial implications can be assessed for the Council with a reasonable degree of certainty, accepting that there is an element of uncertainty and risk until the Indicative Financial Settlement is received mid to late December.
- 1.18 The adjustments are summarised in Table 2 below. Following Table 2 there is an explanation for the figures contained within. These adjustments are also set out in Appendix 2 along with adjustments included within the previous MTFS agreed as part of the 2021/22 Budget process:

Table 2: Changes to MTFS (Prior to Indicative Finance Settlement)			
	2022/23	2023/24	2024/25
	£'000	£'000	£'000
Published Budget Gap - February 2021	24,651	5,098	0
Adjustments:			
Council Tax /National Non Domestic Rates (NNDR)			
Increase in Council Tax @ 2.99% (1.99% core and 1% Adults Social Care Precept	-£4,229	-£4,371	-£4,500
Increase in Council Tax base	-£2,250		
Council Tax increase of 1.99% already in MTFS	£2,780	£0	£0
Collection Fund Deficit 2022/23	£52	-£52	
Reduction in retained NNDR	£205	£0	£0
NNDR Multiplier Grant	-£1,710		£0
Summary of Directorate Changes			
Investment - Special Educational Needs Transport	£750	£750	£750
Investment - Children's Services Placements and Workforce		£1,100	
Investment - Regeneration Team		£1,250	£0
Investment - London Living Wage	£450	£450	£1,000
Reversal of Savings - Transformation	£2,000		£0
Reprofiling - of Social Care growth already in MTFS:			
From Adults Services	-£565		
To Childrens Services	£565		
Reprofiling - Gayton Road LLP MTFS contribution	£62	-£22	-£12
Reprofiling - Community COVID loss of income	-£300	£300	£0
Technical Changes			
Saving - Existing Capital Financing and MRP	-£2,000	£0	£0
Additional Capital Financing from 2021/22 budget process			£224
Pay and Non Pay Inflation			£3,750
Estimated Directorate Growth			£3,788
Concessionary Fares / Freedom Passes	-£1,271	£644	£1,000
Spending Review - Estimated Additional Grants			
Increase - Adults Social Care Grant	-£800	-£5,600	-£8,000
Additional cost - Adult Social Care Reform	£800	£5,600	£8,000
Increase - Core Spending Grant	-£6,000	-£6,000	-£6,000
Additional cost - Employer NI increase @ 1.25%	£800	£0	£0
Additional cost - NNDR Multiplier Grant	£1,710		
Revised Budget Gap	15,700	-853	0
Application of Budget Planning Reserve MTFS	-£15,700	£15,700	
Estimated Budget Gap December 2021	£0	£14,847	0

Council Tax, Collection Fund and National Non-Domestic Rate Adjustments

- 1.19 In 2021/22 the Council tax base reduced to 87,387 from its 2020/21 base of 87,667 as a result of the weakening economy largely due to the Covid-19 pandemic. The current MTFS assumed no increase in the base beyond 2021/22. For 2022/23 the Council's tax base has been calculated, according to the relevant procedures and guidance, at 88,785 Band D equivalent properties, this being the gross tax base of 90,579 less a 2% bad debt provision. This is an increase of 1,398 Band D equivalent properties which will generate additional income of £2.250m. This estimated increase is based on assumptions new properties will come on stream and the numbers claiming Council Tax Support will reduce as the country moves out of the pandemic. Collection rates have performed better than expected throughout the pandemic and Harrow has provision for outstanding arrears up to the 31/03/21 of almost 100%. The collection rate for 2022/23 will remain at 98%. The calculation of the Council tax base for 2022/23 is subjected to a separate and more detailed report elsewhere on this agenda (Report: Calculation of Council Tax Base for 2022/23).
- 1.20 A maximum Council Tax increase of 2.99% is budgeted for 2022/23 to 2024/25 which is in line with central government expectations included in the SR21 announcements on core spending power for local government. This covers 1.99% for core Council Tax and a 1% for the Adult Social Care Precept. This will generate additional revenue of £4.229m in 2022/23. The current MTFS already assumes a core Council Tax increase of 1.99% (£2.780m) which is adjusted for.
- 1.21 The Collection Fund and its impact on the 2022/23 budget is subject to a separate report elsewhere on this agenda (Report: Estimated Surplus / (Deficit) on the Collection Fund 2021/22). The estimated impact on the 2021/22 Collection Fund is a small deficit of £52k which must be accounted for as a one-off charge against the 2022/23 budget.
- 1.22 Of the National Non-Domestic Rates collected, Harrow retains 30% with 70% being handed over to Central Government and the Greater London Authority. Harrow's 30% retained share is estimated to reduce from £15.346m to £15.141m, hence a reduction of £205k in the 2022/23 draft budget. The main reasons for the changes in yield are:
- Tax Base being eroded by commercial property being converted to domestic accommodation or being demolished and awaiting domestic properties being built
 - More occupiers claiming Small Business Rates Relief (SBRR) and Retail Relief
 - Insufficient new commercial properties being built to offset losses

The NNDR collection rate will remain at 98%. A more detailed report on the calculation of the retained NNDR tax base will be brought to Cabinet in January 2022.

- 1.23 The NNDR tax base used to calculate the 2022/23 rate retention amounts has not this year benefited from the September 2021 CPI which is used to calculate the following financial year's rating multiplier. SR21 announced that

the multiplier would be frozen for 2022/23 which means businesses will not see an increase in their bills and the Council will be compensated for this loss of inflationary income through the NNDR Multiplier Grant which is estimated at £1.710m. SR21 was very unclear whether the Multiplier Grant would continue as a separate grant or whether it would be wrapped up as part of the new core spending grant. The draft 2022/23 budget has been prepared on a prudent basis and assumes the Multiplier Grant will no longer be a separate grant.

Summary of Directorate Changes

- 1.24 Spend on Special Educational Needs (SEN) Transport continues to grow and over the last four years spend has on average increased by £500k per year from £4.1m in 2017/18 to projected £5.9m in 2021/22. There are over 1,800 children and young people with Education Health & Care Plans (EHCPs) and approximately 40% of these are accessing SEN Transport. It is anticipated that the number of children and young people with EHCPs will increase to over 2,000 by 2023 which on the same ratio could mean a further 80 to 100 children requiring transport by 2023. The type of transport required is dependent upon the education setting the child attends as well as the child's special educational need and disability (SEND) /medical diagnosis and behaviour. The main focus of the Council's SEND strategy is to ensure that as many children are educated in local in-borough SEND provision to prevent high cost out of borough independent placements where the needs could be met in borough but for the fact that capacity is an issue. However, the SEND Strategy is a medium to long term strategy due to the lead-in time it takes to create additional provision. It is projected that £750k growth per annum will be required to meet the costs of SEN Transport over the period of the MTFS. This has been provided for but SEN Transport is subject to a separate review with a view to, amongst other things, reduce this estimated pressure on the MTFS.
- 1.25 In Children & Young People Services, there has been an increase in the number of Children In Need and children subject to Child Protection Plans as more families' needs are managed within the community as well as increased Early Support engagement putting pressure on the workforce and social worker caseloads. In addition, there are more children requiring placements with more complex and challenging needs and an increase in the average weekly cost of placements putting significant pressure on placements and other client related budgets. In Education Services there has been a significant increase in referrals and assessments and the number of young people with an Education Health & Care Plan. This is putting significant pressure on the workforce and casework officer caseloads. In the current financial year, Children's Services are forecasting a net pressure, after draw down from reserve, of £1.564m. The current MTFS already assumes growth of £1.205m for 2022/23 and draft budget for 2022/23 proposes to re-profile an additional £565k growth from Adult Services. Also, there is expected to be a balance on the Children's Social Care Reserve (currently sitting in the Revenue Grants Reserve) of £1.117m at the end of this financial year which can be used in 2022/23 to support pressures. As this reserve funding is temporary, this has been provided for as permanent growth from 2023/24.

- 1.26 At its meeting on 1 July 2021, Cabinet approved the setting up and commencement of the Harrow Strategic Development Partnership (HSDP) with Wates Construction Ltd. Funding has previously been set aside up to 2022/23 to fund a Regeneration Team to support the HSDP. From 2023/24 the required team budget of £1.25m has been built into the draft MTFS.
- 1.27 Elsewhere on this agenda, there is a separate report which recommends the Council's application to the Living Wage Foundation to become an accredited authority. To support this strategy, which has a seven-year implementation plan, investment of £1.9m is provided for in the draft MTFS. (Report: Application to the Living Wage Foundation to become an accredited authority).
- 1.28 In the 2020/21 budget setting process, a Council Wide transformation target of £1m in both 201/22 and 2022/23 was set. Due to the impact of Covid-19 on the organisation's capacity, this £2m target has had to be removed from the draft MTFS at this time.
- 1.29 In the current MTFS Adults Social care growth of £3.691m is already provided for to fund complexity and demand care growth and care provider inflation. This growth has been reviewed and it is estimated that it can be reduced by £565k and moved over to Children's Services to support their increasing pressures already covered in this report. The Adult Social Care Reserve is forecast to have no planned draw downs in the current financial year and will remain at £1.969m to support the service.
- 1.30 The current MTFS assumes an annual contribution from Concilium Assets LLP (which manages the private rented sector properties at Gayton Road) of £642k by 2022/23. This annual contribution has been reprofiled slightly to be re-profiled in full by 2025/26.
- 1.31 A significant impact of Covid-19 in the current financial year is the loss of income in the Community directorate. Growth of £5m had to be provided for in the current years budget with 80% of this income loss estimated to be recovered over the next two years. Income budgets within the directorate have been robustly managed throughout the year and, whilst the quantum of income recovery remains at 80%, its recovery is estimated to be quicker than originally planned to the betterment of £300k in 2022/23.

Technical Changes

- 1.32 Over recent years the Council has pursued a strategy of internal borrowing rather than taking on external debt to fund its Capital Programme. This, along with the application of capital receipts and the continued slippage on the programme has led to in year savings against the capital financing budget. In year these savings are being used to minimise the planned draw down from reserves and from 2022/23 a permanent budget reduction of £2m is estimated. This will be refined in preparation for the final budget.
- 1.33 As part of the prior years process for re setting the existing three-year Capital Programme up to 2023/24, there was a cost implication of £224k which fell in 2024/25 and this is now reflected in the draft MTFS. The updated Capital Programme is subject to a separate report on this agenda. The additional

capital financing cost associated with the new proposed Capital bids across all 3 years (which total a net increase in the Programme of £16.325m) is £2m in total in 2025/26. As this year is outside of the current period of the MTFS, this increase needs to be factored into the budget for 2025/26 as part of next year's 2023/24 budget process.

- 1.34 The current MTFS assumes £4.750m in both 2022/23 and 2023/24 for pay and non-pay inflation. For 2022/23 this is notionally split £2m for pay inflation at 2% and £2.75m non pay inflation. The pay award for the current financial year is not agreed at the time of writing this report and, with high inflation rates, there is concern that the current provision for 2% for pay in 2022/23 may not be sufficient and there will be a call on the non-pay provision. The remainder of the non-pay inflation budget is provisionally allocated to energy inflationary pressures and as further support to the front-line budgets. In 2023/24 the £4.750m is provisionally split £2.75m for pay and £2m for front line pressures which are not accounted for separately in the MTFS.
- 1.35 In 2024/25 provisions has been made for £3.750m pay and non-pay inflation and £3.788m for directorate growth. It is accepted that these are high level estimates for the third year of the MTFS, which could be achieved within a forecast balanced budget position and which will be refined as part of the MTFS refresh process and as future directorate plans are worked through. If these provisions do prove to be high, they can be reversed out of the budget.
- 1.36 The Concessionary Fares / Freedom Pass Scheme provides free travel for older and disabled London residents on all Transport for London (TFL) travel modes and on most National Rail routes (with restrictions). The methodology used for settlement of the scheme with TFL uses journey data for the previous 2 years. Covid-19 has significantly reduced the use of public transport, including among concessionary fare passengers and London Councils have provided 2-year cost estimates for each London Borough. Harrow's concessionary fares base budget is £8.590m. Further savings of £1.253m are estimated for 2022/23 over and above those already assumed. However, for 2023/24, journeys are estimated to increase and growth of £644k will be required in addition to that already planned to take the base budget to £7.778m.

Spending Review – Estimated Additional Grants

- 1.37 As previously explained, SR21 announced £3.6b over the three years for the Adult Social Care Funding Reform to cover preparation and implementation of the reforms, supporting those who reach the care cap and the fairer cost of care. The allocation of this funding will not be announced until the Indicative Financial Settlement in December. For budgeting purposes, the profiling of the funding has been based on information received from London Councils. The Council 's share is based on proportionality, i.e. Harrow's proportionate share of Adults Social care nationally (0.004). As this funding is ring fenced to funding the costs of the reforms, it will have a neutral impact on the MTFS as funding received is matched by new expenditure.
- 1.38 Again, as previously explained, SR21 announced £1.5b per annum of new core grant funding intended to cover inflationary pressures, the employer NI increase of 1.25%, announcements on public sector pay, Covid-19 impact on

demand (Adult social care, mental health and Children's Services). This must also cover the inflationary pressures felt by those outside Local Government which will come back into the sector via increased costs. Again, the allocation of this funding will not be announced until the Indicative Financial Settlement in December and proportionality of 0.004 has been applied resulting in an estimated annual grant sum into the Council of £6m.

- 1.39 Prior to SR21, an increase in employer NI by 1.25% was announced and the estimated impact for the Council is £800k.

Application of Budget Planning Reserve MTFS

- 1.40 After all known adjustments, some based on estimates which will be subject to change, the draft budget for 2022/23 still shows a budget gap of £15.7m. Whilst all efforts have been made to include all quantifiable SR21 announcements within the MTFS it is recognised that there is still a level of clarity to be sought from the indicative settlement in late December, which will impact on the budget gap making it better or worse. The Council could embark on a drastic programme of cuts to immediately address the draft budget gap or it could call upon reserves, set aside for budget planning purposes, to provide a temporary solution. However once the indicative settlement had been announced and the implications worked through for the Council, this will finally clarify the Council's financial position for the next three years. Whilst the Council will continue its lobbying for a fairer funding settlement which meets the needs of the borough, the Council must now urgently focus on a strategy to tackle its financial challenges and for this reason the Council must develop a fully costed budget and implementation plan addressing the budget gap. This plan will be reported through the Cabinet process identifying in years and / or savings to be built into the next refresh of the MTFS.
- 1.41 The Council has a Budget Planning Reserve MTFS of £15.836m. This report recommends applying £15.7m of this reserve to clear the 2022/23 estimated budget gap. The action of applying one off reserves to the budget gap is only temporary in nature and must be reversed out in the following year, the impact being the draft MTFS shows a budget gap of £14.847m in 2023/24.
- 1.42 All efforts have been made to set a realistic budget for 2022/23 making provisions for all known growth / investment requirements and prudent assumption on grants not quantified. For these reasons, it is hoped that the settlement does not have an adverse impact on the budget gap. The first call on any financial benefit gained from the settlement not already planned for must be applied to reducing the £15.7m of one-off reserves to balance the 2022/23 budget gap. This action will immediately reduce the estimated budget gap of £14.847m in 2023/24 as a lower level of one-off reserves will be reversed out.

Budget Refresh, Growth & Savings

1.43a There is a commitment to refresh the three-year MTFS annually to ensure it remains reflective of the changing Harrow and Local Government landscape. All the savings in the current MTFS for 2022/23 have been reviewed to ensure that they can either be taken forward or removed as part of this draft budget. Table 3 below summarises the growth/reversed savings and savings from the 2021/22 process and table 4 summarises the position from the prior years budget setting process. The summary information in the tables is support by the details in appendices 1A and 1B:

Table 3: Growth/Reversed savings and Savings from 2021/22 Process			
	2022-23	2023-24	Total
	£000	£000	£000
Reversal of prior year savings/ growth and new savings			
Resources	(177)	-	(177)
Children			-
Community	(300)	(600)	(900)
Corporate	1,475	600	2,075
Total	998	-	998
Growth and reversal of prior year savings			
Resources	-	-	-
Adults	1,047	-	1,047
Children	1,205	-	1,205
Community	(1,918)	(1,499)	(3,417)
Corporate	-	-	-
Total	334	(1,499)	(1,165)
Net Impact of Reversals/Growth and Savings	1,332	(1,499)	(167)

Table 4: Savings and Growth 2022/23 from the 2020/21 Budget Process

	2022-23	Total
	£000	£000
Savings Summary		
Resources	-	-
Children	-	-
Community	-	-
Corporate	(2,222)	(2,222)
Total Savings	(2,222)	(2,222)
Growth Summary		
Resources	678	678
Adults	-	-
Children	-	-
Community	-	-
Corporate	-	-
Total Growth	678	678
Total Savings and Growth	(1,544)	(1,544)

CAPITAL RECEIPTS FLEXIBILITY

- 1.43b In 2016 the government announced the Capital Receipts Flexibility Scheme to support local authorities to deliver more efficient and sustainable services by allowing them to spend up to 100% of their fixed assets receipts on the revenue costs of reform projects. The flexibility is in place until 2021/22. In its Local Government Finance Settlement, published in February 2021, MHCLG announced a further extension from 2022/23 onwards of the existing scheme. The settlement indicated further details on the extension will be published in due course and, until received, the principles of the existing flexibilities will be assumed.
- 1.44 In June 2021, a report was taken to Cabinet proposing to fund the modernisation and organisation funding requirement of £4,444,638 under the capital flexibilities scheme with the receipts being generated from the sale of development at Waxwell Lane and Haslam House. As these schemes are due to complete between now and final budget, the profiling of the capital flexibilities being applied will be updated in the final budget.

SCHOOLS FUNDING FOR 2022/23

- 1.45 In 2018/19 the government introduced a new National Funding Formula (NFF) for Schools, High Needs and the Central Schools services Block. For the Schools Block this means LAs are funded based on the total of the NFF for all schools, academies and free schools in its area. However, the final formula for distribution is determined by each Council following consultation with schools and Schools Forums.
- 1.46 The LA carried out a consultation in Autumn 2017 which sought views on whether the LA should continue to use the Harrow Schools Funding Formula or introduce the National Funding Formula from 2018/19. 76% of schools responded to the consultation and 89% voted in favour of introducing the NFF

from 2018/19. This was approved by Cabinet in February 2018 and school budgets for the last three years have been set based on the NFF.

- 1.47 The NFF will therefore continue to be used to distributed school budgets for 2022/23 There are no proposed changes to the structure of the formula for 2022/23. The proposed final funding formula and final DSG allocations will be reported to Cabinet in February 2022 for approval.

PUBLIC HEALTH FUNDING 2022/23

- 1.48 In 2021/22 the total public health grant to local authorities totalled £3.324bn, with £11.310m being allocated to Harrow. The grant is ringfenced for use on public health functions exclusively for all ages of the population and must be spent in accordance with grant conditions on expenditure incurred by local authorities for the purposes of their public health functions, as specified in Section 73B(2) of the National Health Service Act 2006.
- 1.49 The draft Public Health commissioning intentions detailed in Appendix 4 are based on the current (2021-22) grant allocation as Public Health England have yet to announce national funding for 2022-23, however the comprehensive spending review confirmed that the grant would be maintained in real terms. These commissioning intentions reflect alignment with the Health & Wellbeing Strategy, Borough Plan and evidence of population priorities.
- 1.50 The Council consider that this level of funding enables the Council's overarching statutory duties (including equality duties) to be maintained, taking account of the joint strategic needs assessment, however in the event that additional duties are required by Councils, and if these were unfunded, the commissioning intentions would need to be reviewed in light of the allocated grant envelope.

BETTER CARE FUND (BCF) 2022/23

- 1.51 The framework for the Better Care Fund (BCF) derives from the government's mandate to the NHS which sets an objective for NHS England to ring fence funding to form the NHS contribution to the BCF. The NHS Long Term Plan, published in January 2019 set out the priorities for transformation and integration, including plans for investment in integrated community services and next steps to develop Integrated Care Systems.
- 1.52 The BCF continues to provide a mechanism for personalised, integrated approaches to health and care that support people to remain independent at home or to return to independence after an episode in hospital. The continuation of the national conditions and requirements of the BCF provides opportunities for health and care partners to build on their plans to embed joint working and integrated care further, including how to work collaboratively to bring together funding streams to maximise the impact on outcomes for communities and sustaining vital community provision.
- 1.53 The 2022/23 Adults budget assumes that funding for the Protection of Social Care through the BCF will remain at the agreed 2021/22 level of £6.759m, although this should be expected to increase in light of the NHS funding

commitments made within the spending review. The Better Care Fund Policy statement and Policy Framework and Planning Requirements will provide the detailed guidance when published in early 2022 (usually March), however the requirements around integration and collaborative working are expected to continue.

- 1.54 The 2022/23 BCF plan will be signed off by the Health & Wellbeing Board ahead of submission to, and assurance by, NHS England.

RESERVES AND CONTINGENCIES

- 1.55 Reserves and contingencies need to be considered in the context of their role to protect the Council's financial standing and in the context of the overall risks that the Council faces during a continuing period of economic uncertainty. The MTFS reflects the Council's need to ensure an adequate level of reserves and contingencies which will enable it to manage the risks associated with delivery of the budget including equalities impacts and unforeseen events. The Councils overall reserves position is reported to Cabinet quarterly as part of the revenue monitoring update. At quarter 2 (end of September 2021), total reserves are £64.720m. After accounting for ear marked reserves and the £15.7m recommended to balance the 2022/23 budget, this does leave the Councils remaining non ear marked reserves at a much-reduced level:

- Contingency for Unforeseen items £1.248m (on going revenue reserve)
- General Fund – £10m
- London Living Wage - £250k (provision recommended for base budget)
- Business Risk Reserve - £3.350m
- MTFS Implementation Reserve – £349k
- Balance Budget Planning MTFS - £136k

- 1.56 At the end of the financial year, all reserves are reviewed. The Director of Finance and Assurance will report on the adequacy of the Council's reserves as required in the budget setting report in February 2022.

LONDON BOROUGH GRANTS SCHEME

- 1.57 Harrow's contribution to the London Borough's Grant Scheme was £187k in 2021/22. At the time of writing this report the Council has not been notified of the recommended contribution for 2022/23. To ensure that the Council can respond to London Council's when contribution rates are notified, it is recommended that Cabinet authorise the Director of Finance & Assurance to agree Harrow's 2022/23 contribution to the London Borough's Grant Scheme, in consultation with the Portfolio Holder for Finance and Resources. The contribution rate will be reported to Cabinet in February 2022 as part of the final budget.

2.0 CONSULTATION

2.1 As a matter of public law the duty to consult with regards to proposals to vary, reduce or withdraw services will arise in 4 circumstances:

- Where there is a statutory requirement in the relevant legislative framework;
- Where the practice has been to consult or where a policy document states the council will consult then the council must comply with its own practice or policy;
- Exceptionally, where the matter is so important that there is a legitimate expectation of consultation and;
- Where consultation is required to complete an equalities impact assessment.

2.2 Regardless of whether the council has a duty to consult, if it chooses to consult, such consultation must be carried out fairly. In general, a consultation can only be considered as proper consultation if:

- Comments are genuinely invited at the formative stage;
- The consultation documents include sufficient reasons for the proposal to allow those being consulted to be properly informed and to give an informed response;
- There is adequate time given to the consultees to consider the proposals;
- There is a mechanism for feeding back the comments and those comments are conscientiously taken into account by the decision maker / decision making body when making a final decision;
- The degree of specificity with which, in fairness, the public authority should conduct its consultation exercise may be influenced by the identity of those whom it is consulting and;
- The consultation is clear on the reasons and extent to which alternatives and discarded options have been discarded.

2.3 Public consultation on the overall budget for 2022/23 will commence on 10 December 2021 and will last for a period of 4 weeks ending 07 January 2022 before the final budget is recommended to Full Council on the 24 February 2022. The public consultation will give residents an opportunity to comment on the 2022/23 overall budget before final decisions are formalised in the council's annual budget. Other key stakeholders, including Union Representatives, local businesses, employees and the Council Scrutiny function will also be fully consulted in the draft budget and MTFs before final approval.

2.4 In terms of service specific consultations, the council has a duty to consult with residents and service users in a number of different situations including where proposals to significantly vary, reduce or withdraw services. Consultation is also needed in other circumstances, for example to identify the impact of proposals or to assist with complying with the council's equality duties. Where appropriate, separate service specific consultations have already taken place or will be taking place for the 2022/23 savings and may be subject to a separate cabinet report.

3.0 PERFORMANCE ISSUES

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

4.0 RISK MANAGEMENT IMPLICATIONS

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

Separate risk register in place? No

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

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

Risk Description	Mitigations	RAG Status
Inability to deliver the Council’s approved MTFS - over the next 3 years leading to an inability to set a balanced budget and provide core services	<ul style="list-style-type: none"> • Process to challenge and quality-assure MTFS savings and impacts submitted • Process to ensure MTFS accurately reflects demand & legislative changes • In-year Revenue & Capital monitoring reported to CSB, Cabinet and all members regularly • Revenue budget contingency remains in place for unforeseen items • Strategic financial planning with CSB & Cabinet 	<p style="background-color: red; color: black; padding: 5px;">Red At Quarter 3 2020/21 this risk is rated at B2 on the Corporate Risk Register – high likelihood and critical impact.</p>
The draft budget was based on the Spending Review 2021 that confirmed broad plans for public spending for 2022/23. There is a risk that the Indicative Financial Settlement which is expected mid to late December followed by the Final Settlement no later than January 2022 differ requiring changes to the budget	<ul style="list-style-type: none"> • Draft budget based on most up to date information from London Councils and DHLUC based on prudent assumptions • The final budget will be prepared taking into account the Final Settlement • There is a contingency for unforeseen items (£1.248m) which is intended to support uncertainties 	<p style="background-color: yellow; color: black; padding: 5px;">Amber</p>

<p>The budget gap of £14.847m identified for 2023/24 is larger than predicted and the estimated balanced budget for 2024/25 is unachievable.</p>	<ul style="list-style-type: none"> • Draft budget based on most up to date information from London Councils and DHLUC based on prudent assumptions • Directorate pressures have been included where known • The Council still has its general fund reserve balance of £10m 	<p>Amber</p>
<p>The application of one off reserves to balance the 2022/23 budget pushes the budget gap into 2023/24</p>	<ul style="list-style-type: none"> • The Council still has its general fund reserve balance of £10m • £x of other non- earmarked reserves remain on the balance sheet to help support the MTFS • Development of a fully costed budget and implementation plan addressing the budget gap and reported to Cabinet which could include in year savings for 2022/23 	<p>Red</p>
<p>Balanced budget for 2021/22 not achieved adversely impacting on the 2022/23 budget</p>	<ul style="list-style-type: none"> • There is a contingency for unforeseen items (£1.248m) which has not been called upon • Harrow has a good track record of robust financial management and has not reported a revenue budget overspend for many years. • The 'Qtr 2 Revenue and Capital Budget Monitoring 2021/22' report forecasts a net overspend of £101k. This is reduction of £540k on the Qtr 1 reported forecast and is a positive sign the Council will achieve a balanced budget position by the end of the financial year. 	<p>Green</p>

5.0 LEGAL IMPLICATIONS

5.1 Section 31A of the Local Government Finance Act 1992 requires billing authorities to calculate their council tax requirements in accordance with the prescribed requirements of that section. This requires consideration of the

authority's estimated revenue expenditure for the year in order to perform its functions, allowances for contingencies in accordance with proper practices, financial reserves and amounts required to be transferred from general fund to collection fund.

- 5.2 Local authorities owe a fiduciary duty to council tax payers, which means it must consider the prudent use of resources, including control of expenditure, financial prudence in the short and long term, the need to strike a fair balance between the interests of council tax payers and ratepayers and the community's interest in adequate and efficient services and the need to act in good faith in relation to compliance with statutory duties and exercising statutory powers.
- 5.3 Cabinet is approving these proposals for consultation after which a cumulative equalities impact will be drafted. These proposals will be referred to Council so that Council can approve the budget envelope and set the Council Tax. There will be contingencies within the budget envelope so that decision makers have some flexibility should any decisions have detrimental equalities impacts that cannot be mitigated.

6.0 FINANCIAL IMPLICATIONS

- 6.1 Financial Implications are integral to this report.

7.0 PROCUREMENT IMPLICATIONS

- 7.1 There are no procurement implications arising from this report.

8.0 EQUALITIES IMPLICATIONS / PUBLIC SECTOR EQUALITY DUTY

- 8.1 Decision makers should have due regard to the public sector equality duty in making their decisions. The equalities duties are continuing duties they are not duties to secure a particular outcome. The equalities impact will be revisited on each of the proposals as they are developed. Consideration of the duties should precede the decision. It is important that Cabinet has regard to the statutory grounds in the light of all available material such as consultation responses. The statutory grounds of the public sector equality duty are found at section 149 of the Equality Act 2010 and are as follows:

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

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

Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- (a) *remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;*
- (b) *take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;*
- (c) *Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.*

The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- (a) *Tackle prejudice, and*
- (b) *Promote understanding.*

Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act.

The relevant protected characteristics are:

- *Age*
- *Disability*
- *Gender reassignment*
- *Pregnancy and maternity*
- *Race*
- *Religion or belief*
- *Sex*
- *Sexual orientation*
- *Marriage and Civil partnership*

- 8.2 Directorate proposals will be subject to an initial equalities impact assessment followed by a full assessment where appropriate. These will be published along with the final budget and MTFS report to February Cabinet. An assessment will also be carried out on the whole budget, when all proposals have been identified, to ensure that decision makers are aware of any overall equalities impact on the protected characteristics listed above.

9.0 COUNCIL PRIORITIES

- 9.1 The Council's draft budget for 2020//21 has been prepared in line with the Council's priorities:

- Building a Better Harrow
- Supporting Those Most in Need
- Protecting Vital Public Services
- Delivering a Strong Local Economy for All
- Modernising Harrow Council

Section 3 - Statutory Officer Clearance

Statutory Officer: Dawn Calvert

Signed by the Chief Financial Officer

Date: 30 November 2011

Statutory Officer: Jessica Farmer

Signed on behalf of the Monitoring Officer

Date: 30/11/2021

Chief Officer: Charlie Stewart

Signed by the Corporate Director

Date: 30 November 2021

Head of Procurement: Nimesh Mehta

Signed by the Head of Procurement

Date: 30 November 2021

Head of Internal Audit: Susan Dixon

Signed by the Head of Internal Audit

Date: 26 November 2021

Mandatory Checks

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

EqIA carried out: NO To be reported on as part of the Feb Budget report.

EqIA cleared by: N/A

Section 4 - Contact Details and Background Papers

Contact: Dawn Calvert, Director of Finance and Assurance,

Tel: 0208 4209269, dawn.calvert@harrow.gov.uk

Background Papers: none

Call-in waived by the Chair of Overview and Scrutiny Committee

NO

Growth/Reversed savings and savings- 2021/22 Budget Process														
Item No	Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction	2020/21 Service Budget	agreed Savings /growth 2020/21	agreed' Savings /growth 2021/22	Net budget	2022-23	2023-24	Total	Risk	EQIA Required Y/N	Does this proposal impact on another directorate Y/N	Key Stakeholders to consult 'Yes/No Completed
				£000	£000	£000	£000	£000	£000	£000				
Reversal of prior year savings/ growth and new savings														
Resources Directorate														
1		Legal & Governance	Bucks and Aylesbury Vale District Council exit of shared service with Legal Services. Scale down the growth agreed in 20/21 budget process.The growth was to fund the net impact of this lost income.	7,550	0	0	7,550	(177)		(177)		N	N	
			Resources total	7,550	-	-	7,550	(177)	-	(177)				
Community Directorate														
3		Housing General Fund	Property Acquisition Programme - Savings in Temporary Accommodation costs as a result of purchasing properties to use for temporary accommodation as an alternative to using Bed and Breakfast and Private Sector Leasing to house the homeless. The Capital Programme allocation to be funded from borrowing is approximately £6m pa for 2021/22, 2022/23 and 2023/24 - totalling £18.062m over a 3 year period. Based on Capital financing costs of 5% (2% MRP and 3% interest), the annual cost would be £900k by year 3. The saving will be reviewed and adjusted according to capital spend taking place.					(300)	(600)	(900)		N	N	
			Community Total		-	-	966	(300)	(600)	(900)		-		
Corporate														
4	Corporate	Capital Financing	Capital Financing costs as a result of the Property Acquisition Programme. To be offset by savings in the Housing General Fund included in this schedule.					300	600	900		N	N	
5	Corporate	Corporate	Removal of Investment Property Capital Budget and savings associated.		-	(7,050)	(7,050)	3,525	-	3,525		N	Y	
6	Corporate	Corporate	Capital financing costs reduced as a result of removal of Investment Property Capital Budget		-	4,700	4,700	(2,350)	-	(2,350)		N	Y	
			Corporate Total					1,475	600	2,075		-		
			Total					998	-	998				

Growth/Reversed savings and savings- 2021/22 Budget Process														
Item No	Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction	2020/21 Service Budget	agreed Savings /growth 2020/21	agreed' Savings /growth 2021/22	Net budget	2022-23	2023-24	Total	Risk	EQIA Required Y/N	Does this proposal impact on another directorate Y/N	Key Stakeholders to consult 'Yes/No Completed
Growth and reversal of prior year savings														
People Directorate														
			Adults											
10		Placements	Demand Pressures - additional pressures identified and reported to Cabinet in February 2020.	35,686	7,317	0	43,003	1,047	-	1,047		N	N	N
			Total Adults					1,047	-	1,047				
			Children's Services											
12	PCS21.22_G01	CYPS	Children's Placements & Accomodation	25,482				1,205		1,205		N	N	No
			Total Children's Services		-	-	-	1,205	-	1,205				
			People Total		-	-	-	2,252	-	2,252				
Community														
14	COM21.22_G01	Directorate wide	Impact of Covid-19: Loss of income across Community directorate	(46,399)	-	-	(46,399)	(2,218)	(1,799)	(4,017)		N	N	No
19	COM21.22_G06	Waste Services	West London Waste Authority Levy increases as a result of waste growth, household growth and contract price inflation	8,357			8,357	300	300	600		N	N	No
			Community Total		-	-	-	(1,918)	(1,499)	(3,417)				
			Total		-	-	-	334	(1,499)	(1,165)				
			Net Impact of Reversals/Growth and Savings					1,332	(1,499)	(167)				

Total Savings and Growth 2022/23 from 2020/21 Budget Process											Appendix 1B	
Item No	Unique Reference No.	Headline Description re: saving / reduction	2019/20 Service Budget	agreed Savings /growth 2020/21	agreed'Sa vings /growth 2021/22	Net budget	2022-23	Total	EQIA Required	Y/N	Does this proposal impact on another directorate Y/N	Key Stakeholders to consult 'Yes/No Completed
			£000	£000	£000	£000	£000	£000				
Savings												
Corporate												
27	COR 02	Gayton Road - income from 53 PRS units					(47)	(47)	N		N	N
29	COR 04	Income from £100m Investment Property Purchase					(3,525)	(3,525)	N		N	N
30	COR 05	Capital Financing Cost of the £100m Investment Property					2,350	2,350	N		N	N
	COR 04 and 05	The net impact of the Investment Property income is being reversed out in Appendix 1A										
31	COR 06	Transformation Target - additional £1m over and above SEN Transport target per annum					(1,000)	(1,000)	N		N	N
		Corporate Total					(2,222)	(2,222)				
		Total Savings					(2,222)	(2,222)				
Growth												
Resources												
2	RES G2	Bucks and Aylesbury Vale District Council exit of shared service with Legal Services. The growth is to fund the net impact of this lost income.					678	678	N		N	N
	RES G2	A proportion of this growth is being reversed out in Appendix 1A										
		Resources Total		-	-	-	-	678	678			
		Total Growth		0	0	0	0	678	678			
		Net Savings/Growth					(1,544)	(1,544)				

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MEDIUM TERM FINANCIAL STRATEGY
2022/23 to 2024/25

Appendix 2

	2022/23	2023/24	2024/25
	£000	£000	£000
Budget Requirement Brought Forward	179,440	185,482	189,904
Corporate & Technical	6,254	20,769	4,501
People	2,252	0	0
Community	-2,218	-2,099	0
Resources	501	0	0
Corporate	-747	600	0
Total	6,042	19,270	4,501
FUNDING GAP	0	-14,847	0
Total Change in Budget Requirement	6,042	4,423	4,501
Revised Budget Requirement	185,482	189,904	194,406
Collection Fund Deficit/-surplus	52	0	0
Revenue Support Grant	-1585	-1585	-1585
Top Up	-22,623	-22,623	-22,623
Retained Non Domestic Rates	-15,141	-15,141	-15,141
Amount to be raised from Council Tax	146,185	150,555	155,057
Council Tax at Band D	£1,646.50	£1,695.73	£1,746.43
Increase in Council Tax (%)	2.99%	2.99%	2.99%
Tax Base	88,785	88,785	88,785
	98.00%	98.00%	98.00%
Gross Tax Base	90,597	90,597	90,597

MTFS 2022/23 to 2024/25 – Proposed investments / savings

Appendix 2

Technical Adjustments			
	2022/23	2023/24	2024/25
	£000	£000	£000
Capital and Investment			
Capital Financing costs from additional Capital Programme	1250		
Implications of Capital Programme agreed for 2020/21 to 2023/24	2981	470	
Saving on Capital Financing costs - 2022/23 process	-2000		
Implications of Capital Programme agreed for 2021/22 to 2023/24 budget process			225
Total Capital and Investment Changes	2,231	470	225
Grant Changes			
Assumption that New Homes Bonus reduces in 2022/23	728		
Reversal of previous reductions in NHB assumed on the basis it continues	-728		
Additional NHB over estimated sum (£3.185m v £3.176m estimated)	9		
Additional Social Care grant announced in SR estimated figure	-800	-5600	-8000
Additional Cost of Adult Social Care Reform	800	5600	8000
Increase - Core Spending Grant	-6000	-6000	-6000
Cost of National Insurance Increase	800		
Multiplier Adjustment from core spending increase	1710		
£1.55b grant to meet additional COVID expenditure (one off)	6051		
Income compensation for sales, fees and charges - 3 mth extension	500		
Extra Multiplier grant	477		
Retain Multiplier grant at 2021/22 level	-1710		
Council Tax Support Grant	1780		
Lower Tier grant	399		
Total Grant Changes	4,016	-6,000	-6,000
Other Technical Changes			
Freedom Passes - estimated reduction in usage	-1580	1377	
Freedom Passes - revision to usage figures from London Council update	-1271	644	1000
Use of Reserves			
Use of Business Risk Reserve for one off investment of £1m pa for 3 years	-1000		
One off Investment into front line priorities	1000		
Use of Business Risk Reserve smoothed over 2 years	3350		
Children's social care reserve - no applied in 20/21	852		
One of use of Reserves	-15700	15700	
£2m 20/21 target underspend - to be added to reserves in 2021/22	2000		
Total Other Technical Changes	-12,349	17,721	1,000
Pay and Inflation			
Pay Award @ 2% pa	2000		
Pay Award @ 2.75% pa		2750	2750
Non Pay Inflation/budget pressures	2750	2000	1000
Total Pay and Price Inflation	4,750	4,750	3,750
OTHER			
Gayton Road Income - Reprofiling of income	62	-22	-12
Capital Receipts Flexibility - £2m applied in 2021/22	2000		
Adults Growth / Pressure	2644		
Growth Special Needs Transport - Childrens Services	750	750	750
Growth Childrens pressures		1100	
Growth Regeneration Revenue Budget		1250	
Growth London Living Wage	450	450	1000
Reversal of Transformation Savings	2000		
Adults growth Reduction	-565		
Childrens additional growth	565		
Reprofiling of COVID loss of income in Community	-300	300	
Directorate growth			3788
Total Corporate & Technical	6,254	20,769	4,501

MTFS 2022/23 to 2024/25 – Proposed investments / savings Appendix 2

People			
	2022/23	2023/24	2024/25
	£000	£000	£000
Children & Families			
Proposed Savings - Appendix 1B	0	0	0
Proposed Growth - see appendix 1a	1,205	0	0
Sub total Children & Families	1,205	0	0
Adults			
Proposed Growth - see appendix 1a	1047	0	0
Proposed Growth - see appendix 1b	0	0	0
Sub total Adults	1,047	0	0
Total People Directorate	2,252	0	0

MTFS 2022/23 to 2024/25 – Proposed investments / savings Appendix 2

Community			
	2022/23	2023/24	2024/25
	£000	£000	£000
Proposed Savings - see appendix 1a	-300	-600	0
Proposed Growth - see appendix 1a	-1,918	-1,499	0
Proposed Savings - see appendix 1b	0	0	0
Proposed Growth - see appendix 1b	0	0	
Total Community	-2,218	-2,099	0

MTFS 2022/23 to 2024/25 – Proposed investments / savings Appendix 2

Resources	2022/23	2023/24	2024/25
	£000	£000	£000
Proposed Savings - see appendix 1b	0	0	0
Proposed Growth - see appendix 1b	678	0	0
Proposed Savings - see appendix 1a	-177	0	0
Proposed Growth - see appendix 1a	0	0	
Total Resources	501	0	0

MTFS 2022/23 to 2024/25 – Proposed investments / savings

Appendix 2

	2022/23	2023/24	2024/25
	£000	£000	£000
CORPORATE			
Proposed Savings - appendix 1a	1475	600	0
Proposed Growth - appendix 1a	0	0	0
Proposed Savings - see appendix 1b	-2,222	0	0
Proposed Growth - see appendix 1b	0	0	0
Total Corporate	-747	600	0

School Budgets – Dedicated Schools Grant (DSG) 2022/23**Introduction**

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

Schools Funding for 2022-23

2. In 2018-19 the government introduced a new National Funding Formula (NFF) for Schools, High Needs and the Central Schools services Block. For the Schools Block this means LAs are funded on the basis of the total of the NFF for all school, academies and free schools in its area. However the final formula for distribution is determined by each Council following consultation with schools and Schools Forums.
3. The LA carried out a consultation in Autumn 2017 which sought views on whether the LA should continue to use the Harrow Schools Funding Formula or introduce the National Funding Formula from 2018-19. 76% of schools responded to the consultation and 89% voted in favour of introducing the NFF from 2018-19. This was approved by Cabinet in February 2018 and school budgets for the last three years have been set based on the NFF.
4. The NFF will therefore will continue to be used to distributed school budgets for 2022-23.
5. From 2020 the government intended to implement the NFF in full which means that school allocations will be determined by the DfE rather than LAs. However this has been delayed and there is no fixed date for this.
6. There are no proposed changes to the **structure** of the formula for 2022-23 however there are a number of changes for schools to be aware of.

Changes in 2022-23**Increase in factor values**

Table 1 – funding formula factor values

Factors	2021-22		2022-23		% Change	
	Pri	Sec	Pri	Sec	Pri	Sec
Pri AWPU	£3,429.15		£3,540.05		3%	
KS3 AWPU		£4,835.72		£4,991.51		3%
KS4 AWPU		£5,449.52		£5,625.35		3%
FSM	£505.09	£505.09	£517.20	£517.20	2%	2%
Ever6	£631.37	£922.35	£649.25	£951.86	3%	3%
IDACIF	£236.08	£340.39	£242.09	£352.13	3%	3%
IDACIE	£285.49	£455.68	£297.11	£467.68	4%	3%
IDACID	£450.19	£636.86	£462.18	£654.75	3%	3%
IDACIC	£488.62	£691.76	£506.19	£715.27	4%	3%
IDACIB	£521.56	£746.66	£539.21	£770.29	3%	3%
IDACIA	£680.78	£949.80	£704.27	£979.37	3%	3%
LPA	£1,202.34	£1,822.73	£1,243.47	£1,881.72	3%	3%
EAL	£603.92	£1,630.57	£621.74	£1,683.64	3%	3%
Mobility	£988.23	£1,416.46	£1,017.89	£1,463.56	3%	3%
Lump Sum	£129,347.9	£129,347.93	£133,480.95	£133,480.95	3%	3%

7. The Minimum Per-Pupil Funding Levels (MPPL) will be set at £4,265 for primary schools and £5,525 for secondary schools compared with £4,180 and £5,415 in 2021-22.
8. NFF Factor values have increased by:
 - 3% to basic entitlement, FSM6, IDACI, low prior attainment, EAL and the lump sum
 - 2% to the floor, the MPPL and FSM
 - 0% on the premises factor
9. Free School Meals (FSM) – data on pupils who have been eligible for FMS6 is now taken from the October 2020 school census instead of the January 2020 census, to make the factor more up to date and bring it in line with arrangements for other NFF factors as well as the pupil premium
10. Low Prior Attainment – data from the 2019 Early Years Foundation Stage Profile (EYFSP) and KS2 tests is used as a proxy for the 2020 tests, following the cancellation of assessment due to Covid-19
11. Mobility – pupils who joined a school between January 2020 and May 2020 attract funding for mobility based on their entry date, rather than by virtue of the May school census being their first census at the current school as the May 2020 census did not take place due to Covid-19
12. Rates – school business rates will be paid by the ESFA to LAs directly on behalf of all state funded schools from 2022-23. Further details will be issued separately within the formal consultation response.

13. Teachers Pay Grant (TPG) and Teachers Pension Employers Contribution Grant (TPECG) are now fully rolled into the NFF. No separate adjustments are needed to local formulae beyond what was already done in 2021-22 to account for these grants in 2022-23.
14. Block transfers – LAs will continue to be able to transfer up to +0.5% of the schools block to other blocks of the DSG, with schools forum approval. A disapplication is required for transfers above 0.5% or for any amount where schools forum does not give approval.
- 15.

Minimum Funding Guarantee (MFG)

16. The MFG will continue and the allowable range for 2021-22 is between +0.5% and +2%.
17. This means that each school will gain at least +0.5% *per pupil* compared with the 2020-21 budget.
18. Where schools are protected by MFG this means that they are receiving funding over and above that which is calculated by the National Funding Formula because of the levels of funding they had been receiving prior to the introduction of the NFF. In future years if the MFG protection is removed then those schools who are funding above the NFF will see an immediate drop in funding from one year to the next.

Central School Services Block

19. The CSSB funds the following services:
 - School Admissions
 - Servicing of Schools Forum
 - LA retained duties for schools and academies.
20. The indicative funding for 2022-23 is £1.4m.

Growth Fund

21. Schools Forum agreed to continue to maintain a ring fenced growth fund from the DSG in order to fund in-year pupil growth in relation to additional classes in both maintained and academy schools which create additional classes at the request of the LA.

High Needs Funding

22. High Needs funding is designed to support a continuum of provision for pupils and students with special educational needs and disabilities (SEND) from 0-25 years old. The following are funded from the High Needs Block of the DSG:
 - Harrow special schools and academies
 - Additionally Resourced Mainstream (ARMs) units in mainstream schools and academies
 - Places in out of borough special schools and independent school provision
 - EHCPs in mainstream schools and academies

- Post 16 provision including Further Education
 - SEND Support services and support for inclusion
 - Alternative provision including Pupil Referral Units and education other than at school
23. The government introduced a National Funding Formula for High Needs from 2018-19. Funding has previously been based on historical allocations plus small annual amounts of growth. In order to manage increasing growth for demand and complexity, annual funding transfer from the schools block into the high needs block have been approved by Schools Forum
24. From 2018-19 the Schools Block has been ring-fenced and transfers between blocks has been restricted to 0.5% of the Schools Block (approx. £800k). The decision to agree a transfer remains with Schools Forum. It agreed a transfer of 0.5% in 2018-19 and a reduced transfer of 0.25% in 2019-20 however it did not agree to any transfer beyond 2019-20 on the basis that the government should be properly addressing the inherent underfunding of High Needs pupils and to continue to topslice mainstream school budgets masks the extent of the problem.
25. There is anticipated to be an additional £3m added to the HNB for 2022-23 however there are already significant pressures on the HNB.
26. At the start of 2021-22 there is a cumulative overspend on the HNB of £3.730m and there is a further projected overspend in 2021-22 of £1.165m taking the projected cumulative deficit on the HNB to £4.895m by March 2022.

DSG deficits

27. The government consulted on the treatment of deficits in 2019. The outcome of the consultation was a change to the regulations for the treatment of DSG deficits so that LAs must carry forward any HNB deficit to be funded from the next year's budget share. It also explicitly states that LAs can not and should not fund any DSG deficit from its own reserves.

DSG Management Plans

28. With effect from 2019-20 the DfE has tightened up the rules under which local authorities have to explain their plans for bringing the DSG account back into balance
29. The DfE will require a report from any LA that has a cumulative DSG deficit of more than 1% at the end of the financial year. The 1% calculation will be based on the latest published DSG allocations for 2020-21 compared with the deficit shown in the authority's published draft accounts.
30. The recovery plan has been drafted however and discussed with Schools Forum. However the following points should be noted:
31. Despite the significant proposals and measures planned over the next ten years, this will not mitigate the deficit. This is due to the following contributory factors:

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

Early Years Funding

32. Funding for Early Years relates to free 15 hour nursery entitlement for all 3 & 4 year olds in maintained nurseries and nursery classes as well as private, voluntary and independent (PVI) provision. From September 2017 this was extended to 30 hour nursery entitlement for eligible 3&4 year olds. It also funds free 15 hour nursery entitlement for disadvantaged 2 year olds.
33. A National Funding Formula for Early Years was introduced in 2017-18. Cabinet approved the structure of the Harrow formula for the distribution of funding to providers in January 2018.
34. Funding rates and allocations will be announced in December 2021.

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Draft Public Health Funding 2022-23

Appendix 4

	£000	
Mandatory Services		
Sexual Health (incl Family Planning)	2,336	
0-19 Services	3,695	
Health Checks	184	
		6,215
Discretionary Services		
Tobacco Control	73	
Drug & Alcohol Misuse	1,934	
Physical Activity	30	
		2,037
Staffing & Support Costs		
Staffing	1,000	
Non-Staffing	91	
Overheads	163	
		1,254
Health Improvement	267	
Wider Determinants of Health	1,651	
		1,917
Total Expenditure		11,423
Funded by		
Department of Health Grant	-11,310	
Contribution from Reserve	-114	
Total Income		-11,424
		0

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Report for: Employees' Consultative Forum

Date of Meeting:	12 January 2022
Subject:	Annual Workforce Equality Report 2020-21
Key Decision:	No
Responsible Officer:	Tracey Connage, Director of HROD
Portfolio Holder:	Councillor Krishna Suresh, Portfolio Holder for Equalities and Public Health
Exempt:	No
Decision subject to Call-in:	No
Wards affected:	None
Enclosures:	Appendix A – Annual Workforce Equality Report 2020-21

Section 1 – Summary and Recommendations

The Annual Workforce Equality report gives a detailed breakdown of the council's workforce from April 2020-March 2021 (see Appendix A). This report contains a current snapshot of our workforce, broken down into each of the protected characteristics where data is held, providing an overview of the diversity profile of the council's workforce and how this compares with the population of Harrow and the London average.

The data in this report will help to inform the council's workforce planning and decision-making processes in relation to levelling up the council's offer for under-represented groups. The report will help shape the development of workforce initiatives to further improve the representation of minority groups within the Council, and to ensure more inclusive processes and practices across the organisation.

Recommendations:

ECF is requested to: Note the council's Annual Workforce Equality Report.

Section 2 – Report

Introductory paragraph

Harrow's Workforce Equality Report covers the period between April 2020 to March 2021. The report contains a current snapshot of our workforce, broken down into each of the protected characteristics where data is held, which include:

- Age
- Disability
- Race (Ethnicity)
- Sex
- Religion or belief
- LGBTQIA+ (Gender reassignment and sexual orientation)
- Pregnancy and Maternity.

The report provides an overview of the diversity profile of the council's workforce and how this compares with the population of Harrow and the London average. The data in this report will help to inform the council's workforce planning and decision-making processes in relation to levelling up the council's offer for under-represented groups. The report will help shape the development of workforce initiatives to further improve the representation of minority groups within the Council, to ensure more inclusive processes and practices across the organisation.

Background

As one of the most ethnically and religiously diverse boroughs in the country with a many people from a vast range of diverse backgrounds living side by side, Harrow is committed to developing a workforce that is thriving, fair, diverse, and representative of the residents within our local community.

Over the last year, the council has demonstrated a renewed commitment to equality and diversity, through our work on race equality. This has seen the organisation embark on new journey to become a fully accessible and inclusive employer, which welcomes a broad range of skills, experiences, and perspectives that are representative of Harrow's vibrant community, and considers the rights of all staff.

The total number in Harrow's Workforce as of 31st March 2021 is 2071. Data used in this report has been drawn from the following:

- SAP ERP system as at 31 March 2021
- Staff completion of SAP data
- Harrow Council Scorecard 2021
- Maternity returners 2018-19.

The reports cover most of the protected characteristics but not Marriage and Civil Partnership, or Pregnancy.

Benchmarking data has been drawn from a range of sources including The Human Capital Metrics Survey 2020 – 2021, the Office of National Statistics, the Greater London Authority and the Government Equalities Office.

The report relates to Harrow's non-schools' workforce. It excludes contracted services that are monitored by other sources.

Current situation

Under the Public Sector Equality Duty 2011 (PSED) all public authorities must take steps to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it.

Employees are able to choose whether or not to provide information on their equality characteristics, except for certain information which is paramount for payroll processing and pension administration (e.g., age and gender). The data that follows is based on the number of employees that have chosen to provide their equalities information. The report contains data relies on the completion of data on SAP, which was 34.3% in 2020-21.

The Annual Workforce Equality Report provides the council with a detailed analysis of our workforce, which will contribute to shaping our future corporate objectives on equality, diversity and inclusion.

Ward Councillors' comments

This report does not affect any ward councillors, therefore their comments were not sought,

Performance Issues

This report will help shape the council's forthcoming corporate objectives on equality, diversity and inclusion, which will set out clearly our ambitions to create a fair and equitable workplace for all employees.

Environmental Implications

There are no environmental implications.

Data Protection Implications

There are no data protection implications.

Risk Management Implications

There are no risk implications.

Risks included on corporate or directorate risk register? **No**

Separate risk register in place? **No**

Legal Implications

The nine protected characteristics are set out in the Equality Act 2010 and Section 149 which sets out the public sector equality duty (PSED). The duty is detailed below in the equality section.

Obligations to publish information and set out objectives are contained in the Equality Act 2010 (Specific Duties and Public Authorities) Regulations SI 2017/353. The Council is required to publish information to demonstrate its compliance with the PSED. The information must include information relating to persons who share a protected characteristic, who are its employees, or who are affected by the council's policies or practices. This includes gender pay gap information. Publication is required annually. The requirements are to publish the information in a manner that is accessible to the public.

Financial Implications

There are no financial implications as a result of this report.

Equalities implications / Public Sector Equality Duty

Decision makers should have due regard to the public sector equality duty in making their decisions. The equalities duties are continuing duties they are not duties to secure a particular outcome. The equalities impact will be revisited on each of the proposals as they are developed. Consideration of the duties should precede the decision. It is important that Cabinet has regard to the statutory grounds in the light of all available material such as consultation responses from staff. The statutory grounds of the public sector equality duty are found at section 149 of the Equality Act 2010 and are as follows:

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

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

Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- (a) remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- (b) take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;
- (c) Encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by

such persons is disproportionately low.

The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- (a) Tackle prejudice, and
- (b) Promote understanding.

Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act.

The relevant protected characteristics are:

- Age
- Disability
- Gender reassignment
- Pregnancy and maternity
- Race
- Religion or belief
- Sex
- Sexual orientation
- Marriage and Civil partnership

The Annual Workforce Equality Report will have a positive impact on the council's renewed focus to tackle inequality in the workplace and to address the issue of under-representation across the council.

Council Priorities

1. **Tackling poverty and inequality**

Section 3 - Statutory Officer Clearance

Statutory Officer: Dawn Calvert

Signed by the Chief Financial Officer

Date: 16/12/21

Statutory Officer: Jessica Farmer

Date: 14/12/21

Chief Officer: Tracey Connage

Director of HROD

Date: 14/12/21

Head of Procurement: Nimesh Mehta
by the Head of Procurement

Date: 15/12/21

Mandatory Checks

Ward Councillors notified: No

EqlA carried out: No

Section 4 - Contact Details and Background Papers

Contact: Shumaila Dar, Head of Equality, Diversity and Inclusion,
shumaila.dar@harrow.gov.uk

Tel: 07874891502

Background Papers:

None.

Harrow Council

**Annual Workforce Equality Report
2020-21**

Contents

1. Introduction
2. About the data
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 - 11.5 Maternity and religion and belief
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1. Introduction

Harrow's Workforce Equality Report covers the period between April 2020 to March 2021. This report contains a current snapshot of our workforce, broken down into each of the protected characteristics where data is held, which include:

- Age
- Disability
- Race (Ethnicity)
- Sex
- Religion and belief
- LGBTQIA+ (Gender reassignment and sexual orientation)
- Pregnancy and Maternity
- Marriage and Civil Partnership

As one of the most ethnically and religiously diverse boroughs in the country with many people from a vast range of diverse backgrounds living side by side, Harrow is committed to developing a workforce that is thriving, fair, diverse, and representative of the residents within our local community.

Over the last year, the council has demonstrated a renewed commitment to equality and diversity, through our work on race equality. This has seen the organisation embark on a new journey to become a fully accessible and inclusive employer, which welcomes a broad range of skills, experiences, and perspectives that are representative of Harrow's vibrant community, and considers the rights of all staff.

This report provides an overview of the diversity profile of the council's workforce and how this compares with the population of Harrow and the London average. The data in this report will help to inform the council's workforce planning and decision-making processes in relation to levelling up the council's offer for under-represented groups. The report will help shape the development of workforce initiatives to further improve the representation of minority groups within the Council, to ensure more inclusive processes and practices across the organisation.

2. About the Data

Data sources:

Internal data used in this report has been drawn from:

- SAP ERP system as of 31 March 2021
- Staff completion of SAP data 2021
- Harrow Council Scorecard 2021
- Maternity returners 2018-19

Benchmarking data has been drawn from a range of sources including:

- The Human Capital Metrics Survey 2020 – 2021
- The Office of National Statistics
- The Greater London Authority
- The Government Equalities Office

Workforce information the report includes: The report relates to Harrow's non-schools' workforce. It excludes contracted services that are monitored by other sources.

The total number in Harrow's Workforce as of 31st March 2021 is 2071.

Equality Data: Employees are able to choose whether or not to provide information on their equality characteristics, except for certain information which is paramount for payroll processing and pension administration (e.g., age and gender). The data that follows is based on the number of employees that have chosen to provide their equalities information.

Percentage and Counts: Most figures are expressed as percentages but base counts (the number of employees that charts/graphs are based on) are provided in the report for reference. Please note that percentages in some cases have been rounded up to the nearest percentage point; meaning that figures presented may always sum up 100% exactly or other total presented.

Confidentiality: The local authority has done all the necessary checks to ensure that none of the information will lead to identification of an individual employee within Harrow's workforce.

3. Definition of Terms

BAME – BAME is used for the purposes of presenting data and does not replace the term ‘Black, Asian and Multi-ethnic’ as stated in the council’s Race Equality Action Plan.

Disability - Employees that have a disability or long-term impairment.

LGBT – Lesbian, Gay, Bisexual, Transexual.

Parenting responsibilities - Employees who have caring responsibilities for children or young people under the age of 18.

Promotions – Employees that have moved up one or more pay grade in the last 12 months.

Religion and Belief – A particular religion or philosophical belief an employee follows. This term also covers employees who have a non-formal religious or belief system.

Pay band – The pay band of employees working for Harrow Council. The pay bands used in the comparisons below are as follows:

Salary Lower Limit (£)	Pay Band	Equivalent to
0	1	G1 - G3
21,967	2	G4 - G8
33,877	3	G9 - G11
46,384	4	MG1 - MG3
66,940	5	MG4 and D1
103,528	6	D2 and above

4. Staff completion of workforce data

According to our most recent workforce profile date, Harrow council currently employs 2,071 full time and part time staff (this excludes school staff). Understanding the demographic make-up of our workforce relies on the completion of staff data on SAP.

Over the last four years, the completion of the council's SAP data has been around 30% of our overall staff population, which although low, has gradually increased, from 27.2% in 2017/18 to 34.3% in Q1 of 2020/21.

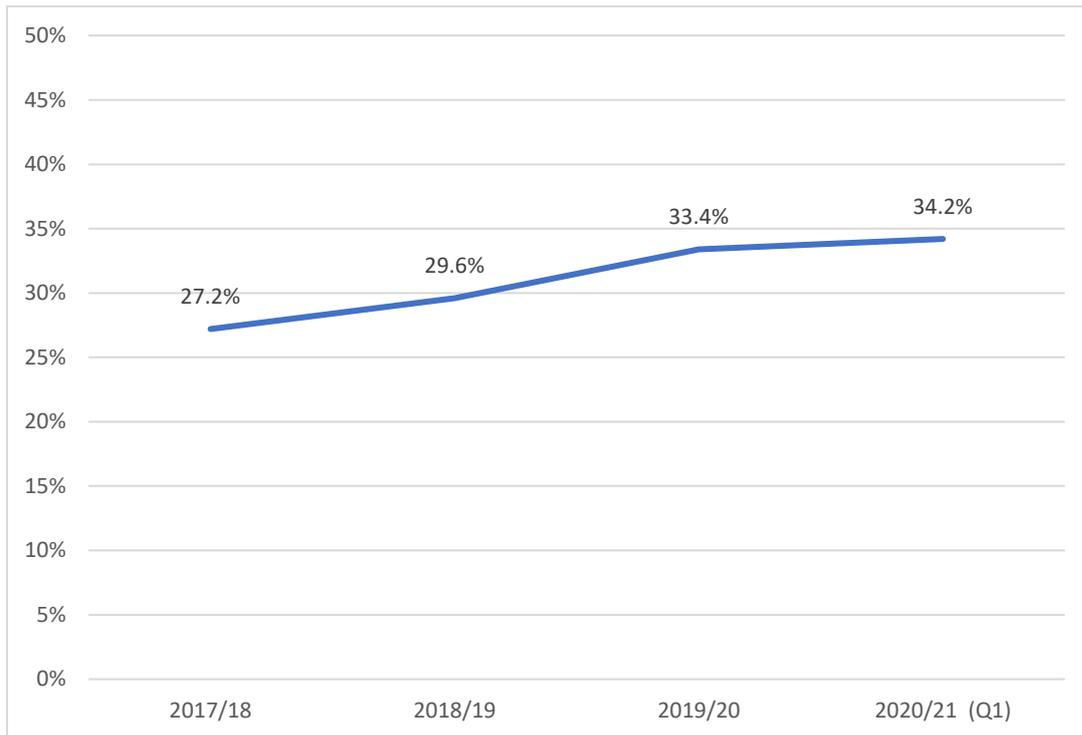


Figure 1. Staff completion of SAP data, Harrow Council Scorecard

This increase could be attributed to incentives being put forward for employees to complete their data on SAP. The data used in this report is based on the number of staff who have provided information on their protected characteristics.

It is important to note that some data included in this report contains a higher rate of completion, including data on age, race, and sex.

5. Age

The graph below provides a summary of the age profile of our workforce, compared to the borough population. Most employees in Harrow’s workforce are between the ages of 35 to 64 (76.6%). The second largest demographic within our workforce is 25 to 34 age group at (13.8%), which is over-represented compared to our borough population.

However, compared with the Borough population, there is an under-representation of 16 to 24-year-olds in the workforce (1.6%) but an over-representation of those aged 55 to 64 and 45 to 54. In addition to this, 8% of employees fall in the age range of 65+, which is the highest across all London boroughs.

It is important to note that not all 16-24 year olds would be available for work, similarly, not all 65+ year olds would be available for work.

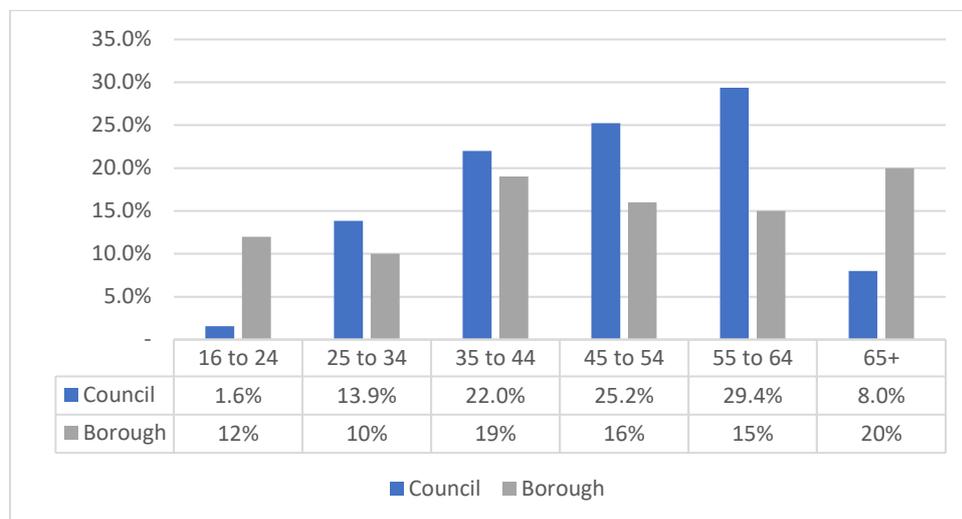


Figure 2. Age profile, SAP ERP, 31st March 2021

Over the last 4 years, the proportion of employees aged less than 25 years old has remained relatively the same.

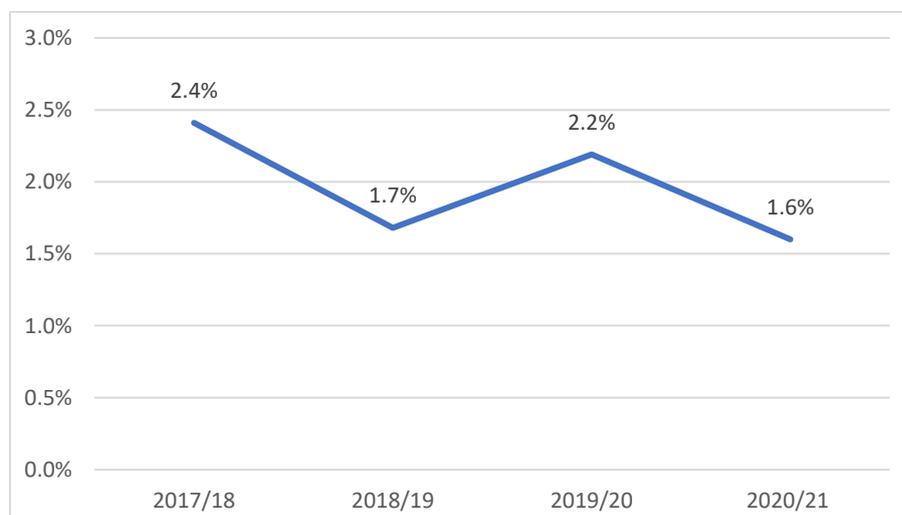


Figure 3. Trend of employees aged less than 25, SAP ERP, 31st March 2021

The proportion of employees aged less than 25 in the council is lower than the London average, at 2.8%.

	2017/18	2018/19	2019/20	2020/21	London
Proportion of employees aged less than 25	2.4%	1.7%	2.2%	1.6%	2.8%

5.1. Age and Pay band

The relationship between age and band of staff is illustrated in the graph below, which shows that staff between the ages of 16-24 tend to remain within pay bands 1-3. Representation at the higher pay bands of 4 and 5 is more visible in the 25-34 age group. Most staff in pay bands of 5-6 are aged 45-64. The vast majority of staff aged 65+ are between pay bands 1-3 with a small percentage at pay band 4.

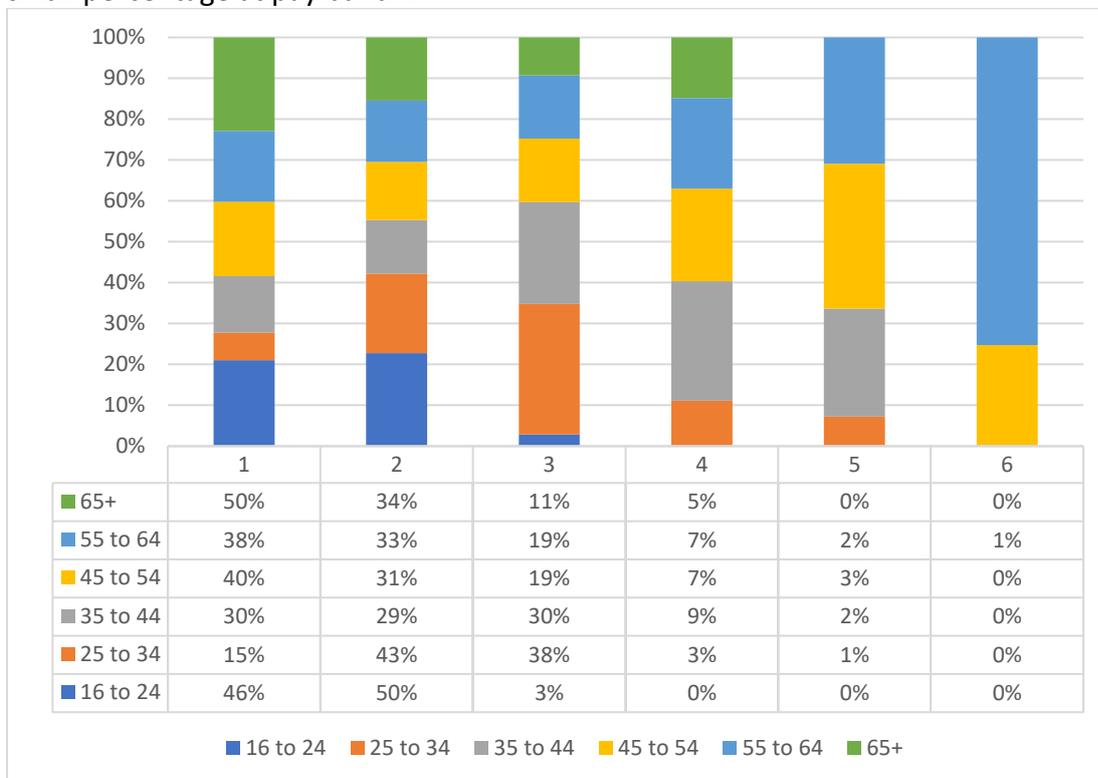


Figure 3. Age and Pay band, SAP ERP, 31st March 2021

5.2. Age: Recruitment

In 2020-21, there were more applicants aged between 25 to 34 (25%) compared to those aged 35 to 44(19%), 45 to 54 (14%), 16 to 24 (12%) and 55 to 64 (7%). Around 22 % of candidates preferred not to mention their age group when applying for jobs. During the shortlisting process more candidates between the ages of 25 to 34 (27%) were shortlisted for jobs compared to their counterparts in the 35 to 44 (25%), 45 to 54 (25%), 55 to 64 (11%), 16 to 24 (8%) and 65 + (1%) age groups.

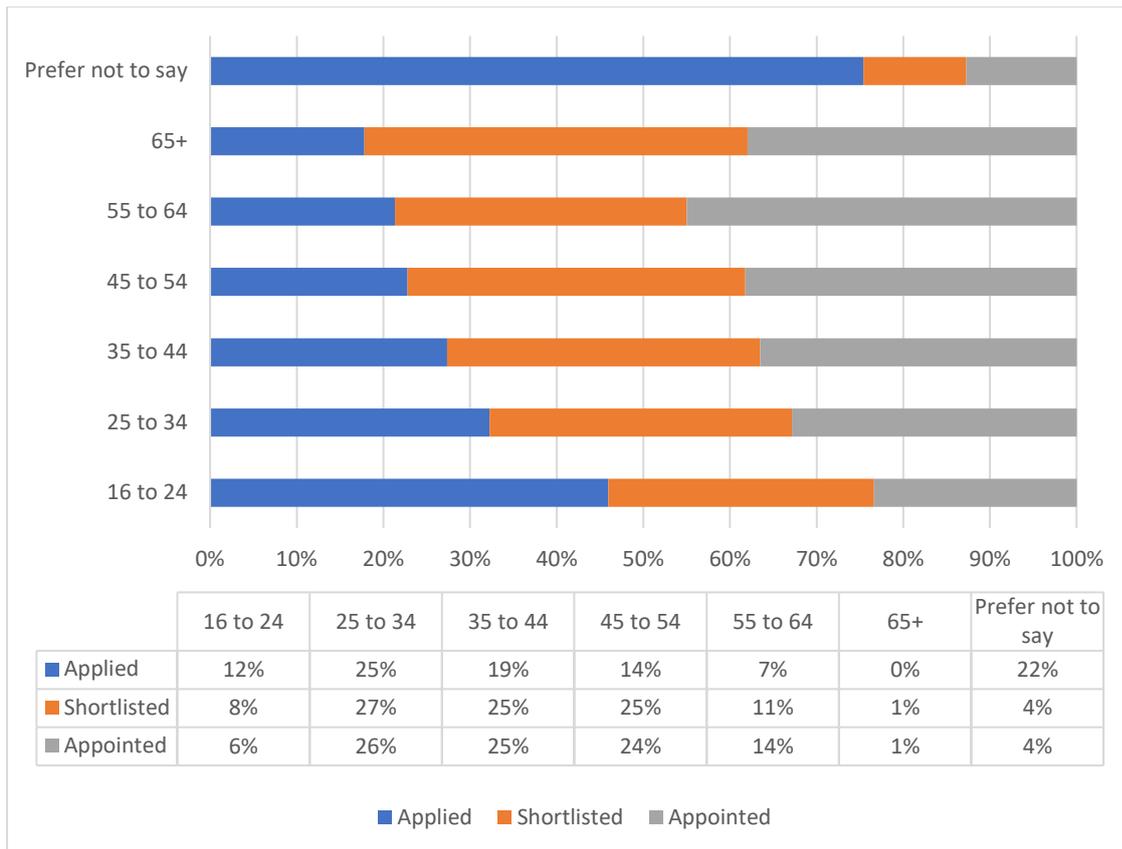


Figure 4. Applicant monitoring data March 2020 – April 2021

A small number of candidates (4%) preferred not to mention their age group during the shortlisting and appointment phases of the recruitment process. In 2020-21, there were more 25-34 year olds appointed to roles at 26%, however, this is very closely followed by staff aged 35 to 44 (25%) and 45 to 54 (24%). There were fewer 55 to 64 year olds appointed at 14%, with 16 – 24 years old and those aged 65+ were least successful.

6. Disability

The current proportion of our staff that have declared a disability is 4.3%, compared to 15.8% of the borough population.

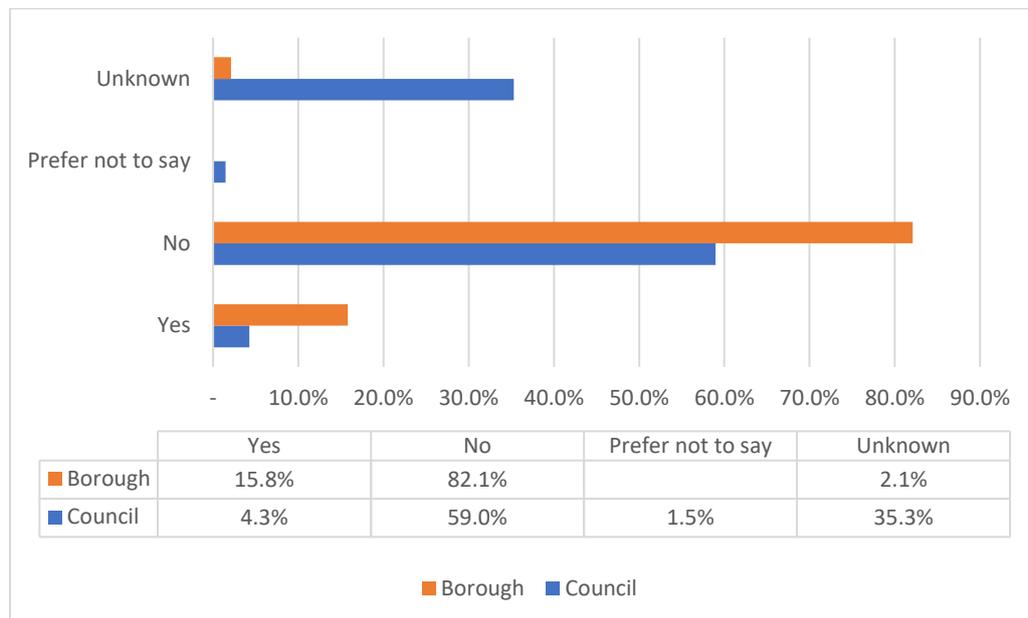


Figure 5. Disability data, SAP ERP, 31st March 2021

While staff sharing disability status remains low, with 36.5% of the workforce choosing either ‘prefer not to say’ or ‘unknown,’ this is an increase from previous years, which saw around 2% of the workforce declaring a disability.

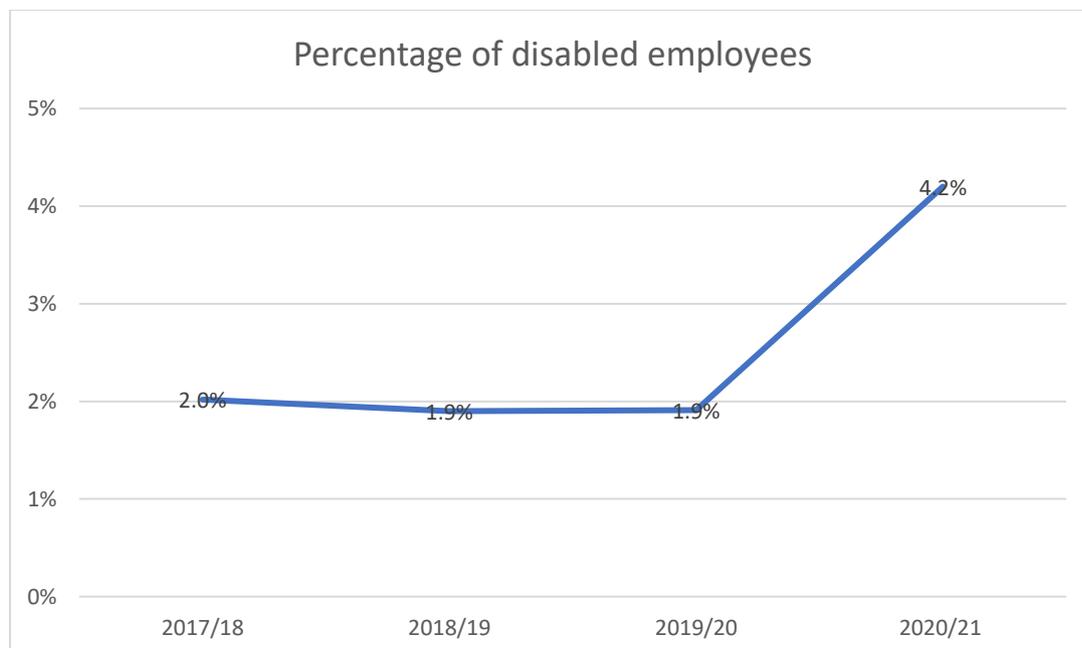


Figure 6. Percentage of employees declaring a disability, SAP ERP, 31st March 2021

Although 4.2% of our workforce sharing a disability is an improvement from previous years, this still remains low compared to the London average:

	2017/18	2018/19	2019/20	2020/21	London
Percentage of employees declaring a disability	2.0%	1.9%	1.9%	4.2%	5.47%

6.1. Disability and gender

According to our data most employees declaring a disability within our workforce are female (66%) with the other (33%) being male. However, it is important to note that this analysis is based on 4.2% of the workforce that have declared a disability.

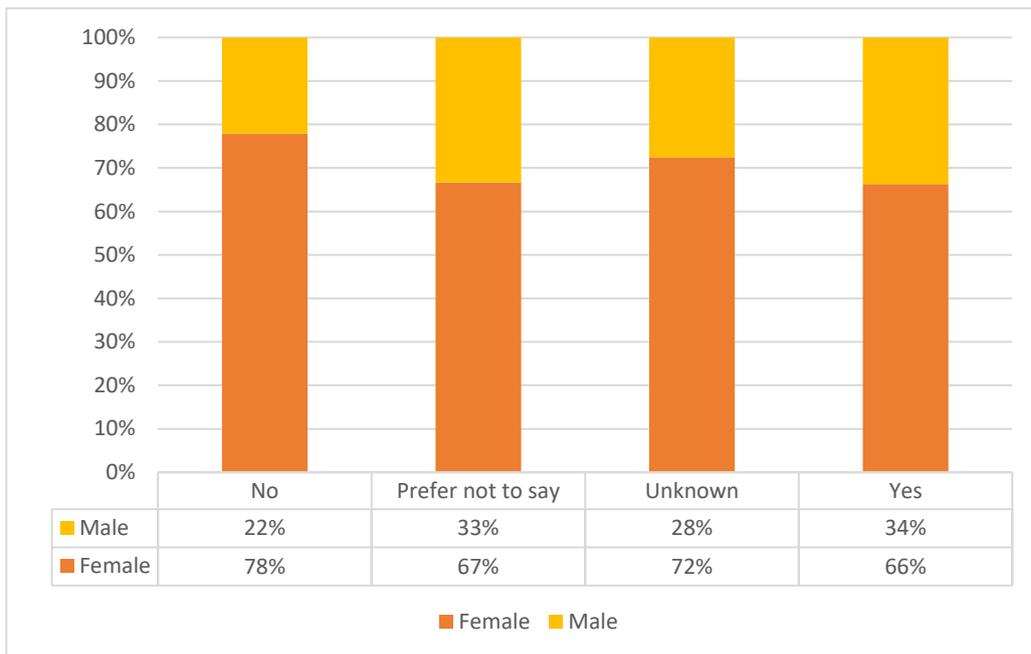


Figure 7. Disability and gender, SAP ERP, 31st March 2021

6.2. Disability and pay band

The majority of staff who declared a disability are in pay bands 5 and 6 (22.6%) compared to 2.5% in pay band 4. 12.8% of staff who declared a disability are in pay bands 1-3.

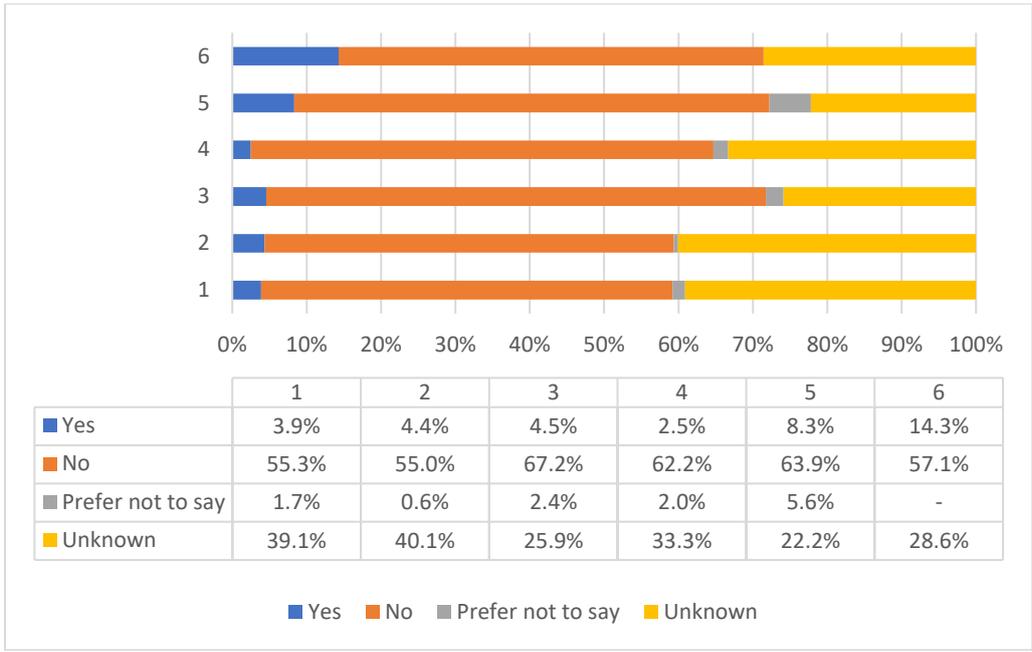


Figure 8. Disability and pay band, SAP ERP, 31st March 2021

6.3. Top 5% of earners with a disability

	2017/18	2018/19	2019/20	2020/21 (Q1)	London
The percentage of the top 5% of earners in the authority with a disability	3.9%	4.7%	5.1%	4.9%	4.25%

The percentage of top 5% earners in our workforce with a disability, increased every year between 2017/18 – 2019/20 at 0.8 % and 0.4 % respectively. However, during 2020/21 the number of disabled employees in the top 5% of earners at Harrow has decreased 0.2%. This is still greater compared to the London average.

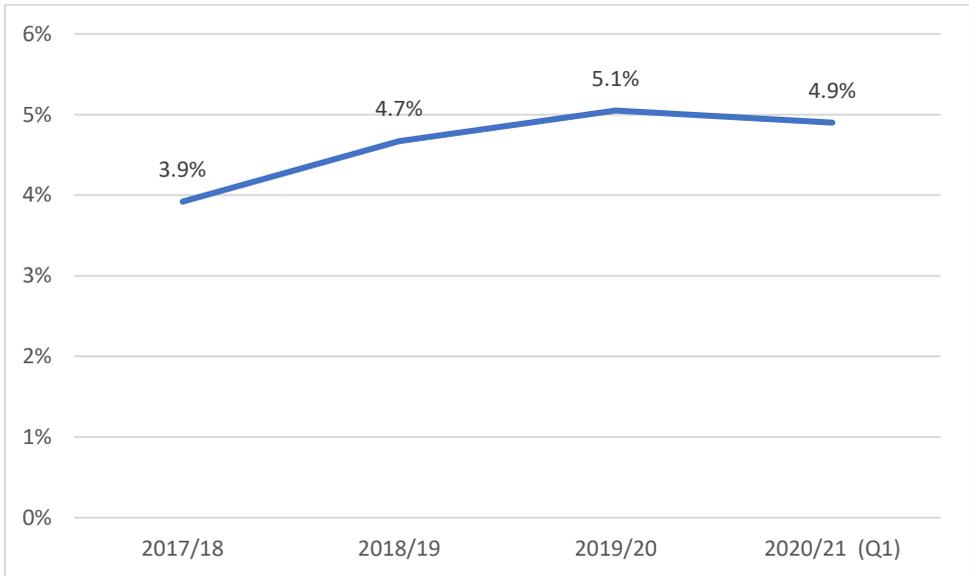


Figure 8. Percentage of top 5% earners with a disability, Scorecard, 31st March 2021

6.4. Disability: Recruitment

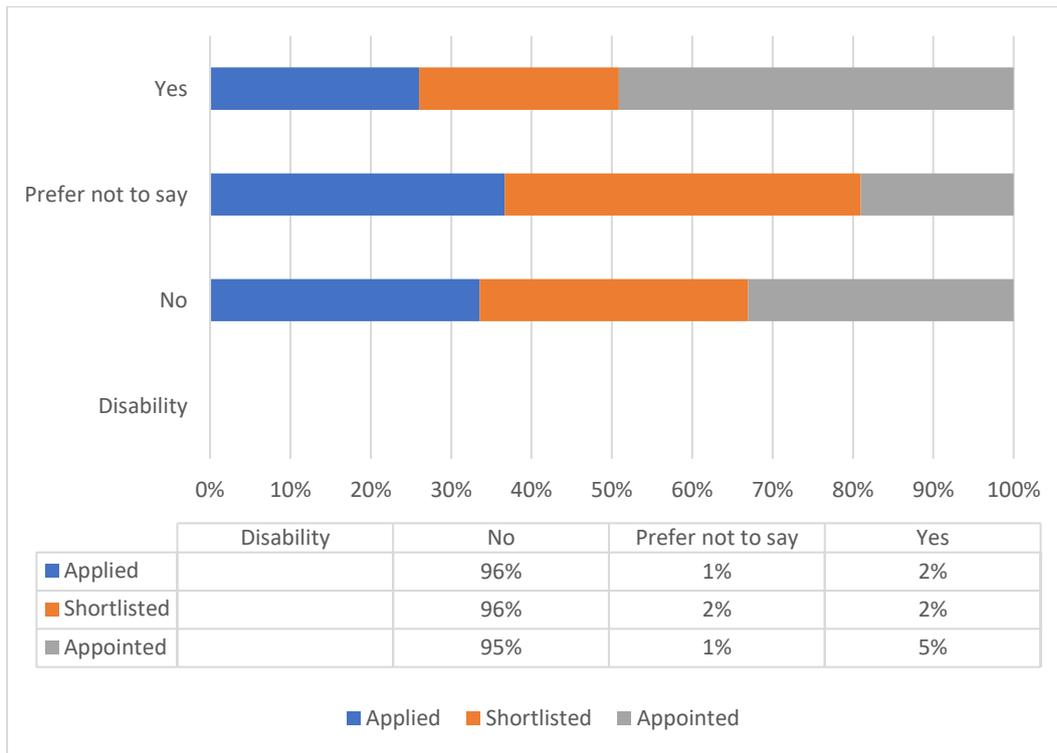


Figure 9. Applicant monitoring data March 2020 – April 2021

In 2020-21, the majority of applicants that applied for roles did not disclose a disability (96%) compared to those with a disability (2%). In addition, 1% of applicants preferred not to say whether they had a disability or not. At the shortlisting stage most of the shortlisted candidates did not disclose a disability (96%) compared to those that had a disability (2%) or preferred not to say (2%). During the appointment stage a large number of staff that were appointed to roles did not have a disability compared to those that disclosed a disability (5%) and staff that preferred to not say (1%).

7. Race (Ethnicity)

For the purposes of this report, the ethnicity profile in Harrow has been shown in terms of BAME and white groups as follows:

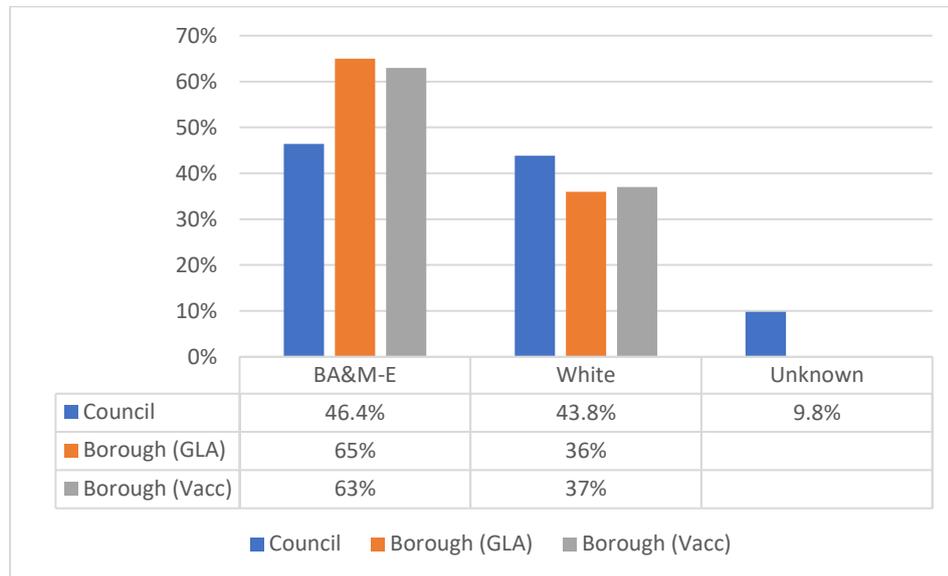


Figure 10. Ethnic groups, SAP ERP, 31st March 2021

White staff are over-represented in the workforce (43.8%) compared to our borough population (around 36%). Whereas staff from BAME communities are under-represented in the workforce, with 46.4% of the workforce, compared to around 65% of the borough population.

Over the past four years, the proportion of BAME staff in the council has remained relatively consistent, with a small increase between 2019-2021.

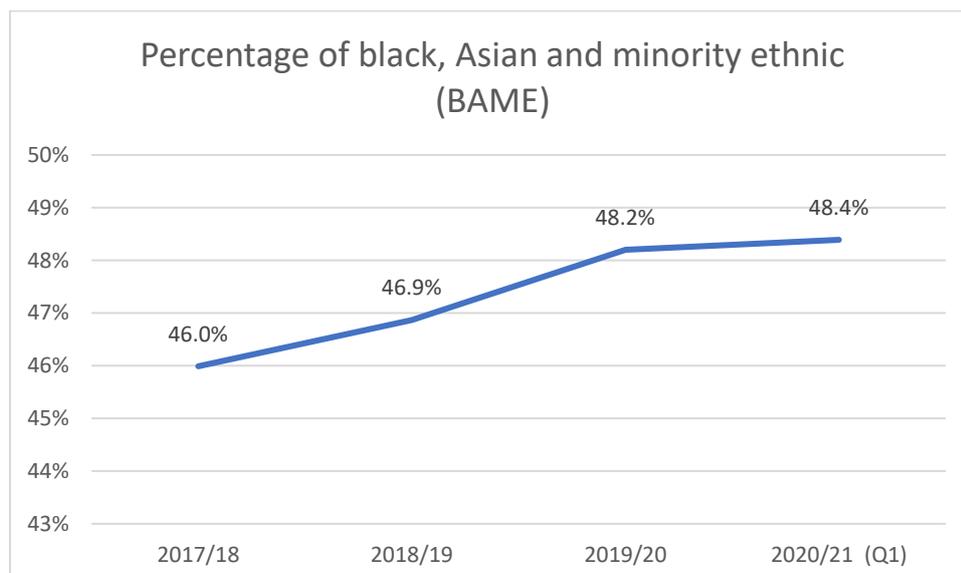


Figure 11. Percentage of BAME staff, Scorecard, 31st March 2021

BAME staff in the council are slightly better represented compared to the rest of London:

	2017/18	2018/19	2019/20	2020/21	London
BAME	46.0%	46.9%	48.2%	48.4%	46%

7.1. Race and sex

The graph below gives a breakdown of our workforce according to race and sex. Over 55% of our male workforce is white. By contrast, 50% of our female workforce are from BAME communities, with the largest proportion coming from an Asian background (35%), compared to 42% of our female workforce that is white. NB: the ethnicity of 8% of staff is unknown.

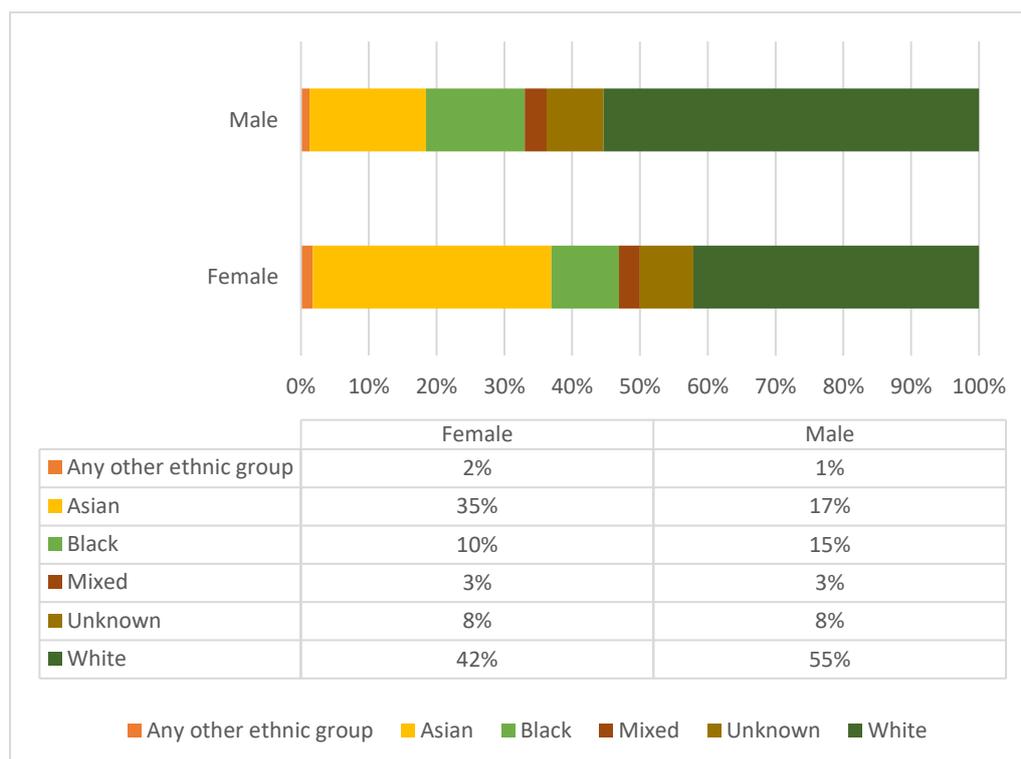


Figure 12. Ethnicity and gender, SAP ERP, 31st March 2021

7.2. Race and pay band

Our current pay band data also shows that compared to borough demographics we currently have a higher representation of white staff in the council. White staff are generally well represented across all pay band. However, there is an under-representation of BAME staff in all pay bands in the council. Asian staff are significantly under-represented across all pay bands, and our Black staff are only slightly better represented in some areas.

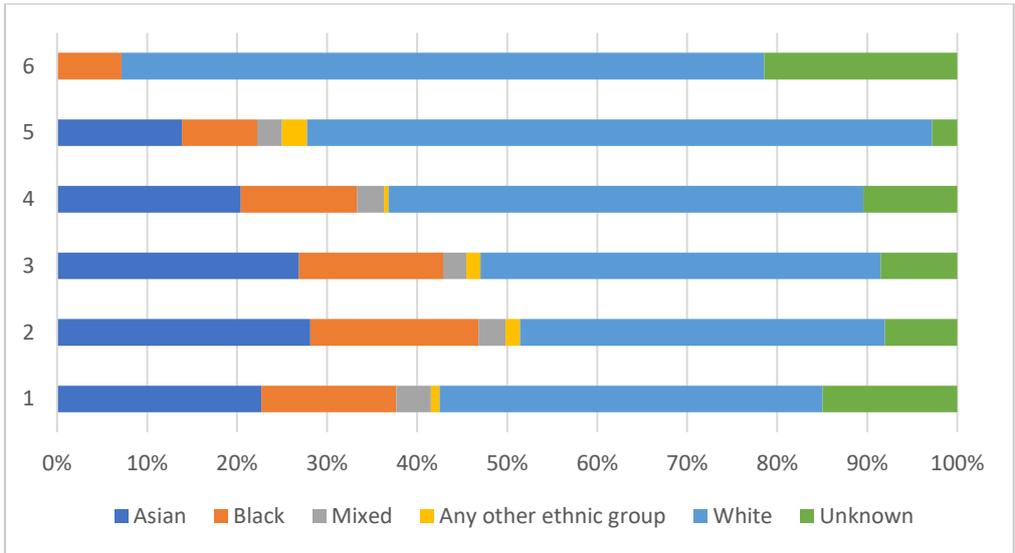


Figure 13. Ethnicity and pay band, SAP ERP, 31st March 2021

7.3. Race, sex and pay band

A further breakdown of ethnicity pay band data by gender gives a more detailed picture of where ethnic groups are concentrated according to gender. The following two sections gives an analysis of pay band according to ethnicity and female and male staff in the workforce.

7.4. Female and race

A breakdown of our ethnicity profile by gender and pay band shows that white women are over-represented in the upper pay bands and BAME women are overrepresented in lower pay bands.

66% of women in pay band 5 and 6 is are white female staff compared to 28% female staff from BAME communities. A breakdown of pay band 4 shows that 54% of female staff are white, compared to 36% of female staff from a BAME background by contrast, pay bands 1 and 2 have an over-representation of female staff from BAME communities (53%) compared to 38% of white, female staff.

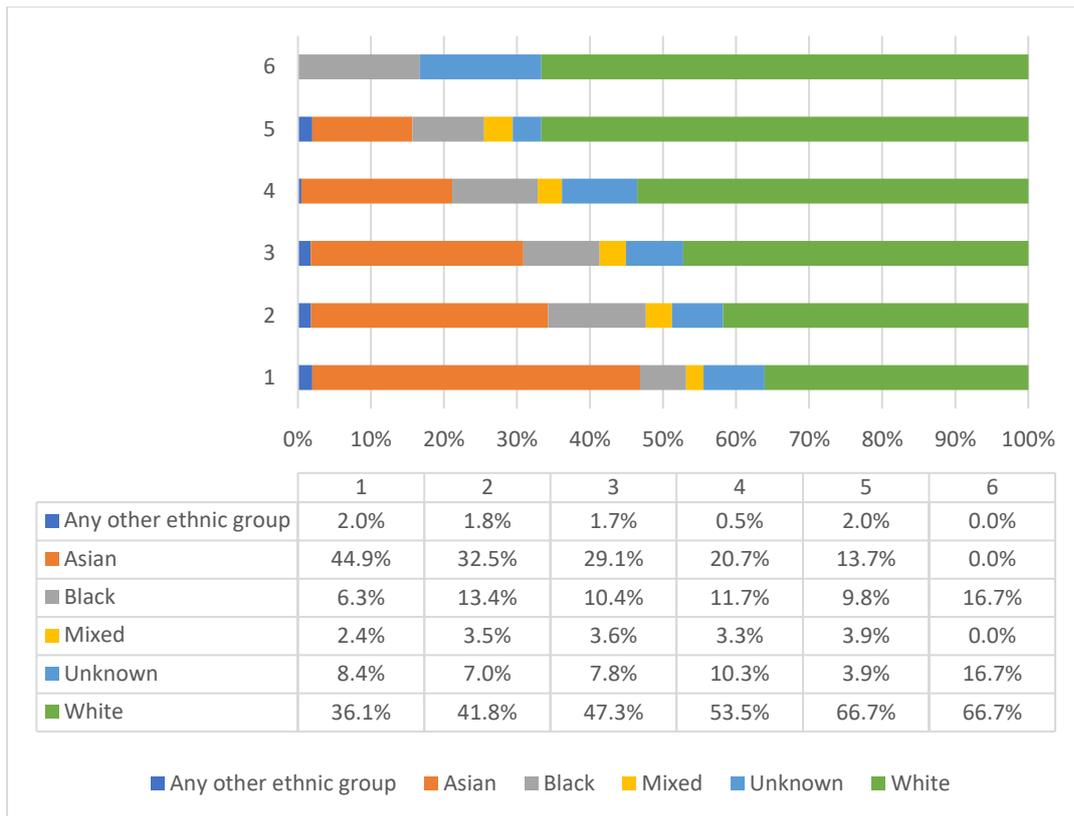


Figure 14. Ethnicity, gender and pay band, Female, SAP ERP, 31st March 2021

7.5. Male and race

Similarly, pay band 5 and 6 is disproportionality over-represented by white male staff (76%), compared to 16% male staff from BAME communities. However, pay bands 1 and 2 also have an over-representation of white male staff (52%), compared to 39% of male staff from BAME communities. 61% of our staff in pay band 3 and 4 are white male, compared to 32% of male staff from a BAME background.

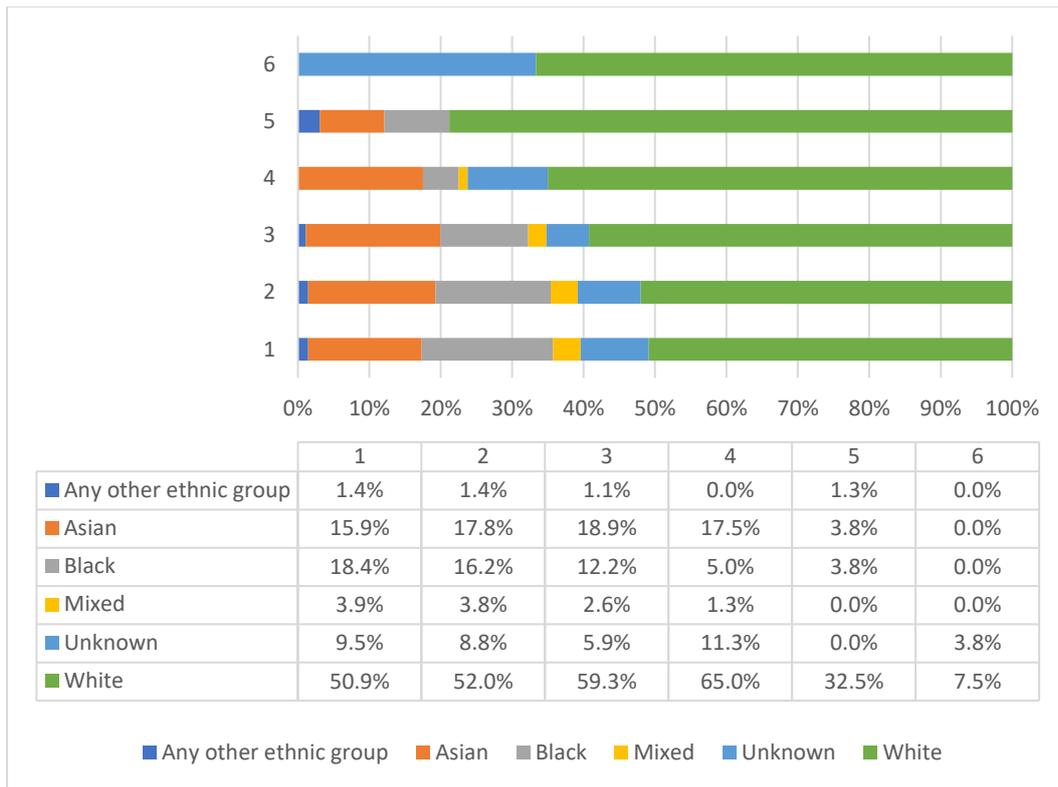


Figure 15. Ethnicity, gender and pay band, Male, SAP ERP, 31st March 2021

7.6. Top 5% of earners from BAME communities

The percentage of top 5% earners in our workforce from BAME communities in 2020/21, has stayed relatively the same at 25.5%.

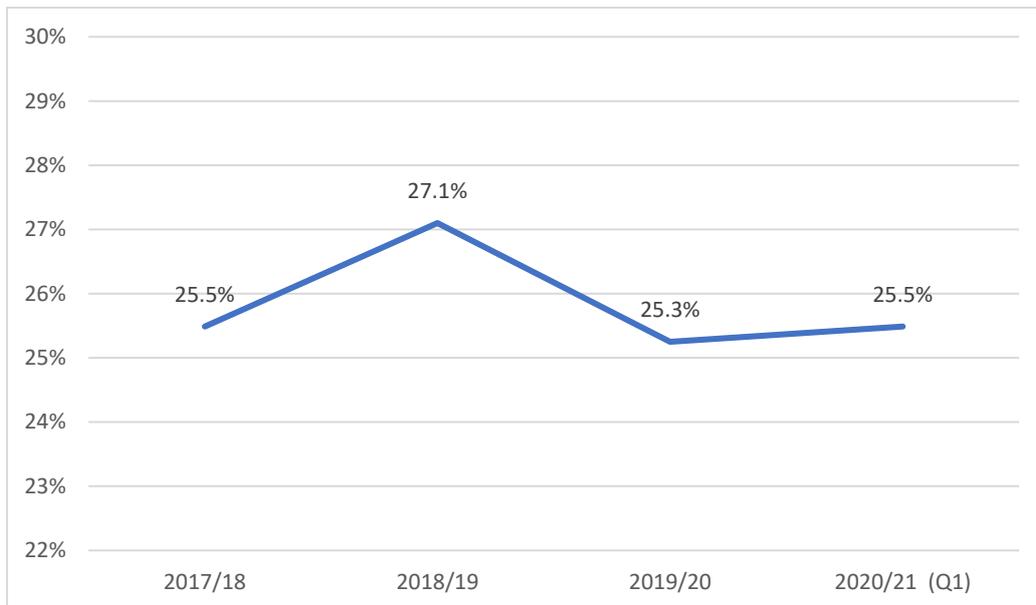


Figure 16. Percentage of top 5% earners from BAME communities, Scorecard, 31st March 2021

The percentage of top 5% of earners in our workforce from BAME communities is greater than the London average, however Harrow's percentage of top 5% earners who are from

black and minority ethnic groups of 25.5% falls in the fourth quartile of all the London boroughs, and for outer London

	2017/18	2018/19	2019/20	2020/21 (Q1)	London
Percentage of top 5% earners from BAME communities	25.5%	27.1%	25.3%	25.5%	19%

7.7. Race: Recruitment

According to our recruitment data for 2020-2021, around 69% of applicants were from BAME groups and 28% of applicants were white. At the shortlisting stage 22% of BAME candidates were shortlisted for roles, compared with a figure of 25% for white candidates. Finally, BAME candidates received 28% of all job offers compared to a figure of 40% for white candidates.

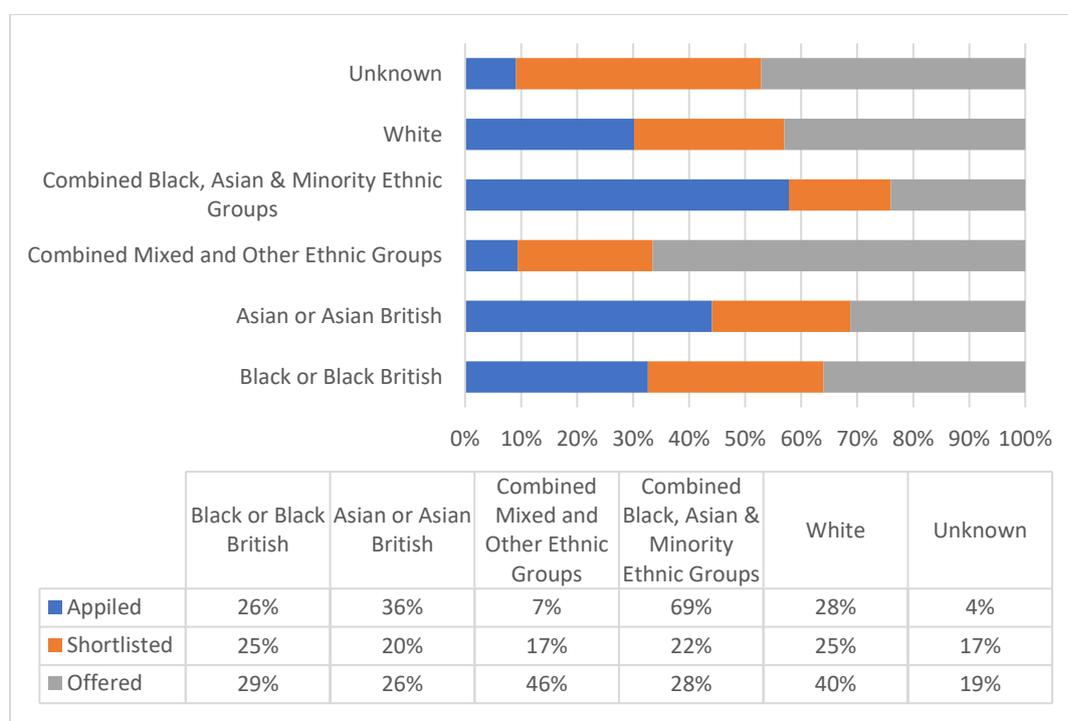


Figure 17. Applicant monitoring data March 2020 – April 2021

In 2020-21, white applicants were more likely to be successful from application, to shortlisting and appointment stage compared to BAME applicants, as detailed below.

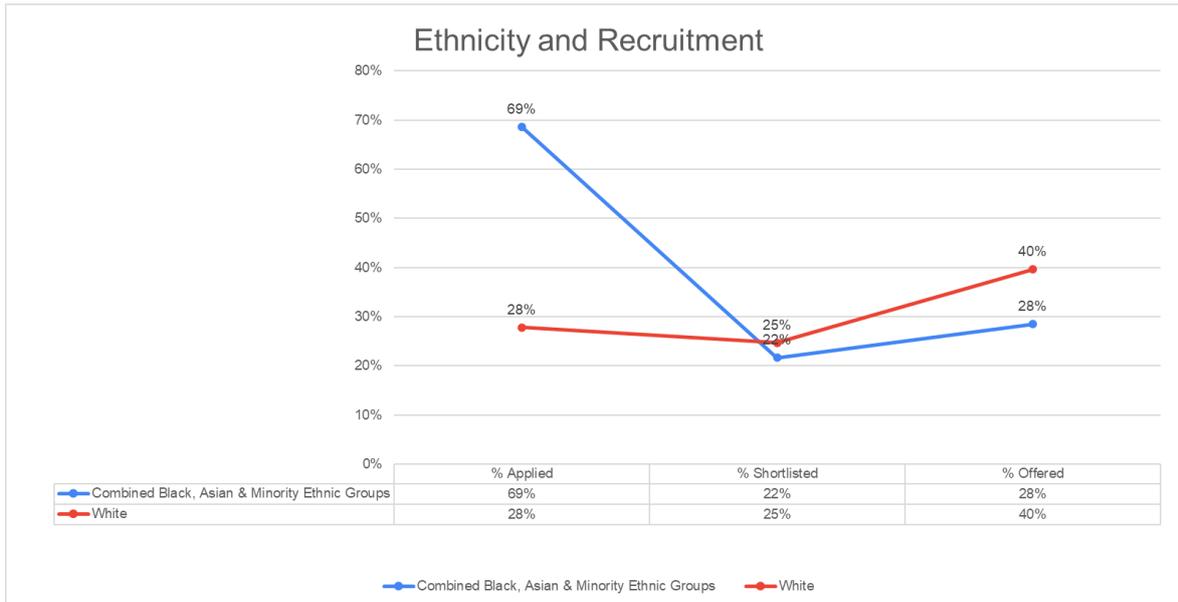


Figure 18. Applicant monitoring data March 2020 – April 2021

7.8. Race: Turnover and Leave

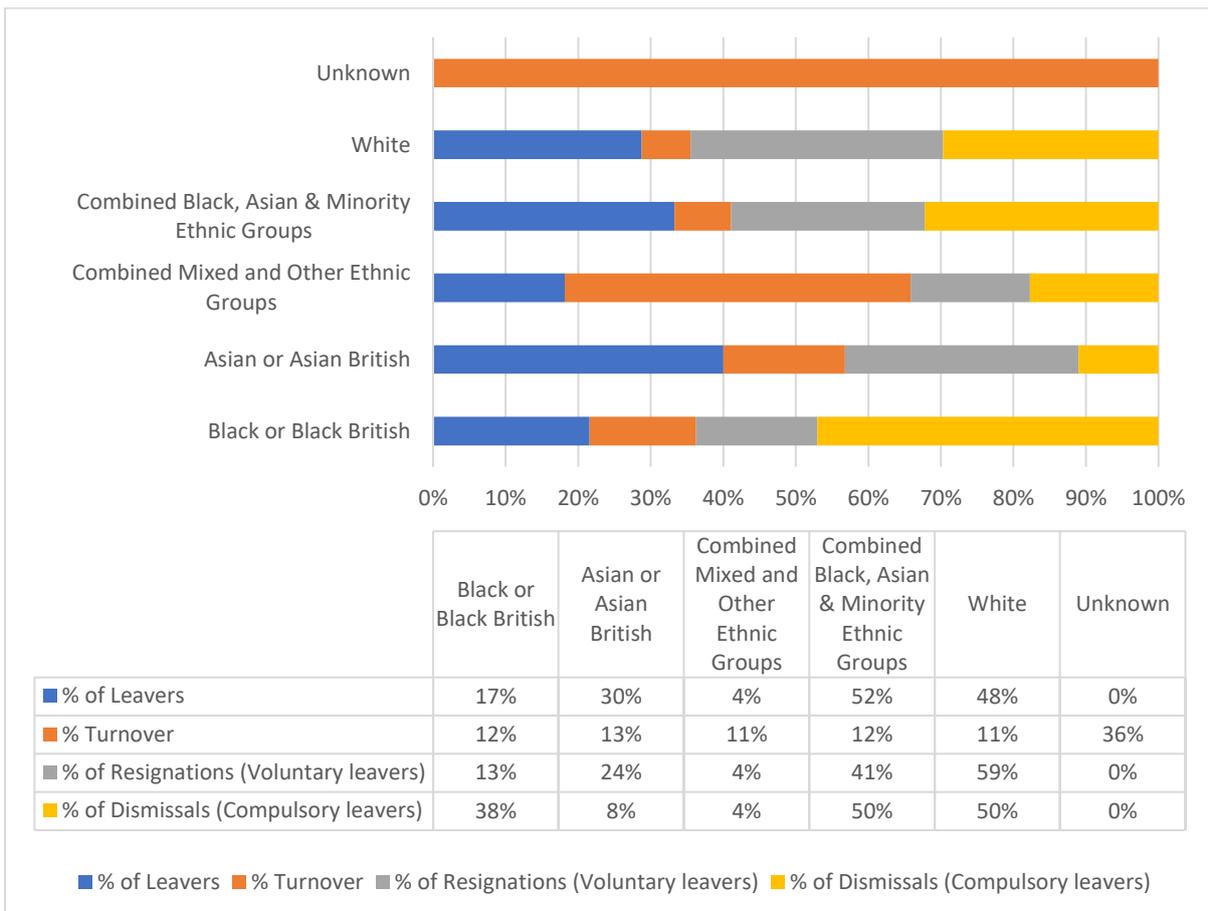


Figure 19. Ethnicity, turnover data, SAP ERP, 31st March 2021

Our data demonstrates that 52% of BAME staff left the organisation in 2020-21 compared with 48% of White Staff. In addition, Harrow Council has a higher percentage of turnover

from BAME staff (12%) in comparison to White Staff (11%). Around 36% of turnover data was submitted by staff who did not disclose their ethnicity. However, this does not affect the observations that can be made from the data available. In 2020-21, 59% of white staff resigned, compared to their BAME counterparts (41%). Finally, the rate of dismissals (which includes redundancies) was at the same rate (50%) for BAME and White staff.

8. Sex

Female staff are over-represented in the workforce (62%) compared to our borough population (around 50%). Whereas, male staff are under-represented in the workforce, with 39% of the workforce being male, compared to around 50% of the borough population.

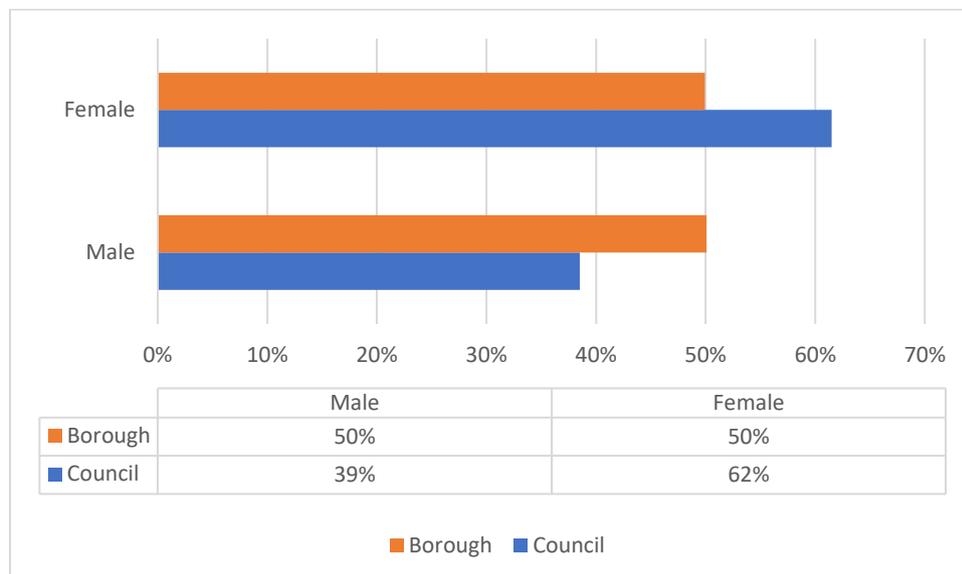


Figure 20. Gender profile, SAP ERP, 31st March 2021

In terms of our workforce profile, our staff base is overwhelmingly female:

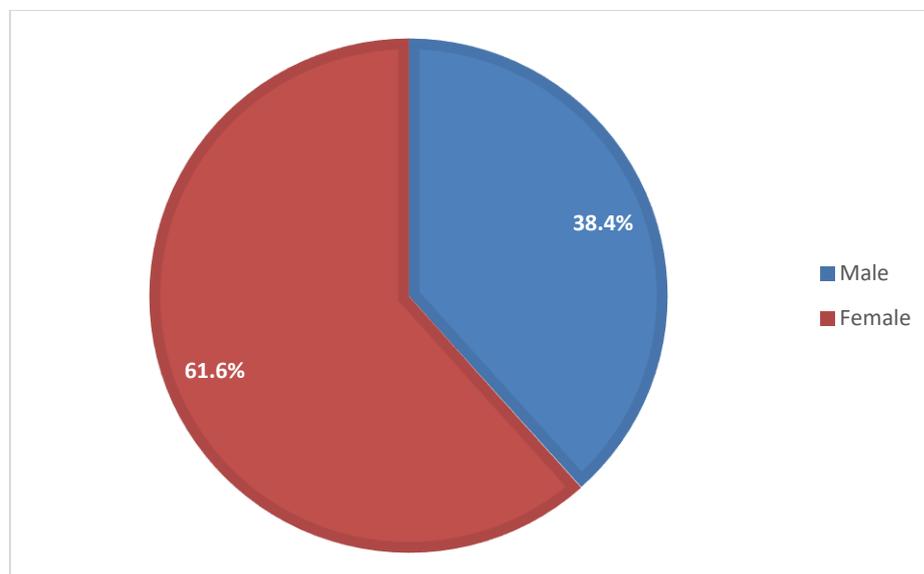


Figure 21. Gender profile, SAP ERP, 31st March 2021

Although women are fairly represented across the organisation, representation at senior pay bands remains low. Despite 61% of our workforce being female, only 53% of our top 5% of earners are women and men make up 64.3% of our highest pay band

8.2 Sex and pay band

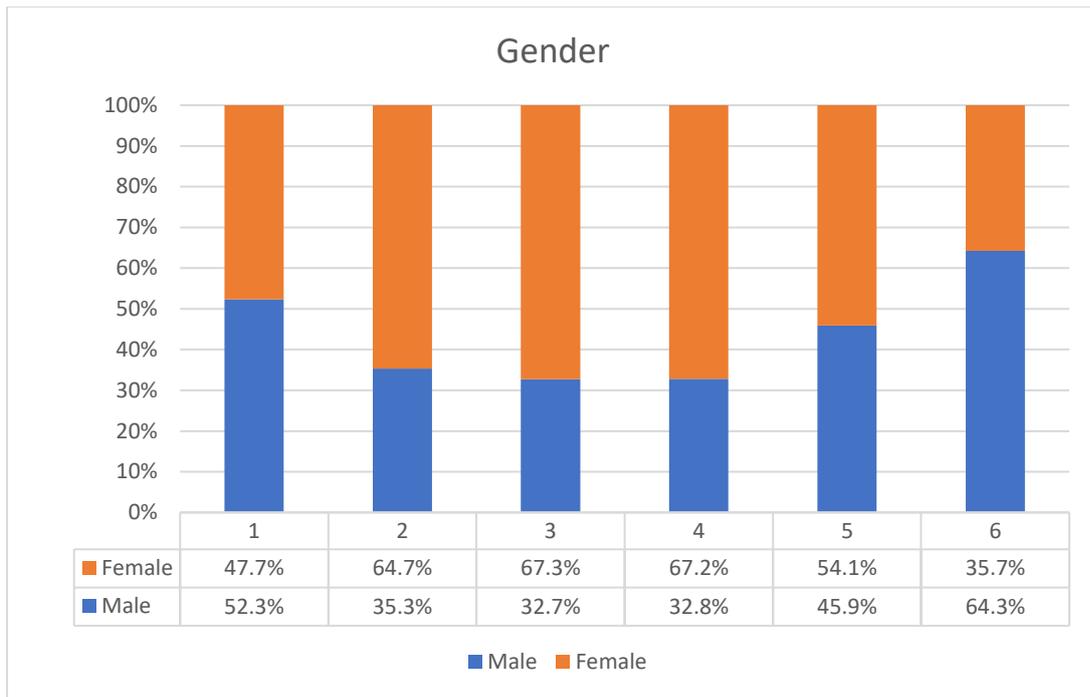


Figure 22. Gender and pay band data, SAP ERP, 31st March 2021

8.2 Top 5% of earners that are women

The percentage of top 5% earners that are women, stayed relatively the same over the past four years (53.9%). Harrow's percentage of top 5% earners who are female falls in the third quartile of all the London boroughs and for outer London. Between 2019/20 - 2020/21 the number of women in the top 5% of earners at Harrow has increased by 1.4%.

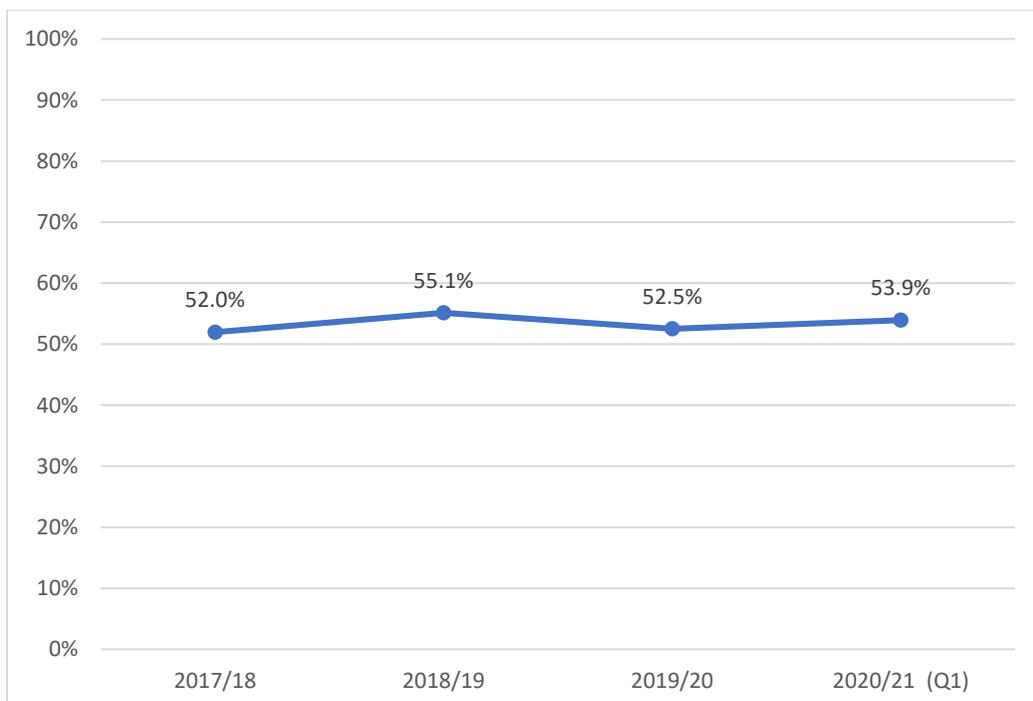


Figure 23. Trend of Top 5% of earners that are women, SAP ERP, 31st March 2021

The percentage of women in the top 5% is greater than the London average.

	2017/18	2018/19	2019/20	2020/21)	London
Percentage of top 5% earners that are women	52.0%	55.1%	52.5%	53.9%	50%

8.3 Sex: Recruitment

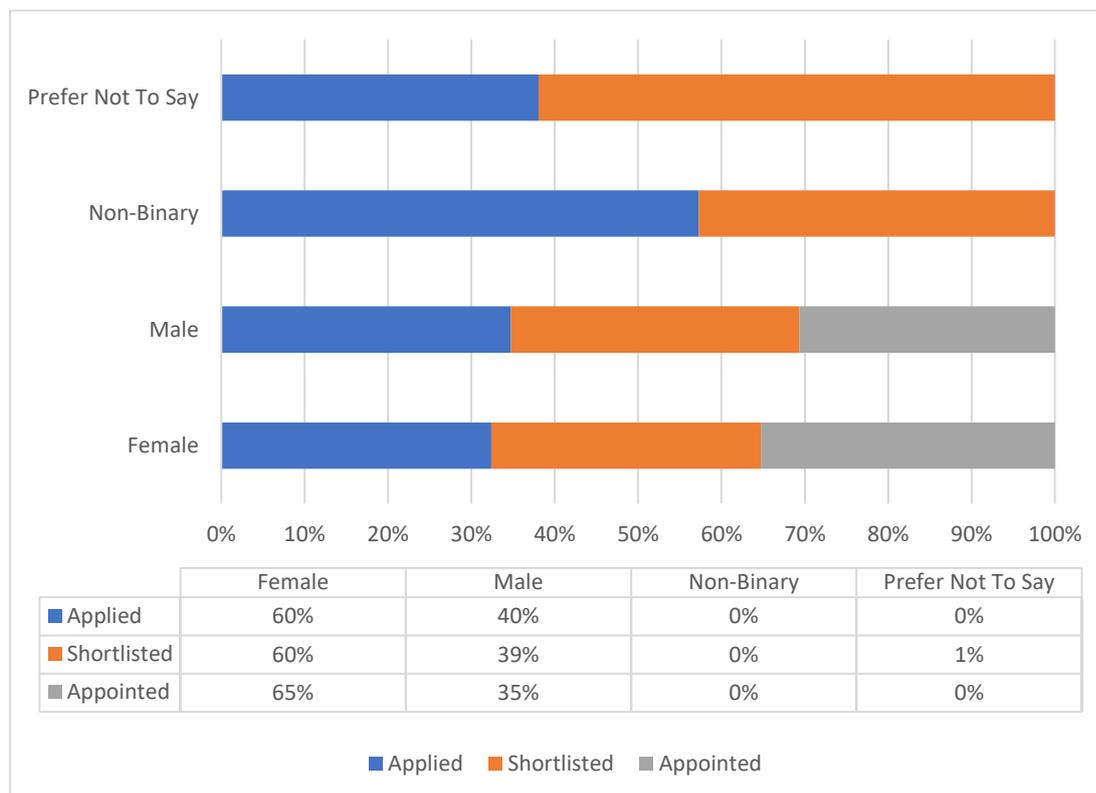


Figure 24. Applicant monitoring data March 2020 – April 2021

In 2020-21, there was a higher rate of applications from women (60%) compared to men (40%). At the shortlisting stage more females were shortlisted for jobs (60%) than their male counterparts (39%). In addition, around 1% of shortlisted applicants preferred not to mention their gender when reaching this stage of the recruitment process. Around 65% of shortlisted female applicants were appointed to roles within the council compared to 35% for their male equivalents.

9. Religion and belief

Religion and belief are massively underreported in the council, with over 50% unknown. In 2020-21, 23% of our workforce declared Christianity as their religion, compared to 8.9% no religion/ atheist, 7.6% Hinduism, 4.5% Islam and 2.7% other. These top three religions are under-represented in the council, compared to our borough population.

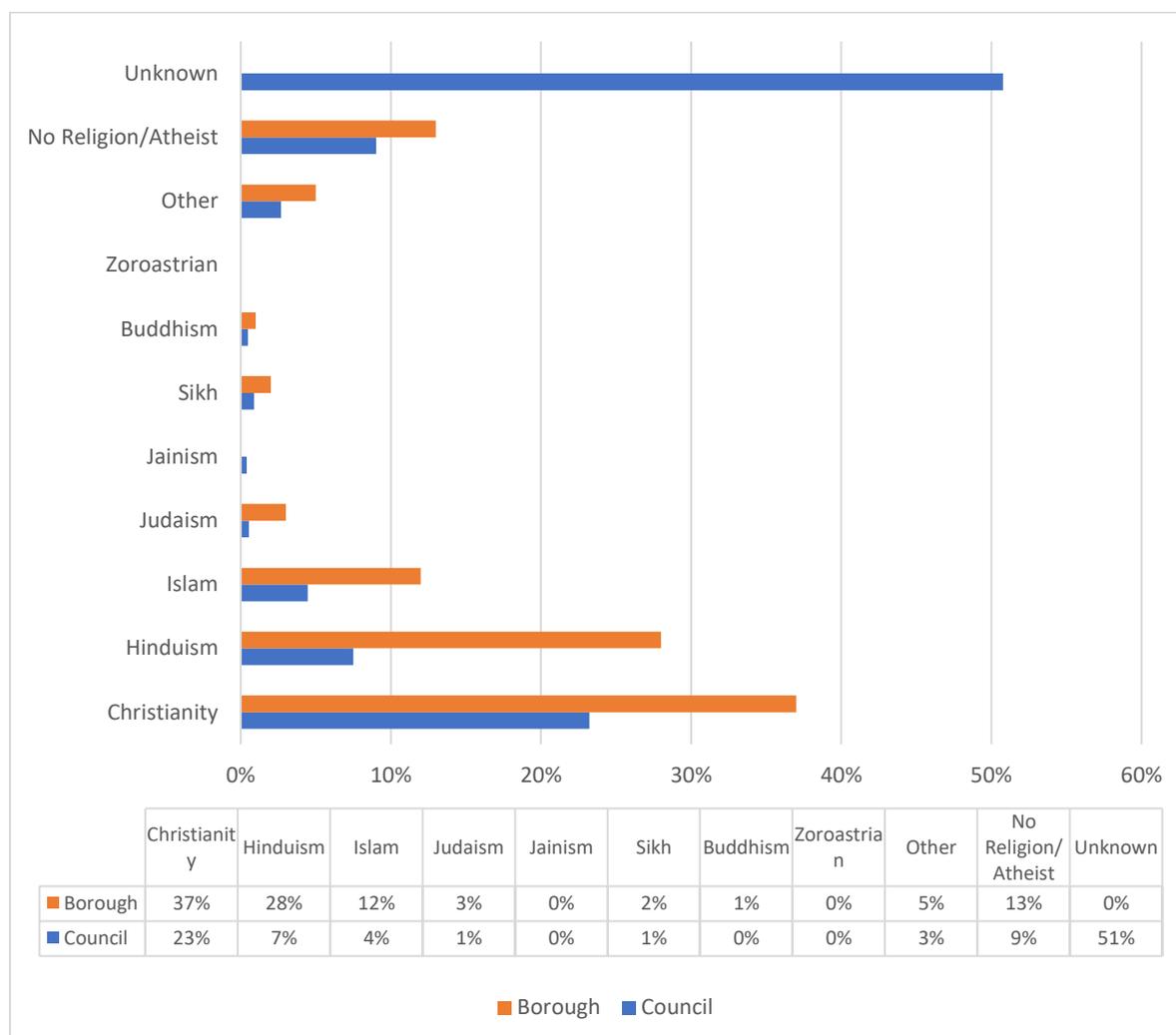


Figure 25. Religion profile, SAP ERP, 31st March 2021

9.1. Religion and belief and pay band

Across pay bands 1-6, the majority of staff did not declare their religion in 2020-21. However, from the figures we have available it can be determined that staff who identify as Christian faith are the most represented in pay bands 1-6, followed by No Religion/Atheist, Hinduism and Islam in pay bands 1-4.

However, at pay band 5 staff that follow Judaism is the third most represented group and are followed by Islam. Beyond pay band 5 only staff that are Christian, No/Religion Atheists or have not recorded their religious belief are represented.

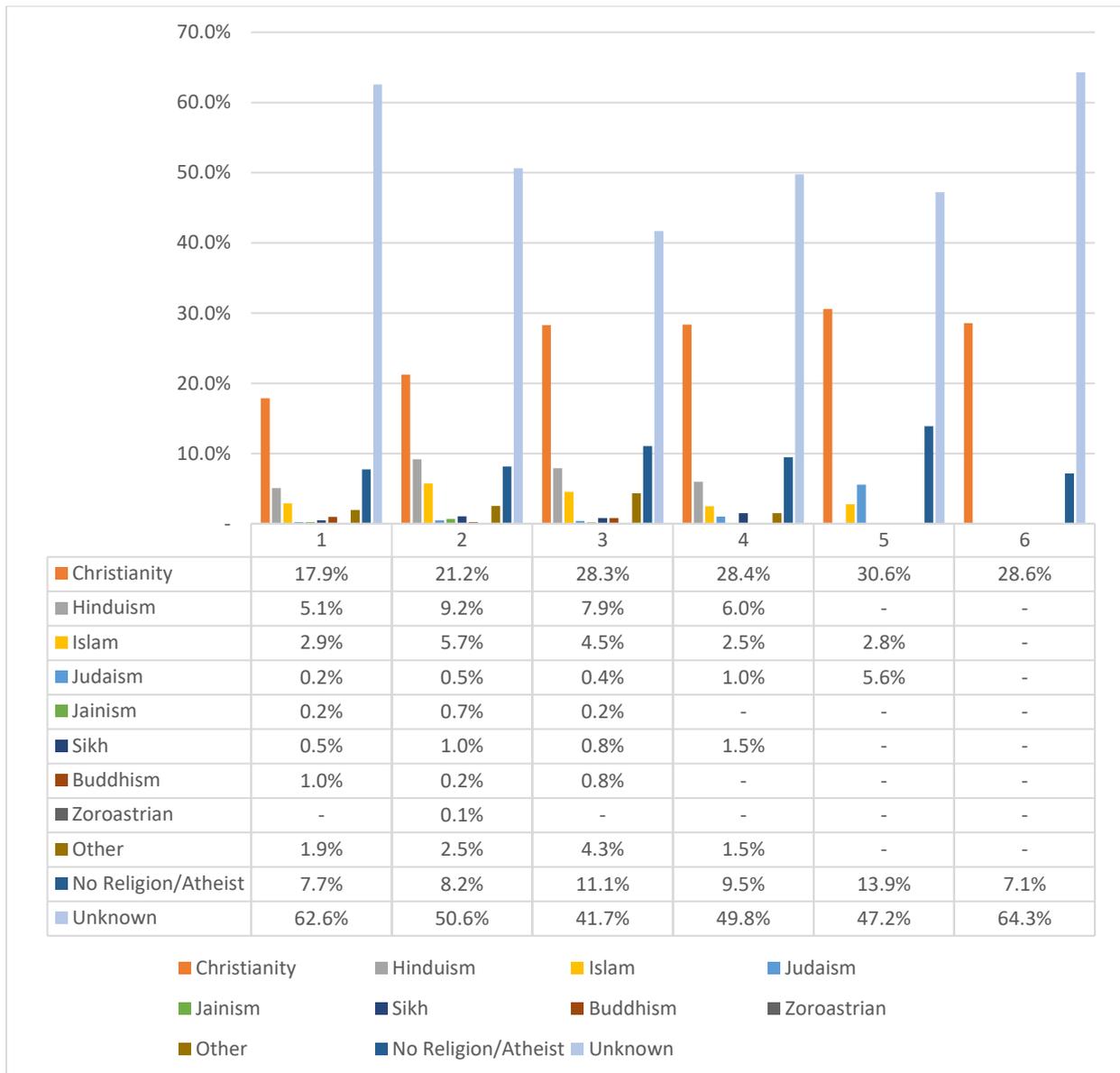


Figure 26. Gender and pay band data, SAP ERP, 31st March 2021

9.2. Religion and belief: Recruitment

According to our data staff who followed Christianity (40%), Islam (17%), Hinduism (16%) or Atheist/No Religion (12%) were most likely to apply for jobs. Other faiths that applicants followed included Sikhism (2%), Other (2%), and Buddhism (1%). Around 9% of this data was submitted by applicants that preferred not to disclose their religious belief.

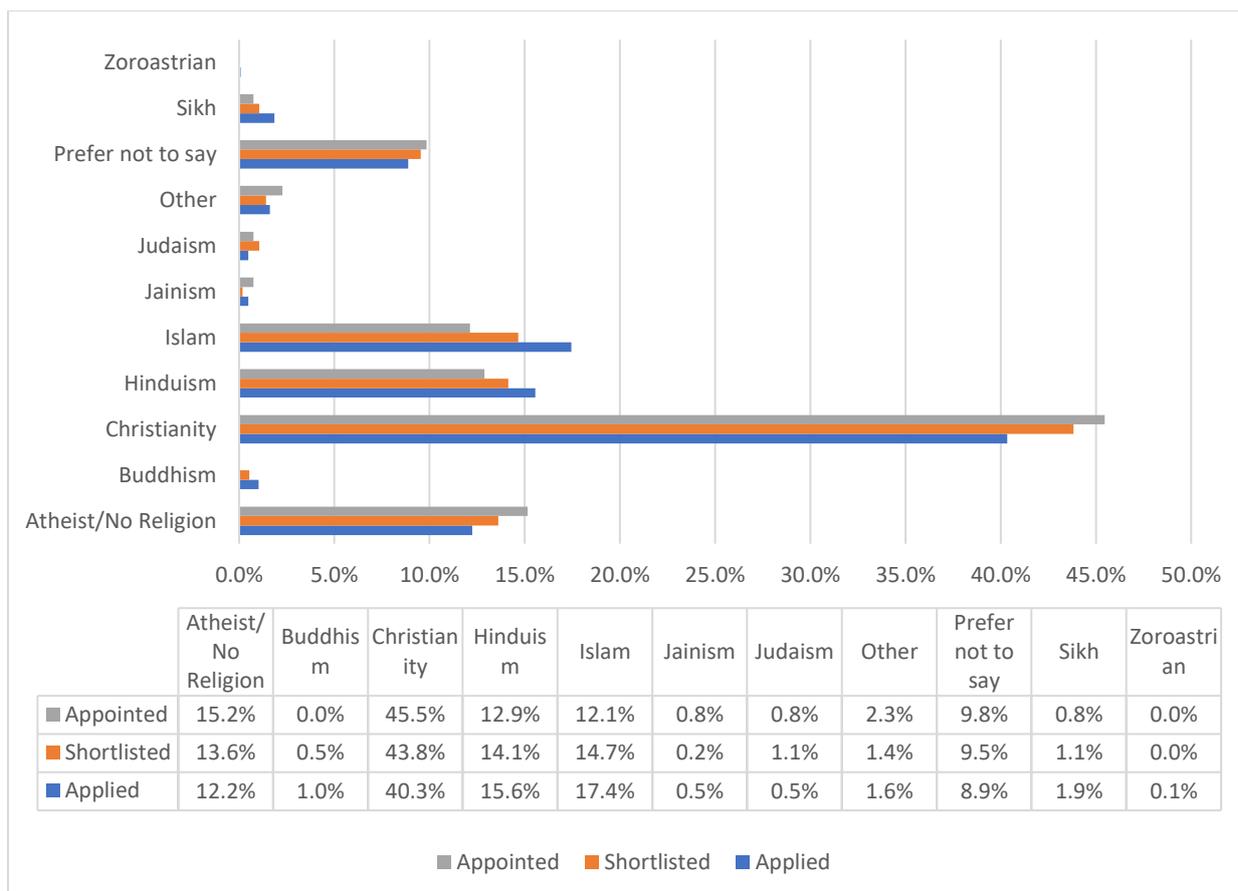


Figure 27. Applicant monitoring data March 2020 – April 2021

At the shortlisting stage 44% of staff that followed the Christian faith were shortlisted for jobs compared to Islam (15%), Hinduism (14%), Atheist/No Religion (14%), Prefer not to say (10%), Sikhism (1%), Buddhism (1%), Judaism (1%) and Other (1%).

Finally, at the appointment stage more staff that followed Christianity were appointed for roles (45%) in comparison with staff that were Atheist/No Religion (15%), Hinduism (13%), Islam (12%), and Prefer not to say (10%).

10. LGBTQIA+ (Gender Identity and sexual orientation)

Staff reporting on LGBTQIA+ (sexual orientation and gender identity) is underreported with around 1% of our workforce declared themselves as LGBTQIA+. None of our staff reported gender reassignment.

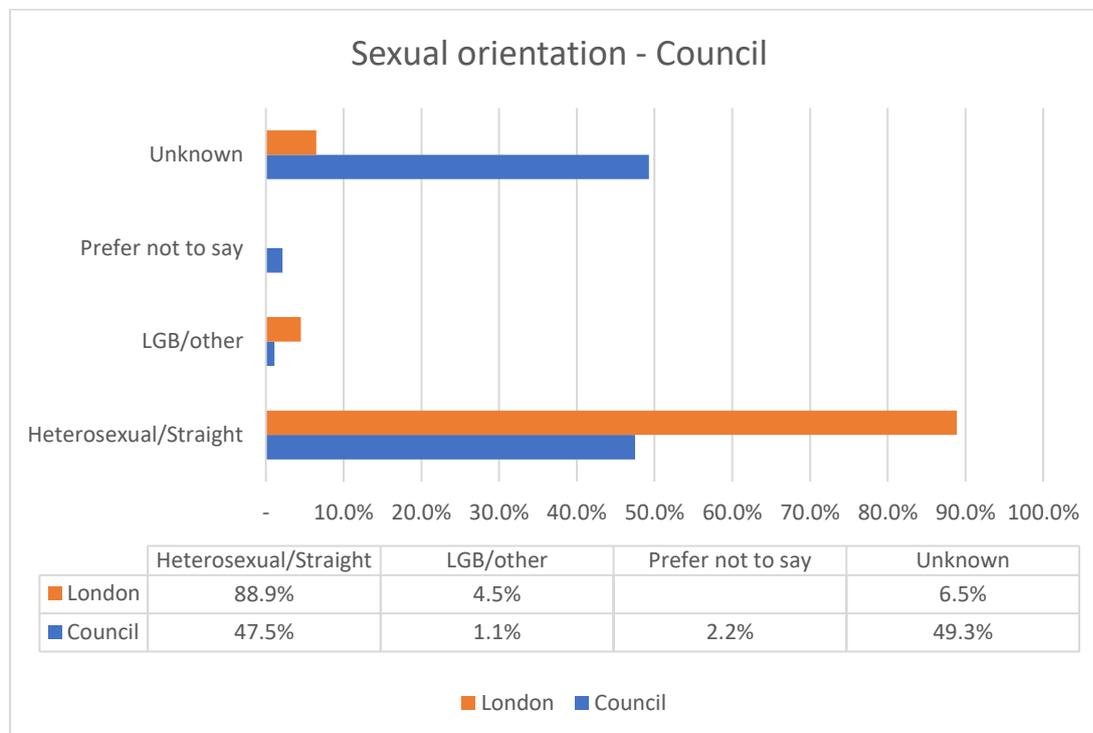


Figure 28. Sexual orientation and gender identity profile, SAP ERP, 31st March 2021

10.1. LGBTQIA+ and pay band

The sexual orientation and gender identity of our staff was largely 'unknown' across all pay bands in 2020-2021, which is fairly represented across all pay bands. There is a similar picture for staff declaring themselves as heterosexual. The greatest proportion of staff declaring themselves as LGBTQIA+, was in pay band 5 (2.8%), and pay band 3 (1.8%).

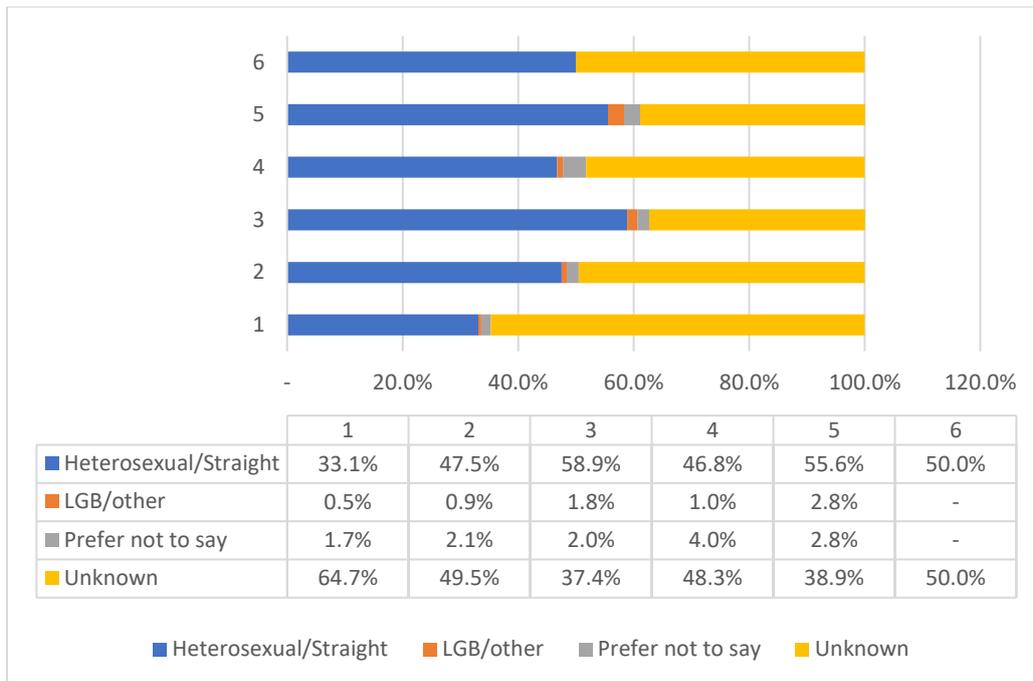


Figure 29. Sexual orientation, gender identity and pay band data, SAP ERP, 31st March 2021

10.2. LGBTQIA+: Recruitment

At the application, shortlisting and appointment phases of the recruitment process almost all candidates were Heterosexual straight 89%, 91% and 89% respectively in contrast to 6% for Bisexual and Gay/Lesbian (at all stages of the recruitment process). Candidates that preferred not to state their sexual orientation remained consistent at 6%, 6% and 9% correspondingly.

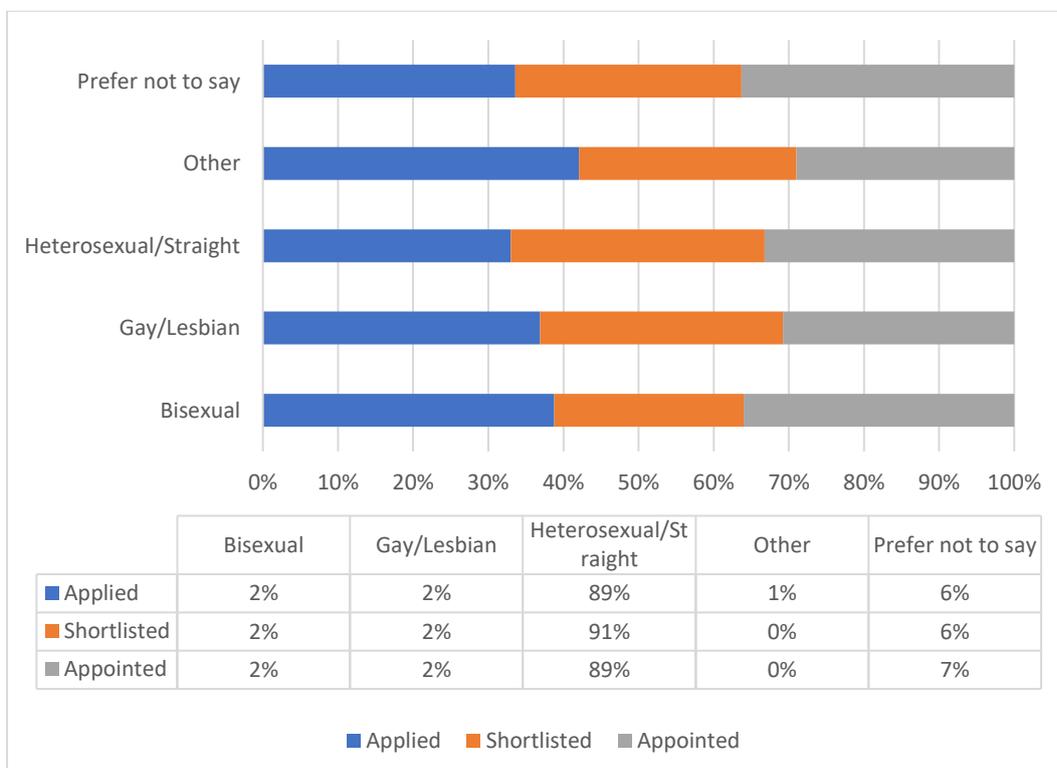


Figure 30. Applicant monitoring data March 2020 – April 2021

11. Pregnancy and Maternity

The maternity data that has been analysed below is from 2018-19.

In 2018-2019 most female staff that returned from maternity leave stayed for a period beyond 4 months (78%). A smaller percentage of female staff left within 4 months of returning from maternity leave (9%). Finally, just under a quarter of female staff (14%) did not return to work at all after taking maternity leave.

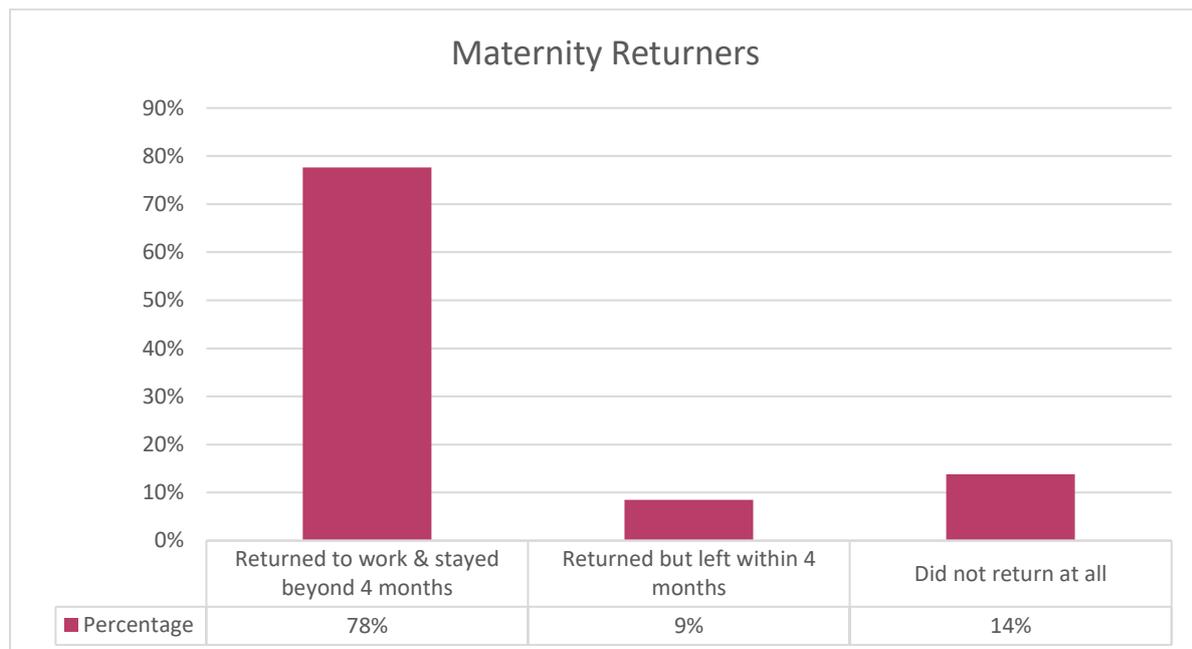


Figure 31. Maternity returners 2018-19

11.1. Maternity and ethnicity

In 2018-19 more female white staff (51%) returned to work and stay beyond 4 months after taking maternity leave, in comparison with their BAME counterparts (41%). Around 8% of this data was submitted by women that did not share their ethnicity. However, this does not affect the analysis that can be made from the data available.

In addition, for the same period, both BAME and white female staff left Harrow within four months of returning from maternity leave at the same rate (50%).

Finally, more white women did not return to work after taking maternity leave (54 %), compared to a 31% figure for BAME women and 15 % figure for women that did not share their ethnicity.

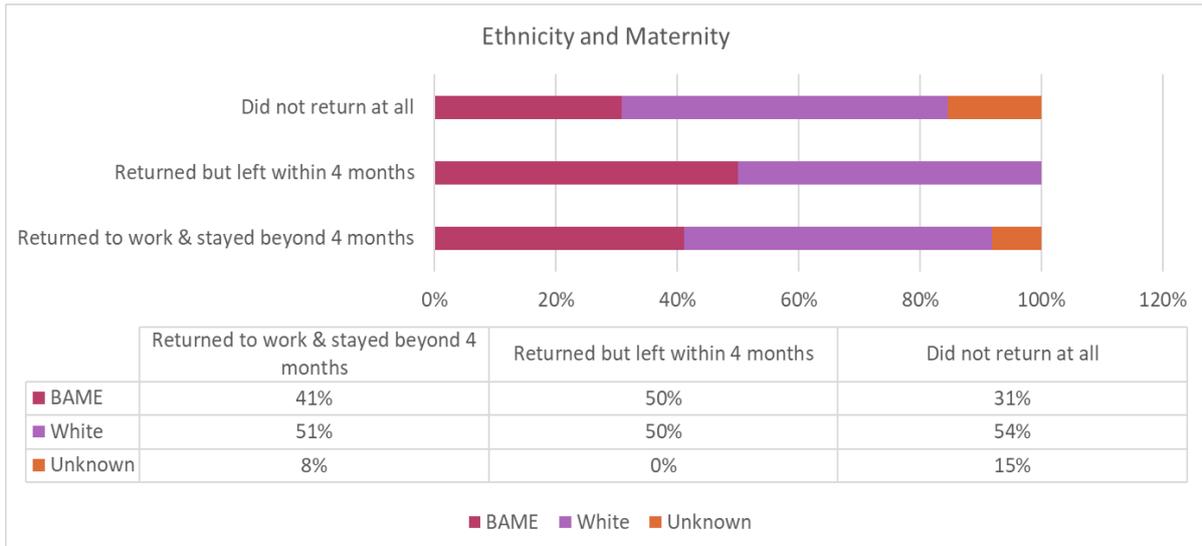


Figure 32. Maternity returners 2018-19

11.2. Maternity: Ethnicity and Contract

The graph below shows the relationship between ethnicity, female staff returning from maternity leave, and their employment contracts.

In 2018-19, white female staff with full time (FT) (18%) and part time (PT) (33%) contracts stayed in work beyond four months, when returning from maternity leave compared to their BAME counterparts (FT 14% and PT 27%).

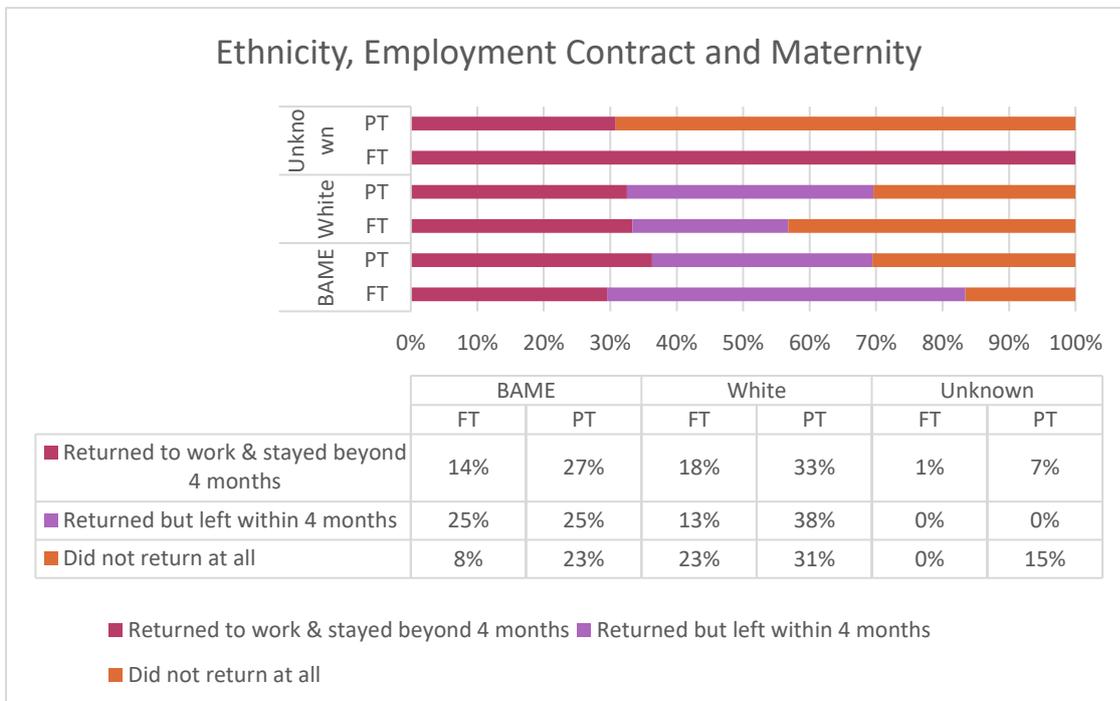


Figure 33. Maternity returners 2018-19

Similarly, most female full-time (FT) staff who left between 2018-19 within 4 months of returning from maternity leave were BAME (25%) compared with a figure of 13% of white female staff. However, white female staff on part time contracts, were most likely to leave Harrow within four months of returning from maternity leave (38%) compared with a figure of 25% for their BAME counterparts. Lastly, female staff most likely to not return at all from maternity leave from white backgrounds were 23% for FT staff and 31% for PT staff compared to 8% and 23% for BAME groups respectively.

The two tables below provide a summary of the link between ethnicity and the reasons why female staff left the organisation after returning from maternity leave.

11.3. Maternity and Marital Status

In 2018-2019 more married women returned from maternity leave and stayed for a period beyond four months (30%), in comparison with their single counterparts (16%). In addition, 53% of this data was collected from female staff that did not disclose their marital status. According to our data single and married women left Harrow within 4 months of returning leave at the same rate (25%). Moreover, 50% of the data concerning female staff that left within four months of returning from maternity leave, was submitted by women that did not disclose their marital status. Finally, 23% of female staff that did not return from maternity leave were single with the other 77% of female staff not disclosing their marital status.

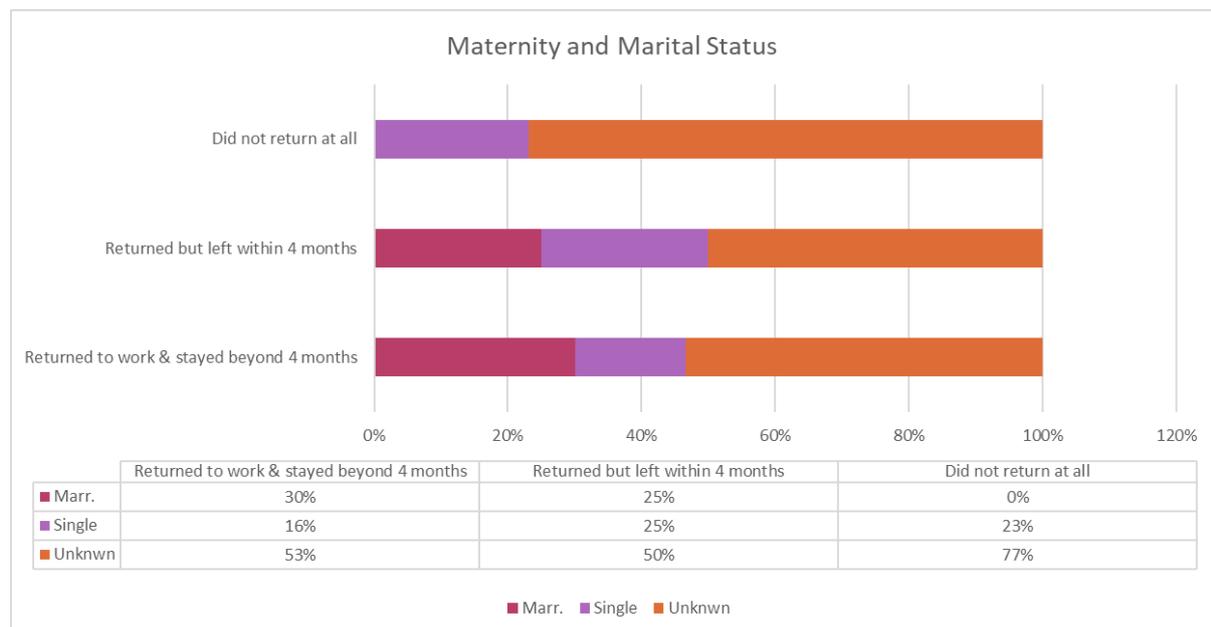


Figure 34. Maternity returners March 2020 – April 2021

11.4. Maternity and Age

In 2018 – 2019 female staff aged 35 to 44 (49%) were more likely to return from maternity leave and stay beyond four months compared to their counterparts in the 25 to 34 (48%), 16 to 24 (1%) and 45 to 54 (1%) age groups. Most women that left within 4 months of returning from maternity leave were aged 25 to 34 (50%), with smaller numbers of the 35 to 44 (38%) and 45 to 54 (13%) demographics leaving the organisation within the same period. Most

female staff that did not return at all from maternity leave were aged 25 to 34 (62%) with a smaller number of the 35 to 44 (38%) also not returning to Harrow.

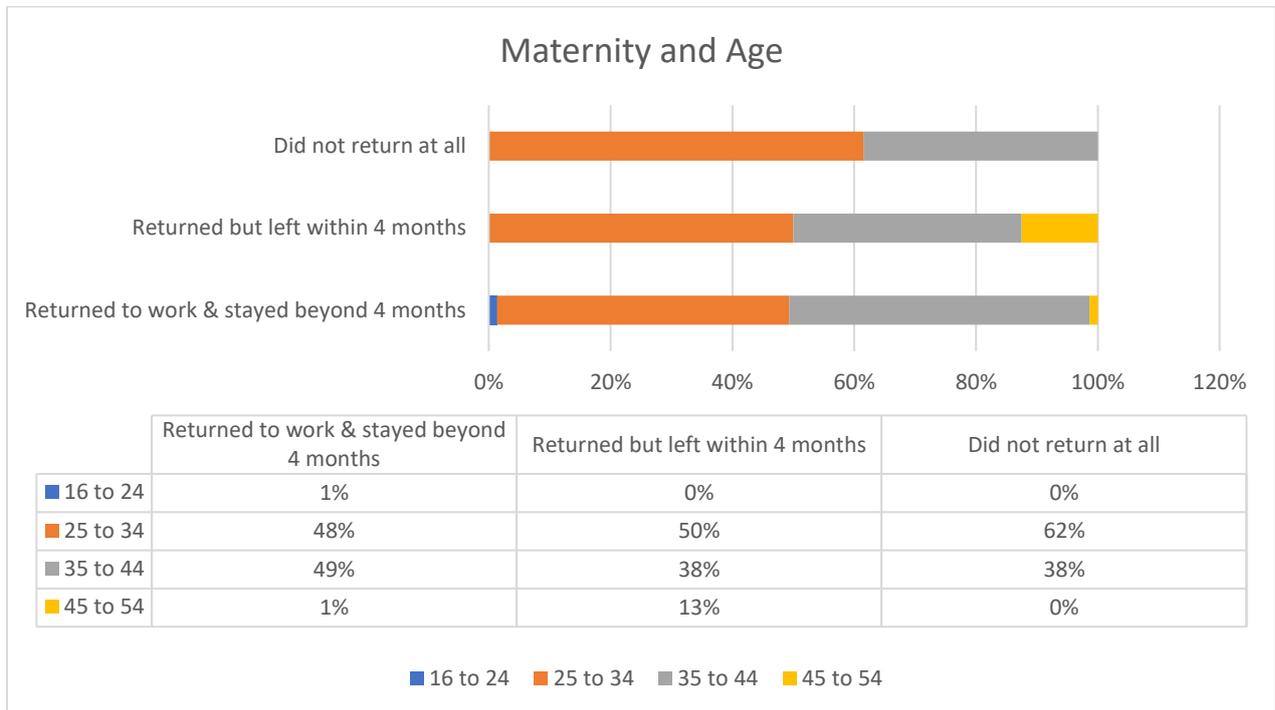


Figure 35. Maternity returners 2018-19

11.5. Maternity and Religion and belief

As mentioned throughout the report religion remains massively underreported within Harrow Council. Based on the data we hold, the majority of female staff from all religious backgrounds have returned from maternity leave and stayed beyond four months.

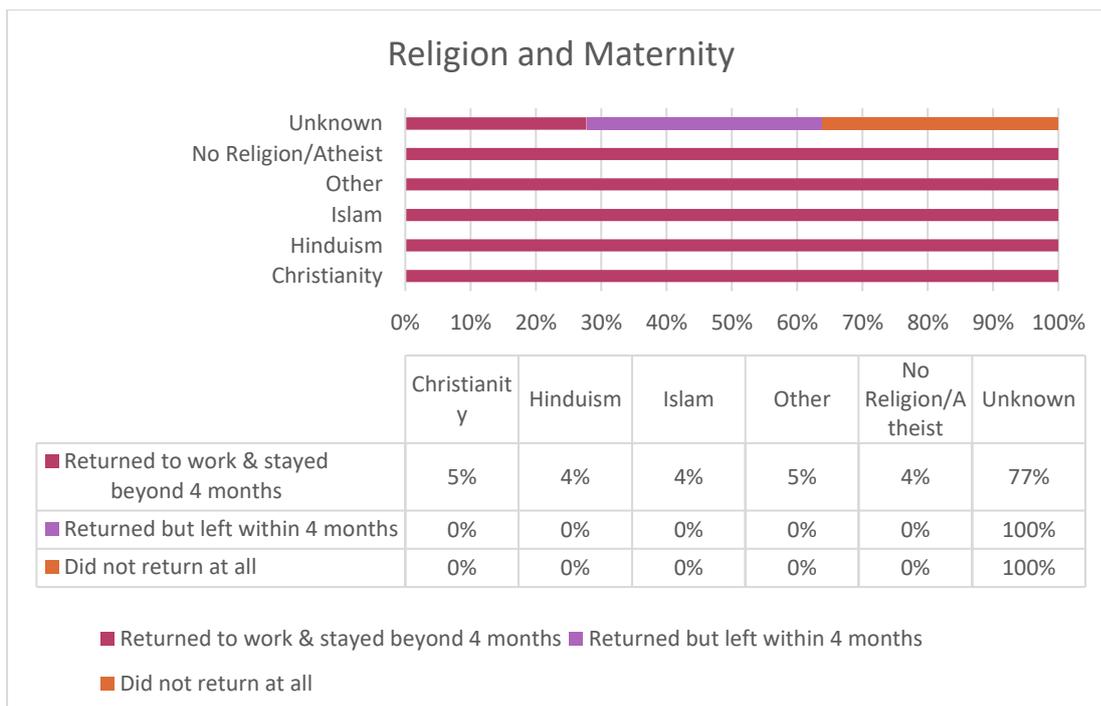


Figure 36. Maternity returners 2018-19

11.6. Maternity and LGBTQIA+

Sexual orientation also remains massively underreported within Harrow Council. The vast majority of female staff that declared themselves to be heterosexual returned to work and stayed beyond four months. But the majority of staff information in this regard is unknown.

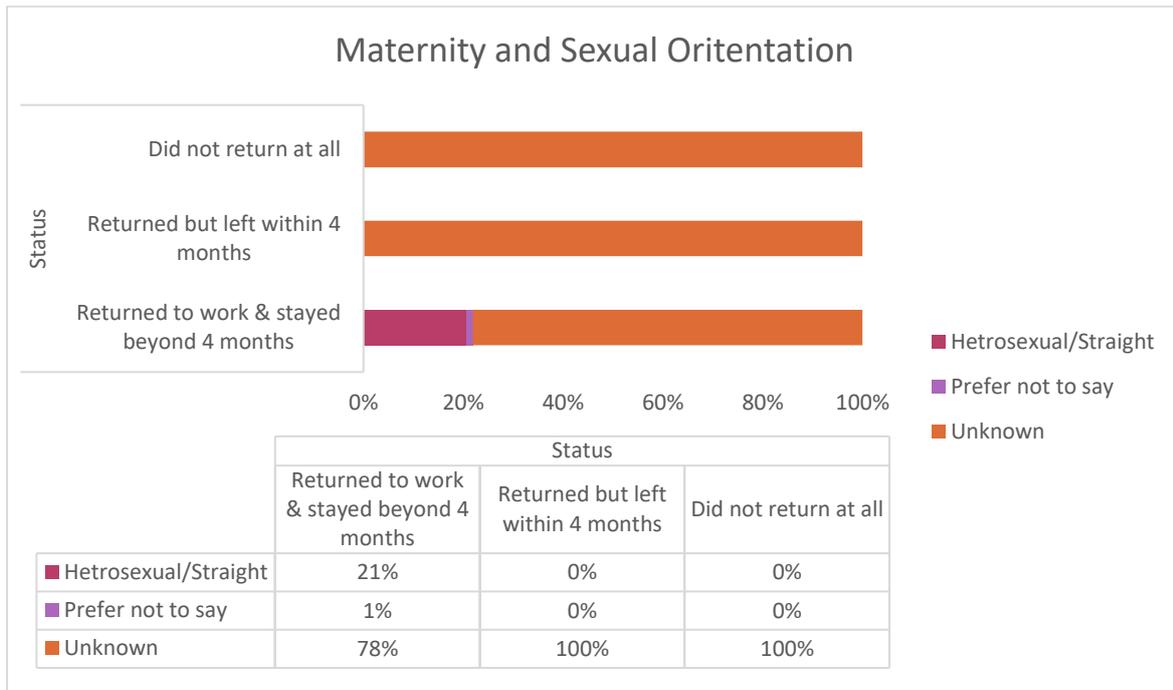


Figure 37. Maternity returners 2018-19