



Cabinet Agenda

Date: **Tuesday 19 December 2023**

Time: **6.30 pm**

Venue: **The Auditorium - Harrow Council Hub,
Kenmore Avenue, Harrow, HA3 8LU**

Membership:

Chair: Councillor Paul Osborn (Leader of the Council) and
Portfolio Holder for Strategy

Portfolio Holders:	Portfolio:
Councillor Marilyn Ashton	Deputy Leader of the Council and Portfolio Holder for Planning & Regeneration
Councillor David Ashton	Finance & Human Resources
Councillor Stephen Greek	Performance, Communications & Customer Experience
Councillor Hitesh Karia	Children's Services
Councillor Jean Lammiman	Community & Culture
Councillor Mina Parmar	Housing
Councillor Anjana Patel	Highways, Infrastructure and Community Safety
Councillor Pritesh Patel	Adult Services & Public Health
Councillor Norman Stevenson	Business, Employment & Property

Non-Executive Members:	Role:
Councillor Thaya Idaikkadar	Non-Executive Cabinet Member
Councillor Kanti Rabadia	Non-Executive Cabinet Member
John Higgins	Non-Executive Voluntary Sector Representative Harrow Youth Parliament Representative

Quorum 3, including the Leader and/or Deputy Leader)

Contact: Andrew Seaman, Senior Democratic & Electoral Services Officer
Tel: 07928 512790 E-mail: andrew.seaman5@harrow.gov.uk

Scan this code for the electronic agenda:



Useful Information

Joining the Meeting virtually

The meeting is open to the public and can be viewed online at [London Borough of Harrow webcasts](#)

Attending the Meeting in person

Directions by car:

Go along Kenmore Avenue and head towards the Kenton Recreation Ground. When approaching the end of the Kenmore Avenue turn right before reaching the Kadwa Patidar Centre.

The venue is accessible to people with special needs. If you have specific requirements, please contact the officer listed on the front page of this agenda.

You will be admitted on a first-come-first basis and directed to seats.

Please:

- (1) Stay seated.
- (2) Access the meeting agenda online at [Browse meetings - Cabinet](#)
- (3) Put mobile devices on silent.
- (4) Follow instructions of the Security Officers.
- (5) Advise Security on your arrival if you are a registered speaker.

Filming / recording

This meeting may be recorded or filmed, and if you choose to attend, you will be deemed to have consented to this. Any recording may be published on the Council website.

Agenda publication date: Monday 11 December 2023

Agenda - Part I

1. Apologies for Absence

To receive apologies for absence (if any).

2. Declarations of Interest

To receive declarations of disclosable pecuniary or non pecuniary interests, arising from business to be transacted at this meeting, from all Members present.

3. Petitions

To receive any petitions submitted by members of the public or Councillors.

4. Public Questions

To note any public questions received.

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, Thursday 14 December 2023. Questions should be sent to publicquestions@harrow.gov.uk

No person may submit more than one question].

5. Councillor Questions

To receive any Councillor questions.

Questions will be asked in the order agreed with the relevant Group Leader by the deadline for submission and there be a time limit of 15 minutes.

[The deadline for receipt of Councillor questions is 3.00 pm, Thursday 14 December 2023.]

6. Key Decision Schedule December 2023 - February 2024 (Pages 7 - 14)

7. Progress on Scrutiny Projects (Pages 15 - 16)

For consideration

People

KEY 8. Procurement of Education IT System (Pages 17 - 28)

Report of the Director of Education.

KEY 9. School Organisation Update and School Capital Programme
(Pages 29 - 164)

Report of the Corporate Director for People Services.

Place

10. Procurement Action for Silk Stream & GLA Chandos Recreation Ground (Pages 165 - 174)

Report of the Corporate Director of Place.

Resources and Commercial

KEY 11. Calculation of Council Tax Base for 2024-2025 (Pages 175 - 184)

Report of the Acting Director of Finance & Assurance, Resources Directorate.

KEY 12. Estimated Surplus / (Deficit) on the Collection Fund 2023-2024
(Pages 185 - 192)

Report of the Interim Director of Finance and Assurance.

KEY 13. Revenue and Capital Budget Monitoring Report Quarter 2 2023/24
(Pages 193 - 244)

Report of the Interim Director of Finance and Assurance.

KEY 14. Draft Capital Programme 2024/25 to 2026/27 (Pages 245 - 260)

Report of the Interim Director of Finance and Assurance.

KEY 15. Draft Revenue Budget 2024/25 and Draft Medium Term Financial Strategy to 2026/27 (Pages 261 - 308)

Report of the Interim Director of Finance and Assurance.

16. Treasury Management Mid Year Report for 2023/24 (Pages 309 - 322)

Report of the Interim Director of Finance and Assurance.

17. Exclusion of the Press and Public

To resolve that the press and public be excluded from the meeting for the following item of business for the reasons stated.

Agenda Item No	Title	Description of Exempt Information
19	Procurement of Education IT System – Appendix B	Information under paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972, relating to the financial or business affairs of any particular person (including the authority holding that information).
20	Procurement Action for Silk Stream & GLA Chandos Recreation Ground – Appendices A, B, C and D	Information under paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972, relating to the financial or business affairs of any particular person (including the authority holding that information).

18. Any Other Urgent Business

Which cannot otherwise be dealt with.

Agenda - Part II

19. Procurement of Education IT System (Pages 323 - 324)

Appendix B to the report of the Director of Education.

20. Procurement Action for Silk Stream & GLA Chandos Recreation Ground (Pages 325 - 458)

Appendices A, B, C, D to the report of the Corporate Director of Place.

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.]

Deadline for questions	3.00 pm on Thursday 14 December 2023
Publication of decisions	Wednesday 20 December
Deadline for Call in	5.00 pm on Friday 29 December 2023
Decisions implemented if not Called in	Saturday 30 December 2023

London Borough of Harrow

Key Decision Schedule (December 2023 - February 2024)

December 2023

This is a list of Key Decisions which the Authority proposes to take at the above Cabinet meeting. The Cabinet agenda containing all the reports being considered will be published 5 clear days before the meeting.

↘ **A Key Decision is one which is likely to:**

- (i) result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to its budget for the service or function to which the decision relates. A decision is significant if it involves expenditure or the making of savings of an amount in excess of £1m of capital or £500,000 of revenue or where savings or expenditure are less than these amounts but they constitute more than 50% of the budget attributable to the service in question; or
- (ii) be significant in terms of its effects on communities living or working in an area of two or more wards of the Borough.

Decisions which the Cabinet intends to make in private

The Cabinet may meet in private to consider reports which contain confidential information. A private meeting of the Cabinet is open only to Members of the Cabinet, other Councillors and Council officers. This Schedule also contains non-Key Decisions which involve Cabinet meeting in private. Any person can make representations to the Cabinet if they believe the decision should instead be made in the public Cabinet meeting by emailing democratic.services@harrow.gov.uk.

The membership of the Cabinet is:

[Councillor Paul Osborn](#) (Leader), (Strategy)

[Councillor Marilyn Ashton](#) (Deputy Leader, Planning & Regeneration)

[Councillor David Ashton](#) (Finance & Human Resources)

[Councillor Stephen Greek](#) (Performance, Communications & Customer Experience)

[Councillor Hitesh Karia](#) (Children's Services)

[Councillor Jean Lammiman](#) (Community & Culture)

[Councillor Mina Parmar](#) (Housing)

[Councillor Anjana Patel](#) (Highways, Infrastructure and Community Safety)

[Councillor Pritesh Patel](#) (Adult Services & Public Health)

[Councillor Norman Stevenson](#) (Business, Employment & Property)

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Subject	Nature of Decision	Cabinet Member / Lead officer	Open or Private Meeting	Additional Documents to be submitted and any Consultation to be undertaken
DECEMBER				
Procurement of Education IT System	To request an award of contract to Capita Business Services for One Education modules plus Family Hub and Youth Justice software.	Councillor Hitesh Karia; Councillor Stephen Greek; Councillor David Ashton Divisional Director, Education Services david.harrington@harrow.gov.uk	Part exempt	
DEFRA and Greater London Authority Silk Stream Chandos Recreation Ground	Approval for the procurement of the delivery phase for the DEFRA and GLA Silk Stream Chandos Recreation Ground Project	Councillor Anjana Patel Director of Environment michael.bradshaw@harrow.gov.uk	Open	Ward Councillors and Chandos Recreation Ground User Group
Calculation of Council Tax Base for 2024-2025	To approve the Council's Council Tax Base for 2024-25	Councillor David Ashton Sharon Daniels, Interim Director of Finance & Assurance (S151 Officer) sharon.daniels@harrow.gov.uk	Open	

Subject	Nature of Decision	Cabinet Member / Lead officer	Open or Private Meeting	Additional Documents to be submitted and any Consultation to be undertaken
Estimated Surplus / (Deficit) on the Collection Fund 2023-2024	To agree the Council's collection fund position and to allow the appropriate transfers to the general or collection fund to clear surplus or deficit.	Councillor David Ashton Sharon Daniels, Interim Director of Finance & Assurance (S151 Officer) sharon.daniels@harrow.gov.uk	Open	
Revenue and Capital Budget Monitoring Report Quarter 2 2023/24	To note the Revenue & Capital Budget for 2023-24 and to approve amendments to the Capital Programme if applicable.	Councillor David Ashton Sharon Daniels, Interim Director of Finance & Assurance (S151 Officer) jo.frost@harrow.gov.uk	Open	

Subject	Nature of Decision	Cabinet Member / Lead officer	Open or Private Meeting	Additional Documents to be submitted and any Consultation to be undertaken
<p>Housing Revenue Account Budget 2024-25 & Medium-Term Financial Strategy 2025-26 to 2026-27, HRA Capital Programme 2024-25 to 2028-29 and 30 year HRA Business Plan</p>	<p>To make recommendations to Council to approve:</p> <ul style="list-style-type: none"> • the HRA Budget for 2024-25; • HRA capital programme 2024-25 to 2028-29; • rents, service and facility charges for HRA social rented properties community halls, garages and water charges for 2024-25 and • the HRA Business plan 	<p>Councillor David Ashton; Councillor Mina Parmar</p> <p>Tasleem Kazmi, tasleem.kazmi@harrow.gov.uk</p>	<p>Open</p>	<p>List of fees and charges to be considered for increase, summary budgets for MTFS – 3 years, Capital Programme 5 years and HRA Business Plan 30 years</p>
<p>Draft Final Revenue Budget 2023/24 and Medium-Term Financial Strategy 2024/26 to 2026/27</p>	<ol style="list-style-type: none"> 1. To approve the Final Budget for 2023/24 and MTFS for 2023/24 to 2025/26 and recommend to Full Council. 2. To approve the Council Tax for 2023/24 and recommend to Full Council. 	<p>Councillor David Ashton</p> <p>Sharon Daniels, Interim Director of Finance & Assurance (S151 Officer) Sharon.Daniels@harrow.gov.uk and Usha Chauhan Usha.chauhan@harrow.gov.uk</p>	<p>Open</p>	

Subject	Nature of Decision	Cabinet Member / Lead officer	Open or Private Meeting	Additional Documents to be submitted and any Consultation to be undertaken
Draft Capital Programme 2024/25 to 2026/27	<ol style="list-style-type: none"> 1. To Note the Draft Capital Programme 2023/24 to 2025/26 2. The Final Capital Programme will be brought back to cabinet in February 2022. 	<p>Councillor David Ashton</p> <p>Sharon Daniels, Interim Director of Finance & Assurance (S151 Officer) Sharon.Daniels@harrow.gov.uk and Usha Chauhan Usha.chauhan@harrow.gov.uk</p>	Open	
Treasury Management Mid Year Report for 2023/24	To note the Treasury Management Mid-Year position for 2023/24	<p>Councillor David Ashton, Portfolio Holder for Finance & Human Resources</p> <p>Sharon Daniels, Interim Director of Finance & Assurance (S151 Officer) Sharon.Daniels@harrow.gov.uk</p>	Open	

Subject	Nature of Decision	Cabinet Member / Lead officer	Open or Private Meeting	Additional Documents to be submitted and any Consultation to be undertaken
School Organisation Update and School Capital Programme	<p>Provide an update on school organisation matters and SEND provision for the Council.</p> <p>Delegate authority to bring forward proposals to make changes to schools to implement the Amalgamation Policy including to procure and implement the capital programme.</p>	<p>Councillor Hitesh Karia</p> <p>Senel Arkut, Corporate Director, People senal.arkut@harrow.gov.uk</p>	Open	
JANUARY				
Calculation of Business Rates Tax Base for 2024-2025	To approve the Council's Business Rates Retention amount for 2024-25.	<p>Councillor David Ashton</p> <p>Sharon Daniels, Interim Director of Finance & Assurance (S151 Officer) sharon.daniels@harrow.gov.uk</p>	Open	
FEBRUARY				

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PROGRESS ON SCRUTINY PROJECTS

Review	Methodology	Type of report	Expected date for report to Cabinet	Comments
<p>North West London Joint Overview & Scrutiny Committee (JHOSC)</p>	<p>Joint Committee</p>	<p>Update reports provided to Health & Social Care sub committee (for information)</p>	<p>As required</p>	<p>The North West London (NWL) JHOSC last met on 5th December 2023. Key agenda items included the Integrated Care System (ICS) Workforce Strategy; NWL Winter Resilience Plans; NWL Elective Orthopaedic Centre update and an ICS Update. Among other points raised, Harrow suggested that NWL NHS engages with Harrow’s Estates team in relation to the work on the NWL NHS Estates Strategy to ensure alignment on outputs and resident needs. Harrow also requested for monitoring reports to be brought back to the committee for the new Elective Orthopaedic Centre against set targets for improved productivity, quality, and efficiency.</p> <p>The next JHOSC meeting is on 14th March 2024.</p> <p>There are regular update reports on the JHOSC to Harrow’s Health and Social Care Scrutiny Sub-Committee so that there is a formal feedback loop between regional and local health scrutiny. Councillor Chetna Halai, chair of Health Sub, is Harrow’s member on the JHOSC.</p>

Contact: Nahreen Matlib, Senior Policy Officer

Email: nahreen.matlib@harrow.gov.uk

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Report for: Cabinet

Date of Meeting:	19 December 2023
Subject:	Procurement of Education IT System
Key Decision:	Yes – Expenditure over £500k
Responsible Officer:	Patrick O'Dwyer, Director of Education
Portfolio Holder:	Cllr Hitesh Karia – Portfolio Holder for Children's Services Cllr Stephen Greek – Portfolio Holder for Performance, Communications and Customer Experience
Exempt:	No – except appendix B is exempt by virtue of paragraph 3 of part 1 of schedule 12 a of the Local Government Act 1972 as amended in that it contains financial information of a commercially sensitive nature.
Decision subject to Call-in:	Yes
Wards affected:	All wards
Enclosures:	Appendix A : Business Case – Procurement of Education System Appendix B: Financial Information (Exempt)

Section 1 – Summary and Recommendations

This report sets out options for the Education IT system in the context that the current contract period ends on 31st March 2024.

Recommendation:

That the Director of Education, and the Assistant Director of Digital, Data and the Customer Experience, following consultation with the Portfolio Holder for Children’s Services and the Portfolio Holder for Performance, Communications and Customer Experience, be authorised to approve the award of a contract by way of direct award for 3 years for Capita One Education Management IT system, with an option to extend for a further 2 years, via the Kent Commercial Services (KCS) Framework or other appropriate procurement route, the total value of the contract is £926,000, including the optional extensions.

Reason:

This recommendation provides a comprehensive and integrated Education System that gives the best value for money for the local authority. It also best meets the needs of the users of the Education IT system across Education Services and the People Directorate over the next 3 to 5 years.

The decisions to extend for years 4 and 5 are separate and will be based on system performance and market review. The work to assess this will be carried out with sufficient time to allow for market testing, should that be deemed necessary.

Section 2 – Report

Introduction

The current contract with Capita Education Services (CES) for its One Education Management System (One EMS), runs to 31st March 2024. This provides a set of integrated modules that give comprehensive coverage for the Council’s Education Services, including Admissions, Special Educational Needs, Educational Psychology, Sensory Services and tracking of achievement, attendance and exclusions in Harrow schools. In addition, as part of the same contract, CES provide an integrated Youth Offending System, and a stand-alone hosted system for Children Centres/Family hubs.

Around 2 years ago, the team began due diligence work in examining options for post 2023, which included liaison with other authorities using other Education systems and seeking information from alternative suppliers.

During this work, it was found that there is only one other supplier in the market that can offer the same level of coverage and integration across Education Services. Informal discussions were held with this supplier to understand the service they could offer and both the estimated cost of change

and the cost of ongoing services. The cost of change was also investigated with Harrow IT services and with other local authorities, leading to the estimates provided in the Business Case and Financial Annex.

Options considered

Note that each of the options follows a review of the market which began in 2021 and involved research of alternative suppliers and experience of other local authorities in both change and day-to-day use of different Education IT systems. The 'Do Nothing' option in this case means not doing anything as a result of this work, until contract expiry necessitates action:

1. Do nothing - does not meet service needs and would be likely to lead to a high cost, short-term extension.
2. Full market testing, with potential change of system - if leading to system change, and a similar level of service with a lower annual cost, would include cost of change that would mean an estimated return on investment would not be achieved until around the 10th year of the contract. This is not a viable timeframe in relation to software.
3. Entering into a new contract with Capita via a compliant framework agreement - provides the best value for money over the period and lowest level of risk, while continuing to deliver a known set of modules in support of Harrow's education and children services, with no cost of change or new integrations with local systems.

Option 3 is recommended and further details for each option are available within the attached Business Case.

Current situation

The Education IT system is currently provided by Capita, fully hosted as 'Software as a Service' and is used throughout Education Services. It is also the main system for the Youth Offending Team and used as a secondary system throughout other areas of Children Services. The contract also covers e-Start, a stand-alone registration system for Children's Centres/Family Hubs

Why a change is needed

The current contract with Capita expires on 31 March 2024. It is vital that Education Services has a reliable and comprehensive IT system to support its activities.

Implications of the Recommendation

The recommendation is to enter into a contract with Capita Education Services, which will meet Education IT needs for the next 3 years. In the second year of this contract, a market assessment will be carried out to determine the offer available from other suppliers, and to see if new suppliers have entered the market. The quality of service and value for money of the proposed contract will be kept under scrutiny throughout the period, and will inform any decisions around extensions or market testing.

Performance Issues

A wide range of performance information relating to educational achievement, attendance, exclusions, SEND, Youth Offending and Children's Centres is generated from the One EMS (and eStart) systems. An integrated system with versatile reporting capabilities is necessary to support monitoring and improvement across education in the Borough.

In terms of the performance of the system, an improvement programme is in place for elements of the current provision, in particular around improving accessibility while maintaining security (single sign-on and multi-factor authentication) and progress in upgrading the Admissions module. These areas have formed part of the contract discussion and will remain priorities for improvement.

Environmental Implications & Social Value

A social value statement is appended to the contract which describes Capita's commitment to reducing its environmental impact, and specifically to achieve full net zero by 2035, with interim steps of 'operational net zero' by 2025 and 'operational + travel net zero' by 2030.

In addition to the environmental impact commitment, the statement also covers Capita's 5-year Responsible Business Strategy, and commits to discussing with the Council how Capita could provide social value in the borough, with examples given of digital skills training for residents, curriculum support in local schools and colleges or support to local voluntary and community sector organisations.

Data Protection Implications

There are no changes to the infrastructure or software associated with entering into the proposed new contract. Nevertheless, the impact assessment that was carried out at the transfer to cloud-based services in 2020 is being reviewed and updated with the Data Protection Officer and Cyber Security Manager. The proposed new contract coincides with the introduction of Wonde software for transfer of schools data, and this is being tested and reviewed to ensure compliant with data protection and security requirements.

Risk Management Implications

See risk section of Business Case. The main risk after mitigation is around the quality of service delivered by CES, and this will be a focus. A service charter and penalties for system down-time are included in the arrangement. There are currently fortnightly meetings with the supplier to track performance and priorities for improvement, and these will continue under the new contract.

Procurement Implications

This proposal has been developed with the Council's Procurement Team and is being established under the Kent Commercial Services (KCS) Framework, which meets competition requirements – see Business Case for further details.

The Intention is to direct award from external KCS procurement services, Managed services framework Ref: Y20023. The Framework user guide and the Form of Direct Award document details that the Council may direct award on the grounds of Continuity of existing goods/services from an awarded supplier.

The existing system already in use by The London Borough of Harrow namely "Capita One Education Software as a Service" is currently supplied by "Capita Business Services Limited". This contract was procured using the previous KCS Framework Ref: Y16018.

To ensure value for money the Council developed a Statement of Requirements in compliance with the Framework direct award procedure to engage with Capita Business Services Limited. The process ensured improvements over the period of the contract and value for money.

It is the opinion of the Procurement team (on behalf of the Head of Procurement) that the procurement process has been conducted compliant with the Public Contracts Regulations 2015 and the Council's Contract Procedure Rules.

The recommended provider namely "Capita Business Services Limited" has demonstrated their service meets the Council's requirements and allows best value. The Procurement team therefore fully support the recommendations made in this report.

Legal Implications

Regulation 33 of the Public Contracts Regulations 2015 allows procuring authorities to enter into contracts called off under existing framework agreements where the framework agreement allows them to do so.

The Contract Procedure Rules (CPRs) set out in the Council's constitution state that contracts awarded under a framework agreement only require a Cabinet report or Gateway 2 report for approval of award recommendations. In this instance a Cabinet report and approval is required given the contract's value.

Section 4.4 of the CPRs states that Framework Agreements that have been established by other Public Sector Bodies that are lawfully accessible to the Council should be used in accordance with the terms and conditions of the relevant framework agreement. The proposed contract would be entered into in accordance with the terms and conditions of the framework agreement.

The framework agreement has been reviewed by HB Public Law with advice being given where needed. and, where permitted, amendments

Financial Implications

There is an annual revenue budget of £185k to support this contract. The proposed three year arrangement at a cost of £528k will represent a saving of £27k over the three year period. The majority of the budget is funded by the Dedicated Schools Grant (DSG) so any savings will be repurposed back into other DSG activities. This provides value for money of the options assessed, and avoids the significant costs of change and risks associated with the change of a complex and multi-faceted IT system.

Total value of the contract, including the optional extension of two separate years, is shown in the table below.

Proposed Contract	2024-5	2025-6	2026-7	3 year total	+1 year 2027-8	+1 Year 2028-29	5 year total
Annual cost	166000	174300	183015	523315			
Budget	185000	185000	185000	555000			
Cost of new Wonde B2B software for school data transfer at 50% discount	1500	1575	1654	4729			
Total contract value	167500	175875	184669	528044	193902	203597	925543
Saving over 3 years	-17500	-9125	-331	-26956			

See Business Case and Financial Annex for fuller detail.

Equalities implications / Public Sector Equality Duty

A wide range of equalities monitoring information is produced from the Education IT System to enable the Council to meet its equalities duties in Education, including:

- Narrowing the gap indicators for vulnerable groups – SEND, free school meals, some ethnic backgrounds
- Timeliness of Education Health and Care Plans
- Tracking achievement, attendance and exclusions across Harrow's schools, and informing school improvement

It also enables the fair allocation of school places via the Admissions module, and the delivery of services to those in need via SEND, Sensory and Education Psychology services.

Council Priorities

A place where those in need are supported.

See Business Case for further details.

Section 3 - Statutory Officer Clearance

Statutory Officer: Jo Frost

Signed on *behalf of/by the Chief Financial Officer

Date: 14 November 2023

Statutory Officer: Gareth Rees

Signed on behalf of the Monitoring Officer

Date: 15 November 2023

Chief Officer: Alex Dewsnap

Signed off by the Managing Director

Date: 16 November 2023

Head of Procurement: Martin Trim

Signed on behalf of Head of Procurement

Date: 9 November 2023

Head of Internal Audit: Neale Burns

Signed on behalf of the Head of Internal Audit

Date: 10 November 2023

Has the Portfolio Holder(s) been consulted? Yes

Mandatory Checks

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

EqIA carried out: No

As the proposal is to continue with the existing supplier under a new contract, which has no material impact on services, and this will enable Harrow to continue to meet its duties in terms of monitoring and supporting equalities in education across the Borough, an Equalities Impact Assessment is not necessary.

Section 4 - Contact Details and Background Papers

Contact: David Harrington, Head of Business Intelligence,
david.harrington@harrow.gov.uk

Background Papers: None

Call-in waived by the Chair of Overview and Scrutiny Committee: No

Appendix A - Business Case

Purpose of Business Case

To explore options for the Education IT system, which has a current contract end date of 31 March 2024, and to recommend a new contract under the Kent Commercial Services Framework.

General Information:

Project / Programme Name:	Procurement of Education IT System		
Directorate:	People / Resources and Transformation		
Division / Department:	Education		
Project Manager:	David Harrington, Head of BI	Project Sponsor:	Patrick O'Dwyer, Director of Education
Change Lead (if applicable):	N/A		

Exec Summary

What is the Project/Programme about? What is the problem you want to solve?

This business case considers the options for the Education IT system, comparing a new contract with the existing provider with open competition and a potential switch to an alternative provider. It requests approval to proceed with a new multi-year contract with Capita Education Services for the One Education Management IT System (One EMS).

It is recommended that the Council enters into a further 3 years year contract from April 2024 to March 2027 with an option to extend for a further two years, on a 'plus one, plus one' basis.

What is expected outcome? What benefits will it bring?

This will meet the needs of Children's Services as the primary integrated IT system for Education Services, and as a secondary system for other areas of Children's Services. It is a fully hosted 'Software as a Service' arrangement, which is in line with Harrow Corporate IT Strategy.

How will Project/Programme progress be tracked?

This is the culmination of 2 years of work to which began with a review the options available and due diligence work with suppliers and other local authorities to inform decision making. The final stages will be tracked via the work of the existing

Appendix A - Business Case

project team, and with a project plan and timeline that works towards a new contract being agreed before the end of calendar year 2023 and in place from 1st April 2024.

Is the Project / Programme achieving:

- MTFS
- Corporate Plan**
- Flagship Actions
- Other

MTFS

What MTFS saving proposal is this Project/Programme achieving? How?

Not formally part of MTFS, although the recommended option will produce a modest cash saving over three years and will continue to provide a real terms saving for the Education budget – see Annex for details.

Corporate Plan

What Corporate Priority is this Project/Programme achieving? How?

A borough that supports those most in need. The report is concerned with the main IT system for key services in Harrow Education Services, including Admissions, SEND, Educational Psychology and Sensory teams. It is a critical tool in providing school places for Harrow’s children, and in carrying out our statutory education functions. It enables monitoring of progress for all of Harrow’s schools and pupils, in terms of achievement, SEN, attendance, exclusions, free school meals and a wide range of other metrics and characteristics. The system also support work on safeguarding and tracking children missing Education, termly DFE return for children missing education and Home Educated. Supplying data to the National Child Measurement programme (school nurses) for tracking obesity, height, and inoculations.

Flagship Actions

What Flagship Action is this Project/Programme achieving? How?

Indirectly supports Flagship Actions around free school meals and SEND.

Other

Why are we delivering this Project / Programme?

We are required as a local authority to support the local education system, which involves a range of support – this could not be carried out efficiently and effectively without an integrated IT system that holds pupil and other data, and supports workflow in the various education services.

Business Options

What options have been explored and what is recommended option?

Do Nothing

Note that each of the options follows a review of the market which began in 2021 and involved research of alternative suppliers and experience of other local authorities in both change and day to day use. The ‘Do Nothing’ option in this case means not doing anything as a result of this work, until contract expiry necessitates action.

If no further action is taken, the current contract with Capita Education Services will expire at 31st March 2024. This would risk a situation where Education Services cannot carry out its statutory functions in support of support of education in the borough, and would mean that various teams could not carry out their roles effectively. It would lead to uncertainty and potentially a significant deterioration in service levels. Realistically, the Council would be forced to negotiate a short-term extension at a late stage, from a weak negotiating position, and would be unlikely to achieve value for money.

Recommended Option – a 3 year +1 +1 contract with Capita Education Services under the Kent Commercial Services Framework

The possibility of a exploring a new contract that would meet competition requirements and potentially provide value for money for the Council via an existing government framework was identified by the Procurement Team and tested with our legal team. The Kent Commercial Services framework was recommended and used as a basis for negotiation. The team was able to negotiate a 3 year contract with Capita Education Services, on a like for like basis i.e. SaaS, all current modules and support level, with a starting price lower than the current annual maintenance, additional levels of technical support, and no cash costs relating to the implementation (although the time and efforts of the project team should be

Appendix A - Business Case

acknowledged). This was compared with the modelling of the cost of open competition and change and is considered to provide good value for money.

The project team is therefore recommending this option to Cabinet. Full financial information is provided in the Annex.

Alternative Option – Open competition

This was fully considered and was a realistic option until the later stages of the project. Due diligence identified only one supplier that could supply an integrated solution that was a genuine alternative to One EMS. At the same time, suppliers are improving their offer and developing new and more integrated systems for Education and Children’s Services, so there was an opportunity to test the changing market.

Because of this, a cost model was developed using estimates provided by the alternative supplier and other local authorities. The research also suggested that buying separate modules, or less integrated solutions would be likely to be more expensive in the first place and would create additional costs within the Council as integrations would have to be built and maintained.

The modelling of costs suggested that, compared with the existing cost of Capita One EMS, the cost of change would mean that the return on investment would not be within a timeframe that could be considered viable in the IT environment. (See financial detail in Annexe 1). However, this model relied on keeping the costs down for the existing supplier, which could not be assumed, so this option was kept open during the negotiations.

Key Milestones

The milestone must be described in a clear measurable & tangible way

No	Title	Description	Due Date
MS01	Preparation and due diligence	Review of suppliers and use of networks to determine other LAs experience of current and alternative suppliers	2021-22
MS02	Procurement options	Investigation of options for a competition and new agreement with existing supplier	Late 2022-early 2023
MS03	Negotiation with existing supplier	Negotiation of price and service levels with Capita Education Services	June 2023 – October 2023
MS04	Contract	Draft contract produced under KCS framework, overseen by Harrow’s Procurement and Legal Teams	October/November 2023
MS05	Cabinet Decision	Key decision as over £500k.	December 2023
MS06	New arrangements	New service agreement with enhanced support begins	April 2024

How are you going to deliver this Project/Programme?

Via a project team involving the Education, Business Intelligence, IT, Procurement and Legal functions, and with advice from colleagues in Finance and other areas e.g. Insurance. The project team is already in place and working to a tight timeline with December Cabinet as a key milestone.

Timeline

What is project/programme start and end?

Began 2021, ends with the start of the new contract at 1 April 2024, at which point we will revert to contract monitoring, which is current led by the Business Intelligence team, who currently look after the system/user administration.

Add more rows if required or delete as necessary

Initial Risk

List the known risks to the successful delivery of the project with their brief description:

Title	Description	Likelihood	Impact	Mitigation
Additional cost to Education Services	The limited nature of the market and the	Managed	Managed	The project team has kept all options open

Appendix A - Business Case

	time and cost of change does not give Harrow a strong negotiating position			during negotiation and pushed the supplier to provide
Meeting requirements for competition	The Local Authority must demonstrate competition with public sector procurement requirements.	Managed	Managed	Engagement with Procurement and Legal teams. Requirements
Entering a new multi-year contract leads to a drop in service levels	Leverage is lost in the early stages of the contract, and momentum is lost on improvement priorities	Medium	Medium	Contract includes expectations of continued improvement and names key individuals involved in support. Penalty built into contract for system downtime. Capita provides a service charter as part of the arrangement.

[Risk and Opportunity Ratings Matrix - Summary.doc \(sharepoint.com\)](#)

Inter-Dependencies

List projects dependent on this project, and projects this project is dependent on

- Compatibility with the Council's Azure environment
- Data transfers from school systems. With schools now using a wider range of systems, connectivity is important and is built into the proposed contract via Wonde software
- Admissions Waiting list published to my Harrow enabling parents to check their position on school waiting lists
- Supporting the distance measurement tool on the harrow website enabling parents to check distance to school measurements (not specifically projects but we would not be able to provide this if Capita One were not available.
- SaaS arrangements
- Contingent on progress on Multi Factor Authentication, single sign on – ongoing work with Microsoft

Resourcing

Provide details of how Project / Programme will impact Harrow Council's staff capacity.

Due to the limited in-house resources, please careful review the list of resources required for the project.

1. What inhouse staff / team will be involved in delivery?

Project sponsored by the Director of Education and led by Business Intelligence – Head of BI and EMS Manager. Project team includes Procurement Business Partner, Senior Contract Lawyer, Head of IT Business Management.

2. Will IT, Communication, Procurement, Legal team be required to deliver? If yes, who and why.

As above. In addition, advice has been sought from colleagues in Education Services throughout.

3. Do we need external contractors / suppliers to deliver? If yes, who and why.

No external input needed other than from the supplier. The total cost of the project is built into the proposed 3 year total. All in-house effort has been provided by existing staff within their normal duties, so with no additional cost to the Council. The proposal does not involve any major changes to current modules, although it will involve the addition of Wonde software to improve data transfer. This has been included in the overall price.

Financial Information

The financial information that supports this business case is commercially sensitive - see Annex.

Report for: Cabinet

Date of Meeting:	19 December 2023
Subject:	School Organisation Update and School Capital Programme
Key Decision:	Yes - there will be capital expenditure in excess of £1m and two or more wards of the Borough will be affected
Responsible Officer:	Parmjit Chahal, Director of Children's Services Senel Arkut, Corporate Director People Services
Portfolio Holder:	Councillor Hitesh Karia, Portfolio Holder for Children's Services
Exempt:	No
Decision subject to Call-in:	Yes
Wards affected:	All
Enclosures:	Appendix A: Harrow Demography Report 2023/24 to 2035/36 Appendix A1: 2023 – Child Population Projections Appendix A2: 2023 – Overview of Harrow's Population and Changes Appendix A3: 2023 – SEND and Early Years Appendix A4: 2023 – School Roll Projections Methodology Appendix B: Equalities Impact Assessment

Section 1 – Summary and Recommendations

This report provides an update on the school roll projections for 2023/2024-2035/2036 which informs all school place planning and provides an overview of other School Organisation initiatives. The report also outlines the capital programme required to deliver the school organisation priorities.

Recommendations:

Cabinet is requested to:

1. Note this update on the School Roll Projections 2023/2024-2035/2036 Report and the changes in the overall school organisation landscape.
2. Delegate authority to the Corporate Director People Services, following consultation with the Portfolio Holder for Finance and Human Resources and the Portfolio Holder for Children's Services, to undertake all procurement steps that are required to deliver the amalgamation school capital programme once statutory notices have been determined.

Reason: (for recommendations)

To enable the Local Authority to fulfil its statutory duties to provide sufficient school places in its area.

Section 2 – Report

1. The Local Authority has a statutory responsibility to provide sufficient school places for its area. The demand for school places is influenced by a number of factors and changes over time. Like many boroughs, Harrow experienced significant growth in the pupil population and implemented strategies to increase the number of school places. Initially this rise in population was experienced in the primary sector. Increasing pupil numbers have emerged at secondary level as the pupils moved from primary phase to secondary. The projections for special educational needs provision are continuing to rise requiring additional places to be created.
2. Previous reports have set out the strategies agreed by Cabinet to increase provision across primary, secondary and special schools to meet pupil growth. This report is an update on the implementation of school organisation strategy and highlights the emerging place planning issues as informed by the School Roll Projections 2023/2024-2035/2036 Report.

Options considered

3. To manage the provision of school places and school organisation strategy, statutory process must be completed, and a related school capital programme established to provide sufficient and appropriate accommodation. To achieve the outcomes required the following options were considered:

Option 1: Do Nothing – this would not be a viable option because to implement the changes to school organisation statutory processes and the delivery of a capital programme are required.

Option 2: Secure delegations from Cabinet to enable the completion of statutory process and delivery of a school capital programme.

School Organisation

Overview

4. Additional school places have been created in Harrow in phases to meet increased demand as it arises. The Local Authority has increased places in primary and secondary schools by expanding individual schools, through the Government's Free School Programme and by creating an all through school. Special school places have been increased through special school expansions and the creation of additionally resourced provision at mainstream schools. The focus is now on managing the supply of primary school places, working with secondary schools to meet rising demand and increasing places for special education provision.

Changes to the school organisation landscape in Harrow

Community School Published Admission Numbers and Admission Arrangements

5. All Harrow resident pupils who applied for a place at a primary school for September 2023 were offered a place. There was sufficient capacity to meet demand with surplus capacity available that can be put back in place if required. Recently, in Harrow and many other London boroughs, the number of primary applications has been falling and local authorities are managing the changes in demand by working with schools to lower published admission numbers. However, for September 2022 the number of on time applications received for Reception places increased by 108 in comparison to 2021. For September 2023 the number of on time applications dropped by 201 but the number of late applications increased by 43.
6. Due to the change in projected demand in the primary phase the Council has worked on both on a formal and informal basis with schools where the demand for places has fallen for several years. This approach was adopted to support schools where the demand for places has remained low and with the agreement of the Governing Body at the school, the number of places at some schools has been reduced. The agreement

with schools is on the basis that should the need for school places increase the capacity will be reinstated and the schools will admit pupils to their original published admission number.

7. Since September 2019 the following reductions in Published Admissions Numbers (PAN) have been implemented for Reception classes.

Academic Year	School	Original PAN	New PAN	Reduction/ Increase
2019	The Welldon Park Academy	90	60	-30 (1FE)
	Cedars Manor School	90	60	-30 (1FE)
2020	Weald Rise Primary School	120	60	-60 (2FE)
2021	Longfield Primary School	120	90	-30 (1FE)
	Roxbourne Primary School	90	60	-30 (1FE)
	Kenmore Park Infant School	120	90	-30 (1FE)
	Kenmore Park Junior School	120	90	-30 (1FE)
	Cannon Lane Primary School	120	90	-30 (1FE)
2022	Cannon Lane Primary School	90	120	+30 (1FE)
	Stanburn Primary School	120	90	-30 (1FE)
2023	Grange Primary School	90	60	-30 (1FE)

8. The situation varies from year to year and affects schools differently. For example, in September 2021 Harrow Council received 180 less on time applications for Reception across the borough which was not in line with the Greater London Authority (GLA) projections. It is assumed that this decline was because of Brexit as well as the Covid-19 pandemic. It is noted that many other London boroughs received fewer applications than projected.
9. In this context, an in-year variation was sought by the Office of the Schools Adjudicator (OSA) to reduce the PAN for Cannon Lane Primary School on 25 June. The OSA agreed the request on 23 July 2021. The need for this request was unforeseen because in the previous year the school offered up to its PAN of 120. However, for September 2022 the demand for places for Cannon Lane Primary School increased and 120 places were offered in line with previous years.
10. For September 2023 following a consultation the PAN for Grange Primary School has been determined at 60 places in Reception class, a reduction from 90.
11. Admission applications for September 2023 and pupil movement have been greater than last year. During the summer there was a rise in the number of in-year applications which has meant that at the beginning of term there a large volume of cases referred to the School Placement Panel. The School Placement Panel, comprising officers and Headteachers, agrees to place pupils over numbers in primary and

secondary schools. Schools have experienced more pupil movement which is being monitored by Officers. The increase in in-year applications has been reported by other London Local Authorities at a meeting in November.

12. For September 2024, there will be no further reductions in PAN. There are no proposed changes for the admission arrangements for community schools for September 2025/26. The admissions arrangements will be determined by the Director of Children's Services in consultation with the Portfolio Holder for Children's Services.
13. Officers will continue to work with schools to manage school places for all year groups to support schools during this period whilst ensuring that the Local Authority has sufficient capacity to meet any demand for places.
14. School's forum has agreed funding for a bulge class in primary and in secondary if required.

Harrow Council's School Amalgamation Policy

15. There is one remaining infant school and one remaining junior school yet to be amalgamated in accordance with the policy. The recommendation in this report requests delegations to appoint a contractor to deliver any associated building programme, once the decision to put into effect the amalgamation policy has been made.

Secondary schools

16. Secondary school place planning is more susceptible to changes within neighbouring boroughs and beyond. For example, there is an established pattern of Harrow pupils travelling to grammar, independent or faith schools not located in Harrow.
17. Secondary schools continue to work with the Local Authority to ensure that every Harrow resident applicant has an offer of a school place, and Officers will continue their discussions with secondary headteachers to discuss options of how to meet future demand.
18. For September 2023, six schools agreed to open bulge classes to ensure that the Local Authority had sufficient places for National Offer Day and that every Harrow resident applicant had an offer of a school place. Following the movement that follows the first round of offers, it was determined that these additional places were not required.
19. In the first half of the autumn term, when schools re-open there is always a period of pupil movement and the availability of school places. During this time schools verify that pupils who have not returned to school have moved and are attending another school. Once these details are confirmed the places are released and offered.
20. At the beginning of the September 2023 term, to ensure all pupils were offered a school place, the Local Authority used the Fair Access

Protocol to admit pupils over secondary schools' published admission numbers across all year groups.

21. It was agreed that Officers would meet with secondary headteachers after October census data has been analysed to consider options, such as bulge classes to meet the growing demand for places in secondary schools as the number of places available in all year groups in the secondary sector has reduced considerably.

Demographic School Roll Projections and Implications

Overall projections

22. Harrow, along with many other London boroughs, commission the GLA's School Roll Projections Service to prepare school roll projections. A range of data is used to project school rolls, including the underlying population projection base incorporating births, migration and housing development, and school factors including applications and pupil numbers on roll.
23. The roll projections are prepared for the whole borough to provide a strategic and overarching picture and for Planning Areas. For primary school places there are five geographic Planning Areas. There are three secondary school geographic Planning Areas.
24. The GLA provides the baseline projections to which local knowledge is applied to make reasonable adjustments in line with demand at Reception, Year 7 and other school year groups. The School Roll Projections 2023/24-2035/36 are presented at Appendix A.
25. The 2023 GLA pupil projections continue to indicate a change to the trends of the last 5 years when the trend had been an increase in primary pupil numbers followed by a plateau. The Reception place projections last year indicated a plateau over the period covered in the report. The Reception projections are projected to reduce from 2023 to 2025, followed by a gradual increase that continues until the end of the period in 2035/36. The Year 7 projections in 2023 continue to gradually decline until the end of the period in 2035/36.

Housing development and School Place Planning

26. Harrow's increasing pupil population has in the past been attributable to changes in demography, increases in birth rates and migration, rather than the availability of new homes. A key variable for school roll projections is the impact of new housing developments. The housing landscape of Harrow is already beginning to change with developments underway, nearing completion and occupied such as at the former Zoom leisure site Kodak West. This transformation will continue over the next decade especially with Harrow's regeneration programme. Being prepared for an increased number of children emerging from Harrow's housing developments is the next challenge in terms of school place planning.

27. The School Roll Projections are informed by Harrow's housing trajectory which includes information on the number of new dwellings completed, permissions granted and schemes in the pipeline.
28. Some of the possible impacts that Officers will monitor over time will be the:
- Impact on the birth to Reception class conversion rate. The rate increased from 84% in 2020/21 and 2021/22 to 87% in 2022/23. The rate is projected to continue at 87% over the next three years and then to increase to 90% from 2026/27 for the next few years. A change may arise affecting demand which is not attributed to a change in birth rate. The birth rate is also affected by the further areas monitored as below.
 - Families moving into Harrow with siblings across school years.
 - Effect of existing families moving into new homes and the impact on established local admission patterns.
 - Impact of new schools and school closures, including Voluntary Aided (VA) schools now and in the future, both in Harrow and on its borders, on established local admission patterns.
 - The impact of Brexit, the Covid-19 pandemic and internal and international migration.
29. The headline details for primary and secondary school place planning as informed by the Reception and Year 7 projections are outlined below.

Reception Projections and Primary School Place Planning

30. Harrow's demographic profile of children entering its primary schools had shown an increasing trend over a ten-year period since 2005-06. The increases in numbers of primary age children had been very significant and posed challenges for the Local Authority and schools to ensure sufficient school places for all children.
31. The demand for places changed in 2015/16 and is still changing. The Reception projections are projected to reduce from 2023 to 2025, followed by a gradual increase that continues until the end of the period in 2035/36. The main reasons for these changes are:
- This year's birth to Reception retention rate of 87% is based on one of Harrow's highest ever number of births.

Year of birth	# births	Year of NOR	R NOR	Retention Rate
2015/16	3,661	2020/21	3,089	84%
2016/17	3,624	2021/22	3,048	84%
2017/18	3,655	2022/23	3,162	87%

Harrow's birth rate is projected to steadily increase into 2030 and beyond.

- In comparison to previous years the Reception baseline projections have a lower starting point of 3,076 (Baseline) and

3,138 (+2%) for 2023/24, and they continue to drop to 2,891 in 2025/26, which is followed by a steady continued increase. The previously projected continued sharp increases into the next decade are no longer projected as can be seen in Table 5 in Appendix A.

- The small increases in numbers of Reception children that have been seen over the last few years are insignificant in comparison to the increases experienced from 2015/16 to 2017/18. Reception numbers have fluctuated over the last 5 years with a significant increase in 2022/23 to 3,162 (3,048 in 2021/22).
32. Following the expansion programme and the opening of free schools Harrow has 3,480 permanent Reception places. Given the significant increase in school places to meet rising demand there needs to be a period of time for the situation to settle and be monitored. Where a reduction in number of places would be beneficial to a school to manage mobility and fluctuations Officers have engaged with the schools on an individual basis.
33. Overall, across Harrow there are sufficient places available compared with the projections. However, this headline masks variations in the Primary Planning Areas and individual schools both in terms of the current position and the demand.
34. According to the Baseline projections there is a surplus of Reception places (Forms of Entry – FE) projected in the following Planning Areas between 2023/24 and 2035/36:
- North East (0.5 to 2 FE)
 - North West (0.5 to 2 FE)
 - South East (2 to 3 FE)
 - South West (0.5 to 2 FE)
35. This is not consistent across all Planning Areas. The South West Planning Area has a very small shortfall of places from 2030/31 onwards (less than 0.5 FE). There continues to be a shortfall of places in the Central Planning Area (0.5 to 7 FE).
36. The Central Planning Area is the only planning area that is indicating a significant shortfall of places over time. Both the Baseline and +2% projections suggest a shortfall in 2026/27 of 0.5 (Baseline) and 1 form of entry (+2%). This deficit is projected to continue increasing, reaching a shortfall of 4 forms of entry (Baseline and +2%) in 2029/30 and continuing to 7 forms of entry deficit by 2035/36. As can be seen in Table 15 in Appendix A.
37. The Central Primary Planning Area has the majority of housing developments planned and the increase in projected pupils is aligned with the estimated timescale for the developments to be completed. Further discussions about the projections, revision to the density of the

developments and timescale are required to ensure that there is sufficient capacity.

38. The data for each Primary Planning Area is provided in Appendix A Section 4.
39. Harrow View Primary School is planned to have 3 forms of entry or 90 places per year group and with the additional provision of an ARMS unit for pupils with special educational needs. Early discussions with the Education and Skills Funding Agency (ESFA) and the School Trust indicate a possible opening in September 2026. This school will be located within the Central Planning Area.
40. Free school places are not included in the available school places until there is a Funding Agreement in place, although they are notionally planned or assumed in the assessment of need for future places.
41. Over the medium and long term, given the volume of housing developments, the situation will be kept under review because it is important to bring forward places with demand arising from the developments and avoid surplus provision over the short term. The impact of the developments included in Harrow's 2022/23 trajectory is not expected to be immediate, and surveys are needed to ascertain the occupancy and therefore potential impact on school places in the mid to long term.

Year 7 projections and Secondary School Place Planning

42. The 2023 projections for Year 7 places are in line with the 2022 projections. The actual number of pupils on roll has overall risen from 1,932 in 2012/13 to 2,667 in 2022/23; as can be seen in Table 17 in Appendix A.
43. The Year 7 projections start to steadily fall over the period covered in the report (2023/24 to 2035/36). 2,663 (Baseline) and 2,716 (+2%) places are projected for 2023/24. Based on the Baseline School Roll Projections (SRP) there is projected to be a surplus of places of 2 FE in 2023/24 which increases to 14 FE by 2034/35. Based on the +2% SRP, there will be a shortfall of up to 1 form of entry in 2024/25, which increases to 12 FE by 2034/35.
44. The projections do not show a shortfall of places for secondary schools. However, there has been an increase of in-year applications which has increased the demand for places across all year groups. As there are single sex schools within the secondary phase, they can mask the need for places.

SEND Strategy

Special Educational Needs Provision

45. Harrow's SEND Strategy 2019-2024 outlines the current context for SEND nationally and locally, it sets out the guiding principles and four strategic priorities. The 2024-2029 SEND Strategy is being co-produced with the Council facilitating the process and will be shared with Cabinet in early 2024. The revised strategy will consider progress against the 4 priorities in the 2019-2024 strategy as well as collaboratively reviewing SEND data and developing the priorities for the next 5 years. The Council anticipates that expansion of provision will remain a priority for the next 5 years.
46. In line with the key priority in the SEND Strategy 2019-2024, to reduce out borough placements, Harrow is continuing to progress its 2 main strands of development:
 - A 'Whole System Shift' model
 - Further expansion of the additional resourced mainstream school (ARMS) provision
47. The 'Whole System Shift' is a strategic and cultural approach across all of Harrow's special and mainstream schools to develop the education provision on offer in Harrow as a continuum of provision, in order to ensure that the finite numbers of special school places are prioritised for children and young people (CYP) with the greatest complexity of need.
48. The Local Authority has carried out projection modelling for pupil planning purposes to identify requirements for SEND provision and the most cost-effective provision model. These will be updated on an annual basis once the sequential September phase transfers are confirmed.
49. For the first time, LAs were required by the DfE to submit SEND projections as a part of the annual School Capacity (SCAP) return. The submission only allowed LAs to submit SEND projections for Reception to Year 11 pupils. The LA however has a responsibility to support and provide access to education for pupils with SEN aged 0-25. Therefore, the SEND projections contained in Appendix A, reflect the demand for specialist provision for CYP aged 0-25.
50. Analysis of data on primary categories of need and projection modelling has shown that there are now greater numbers of CYP in Harrow with SEND who have more complex needs, that are being identified as severe learning difficulties (SLD). Based on actual pupil numbers of CYP who required SLD provision, between 2015 and 2019, and projections of pupil numbers and need, the projections are suggesting that increased number of new children each year will require SLD special school provision.

51. The projection modelling confirmed that the immediate and significant pressure is for secondary phase SLD special school places from September 2020. To accommodate this immediate place pressure Harrow Council expanded Kingsley High Special School to its full capacity, from 96 to 102 places from September 2021 and created a temporary satellite provision for 24 CYP from September 2022.
52. Analysis of SEND data and trends indicate that there will continue to be growth in demand for primary SLD special school places. Prior to 2020, the growth in numbers has been largely accommodated in the primary sector, through two expansions at a primary SLD special school (Woodlands School) and the development of a primary SLD resourced provision in a mainstream school (Belmont School). These developments have managed demand in the primary sector but as the pupils roll through this will create pressure in the secondary sector.
53. Current projections based on the demand for Harrow's special school's indicate that by 2025 an additional 180 places will be required and this demand will increase to a total of 330 by 2029.
54. The LA continues to work collaboratively with the four special schools in Harrow, two of which are designated moderate learning difficulties (MLD), to explore and progress how best SLD provision can be expanded across a 'Whole System Shift' model. Since September 2020, both Alexandra and Shaftesbury Schools have admitted approximately 15 pupils with more complex needs who would previously not have been considered, including several pupils from Woodlands School. This creates additional capacity in the two schools designated for pupils with severe learning difficulties (SLD). The LA has also worked with mainstream schools to develop MLD ARMS provision to further support the System Shift model.
55. This approach will reduce future pressures on the High Needs Block (HNB) created by expensive out of borough placements, thus enabling the use of funds to benefit the development of Harrow's school provision for Harrow pupils. In addition, this approach will secure diversity in the provision of schools and increase choice for parental preference.

Additionally Resourced Mainstream Schools (ARMS)

56. For September 2023 the LA has delivered three additional ARMS provision in primary schools. The LA is also working with a secondary school to open an additional ARMS provision for secondary pupils with MLD by September 2024.
 1. Grange Primary School
 2. Pinner Wood Primary School
 3. Stanburn Primary School
 4. Canons High School

Name	Need	Number of places
Grange Primary School	MLD	12
Stanburn Primary School	MLD	12
Pinner Wood Primary School	MLD	12
Canons High School	MLD	12

57. All places in these provisions will be above the school's existing planned admission numbers (PAN) and will be opened in a phased manner over the next two years, starting in September 2023.
58. These additional ARMS places will create capacity in the special schools for pupils with more complex needs.
59. Shaftesbury High School has taken pupils with increasing complexity of needs for the past three years. In line with the 'System Shift' the school will increase the capacity on the school site to 200 places. The capital programme will deliver the accommodation required for the additional pupils and their needs.
60. Additional capacity was required for secondary pupils with SLD for September 2022. To accommodate this need, a temporary satellite provision was opened at Weald Rise Primary School for 20 to 24 Kingsley High pupils.

Government's Special Free School Programme

61. In June 2022 the DfE invited local authorities to submit bids for a Special Free School by 21 October 2022. Harrow Council, in accordance with the SEND strategy submitted a bid. The bid was for an all through (for pupils aged 4–19) special school for 292 pupils with severe and complex needs.
62. Harrow was also a partner to the special free school bid prepared and submitted by Ealing Council to establish a new school for 160 pupils aged 4–19 for pupils who have severe learning difficulties. Ealing had identified land at Northolt High School for this school. It was anticipated that Harrow would be able to utilise approximately 4 places a year in the primary phase (28 places in total for YR to Y6) and 8 places per year in the secondary phase (40 in total for Y7-Y11, with sixth form depending upon the most appropriate progression for each young person).
63. Unfortunately, neither of the bids were successful, however the DfE informed the Council that the bid for Harrow's all-through school was approvable but due to the demand across England the DfE were not able to agree to fund all the approvable bids that were submitted.
64. If the bids had been successful, they would have made a significant contribution to managing demand for Harrow's pupils. The additional places would have meant more pupils with severe and complex needs would have an opportunity to remain in a local Harrow school or a

school nearby. This would have in turn reduced the pressure on the High Needs Block (HNB) and SEN Transport.

65. The joint approach with Ealing demonstrated that Harrow's demand for special school places requires a combination of solutions. Officers have engaged with the Harrow Parent Forum, other parent groups and headteachers regarding the bids. All are supportive of the approach and Officers continue to work with these stakeholders to look at options to meet the growing demand for places.
66. The demand for SEND places continues, however there is no further information on the Government's free school programme. Officers are exploring sites within Harrow that could be considered to provide additional special school places. Proposals to bring forward new special school places will be subject to future Cabinet reports.

School Capital Programme 2020-2025

67. To support the SEND expansions the following schools will have a Capital project to ensure that there is suitable and sufficient accommodation. These are funded by the DfE's High Needs Provision Capital Allocations Grant
 1. Grange Primary School
 2. Pinner Wood School
 3. Stanburn Primary School
 4. Canons High School
 5. Woodlands Primary School
 6. Shaftesbury High School
 7. Kingsley satellite at Weald Rise Primary School
 8. Additional SLD/ASD provision required
68. With the exception of Canons High School, the Council will be delivering the Capital Programmes. As an academy, Canons High School will commission and manage its own Capital programme funded by the Council.
69. The majority of works for the primary schools involves refurbishing existing areas.
70. The Woodlands Primary School capital programme will secure permanent modular accommodation replacing temporary buildings. The old modular units have been removed and new units are on site and currently being fitted out and connected to school systems

SEND Strategy and High Needs Block (HNB)

71. The SEND Strategy is designed to improve outcomes for children and young people across Harrow. It is essential that the Strategy also reduces pressure on the high needs budgets and funding systems. Over recent years, significant pressures on the high needs budgets have resulted in many local authorities accruing deficits on their Dedicated Schools Grant (DSG). This includes Harrow. At the end of March 2023, the cumulative deficit stands at £2.623m.

72. A number of actions are being taken by the government, including the SEND review of funding that is currently underway and the published Green Paper. Alongside this, Officers are evaluating the strategy's effectiveness against the five key areas considered essential to deliver a sustainable high needs funding system.
73. The five key areas are:
1. Early intervention - In order to ensure children and young people's needs are appropriately identified and met from an early stage, colleagues from early years, education, care and health will review existing working practices to ensure support is available early and partners know where to access this. This will include representation from parent groups. During the pandemic, teams worked creatively and collaboratively to ensure support was available quickly for children in need, and this learning will inform future strategic work on this area. Recently, increased early support has been possible through evaluation and restructure of a number of panels to allow membership from a broader range of professionals.
 2. Increased SEN support offer – A working party has been set up which will be led by schools to review the SEN support offer. This will include colleagues from across health and care, and will review the current offer of support available, allowing children to receive high quality support without requiring an Education Health Care plan (EHCP). This will include CPD and outreach work between settings.
 3. Review EHCP assessment process and thresholds – the SEN assessment process is being reviewed to ensure that it runs effectively and in a sustainable way, whilst remaining in line with the SEND legislation. The SEN panel process has been recently altered to allow for targeted representation from the most appropriate colleagues. An audit of the quality of EHCPs has also started. Officers also consider feedback provided through the mediation and tribunal process.
 4. Culture change and work with school leaders – School leaders have been engaged with the SEND Strategy and Whole System Shift and are in agreement with its rationale. School leaders are included at all stages of reviewing the SEND Strategy.
 5. Appropriate and thorough provision mapping, with potential development of more local provision – As described above, council officers work continually to predict the required provision for the coming years. A key element of the SEND Strategy is ensuring adequate provision and is described above.
74. The SEND Strategy is being reviewed and a new strategy will be presented to Cabinet in Spring 2024

Ward Councillors' comments

75. None; this affects all wards in Harrow. Where there are specific school proposals, Ward Councillors are informed.

Performance Issues

76. Schools in Harrow perform well in comparison to national and statistically similar local authorities. The vast majority of primary schools and secondary schools are judged 'good' or 'outstanding' by Ofsted. As at 13th November 2023, 96% of Harrow's primary and secondary schools are judged 'good' (51.4%) or 'outstanding' (44.6%), above both 95.3% in Outer London (68.5% Good, 26.8% Outstanding) and 88.4% nationally (71.2% Good, 17.2% Outstanding) (Source: Watchsted Tables (ncer.org)).
77. The Education Act 2011 maintains a focus on driving up standards in schools and emphasises the responsibility with the schools directly for their improvement.
78. The Local Authority continues to monitor key education indicators. The indicators are used locally to monitor, improve and support education at both school and Local Authority level. They are also used as part of the information provided to the Department for Education.
79. There is a complex relationship between a number of other performance issues such as traffic congestion, road safety, traffic and parking enforcement and travel plan performance, and all these considerations are taken into account in assessing school expansion proposals.

Environmental Implications

80. Harrow Council has passed a motion to declare a climate emergency with the aim to make Harrow a carbon neutral organisation by 2030. To work towards this, Harrow has recently approved a Climate and Nature Strategy 2023-2030 and associated strategic action plan. Harrow schools are expected to adopt a proactive approach to minimise their energy wastage and carbon footprint in line with the borough and central government's carbon reduction targets and objectives. The heating and power requirements of the borough's maintained schools are a significant part of the overall carbon footprint that is attributable to the Council's estate, and reducing emissions from schools is therefore a vital component in meeting the Council's target.
81. In expanding existing schools, consideration should be given to delivering building works in a way that minimises the greenhouse gas emissions associated with the project, including in the selection of materials and the use of energy during construction works. Of particular importance will be the use of low carbon technologies such as heat pumps and solar panels – particularly for space heating – and these will need to be thoroughly investigated during the design phase.

Council run procurement processes will also be required to actively test prospective suppliers on their ability to deliver greenhouse gas emissions reductions, in accordance with the Council's Low Carbon Procurement Policy adopted by cabinet in March 2022.

82. For many of the projects in the school expansion programme, planning applications are required, and part of the application is a school travel plan. Through this process and the development of the solutions for the schools, the impact of the additional pupils and their travel modes will be addressed with a view to maximising active travel and reducing fossil fuel vehicle emissions.

Data Protection Implications

83. There are no data protection implications with this proposal.

Risk Management Implications

84. Risks included on corporate or directorate risk register?
No. This is included in the directorate risk register.
85. Separate risk register in place?
No. However, there will be a risk register for each capital project which will be developed when the programme is implemented.
86. The relevant risks contained in the register are summarised below.
Yes
87. The following key risks should be taken into account when agreeing the recommendations in this report:

Risk Description	Mitigations	RAG Status
The School Roll Projections are under or overstated leading to an under or over provision of SLD within the Borough	The Council has used the GLA roll projections and monitors and adjusts planning to actual numbers	Green
Estimated revenue overspend of High Needs Block (HNB) by £23m by 2026. There are a number of reasons why this overspend is projected e.g. historic under funding, increased specialist provision demand. (Please see Financial Implications for further details)	Creation of additional in-borough provision reduces the future pressures on the HNB. The average cost of an out of borough independent/non maintained specialist provision is in the region of £70k-£80k per academic year depending on the complexity of need. There will also be costs of £7k-£10k per annum avoided to the SEN	Red

Risk Description	Mitigations	RAG Status
	Transport budget which is funded by the General Fund if a child can be prevented from being placed out of borough.	
Breach of s14 of the Education Act 1996 if insufficient school places on offer	The proposed expansion will ensure that the Act is not breached.	Green
Delays in the delivery and completion of the capital programmes	School capital projects will be managed by a Project Manager responsible for monitoring the delivery of the scheme and liaising with the schools and officers. If there are delays alternative arrangements specific to the school will need to be made to ensure the effective functioning of the school.	Amber
Insufficient Capital Funding for the projects	The Councils Capital Programme was agreed by Cabinet. There is currently £5.904m uncommitted funding. Each project will have a project manager who will monitor and report on the delivery of the programme.	Amber
Statutory notices are not published and determined in accordance with relevant regulations and timelines (in breach of regulations)	Report to Corporate Director requesting permission and decisions, signed off by Legal before notices are published and determined	Green
Community School Admissions Arrangements are not determined by 28 February	Officers responsible for School Admissions produce an annual report to Corporate Director to determine arrangements	Green
The procurement of the contractor is non-compliant with CPRs/procurement legislation	The capital programme manager will follow the Council's procurement procedures and governance.	Green

Procurement Implications

88. The delivery of the necessary schools capital programmes as detailed in this report will require the selection of suitably qualified and experienced contractors to deliver the various projects.
89. The procurement strategy for undertaking competitive procurement exercises will be developed by a multi-disciplinary team of experts within the Council who will be supported by the procurement and legal teams respectively. Officers will engage and consult the respective portfolio holders in the design of the procurement during the pre-procurement phase to ensure they have maximum opportunity to input into the scope of the procurement and the procurement process.
90. The procurement will be undertaken in compliance with the Contract Procedure Rules and consistent with the prevailing procurement legislation, be it the Public Contract Regulations 2015 or for any procurement that commences from October 2024 the Procurement Act 2023.

Legal Implications

91. The Council has a statutory duty under the Education Act 1996 to ensure the provision of sufficient schools for the provision of primary and secondary education in their area.
92. Under s13 of the Education Act 1996, a local authority shall (so far as their powers enable them to do so) contribute towards the spiritual, moral, mental and physical development of the community by securing that efficient primary education and secondary education and further education is available to meet the needs of the population of their area.
93. Under s.14 of the Education Act 1996, a local authority shall secure that sufficient schools for providing primary and secondary education are available in their area. Sufficient means sufficient in number, character and equipment to provide for all pupils the opportunity of appropriate education.
94. In meeting these duties, a local authority must do so with a view to securing diversity in the provision of schools and increasing opportunities for parental choice.
95. The Council is the admission authority for community schools. Individual school governing bodies and academy trusts are the admission authority for voluntary aided and academy schools. The Council must determine its own admission arrangements by 29 February each year and this must follow statutory consultation where changes are proposed or every 7 years.

96. Parents can appeal the allocation of a school place through the Schools Admission Appeals process, and for children and young people with an EHC Plan, through an appeal to the Special Educational Needs and Disability Tribunal (First Tier Tribunal).
97. The expansion of a maintained special school to increase the number of pupils by 10% or more than 20 pupils and a change in the type of special educational needs for which a maintained special school is organised to make provision is a prescribed alteration for which statutory proposals must be published and approved in accordance with section 19(1) of the Education and Inspections Act 2006 and the School Organisation (Prescribed Alterations to Maintained Schools) (England) Regulations 2013.
98. In accordance with the regulations to open a satellite provision it needs to be demonstrated that a new school is not being opened. Officers will ensure that any proposals put forward to meet the demand for places set out in the report for September 2023 will be compliant with the regulations.

Financial Implications

Capital Funding

99. Capital works associated with the increased provision will be funded from the High Needs Provision Capital Allocation grant provided by the DfE to ensure there are sufficient good school places for those with SEND. LAs can use the funding to improve and expand special provision for children with EHCPs. The total funding available is £11.328m of which £5.433m budget was brought forward from previous years. This is allocated as shown in the table below. The costings for Shaftesbury and Canons are prior to procurement of a contractor.

Scheme	Estimated Cost £'000	Balance £'000
Balance brought forward		£11,329
Woodlands	£566	
Weald Rise Kingsley	£389	
Pinner Wood ARMs	£989	
Shaftesbury	£1,800	
Stanburn ARMs	£678	
Grange ARMs	£573	
Canons	£431	
Total Commitments	£5,425	
Balance uncommitted		£5,904

Revenue Funding

100. The DSG is a ring-fenced grant of which the majority is used to fund individual school budgets in maintained schools, academies, and free

schools in Harrow. It also funds Early Years nursery free entitlement places for 2-, 3- and 4-year-olds in maintained council nursery classes and private, voluntary and independent (PVI) nurseries as well as provision for pupils with High Needs including those with Education Health and Care Plans (EHCPs) in special schools and special provision and mainstream schools in Harrow and out of borough. The DSG is split into blocks: schools block, early years block and high needs block

101. There is a cumulative deficit on the High Needs Block, as of 31 March 2022 of £2.623m
102. As outlined above, any deficit that an authority may have on its DSG account is expected to be carried forward and does not require to be covered by the authority's general reserves. Importantly, this is a temporary arrangement until 2025-26 beyond which LAs must demonstrate they have sufficient reserves to cover the deficits.
103. 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 of over 5% per year (100 per year)
 - continued growth in complexity of pupils' needs
 - limitations about creating cost effective provision in borough due to capacity and site limitations
104. Even with the significant proposals in the SEND strategy it is anticipated without any further investment in High Needs Funding by the government the cumulative deficit could be £23m by 2026.
105. Creation of additional in-borough provision reduces the future pressures on the HNB. The average cost of an out of borough independent/non maintained specialist provision is in the region of £70k-£80k per academic year depending on the complexity of need.
106. It is anticipated that a place at special school in Harrow would be cost £30k-£35k and a place at an ARMS provision would cost £20k-£25k per academic year.
107. There will also be costs avoided of £7k-£10k per annum to the SEN Transport budget which is funded by the General Fund if a child can be prevented from being placed out of borough.

Equalities implications / Public Sector Equality Duty

108. Section 149 of the Equality Act 2010 requires that public bodies, in exercising their functions, have due regard to the need to (1) eliminate discrimination, harassment, victimisation and other unlawful conduct under the Act, (2) advance equality of opportunity and (3) foster good relations between persons who share a protected characteristic and persons who do not share it.
109. Harrow's schools are successful, inclusive and provide a diversity of provision. The school expansion programme will ensure sufficient school places for the increasing numbers of children in Harrow and will build on the successful provision that already exists in Harrow's schools. By acting to ensure all children in Harrow have access to a high-quality school place, Harrow is promoting equality of opportunity for all children and young people.
110. Equalities impact assessment has been carried out and there are no negative impacts arising from these proposals.

Council Priorities

The Council's priorities are:

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

The proposals in this report, contribute to the council's priorities to put residents first and place where those in need are supported by increasing local high quality education provision. In particular for those children, young people and families with SEND

Section 3 - Statutory Officer Clearance

Statutory Officer: Sharon Daniels

Signed by the Chief Financial Officer

Date: 13 November 2023

Statutory Officer: Helen Ottino

Signed on behalf of the Monitoring Officer

Date: 14 November 2023

Chief Officer: Senel Arkut
Signed off by the Corporate Director
Date: 15 November 2023

Head of Procurement: Nimesh Mehta
Signed by the Head of Procurement
Date: 13 November 2023

Head of Internal Audit: Neale Burns
Signed on behalf of the Head of Internal Audit
Date: 15 November 2023

Has the Portfolio Holder(s) been consulted? Yes

Mandatory Checks

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

EqlA carried out: YES

EqlA cleared by: Jennifer Rock

Section 4 - Contact Details and Background Papers

Contact: Rajeshree Parmar, Head of School Organisation, Admissions and Attendance, People Services, email: raj.parmar@harrow.gov.uk

Background Papers: None

Call-in waived by the Chair of Overview and Scrutiny Committee: No

Appendix A - DEMOGRAPHIC INFORMATION AND SCHOOL ROLL PROJECTIONS 2023-2024 to 2035-2036 REPORT

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1. INTRODUCTION

Harrow's Children and Young People (CYP) are at the heart of Harrow's community, and Harrow Council is responsible for their education, healthcare, and wellbeing. Harrow Council has the statutory duty to ensure that they provide sufficient school places for its children, an integral part of this duty is to ensure the best outcomes for Harrow's children. This report sets out the decisions that the council makes to achieve this duty.

1.1 Harrow's context

Approximately 82,100 CYP aged 0 to 25 years live in Harrow. This is 31% of the total population (261,300) in the area. (Source: 2021 National Census). Harrow is one of the most culturally diverse boroughs in London, with residents from a variety of ethnic backgrounds, and speaking a range of languages. As at January 2023 92.0% of Harrow's school population is classified as belonging to an ethnic group other than White British. The three main ethnic groups in Harrow's schools are Indian (26%), Asian Other (18%) and White Other (17%). Over 150 languages are spoken by Harrow's schools' children, the top five most recorded languages spoken are English, Romanian, Gujarati, Arabic and Tamil.

5 The 2019 Income Deprivation Affecting Children Index (IDACI) shows that 12.3% (16.2% in 2015) of children in Harrow are living with families that are income deprived, this equates to approximately 6,500 children. Deprivation is most prevalent in the centre and south-west of the borough – Wealdstone is Harrow's most deprived ward, followed by the Marlborough and Roxbourne wards. In 2019 none of Harrow's Lower Super Output Areas (LSOAs) are in the most deprived 10% in England, compared with three in 2015. The proportion of pupils in Harrow's schools' that were eligible for Free School Meals as at January 2023 was 17.6%.

1.2 Harrow's Vision for Education

All children and young people should achieve the best possible outcomes, to enable them to become successful adults. They should have access to a continuum of good and outstanding educational provision that offers choice, progression and pathways and are supported by high quality, integrated and inclusive services from 0-25.

The Place Planning Strategy contributes to the Council's vision statement for future education 'High Achieving Schools at the Heart of Community Services'. Harrow's schools are successful in comparison to our statistical neighbours. But the gap is closing, and schools need to continue in their improvement. As a Council we are committed to all schools being judged as either good or outstanding by Ofsted. Proposals for making changes to school organisation will ensure that school performance is given a high priority.

Harrow's schools are at the heart of the community, they offer a range of opportunities to the local residents, and we need to ensure that the accommodation is managed and invested in, to realise this aspiration. School accommodation and sites need to support pupils' learning but also to provide locations for activities and services. In considering school organisation we will work with schools and partners to ensure that where opportunities arise, services are co-located and facilities are developed for the school and local community.

1.3 Harrow's School's Effectiveness

Harrow is a popular borough for families due to the excellent reputation of its schools. Harrow's School Standards and Effectiveness (HSSE) Team delivers statutory and core school improvement support to Harrow schools. HSSE work closely with schools to maintain the educational achievements of children and young people in Harrow, as well as the effectiveness of the quality of education in our early years' settings, schools and colleges.

HSSE's shared vision for school improvement is:

- **Ambitious** – an educational offer which is inclusive, stimulating and aspirational; it inspires a lifelong love of learning. It delivers positive outcomes in achievement, skills, progress and ambition for every child and young person
- **Inclusive** – children and young people feel safe, valued and happy; they are resilient and empowered to overcome disadvantage and fulfil their potential. Families feel valued, supported and engaged in their children's education
- **Collaborative** – a system that is collaborative and self-improving, with all partners sharing a collective responsibility for all learners.

Outcomes for children and young people in Harrow are above the national average at EYFS, KS2 and KS4, as is the proportion of good and outstanding early years settings and schools. Schools in Harrow perform well in comparison to national and statistically similar local authorities. The vast majority of primary schools and secondary schools are judged 'good' or 'outstanding' by Ofsted. As at 13th November 2023, 96% of Harrow's primary and secondary schools are judged 'good' (51.4%) or 'outstanding' (44.6%), which is above both, 95.3% in Outer London (68.5% Good, 26.8% Outstanding) and 88.4% nationally (71.2% Good, 17.2% Outstanding) (Source: Watchsted Tables (ncer.org)).

1.4 Harrow's School Place Planning Strategy

The School Place Planning Strategy contributes to Harrow fulfilling its school organisation statutory responsibility in the Education and Inspections Act 2006 to secure sufficient school places within its area in order to promote higher standards of attainment.

The strategy:

- states the vision for achieving higher education standards in Harrow.
- outlines the action that the Local Authority (LA) will be undertaking for the next year.

- details the Borough's current arrangements for the provision of places in statutory and non-statutory education, for pupils aged 0-25.
- sets the national and local context for school place planning.
- provides demographic and contextual information to support the development of proposals to change the number of school places.
- establishes a framework to develop proposals to manage school places.

1.5 Organisational change

In recent years the organisation of schools in Harrow has seen significant change:

- There are enhanced early years opportunities provided through the Children's Centre programme, with a total of 16 centres in Harrow.
- As part of the Harrow Collegiate all community high schools, and voluntary aided schools have sixth form provision on their school sites, providing a range of curriculum pathways.
- All but 1 of Harrow's separate first and middle schools have been amalgamated to establish combined primary schools.
- From September 2010, all schools in Harrow were aligned to be in line with the National Curriculum Key Stages and the ages of transfer changed.
- The local authority as commissioner of school places over the last 12 years has monitored and developed proposals to increase primary sector provision in line with projected and actual growth.
- There has been an increase in the provision for pupils with special educational needs including the bases for pupils with Autistic Spectrum Disorder (ASD) and Social, Emotional and Behavioural Difficulties.

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1.0 Harrow Council's role in School Place Planning

The Local Authority has the statutory duty for Pupil Place Planning – ensuring that there are sufficient school places for all pupils in the borough's mainstream schools and settings for pupils with high needs (special schools and alternative provision, or AP).

The Local Authority works in partnership with the education settings within the borough, as well as outside the borough with regards to children with an EHCP, in order to ensure that there are sufficient places. Sufficient places are planned for through the management of places in Harrow's schools, and when additional places are required bulge (temporary) classes are initially created and if the demand is sustained the classes can be made permanent. Alternatively, when the demand for places reduces the Local Authority works with its schools to manage the surplus places, one way of doing this is to reduce the Published Admission Number (PAN) of places, this is initially done on an informal basis and can be made permanent the following year. School closures are also an option to manage school places, however this not an option that Harrow has had to consider.

The LA has the overarching responsibility for school admissions, co-ordinating admissions at Reception, Year 3 (from infant to junior school) and secondary transfer to Year 7. Residents must apply to their home authority for a maintained school place, whether the school place is within the authority or out of borough. During the Admissions process, applications for a Harrow school from out borough residents are also considered and vice versa. The Local Authority in Harrow also co-ordinates the majority of in-year applications for schools in Harrow. If any Harrow resident is identified as being out of school, the school admissions team will ensure a place is offered within a reasonable distance from their home address.

The LA also has overarching responsibility for the assessment of children and young people (up to the age of 25) requiring an Education, Health, Care Plan, which includes the allocation of specialist provision in a setting that meets the needs of the CYP.

1.1 Demand for school places

School place planning focuses on four main areas

- Primary – Reception and Year 3
- Secondary – Year 7
- In-year – from Reception to Year 11
- Specialist provision

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Reception and Year 7 school place planning is done on both a borough-wide and a planning area basis. Harrow has five primary planning areas (PPA) and three secondary planning areas (SPA).

Harrow recently reviewed its planning areas in line with DfE guidance and an analysis of where pupils went to school in May 2021, based on pupils' postcodes, has been used to determine the new planning areas. The new primary planning areas were redefined using Harrow's new May 2022 wards. The DfE's latest planning area guidance strongly recommended not using non-geographical planning areas, therefore a decision to include the voluntary aided primary schools in the existing 5 geographical planning areas was implemented. This resulted in the deletion of the Voluntary Aided primary planning area and Harrow therefore has 5 geographical primary planning areas. A map of Harrow's primary planning areas is included on page 15 of this report.

Demand for school places in Harrow, alongside the rest of London rose significantly over the past decade, it rose at a faster rate than in any other region of the country. Harrow experienced a high demand for primary school places for a number of years, and then the demand transferred to secondary level as pupils reached secondary school age. To manage this increase, Harrow worked hard to put plans in place to ensure that the shortfall was met by increasing capacity in existing schools (primary school expansion programme), and by creating new school provision by working with free schools in both the primary and secondary sectors.

1.2 Primary Places Demand

The demand for primary places (Reception to Year 6) has overall continued to increase over the last two decades, increasing from 16,633 in 2005/06 to 21,561 in 2022/23. The demand for Reception places continued to increase from 2,224 in 2005/06 and reached a peak of 3,251 in 2014/15. This increase was managed through the opening of temporary classes, a 3-phased primary school expansion programme and the opening of new free schools.

Table 1a - Reception Bulge classes since September 2009

Planning Area	Bulge classes	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
North East Planning Area (PA1)	Aylward					1	
	Stanburn			1	1		
	Weald Rise		1	1			
	Whitchurch						1
North West Planning Area (PA2)	Cannon Lane				1		1
	Cedars	1		1	1		
	Grimsdyke						1
	Longfield		1			1	
	Pinner Wood		1			1	
South East Planning Area (PA3)	Camrose				1		
	Glebe			1	1		
	Kenmore Park		1	1			1
	Priestmead						1
	Stag Lane						1
South West Planning Area (PA4)	Grange	1		1		1	
	Newton Farm						1
	Roxeth					1	
	Vaughan				1		
	Weldon Park	1			1		

Table 1b - Reception Bulge classes since September 2009

Planning Area	Bulge classes	2009/10	2010/11	2011/12	2012/13	2013/14	2014/15
Central Planning Area (PA5)	Belmont	1				1	
	Elmgrove				1		1
	Marlborough				1		
	Norbury		1	1		1	
	Pinner Park			1	1		
	Whitefriars						1
Faith Schools (PA6)	St Georges	1					
	Avanti House				2	2	
	St John Fisher						1
Total 'Bulges'		5	5	8	12	9	10
Total Places		150	150	240	360	270	300

57 Table 2a - Reception Permanent classes since September 2013

Planning Areas	Permanent classes	2013/14 Phase 1	2014/15 Phase 2	2015/16 Phase 3	2016/17 Phase 3
North East Planning Area (PA1)	Aylward		1		
	Stanburn	1			
	Weald Rise				1
	Whitchurch			1	
North West Planning Area (PA2)	Cannon Lane			1	
	Cedars	1			
	Grimsdyke			1	
	Longfield			1	
	Pinner Wood		1		

Table 2b - Reception Permanent classes since September 2013

Planning Areas	Permanent classes	2013/14 Phase 1	2014/15 Phase 2	2015/16 Phase 3	2016/17 Phase 3
South East Planning Area (PA3)	Camrose	1			
	Glebe	1			
	Kenmore Park			1	
	Priestmead			1	
	Stag Lane				1
South West Planning Area (PA4)	Grange		1		
	Newton Farm			1	
	Vaughan	1			
	Welldon Park			1	
Central Planning Area (PA5)	Belmont		1		
	Elmgrove			1	
	Marlborough	1			
	Norbury		1		
	Pinner Park	1			
	Whitefriars			1	
Faith Schools (PA6)	Avanti House		2		
	Krishna Avanti	1			
	St John Fisher			1	
	St Jérôme				2
Total Classes		8	7	11	4
Total Places		240	210	330	120

School Expansion Programme Phase 1

The number of Harrow's Reception permanent places increased by 240 places to 2,790 in September 2013 following implementation of Phase 1 of the Primary School Expansion Programme. 7 community schools were expanded permanently along with the expansion by one form of entry of Krishna Avanti Primary School to become a 2 form of entry academy school. 9 temporary Reception classes brought total places in 2013/14 to 3,060.

School Expansion Programme Phase 2

In September 2014, Harrow's Reception permanent places were increased by 210 places to 3,000 following the implementation of the first stage of Phase 2 of the Primary School Expansion Programme (this included two forms of entry at Avanti House free school). In order to meet the full increased demand for Reception places, 10 bulge classes (300 places) were opened at schools. In September 2015, Harrow's Reception permanent places were increased by 330 permanent places in 11 schools following the full implementation of Phase 2 and the first permanent expansions in Phase 3.

School Expansion Programme Phase 3

In addition to the three Phase 3 schools that were expanded in September 2015, a further two schools were expanded in September 2016. Additionally, the new free school – St Jérôme opened in September 2016 with 60 permanent places.

Free Schools

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Five free schools have been opened in Harrow between September 2012 and September 2020, as can be seen in the Table below.

Table 3 Free Schools in Harrow

Free School	Opened
Avanti House School	1 September 2012
Pinner High School	6 September 2016
Saint Jerome Church of England Bilingual School	7 September 2016
Avanti House Primary School	1 September 2017
Hujjat Primary School	1 September 2020

Hujjat Primary School opened with 60 permanent places, 50:50 faith based & community. This resulted in a total of 3,510 permanent places in September 2020. However, the closure of The Moriah Jewish Day School from September 2021 has reduced the number of permanent places to 3,480.

A further primary free school – Harrow View Primary (90 places) is also planned to open in Harrow in September 2026. When this school is delivered, it will provide an additional 3 permanent forms of entry. The opening of the Harrow View Primary School will be timed to align with the development on Kodak West site and the occupation of housing. There is an on-going dialogue with the Harrow Schools Trust about the development and opening of this school.

Once the Harrow View Primary School opens the places will be included in the tables, charts and projections of this report.

2.2.1 Change in demand for Primary School Places

However, since 2015 there has been a decline in the demand for Reception places and the latest GLA (Greater London Authority) School Roll Projections (based on the 2023 January School Census) suggest a continued decline. This decline coincided with the Welfare Benefit changes and was exacerbated by Brexit and the Covid-19 pandemic, the latter two resulted in migration out of London to other parts of the country or to other countries. The decline in the demand for primary school places created a significant surplus of places, which have increased as the high numbers of children moved out of primary schools into high schools.

Currently four of Harrow's five primary planning areas have a surplus of places, with the exception of the Central PPA. The Local Authority has been managing surplus places, through the reduction of PANs and by mothballing school places. This approach ensures that capacity is available when needed in the future and helps the LA's ability to deal with fluctuations in school places demands. The Central PPA has been full to capacity for the last few years, and a significant shortfall of places is projected for this area over the next decade. The Central Planning area is an area of significant housing development as part of Harrow's Opportunity Area and the demand for places is closely monitored.

8 A significant level of new housing development is planned in Harrow's Opportunity Area over the next few years. The types of housing units, and therefore the anticipated child yield, are not known at this stage. Based on the latest projections in this report and when Harrow View Primary School is built, there is expected to be sufficient primary school places in Harrow to meet demand. New housing developments can be expected to include students of secondary school age. Information for the early large housing developments will become clearer in the coming years.

1.3 Secondary Places Demand

Secondary school place planning has been undertaken on a whole borough level however, further analysis is undertaken on the three secondary planning areas. The demand for secondary school places has continued to increase over the last decade, with a significant increase over the last five years. The demand for Year 7 places has also continued to increase over the last decade, as was expected with the transition of primary pupils moving into the secondary sector. Harrow has been managing capacity within the secondary school sector by taking opportunities when available to increase school places to meet future projected shortfalls by working closely with the high schools, through the opening of new free schools, through government funding. However, the numbers of pupils in the secondary schools have started to plateau over the last couple of years and the latest GLA projections are suggesting a steady decline over the next few years.

1.4 Specialist Provision

The recent growth of pupil population has impacted on the demand for provision for pupils with special educational needs. Harrow's SEND Strategy 2019-2024 outlines the current context for Special Education Needs & Disabilities (SEND) nationally and locally, sets out the guiding principles and the following four strategic priorities:

Strategic Priority 1: Review in-borough specialist provision in the context of a changing demographic profile, pre-school, school and college organisational changes and other developments.

Strategic Priority 2: Review current provision and need for children, young people and young adults with social, behaviour and mental health needs to ensure continuum of provision and support.

Strategic Priority 3: Improve local education and social care opportunities for post-16 and post-18 provision working in partnership with other agencies including colleges and voluntary sector.

Strategic Priority 4: Improve outcomes for children and young people (0-25) with SEND and ensure appropriate staff skilled and qualified in all provision.

In line with the key priority, to reduce out of borough placements, Harrow is progressing 2 main strands of development:

- A 'Whole System Shift' model
- Further expansion of the additional resourced mainstream school (ARMS) provision

A 'Whole System Shift' is a strategic and cultural approach across all Harrow's special and mainstream schools to develop the education provision on offer in Harrow as a continuum of provision so that the finite numbers of special school places are prioritised for children and young people with the greatest complexity of need.

For there to be an effective 'Whole System Shift' resulting in an increase in Severe Learning Difficulties (SLD) provision across the 4 special schools, Harrow is working with its mainstream schools to further develop and upskill provision to meet the needs of CYP with Moderate Learning Difficulties (MLD). This will be achieved through developing additional resourced provisions on mainstream school sites and further build on the additionally resourced mainstream school (ARMS) model in Harrow to ensure there is a pathway of specialist provision from primary through to secondary.

In parallel to the 'Whole System Shift', Harrow is also working towards ensuring a continuum of provision for ASD in mainstream schools. Analysis of numbers on roll and the roll through of actuals in schools' evidence that in order to ensure that there is sufficient pathway capacity for pupils with ASD, Harrow will need to develop 2 new secondary school ASD ARMS to prevent children being placed in out borough provisions due to the lack of suitable local provision.

The demand for specialist provision places for children with SEND Education, Health, Care Plans (EHCPs) has continued to increase over the last decade. Harrow's 4 Special Schools are full to capacity and have limited capacity to expand further and as a result the need to place children in the independent and non-maintained sector has risen. There has been an increased placement of children with EHCPs in mainstream schools, along with new Additional Resourced Maintained School (ARMS) units being opened in both primary and secondary schools.

2.5 Harrow's need for a new Special School

The 2019-24 SEND Strategy includes a need for a new special school for SLD and autism as part of priority 1. This school would provide for pupils with SLD and complex needs, including autism. The school would complement the existing high-quality provision in Harrow. The SLD / ASD designations reflect the growth of need, which has resulted in changing pupil profiles at Alexandra School and Shaftesbury High School and created greater pressure upon mainstream schools to meet the needs of pupils for whom a special school place would be most appropriate.

Harrow has already expanded one of its primary special schools, and spaces at one of its secondary special schools have been temporarily increased through a satellite provision at a Harrow primary mainstream school. The LA was not successful in the latest round of special free school bids. This is Harrow's third unsuccessful bid, despite submitting 'approvable' bids. The LA is currently looking at alternative options for the development of additional special school provision.

Additional capacity is required because Harrow's special schools are unable to expand sufficiently. Any new specialist provision also needs to address the existing imbalance between primary and secondary phases and help reduce the reliance upon non-maintained / independent placements, aligning with national averages. Without additional provision, Harrow would be reliant upon a quadrupling of non-maintained / independent placements. Increasing our SEND provision would avoid over £11m/year expenditure, supporting our DSG management plan.

2.6 Early Years – Childcare and Education

The Local Authority is required by law to 'report annually to elected council members on how they are meeting their duty to secure sufficient childcare and make this report available and accessible to parents'.

Having sufficient childcare means that families can find childcare that meets their child's care and learning needs and enables parents to make a real choice about work and training. This applies to all children from birth to age 14, including children with disabilities. Sufficiency is assessed for different groups, rather than for all children in the Local Authority.

There continues to be a sufficient supply of childcare provision to meet current levels of demand. Further to the recovery in demand following the Covid-19 pandemic, provider feedback suggests attendance in provision and demand for places has stabilised over the past year. However, increasing childcare fees combined with current cost of living challenges may affect the affordability of childcare for some parents/carers. This in turn may lead to localised changes in demand and patterns of attendance.

Take-up of funded early education for two year-olds in Harrow has traditionally been low, with the exception of last year when take-up was at record levels for the borough and above regional comparators. There has been a sizeable reduction in take-up this year, from the high baseline set in 2022. It now sits below both regional and national comparators. The take-up of universal funded early education for 3 and 4 year-olds has increased over the past year and is now at the highest recorded levels since this indicator has been reported in the borough. Take-up is above regional comparators and has risen above the national take-up figure for the 4 year-old age group. Numbers of children accessing the extended entitlement (30 hours funding) continues to increase and is at the highest levels recorded since it's roll-out, although the rate of increase shows signs of slowing.

Childcare for children with special educational needs and disabilities (SEND) is available in Harrow. The number of early years children with SEND has decreased within PVI settings over the past year, whilst there was a very slight increase in school nurseries. The primary need for the majority of children requiring SEND support, continues to be communication and interaction. Support strategies continue to assist early years' childcare providers in meeting the needs of children with SEND, via the Harrow Early Years SEND Team. These include an inclusion fund which supports and enables SEND children to access learning and make progress across all early learning goals, SEND surgeries to support providers in identifying need and termly collation of SEND registers to ensure children are tracked and supported accordingly. The Early Years Area SENCO continues to track the progress of all children supported through the inclusion fund.

2.7 Post-16 Provision



The Education and Skills Act 2008 requires all young people in England to continue in education or training until at least their 18th birthday. The Local Authority works in partnership with Harrow's schools, Further Education colleges and Harrow's Prospects, to ensure that young people aged 16-18 and up to the age of 25 for those who have an Education, Health and Care Plan have access to a range of opportunities to continue their education or training at a wide range of post-16 providers or through apprenticeships.

3.0 Harrow School Roll Projections

There is no single accepted method for projecting school numbers and London boroughs have recently faced major challenges in providing places to meet a growing child population. However, due to changes in the population, impacted by birth rates, welfare benefit changes, Brexit and the Covid-19 pandemic the situation has reversed, and local authorities have found themselves working with their mainstream primary schools to manage a surplus of places. Harrow, along with the majority of other London boroughs, commission's school roll projections from the Greater London Authority's (GLA) School Roll Projections Service. The GLA provides the baseline projections to which local knowledge is applied to make reasonable adjustments in line with pressure at Reception, Year 7 and other school year groups.

Harrow's school roll projections have been based on the GLA's Borough Preferred Option (BPO) Population Projections for the last few years and for this year. The BPO incorporates annual birth, death and migration data, and are produced using Harrow's ward level housing development data provided by the council from its Housing Trajectory. The GLA have produced projections based on three different scenarios of domestic migration patterns – 5-year, 10-year and 15-year constrained projections, each of which are based on either 5 or 10 or 15 years

past local migration patterns and constrained to match 5 or 10 or 15 years of the trend projection results at subregional level. Harrow has used the 10-year constrained variant for Harrow's births, population projections and school roll projections this year.

The 2023/24 school roll projections are based on the GLA's 3/1 option. The 3/1 option uses three years of data to smooth fluctuations in the underlying patterns of pupil movement, while reflecting only the most recent data in terms of overall number of pupils on roll.

- Three years of past detailed flow data (2019-2021) to estimate relationships between ward of residence and school attended for the 2022 school roll.
- One year of data (2022) to calculate the size of the new intake in projected years

Further details of the SRP Methodology can be found in 'Annexe 4: School Roll Projections Methodology'.

Due to the changing landscape of Harrow, with regards to births, future housing developments, Reception and Year 7 numbers on roll and due to the fluctuations in the actual numbers on roll over the last few years, and the change in trajectory, the school organisation report continues to include the following two sets of school roll projections for the Reception to Year 6 projections, and Reception only, in-line with previous years reports.

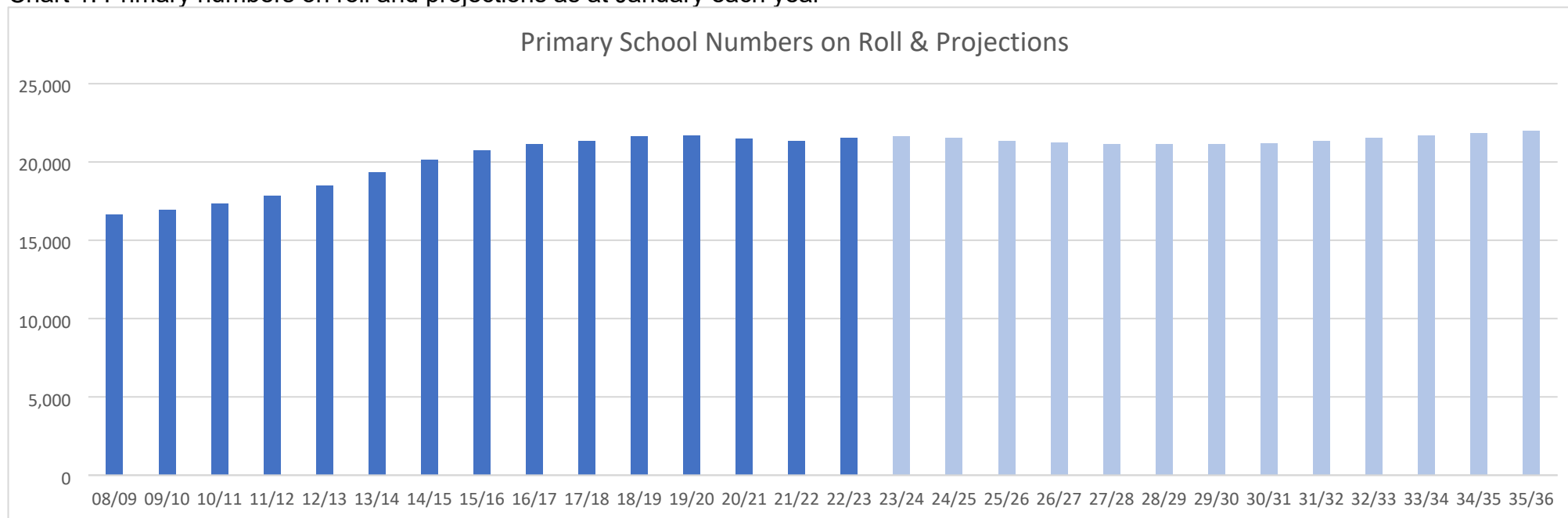
1. The school roll projections as provided by the GLA (referred to as 'Baseline' in this report);
2. The schools roll projections with a 2% adjustment, as per previous years and in order to maintain some level of consistency.

The local projection methodology has been developed to forecast the maximum numbers that are likely to be on roll at the end of the school year. This approach is consistent with Harrow's submissions to the DfE and helps with contingency planning across the borough.

3.1 Numbers on Roll in Primary Schools

The demand for primary school places increased exponentially between 2009/10 and 2019/20. The primary population (Reception to Year 6) increased from 16,637 in January 2009 to 21,707 in January 2020. The numbers have remained similar, with 21,561 pupils on roll as at January 2023 and this year's projections are also steady, as can be seen in the chart below. In line with the increase of primary places, the demand for Reception places started increasing from 2,419 pupils in January 2009 and consistently increased reaching 3,251 as at January 2015. The Reception numbers have fluctuated since, with the most recent number on roll being 3,162 as at January 2023.

Chart 1: Primary numbers on roll and projections as at January each year



Source: SRP_borough_Spring2023_3_1_BPO202110-year_constrained_1805230626

3.2 Projections for Reception to Year 6 Primary School Pupils

The table below shows that the projections for Reception to Year 6 start to decline from 21,653 in January 2024 to 21,114 in January 2030, but then rise and continue to increase to 21,982 by January 2036. There is a projected surplus of places in the primary schools over the period shown in the table below, a surplus which should accommodate the increase suggested by the projections.

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Table 4: School roll projections for Year Reception (Baseline & +2%) to Year 6 in all schools in Harrow

Primary projection area: All Schools (Includes VA) - BPO 2021 3/1 10 Yr Constrained – Years Reception to Year 6 only						
Year	January actual number on roll	Projected demand GLA (Baseline Reception)	Projected demand GLA (+2% Reception)	Places available	Surplus/Shortfall of places (Baseline Reception)	Surplus/Shortfall of places (+2% Reception)
09/10	16,927			18,155	1,228	
10/11	17,326			18,187	861	
11/12	17,860			18,439	579	
12/13	18,482			18,718	236	
13/14	19,325			19,278	-47	
14/15	20,158			20,152	-6	
15/16	20,760			20,996	236	
16/17	21,136			21,750	614	
17/18	21,346			22,395	1,049	
18/19	21,643			23,010	1,367	
19/20	21,707			23,460	1,753	
20/21	21,477			23,370	1,893	
21/22	21,322			23,340	2,018	
22/23	21,561			23,220	1,659	
23/24		21653	22086	22,710	1057	624
24/25		21545	21976	22,680	1135	704
25/26		21335	21762	22,650	1315	888
26/27		21248	21673	22,620	1372	947
27/28		21133	21556	22,530	1397	974
28/29		21126	21549	22,500	1374	951
29/30		21114	21536	22,470	1356	934
30/31		21207	21631	22,470	1263	839
31/32		21321	21747	22,470	1149	723
32/33		21548	21979	22,470	922	491
33/34		21687	22121	22,470	783	349
34/35		21855	22292	22,470	615	178
35/36		21982	22422	22,470	488	48

Source: SRP_borough_Spring2023_3_1_BPO202110-year_constrained_1805230626

3.3 Projections for Reception Pupils

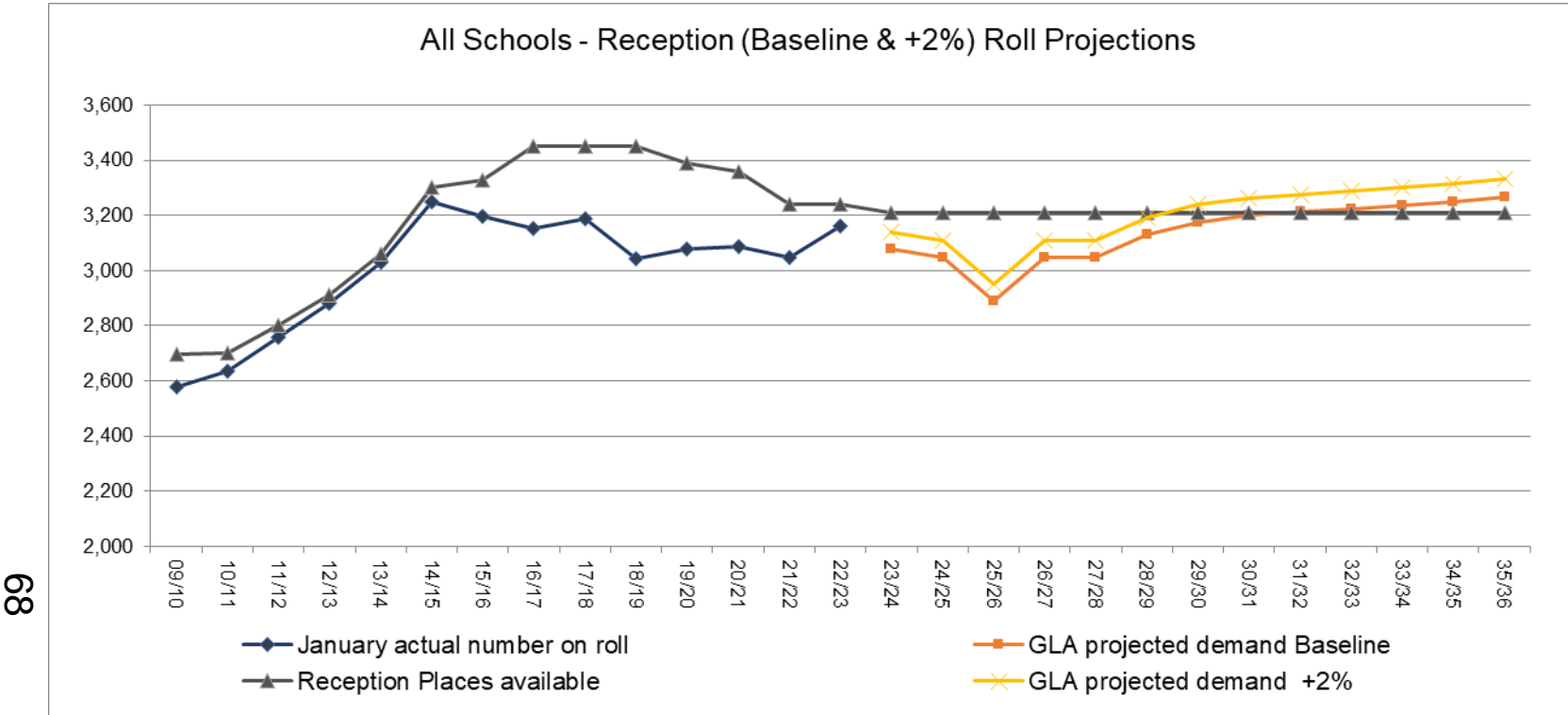
The GLA Baseline and +2% projections for 2023/24 are 3,076 pupils and 3,138, respectively. The Reception projections are projected to drop to 2,891 by 2025/26 but then continue to increase for the remainder of the period reaching 3,266 (baseline) and 3,331 (+2%) by 2035/36, as can be seen in the table and chart below.

Table 5: School roll projections for Year Reception (Baseline & +2%) in all Primary schools in Harrow

Primary projection area: All Schools (Includes Voluntary Aided) – Year Reception									
School Year	January actual number on roll	GLA projected demand Baseline	GLA projected demand +2%	Reception Places available	Permanent Places	Calculated FE Baseline	Calculated FE +2%	Proposed Additional FE required Baseline & +2%	Total Reception Places Proposed Baseline & +2%
09/10	2,577			2,696	2,546				
10/11	2,637			2,700	2,550				
11/12	2,759			2,800	2,550				
12/13	2,879			2,910	2,550				
13/14	3,029			3,060	2,790				
14/15	3,251			3,300	3,000				
15/16	3,195			3,330	3,330				
16/17	3,154			3,450	3,450				
17/18	3,189			3,450	3,450				
18/19	3,043			3,450	3,450				
19/20	3,079			3,390	3,450				
20/21	3,089			3,360	3,510				
21/22	3,048			3,240	3,480				
22/23	3,162			3,240	3,480				
23/24		3076	3138	3,210	3,480	4.47	2.42	0	3,210
24/25		3049	3110	3,210	3,480	5.37	3.33	0	3,210
25/26		2891	2949	3,210	3,480	10.63	8.71	0	3,210
26/27		3048	3109	3,210	3,480	5.40	3.37	0	3,210
27/28		3048	3109	3,210	3,480	5.40	3.37	0	3,210
28/29		3129	3192	3,210	3,480	2.70	0.61	0	3,210
29/30		3175	3239	3,210	3,480	1.17	-0.95	0/1	3,240
30/31		3200	3264	3,210	3,480	0.33	-1.80	0/2	3,270
31/32		3213	3277	3,210	3,480	-0.10	-2.24	0/2	3,270
32/33		3222	3286	3,210	3,480	-0.40	-2.55	0/3	3,300
33/34		3236	3301	3,210	3,480	-0.87	-3.02	1/3	3,300
34/35		3248	3313	3,210	3,480	-1.27	-3.43	1/3	3,300
35/36		3266	3331	3,210	3,480	-1.87	-4.04	2/4	3,330

Source: SRP_borough_Spring2023_3_1_BPO202110-year_constrained_1805230626

Chart 2: Current numbers on roll, places available, GLA Baseline & +2% projections for Reception Year in all Primary schools in Harrow

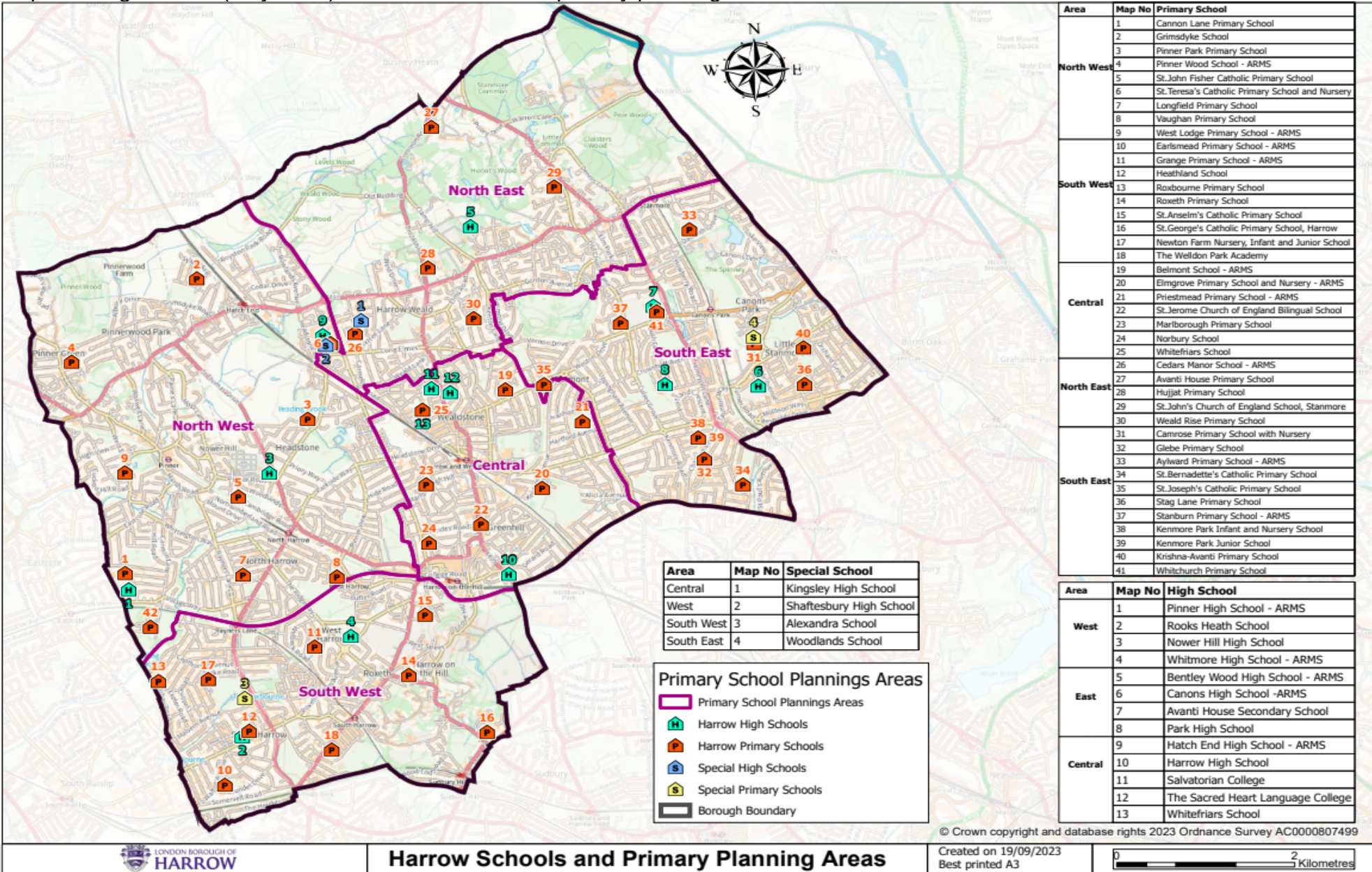


Source: SRP_borough_Spring2023_3_1_BPO202110-year_constrained_1805230626

3.4 Primary School Projections by Planning Area

Map showing the new (May 2022) ward boundaries and primary planning areas for Harrow

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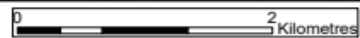


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Harrow Schools and Primary Planning Areas

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North East Planning Area (GLA Planning Area 1):

The North East Planning Area is made up of six primary schools (see table below), which have a combined PAN of 360. The numbers on roll in the Reception to Year 6 groups has fallen over the last few years and have fluctuated in the Reception Year, as can be seen in the tables below. There are enough places to accommodate the projected demand for this planning area for the forthcoming years.

Main wards	Harrow Weald, Stanmore
Schools (PAN)	Avanti House (60), Cedars Manor* (60), Hujjat Primary (60), St John's CofE (60), St Teresa's (60), Weald Rise** (60)
Total PAN	360

*Cedars Manor formal PAN reduction from 3FE to 2FE from 2019/20; **Weald Rise formal PAN reduction from 4FE to 2FE (120 to 60) from 2020/21

Table 6: Primary projections for the North East Planning Area

Primary projection area: North East (Community Schools only) – Years R to 6 only						
Year	January actual number on roll	Projected demand GLA (Baseline)	Projected demand GLA (R+2% - Yr6)	Places available	Surplus /Shortfall of places (Baseline)	Surplus /Shortfall of places (R+2% - Yr6)
15/16	2,313					
16/17	2,294					
17/18	2,247					
18/19	2,201					
19/20	2,103					
20/21	2,015					
21/22	2,007					
22/23	2,104					
23/24		2,173	2,216	2,340	167	124
24/25		2,217	2,261	2,400	183	139
25/26		2,253	2,298	2,460	207	162
26/27		2,293	2,339	2,520	227	181
27/28		2,306	2,352	2,520	214	168
28/29		2,297	2,343	2,520	223	177
29/30		2,270	2,315	2,520	250	205
30/31		2,256	2,301	2,520	264	219
31/32		2,259	2,304	2,520	261	216
32/33		2,269	2,314	2,520	251	206
33/34		2,274	2,319	2,520	246	201
34/35		2,284	2,330	2,520	236	190
35/36		2,289	2,335	2,520	231	185

Source: SRP_borough_Spring2023_3_1_BPO202110-year_constrained_1805230626

Table 3 above shows the Reception (Baseline & +2%) to Year 6 GLA roll projections for the North East Planning Area. The actual number of pupils have continued decreasing from 2,313 in 2015/16 to 2,007 pupils in 2021/22 but increased to 2,104 in 2022/23. The projections for this area start at 2,173 (Baseline) and 2,216 (+2%) for 2023/24 and overall continue increasing to 2,289 (Baseline) and 2,235 (+2%) in 2035/36. A surplus of places is projected for the whole of the 2023/24 to 2035/36 period.

Table 7: Reception Projections for the North East Planning Area

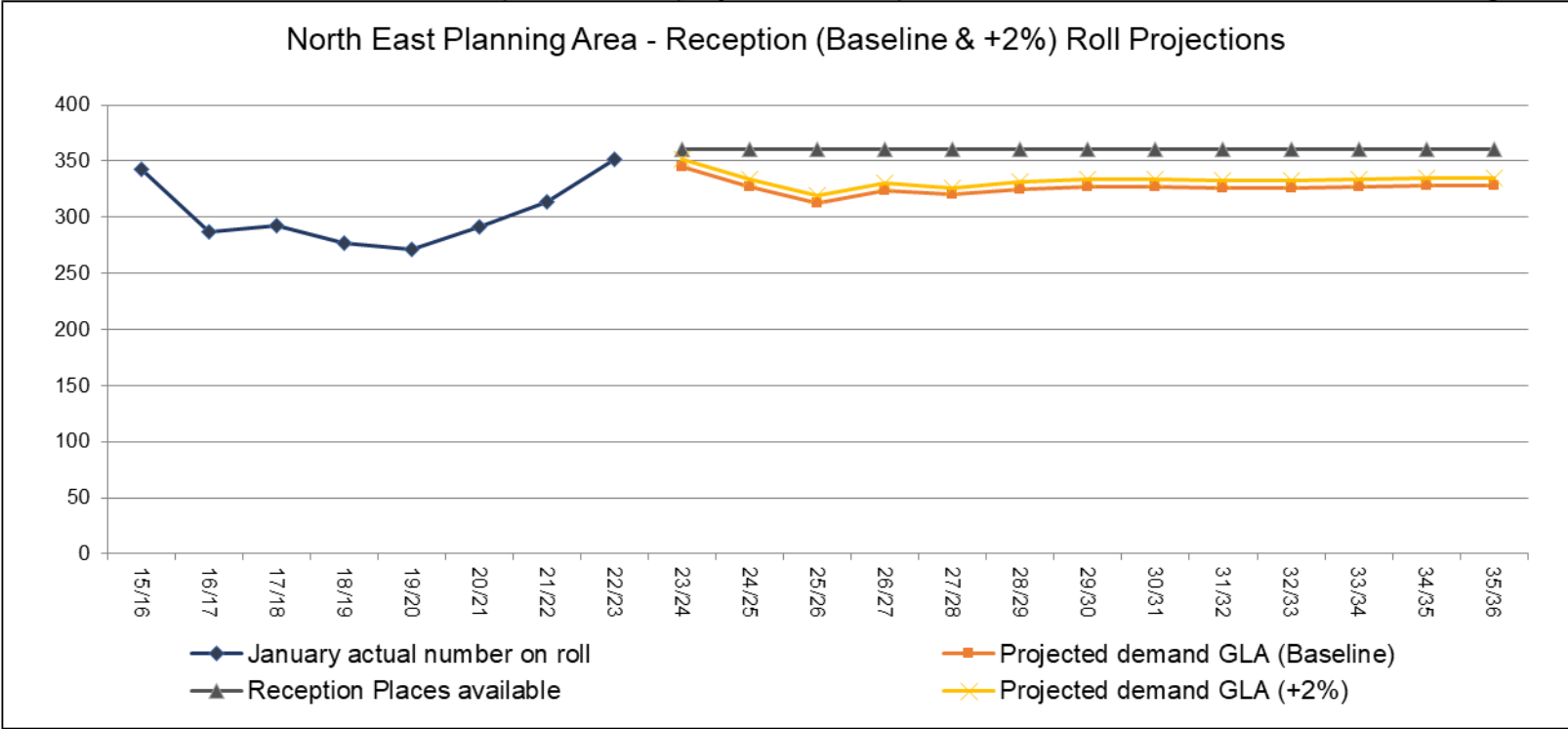
Primary Planning Area 1 - North East (Community Schools only) – Year Reception							
School Year	January actual number on roll	Projected demand GLA (Baseline)	Projected demand GLA (+2%)	Reception Places available	Calculated FE - baseline	Calculated FE +2%	Proposed Additional FE required Baseline & +2%
15/16	343						
16/17	287						
17/18	292						
18/19	277						
19/20	271						
20/21	291						
21/22	314						
22/23	351						
23/24		345	352	360	0.50	0.27	0
24/25		327	334	360	1.10	0.88	0
25/26		313	319	360	1.57	1.36	0
26/27		324	330	360	1.20	0.98	0
27/28		320	326	360	1.33	1.12	0
28/29		325	332	360	1.17	0.95	0
29/30		327	334	360	1.10	0.88	0
30/31		327	334	360	1.10	0.88	0
31/32		326	333	360	1.13	0.92	0
32/33		326	333	360	1.13	0.92	0
33/34		327	334	360	1.10	0.88	0
34/35		328	335	360	1.07	0.85	0
35/36		328	335	360	1.07	0.85	0

Source: SRP_borough_Spring2023_3_1_BPO202110-year_constrained_1805230626

Table 4 above and Chart 3 below show the GLA roll projections for the Reception year group for the North East Planning Area. The actual number on roll increased by over 1 form of entry from 314 in 2021/22 to 351 in 2022/23. Future numbers for the area are projected to drop slightly over the period covered, from 345 (Baseline) and 360 (+2%) in 2023/24 to 328 (Baseline) and 335 (+2%) by 2035/36. There is projected to be a surplus of up to 1.5 forms of entry in this area.

Chart 3: Current number on roll compared to roll projections and places available for the North East Planning Area

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Source: SRP_borough_Spring2023_3_1_BPO202110-year_constrained_1805230626

North West Planning Area (GLA Planning Area 2):

The North West Planning Area is made up of eight primary schools (see table below), which have a combined PAN of 780. The numbers on roll in the Reception to Year 6 groups have continued to increase over the last eight years and have fluctuated in the Reception Year, as can be seen in the tables below. There are enough places to accommodate the projected demand for this planning area for the forthcoming years.

Main wards	Hatch End, Headstone, Pinner, Pinner South, North Harrow
Schools (PAN)	Cannon Lane (120), Grimsdyke (90), Longfield (90), Pinner Park (120), Pinner Wood (90), St John Fisher (90), Vaughan (90), West Lodge (90)
Total PAN	780

Table 8: Primary projections for the North West Planning Area

Primary projection area: North West (Community Schools only) – Years R to 6 only						
Year	January actual number on roll	Projected demand GLA (Baseline)	Projected demand GLA (R+2% - Yr6)	Places available	Surplus /Shortfall of places (Baseline)	Surplus /Shortfall of places (R+2% - Yr6)
15/16	4,148					
16/17	4,290					
17/18	4,347					
18/19	4,549					
19/20	5,480					
20/21	5,533					
21/22	5,508					
22/23	5,510					
23/24		5,487	5,597	5,550	63	-47
24/25		5,415	5,523	5,520	105	-3
25/26		5,320	5,426	5,490	170	64
26/27		5,232	5,337	5,460	228	123
27/28		5,132	5,235	5,430	298	195
28/29		5,098	5,200	5,460	362	260
29/30		5,048	5,149	5,460	412	311
30/31		5,022	5,122	5,460	438	338
31/32		5,018	5,118	5,460	442	342
32/33		5,041	5,142	5,460	419	318
33/34		5,048	5,149	5,460	412	311
34/35		5,063	5,164	5,460	397	296
35/36		5,078	5,180	5,460	382	280

Source: SRP_borough_Spring2023_3_1_BPO202110-year_constrained_1805230626

Table 5 above shows that the Reception to Year 6 number on rolls for this planning area have continued to increase from 4,148 in 2015/16 to 5,510 in 2022/23. The Baseline and +2% projections decrease from 5,487 (Baseline) & 5,597 (+2%) in 2023/24 to 5,078 (Baseline) & 5,180 (+2%) in 2035/36. There is a surplus of places projected for this area.

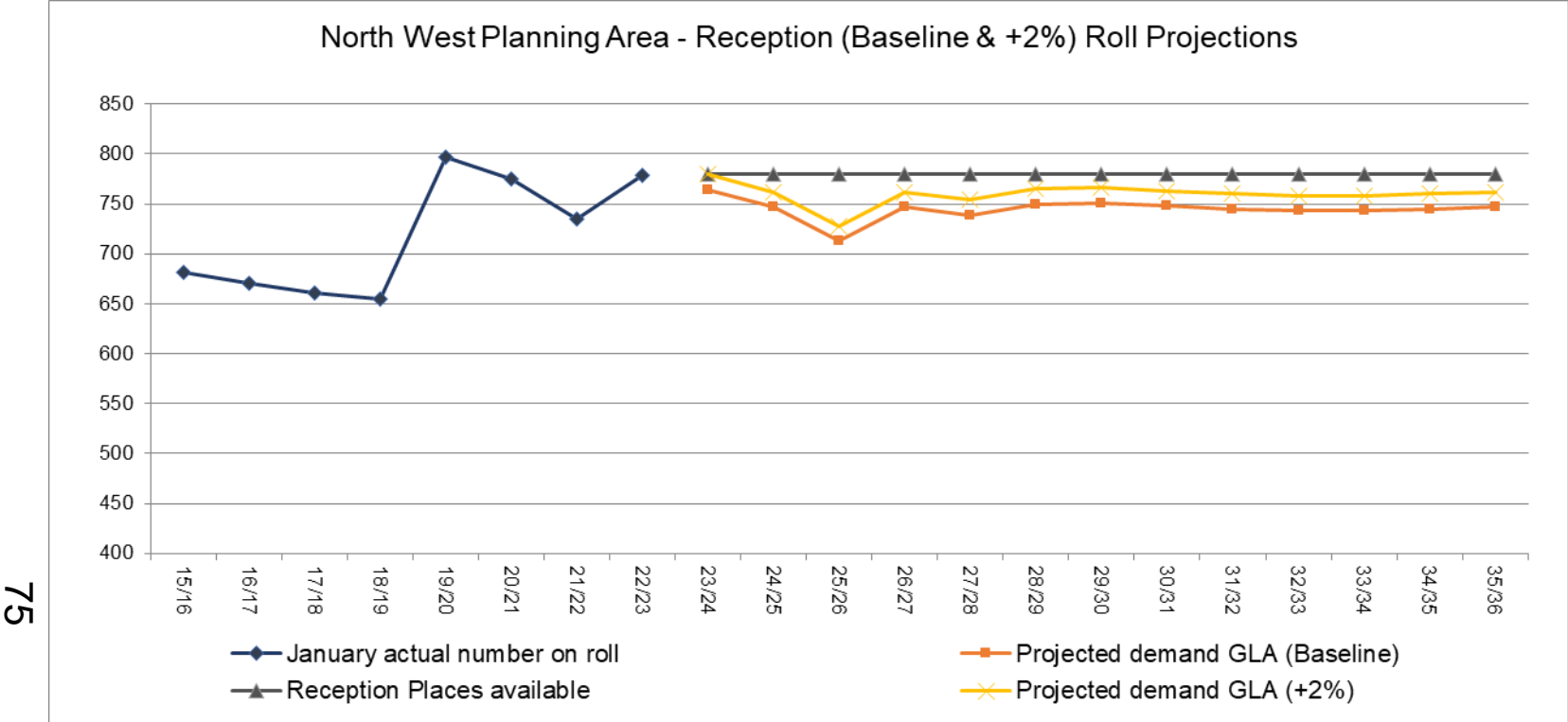
Table 9: Reception Projections for the North West Planning Area

Primary Planning Area 2 - North West (Community Schools only) – Year Reception								
School Year	January actual number on roll	Projected demand GLA (Baseline)	Projected demand GLA (+2%)	Reception Places available	Calculated FE - baseline	Calculated FE +2%	Proposed Additional FE required Baseline & +2%	Total Reception Places Proposed - baseline & +2%
15/16	681							
16/17	670							
17/18	661							
18/19	655							
19/20	797							
20/21	775							
21/22	735							
22/23	778							
23/24		764	779	780	0.53	0.02	0	780
24/25		747	762	780	1.10	0.60	0	780
25/26		713	727	780	2.23	1.76	0	780
26/27		747	762	780	1.10	0.60	0	780
27/28		739	754	780	1.37	0.87	0	780
28/29		750	765	780	1.00	0.50	0	780
29/30		751	766	780	0.97	0.47	0	780
30/31		748	763	780	1.07	0.57	0	780
31/32		745	760	780	1.17	0.67	0	780
32/33		743	758	780	1.23	0.74	0	780
33/34		743	758	780	1.23	0.74	0	780
34/35		745	760	780	1.17	0.67	0	780
35/36		747	762	780	1.10	0.60	0	780

Source: SRP_borough_Spring2023_3_1_BPO202110-year_constrained_1805230626

Table 6 above and Chart 4 show that the actual numbers on roll for this planning area have fluctuated over the last few years but increased to 778 in 2022/23. The projections for this area gradually decrease from 764 (Baseline) & 779 (+2%) in 2023/24 to 747 (Baseline) & 762 (+2%) in 2035/36. There is a projected surplus of places in for this area.

Chart 4: Current number on roll compared to roll projections and places available for the North West Planning Area



Source: SRP_borough_Spring2023_3_1_BPO202110-year_constrained_1805230626

South East Planning Area (GLA Planning Area 3):

The South East Planning Area is made up of ten primary schools (see table below), which have a combined PAN of 780. The numbers on roll in the Reception to Year 6 groups have fluctuated over the last eight years and have fluctuated in the Reception Year, as can be seen in the tables below. There are enough places to accommodate the projections for this planning area for the forthcoming years.

Main wards	Belmont, Canons, Centenary, Edgware, Kenton East
Schools (PAN)	Aylward (90), Camrose (60), Glebe (90), Kenmore Parks (90), Krishna Avanti (60), St Bernadette's (60), Stag Lane (120), Stanburn (90), Whitchurch (120)
Total PAN	780

Table 10: Primary projections for the South East Planning Area

Primary projection area: South East (Community Schools only) – Years R to 6 only						
Year	January actual number on roll	Projected demand GLA (Baseline)	Projected demand GLA (R+2% - Yr6)	Places available	Surplus /Shortfall of places (Baseline)	Surplus /Shortfall of places (R+2% - Yr6)
15/16	5,001					
16/17	5,181					
17/18	5,213					
18/19	5,279					
19/20	5,290					
20/21	5,203					
21/22	5,115					
22/23	5,202					
23/24		5,212	5,316	5,610	398	294
24/25		5,176	5,280	5,580	404	300
25/26		5,075	5,177	5,550	475	374
26/27		5,011	5,111	5,520	509	409
27/28		4,936	5,035	5,490	554	455
28/29		4,868	4,965	5,460	592	495
29/30		4,808	4,904	5,460	652	556
30/31		4,779	4,875	5,460	681	585
31/32		4,765	4,860	5,460	695	600
32/33		4,782	4,878	5,460	678	582
33/34		4,789	4,885	5,460	671	575
34/35		4,810	4,906	5,460	650	554
35/36		4,822	4,918	5,460	638	542

Source: SRP_borough_Spring2023_3_1_BPO202110-year_constrained_1805230626

Table 7 above shows the actual number on roll and projection figures for the South East Planning Area for Reception to Year 6. The actual number of pupils have fluctuated over the last few years, increasing from 5,115 in 2021/22 to 5,202 in 2022/23. The projections for this area drop from 5,212 (Baseline) and 5,316 (+2%) in 2023/24 and drop to 4,822 (Baseline) and 4,918 (+2%) in 2035/36. There is a surplus of places in this planning area for the entire period covered.

Table 11: Reception Projections for the South East Planning Area

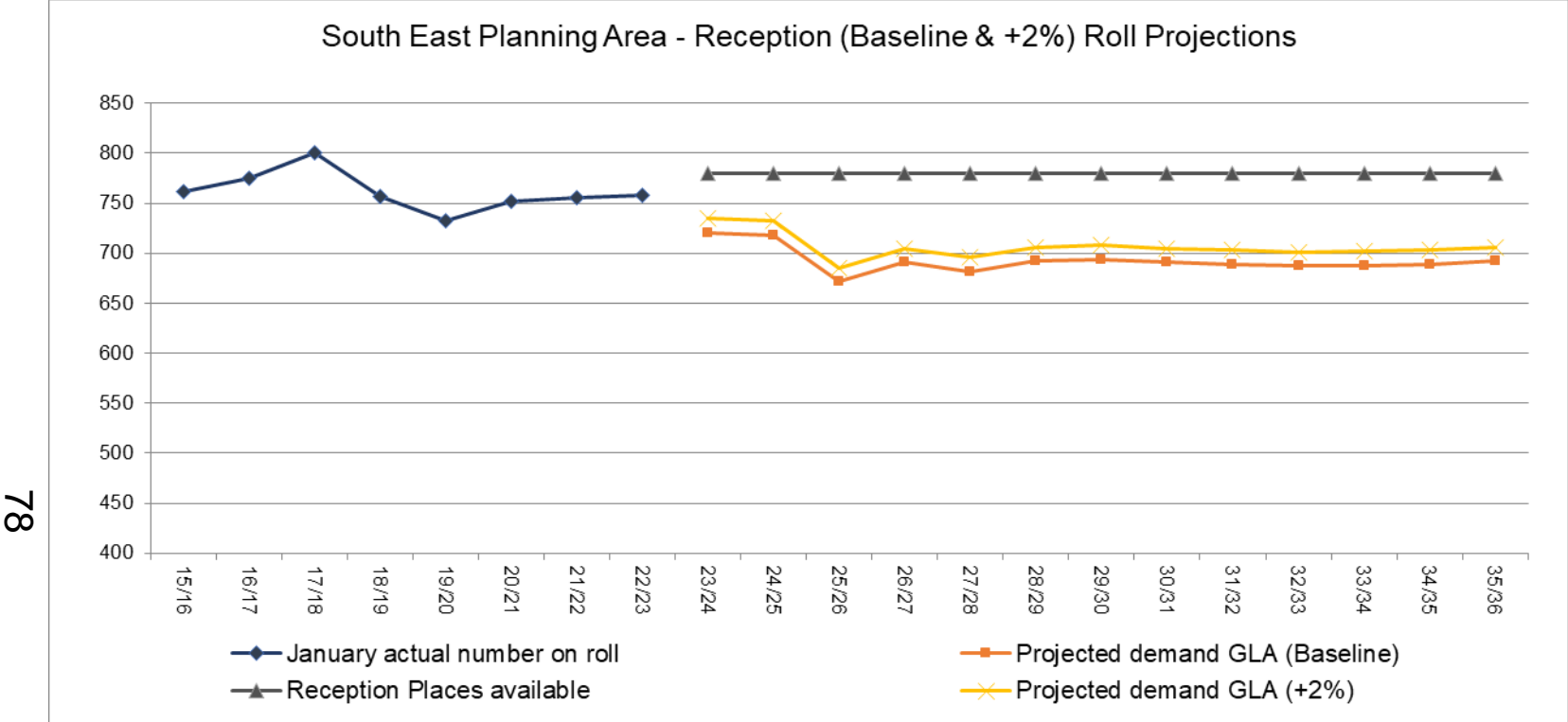
Primary Planning Area 3 - South East (Community Schools only) - Year Reception								
School Year	January actual number on roll	Projected demand GLA (Baseline)	Projected demand GLA (+2%)	Reception Places available	Calculated FE - baseline	Calculated FE +2%	Proposed Additional FE required Baseline & +2%	Total Reception Places Proposed - baseline & +2%
15/16	762							
16/17	775							
17/18	801							
18/19	757							
19/20	733							
20/21	752							
21/22	756							
22/23	758							
23/24		720	734	780	2.00	1.52	0	780
24/25		718	732	780	2.07	1.59	0	780
25/26		672	685	780	3.60	3.15	0	780
26/27		691	705	780	2.97	2.51	0	780
27/28		682	696	780	3.27	2.81	0	780
28/29		692	706	780	2.93	2.47	0	780
29/30		694	708	780	2.87	2.40	0	780
30/31		691	705	780	2.97	2.51	0	780
31/32		689	703	780	3.03	2.57	0	780
32/33		687	701	780	3.10	2.64	0	780
33/34		688	702	780	3.07	2.61	0	780
34/35		689	703	780	3.03	2.57	0	780
35/36		692	706	780	2.93	2.47	0	780

Source: SRP_borough_Spring2023_3_1_BPO202110-year_constrained_1805230626

Table 8 above and Chart 5 below show that even though the Reception numbers on roll have fluctuated a little over the period shown, they have overall remained quite stable, at 758 in 2022/23 in the South East planning area. The projections in this area start at 720 (Baseline) and

734 (+2%) in 2023/24 but steadily continue to fall over the period dropping to 692 (Baseline) and 706 (+2%) in 2035/36. There is a sufficient number of places available in this area.

Chart 5: Current number on roll compared to roll projections and places available for the South East Planning Area



Source: SRP_borough_Spring2023_3_1_BPO202110-year_constrained_1805230626

South West Planning Area (GLA Planning Area 4):

The South West Planning Area is made up of nine primary schools (see table below), which have a combined PAN of 600. The numbers on roll in the Reception to Year 6 groups have fluctuated over the last eight years and have fluctuated in the Reception Year, as can be seen in the tables below. There are enough places to accommodate the projections for this planning area for the forthcoming years.

Main wards	Harrow on the Hill, Rayners Lane, Roxbourne, Roxeth, West Harrow
Schools (PAN)	Earlsmead (60), Grange (90), Heathland (90), Newton Farm (60), Roxbourne (60), Roxeth (60), Welldon Park (60), St Anselm's (60), St George's (60)
Total PAN	600

Table 12: Primary projections for the South West Planning Area

Primary projection area: South West (Community Schools only) – Years R to 6 only						
Year	January actual number on roll	Projected demand GLA (Baseline)	Projected demand GLA (R+2% - Yr6)	Places available	Surplus /Shortfall of places (Baseline)	Surplus /Shortfall of places (R+2% - Yr6)
15/16	4,296					
16/17	4,157					
17/18	4,118					
18/19	4,129					
19/20	4,076					
20/21	3,959					
21/22	3,924					
22/23	3,901					
23/24		3,888	3,966	4,170	282	204
24/25		3,844	3,921	4,140	296	219
25/26		3,801	3,877	4,110	309	233
26/27		3,794	3,870	4,080	286	210
27/28		3,781	3,857	4,050	269	193
28/29		3,776	3,852	4,020	244	168
29/30		3,769	3,844	3,990	221	146
30/31		3,777	3,853	3,990	213	137
31/32		3,788	3,864	3,990	202	126
32/33		3,823	3,899	3,990	167	91
33/34		3,841	3,918	3,990	149	72
34/35		3,869	3,946	3,990	121	44
35/36		3,886	3,964	3,990	104	26

Source: SRP_borough_Spring2023_3_1_BPO202110-year_constrained_1805230626

Table 9 above shows the number of Reception to Year 6 pupils in the South West Planning Area. Pupil numbers in this area have dropped from 4,296 in 2015/16 to 3,901 pupils in 2022/23. The projections for this area remain relatively stable at 3,888 (Baseline) and 3,966 (+2%) in 2023/24 and at 3,886 (Baseline) and 3,964 (+2%) by 2035/36. There is a surplus of places in this area.

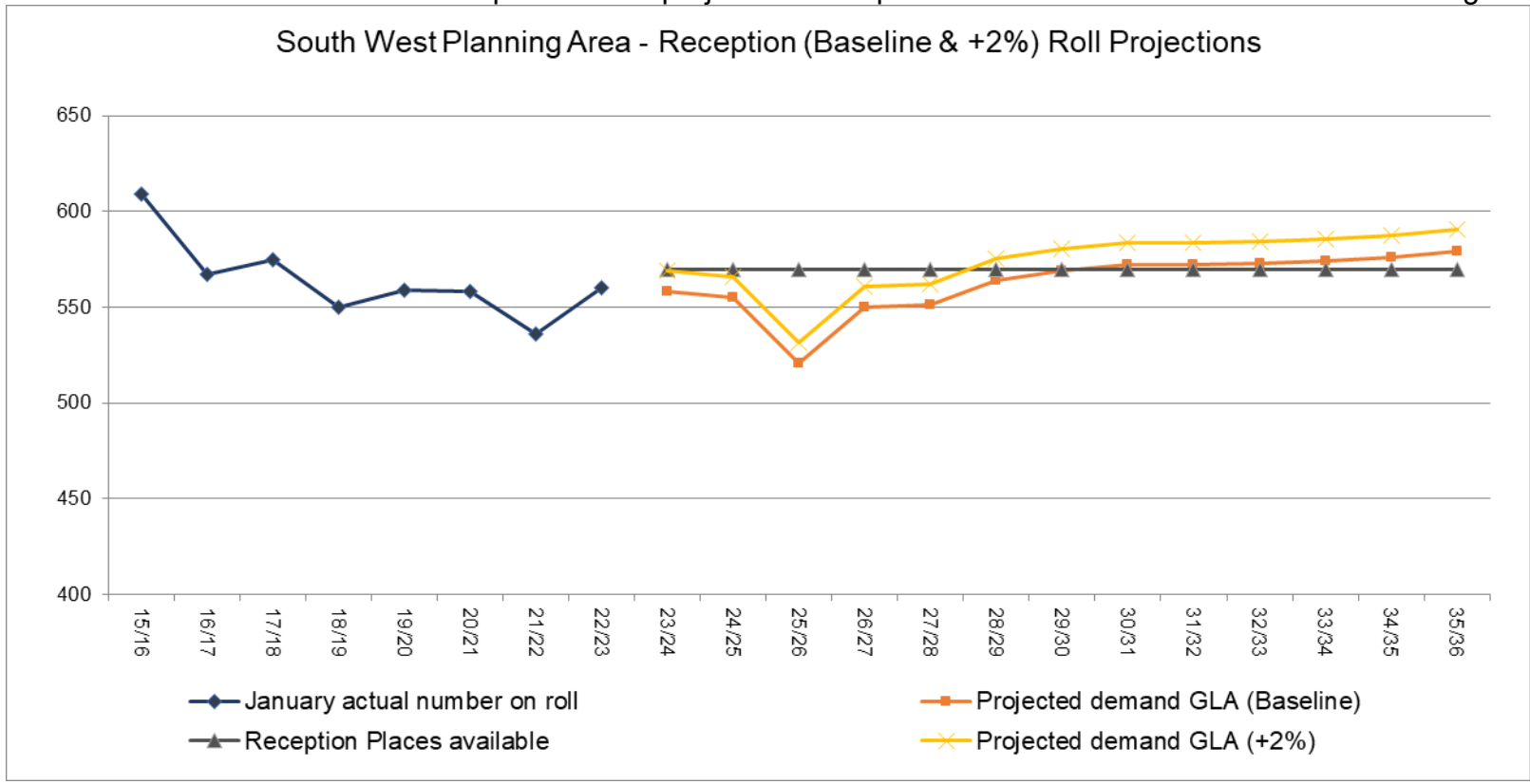
Table 13: Reception Projections for the South West Planning Area

Primary Planning Area 4 - South West (Community Schools only) - Year Reception								
Year Reception								
School Year	January actual number on roll	Projected demand GLA (Baseline)	Projected demand GLA (+2%)	Reception Places available	Calculated FE - baseline	Calculated FE +2%	Proposed Additional FE required Baseline & +2%	Total Reception Places Proposed - baseline & +2%
15/16	609							
16/17	567							
17/18	575							
18/19	550							
19/20	559							
20/21	558							
21/22	536							
22/23	560							
23/24		558	569	570	0.40	0.03	0	570
24/25		555	566	570	0.50	0.13	0	570
25/26		521	531	570	1.63	1.29	0	570
26/27		550	561	570	0.67	0.30	0	570
27/28		551	562	570	0.63	0.27	0	570
28/29		564	575	570	0.20	-0.18	0	570
29/30		569	580	570	0.03	-0.35	0	570
30/31		572	583	570	-0.07	-0.45	0	570
31/32		572	583	570	-0.07	-0.45	0	570
32/33		573	584	570	-0.10	-0.48	0	570
33/34		574	585	570	-0.13	-0.52	0/1	600
34/35		576	588	570	-0.20	-0.58	0/1	600
35/36		579	591	570	-0.30	-0.69	0/1	600

Source: SRP_borough_Spring2023_3_1_BPO202110-year_constrained_1805230626

Table 10 above and Chart 6 below show the Reception numbers and projections in the South West planning area. The actual pupil numbers for this area have fluctuated over the last few years, however they increased to 560 in 2022/23. The projections for this area are projected to fall but then rise over the period covered, from 558 (Baseline) and 569 (+2%) in 2023/24 to 579 (Baseline) and 591 (+2%) in 2035/36. There is a very small projected surplus of places until 2027/28, which becomes a Shortfall of just under 1 form of entry.

Chart 6: Current number on roll compared to roll projections and places available for the South West Planning Area



Source: SRP_borough_Spring2023_3_1_BPO202110-year_constrained_1805230626

Central Planning Area (GLA Planning Area 5):

The Central Planning Area is made up of eight primary schools (see table below), which have a combined PAN of 720. The numbers on roll in the Reception to Year 6 groups have fluctuated over the last eight years and they have also fluctuated in the Reception Year, as can be seen in the tables below. The table below shows that a shortfall is projected for the Reception to Year 6 places from 2025/26 onwards.

Main wards	Greenhill, Kenton West, Marlborough, Wealdstone North, Wealdstone South
Schools (PAN)	Belmont (90), Elmgrove (120), Marlborough (90), Norbury (90), Priestmead (120), Saint Jerome's (60), St Joseph's (60), Whitefriars (90)
Total PAN	720

The Central Planning area is an area of significant housing development as part of Harrow's Opportunity Area and the demand for places will be monitored closely. A Government free school Saint Jérôme Bilingual School, opened in September 2016, providing 2 forms of entry.

There is one further school in the Government's Free School programme that will contribute to the provision of up to an additional 3 forms of entry in this Central Planning Area, Harrow View School. In the context of the potential child yield impact across year groups of the housing development programme, which will not be factored fully into the projections until the types of housing units is known and approved, the projected shortfall of places (R to Y6) will be monitored closely and be aligned with the opening of Harrow View.

Table 11 below shows the actual numbers and the projected Reception (Baseline & +2%) to Year 6 pupil numbers in the Central Planning Area up to 2035/36. The actual numbers on roll increased substantially in this area, from 4,799 in 2015/16 to 5,316 in 2018/19, and have started to increase again, to 4,844 in 2022/23. The projections for this area are projected to continue increasing, rising from 4,889 (Baseline) and 4,987 (+2%) in 2023/24 to 5,909 (Baseline) and 6,027 (+2%) by 2035/36. There are sufficient places in this area until 2027/28, at which point there is a projected shortfall of 39 (+2%) places. The shortfall in places is set to increase substantially over the period covered in the table, with the projections suggesting a shortfall of up to 869 Baseline and 987 places by 2035/36.

Table 14: Primary projections for the Central Planning Area

Primary projection area: Central (Community Schools) – Years R to 6 only						
Year	January actual number on roll	Projected demand GLA (Baseline)	Projected demand GLA (R+2% - Yr6)	Places available	Surplus /Shortfall of places (Baseline)	Surplus /Shortfall of places (R+2% - Yr6)
15/16	4,799					
16/17	5,019					
17/18	5,232					
18/19	5,316					
19/20	4,659					
20/21	4,749					
21/22	4,768					
22/23	4,844					
23/24		4,889	4,987	5,040	151	53
24/25		4,889	4,987	5,040	151	53
25/26		4,888	4,986	5,040	152	54
26/27		4,921	5,019	5,040	119	21
27/28		4,979	5,079	5,040	61	-39
28/29		5,094	5,196	5,040	-54	-156
29/30		5,218	5,322	5,040	-178	-282
30/31		5,368	5,475	5,040	-328	-435
31/32		5,494	5,604	5,040	-454	-564
32/33		5,634	5,747	5,040	-594	-707
33/34		5,736	5,851	5,040	-696	-811
34/35		5,833	5,950	5,040	-793	-910
35/36		5,909	6,027	5,040	-869	-987

Source: SRP_borough_Spring2023_3_1_BPO202110-year_constrained_1805230626

As can be seen by the shortfall of places projected in the table below the Central Planning area is an area of significant housing development, which is a part of Harrow's Opportunity Area. The demand for places in this planning area are being closely monitored, with 3FE planned to meet the demand via the school proposed Harrow View Primary School.

Table 12 and Chart 7 below show that the number of Reception pupils in the Central planning area have significantly increased over the last few years. The Reception numbers in this area increased in 2016/17 due to the inclusion of the school places available at the St Jérôme Bilingual School, which opened in September 2016. However, the numbers started to drop after 2018/19, but have stabilised at in recent years, at 715 in 2022/23.

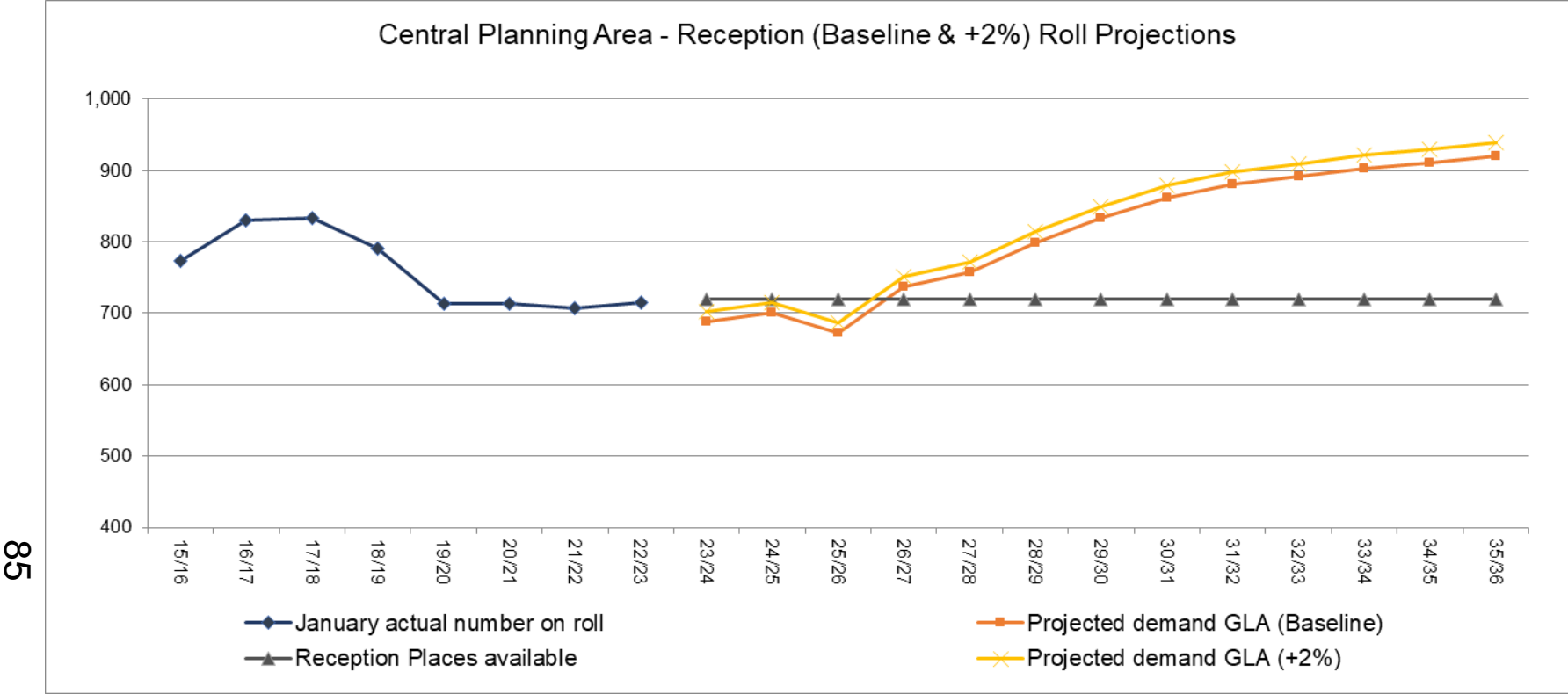
The projections for this planning area are projected to fluctuate for a couple of years and then start increasing, from 673 (Baseline) and 686 (+2%) in 2025/26 to 920 (Baseline) and 938 (+2%) by 2035/36. There is a projected shortfall of under 1 form of entry in 2026/27, which continues to increase to 7 FE by from 2035/36. However, it should be noted that the neighbouring planning areas have sufficient places.

Table 15: Reception Projections for the Central Planning Area

Primary Planning Area 5 – Central – Year Reception									
School Year	January actual number on roll	Projected demand GLA (Baseline)	Projected demand GLA (+2%)	Reception Places available	Calculated FE - baseline	Calculated FE +2%	Proposed Additional FE required Baseline/+2%	Total Reception Places Proposed - baseline	Total Reception Places Proposed - +2%
15/16	774								
16/17	830								
17/18	834								
18/19	791								
19/20	714								
20/21	713								
21/22	707								
22/23	715								
23/24		688	702	720	1.07	0.61	0	718	762
24/25		701	715	720	0.63	0.17	0	731	745
25/26		673	686	720	1.57	1.12	0	703	746
26/27		737	752	720	-0.57	-1.06	1/1	767	782
27/28		757	772	720	-1.23	-1.74	1/2	787	802
28/29		799	815	720	-2.63	-3.17	3/3	829	875
29/30		833	850	720	-3.77	-4.32	4/4	893	910
30/31		862	879	720	-4.73	-5.31	5/5	922	969
31/32		880	898	720	-5.33	-5.92	5/6	970	988
32/33		892	910	720	-5.73	-6.33	6/6	982	1,030
33/34		903	921	720	-6.10	-6.70	6/7	1,023	1,041
34/35		911	929	720	-6.37	-6.97	6/7	1,031	1,049
35/36		920	938	720	-6.67	-7.28	7/7	1,040	1,058

Source: SRP_borough_Spring2023_3_1_BPO202110-year_constrained_1805230626

Chart 7: Current number on roll compared to roll projections and places available for the Central Planning Area



Source: SRP_borough_Spring2023_3_1_BPO202110-year_constrained_1805230626

3.5 Numbers on Roll in Secondary Schools

Harrow has 13 secondary schools (see table below), which have a combined PAN of 2,724 for September 2023. The numbers on roll in the Year 7 to Year 11 groups have consistently been increasing since 2013/14 from 10,342 to 13,393 in 2022/23. The Year 7 numbers on roll have overall continued increasing since 2021/13, with 2,667 pupils in 2022/23. The table below shows a shortfall is projected for the Year 7 to Year 11 places from 2025/26 onwards.

Schools (PAN)	Bentley Wood High (240), Canons High (210), Harrow High (180), Hatch End High (210), Nower Hill High (324), Park High (270), Rooks Heath College (210), Whitmore High (270), Salvatorian College (150), Sacred Heart Language College (150), Avanti House Secondary (180), Whitefriars (Secondary) (150), Pinner High (180)
Total PAN	2,724

Secondary school roll projections are presented on the basis of Years 7 to 11 (11 to 15 year olds) and Year 7 in all Harrow schools. Generally secondary school place planning has been undertaken on a whole borough level. However, further analysis is being undertaken on three planning areas.

Currently Harrow has capacity within the high school sector because opportunities have been taken when available to increase school places to meet future projected shortfalls through government funding, though this is ahead of the student demand.

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There is a significant level of new housing development planned in Harrow over the next few years. The types of housing units, and therefore the anticipated child yield, are not known at this stage. Of the latest projections in this report and announced free school, there are expected to be sufficient primary school places in Harrow to meet a significant level of child yield. New housing development can be expected to include students at secondary school age. Information for the early large housing developments will be clearer in the coming years.

3.6 Projections for Year 7 to Year 11 Secondary School Pupils

Table 13 and Chart 8 below show that the numbers on roll from Year 7 to Year 11 have continued increasing from 10,342 in 2013/14 to 13,393 in 2022/23. The GLA projections for Year 7 to Year 11 are projected to start dropping from 13,629 (Baseline) and 13,902 (+2%) in 2024/25 to 11,841 (Baseline) and 12,078 (+2%) by 2035/36. With the exception of 2024/25 there is a surplus of places projected over the period shown in the table below.

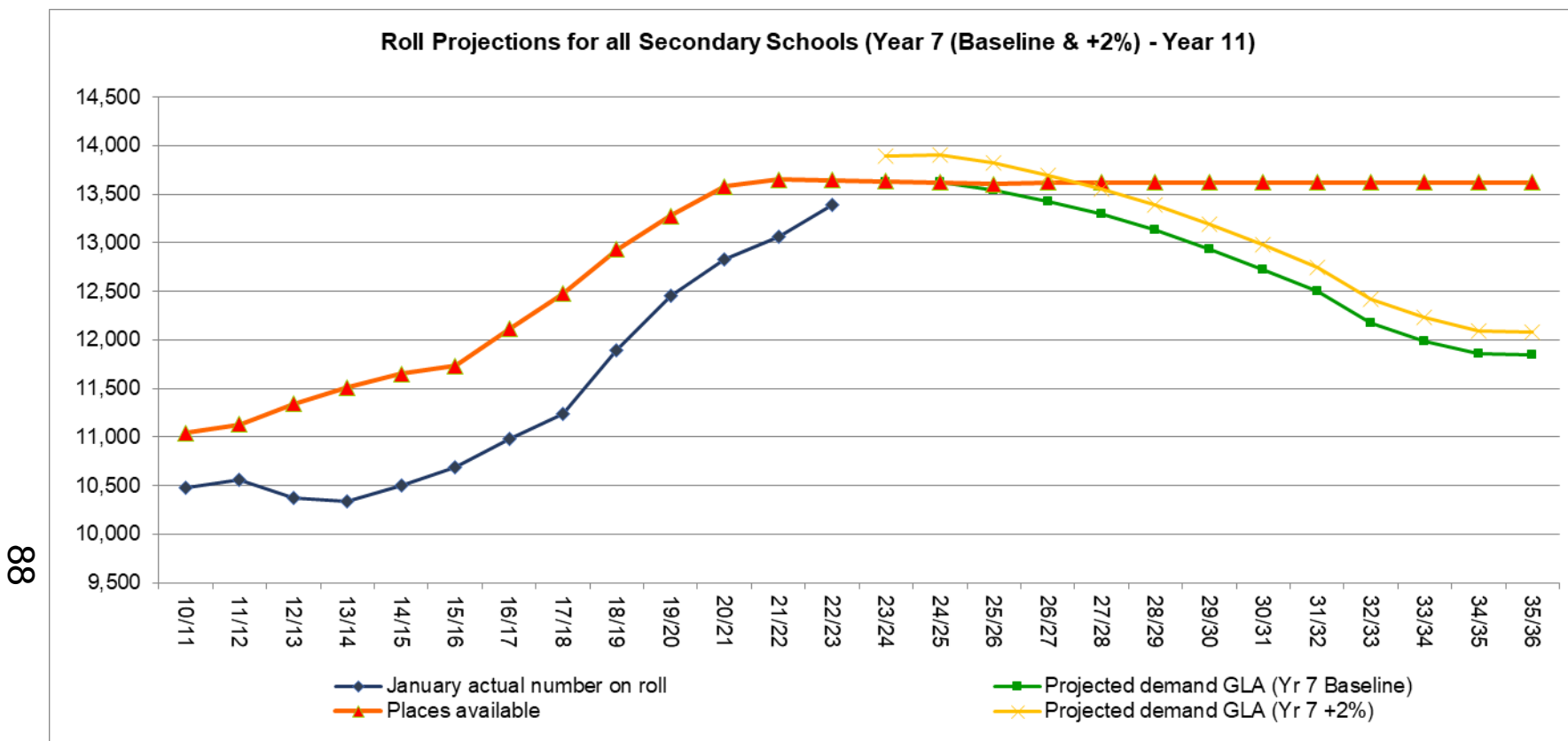
Table 16: Secondary projections for Year 7 (Baseline & +2%) to Year 11 in all High Schools

Secondary projections: All High Schools – Years 7 to 11 only								
Year	January actual number on roll	Projected demand GLA (Yr 7 Baseline)	Projected demand GLA (Yr 7 +2%)	Places available	Number of Surplus places (Yr 7 Baseline)	Number of Surplus places (Yr 7 +2%)	Forms of Entry surplus/Shortfall (Yr 7 Baseline)	Forms of Entry surplus/Shortfall (Yr 7 +2%)
10/11	10,473			11,040	567			
11/12	10,556			11,130	574			
12/13	10,368			11,340	972			
13/14	10,342			11,510	1,168			
14/15	10,500			11,650	1,150			
15/16	10,686			11,730	1,044			
16/17	10,983			12,110	1,127			
17/18	11,234			12,474	1,240			
18/19	11,897			12,928	1,031			
19/20	12,453			13,276	823			
20/21	12,829			13,582	753			
21/22	13,057			13,648	591			
22/23	13,393			13,646	253			
23/24		13,620	13,892	13,632	12	-260	0	-9
24/25		13,629	13,902	13,618	-11	-284	0	-9
25/26		13,546	13,817	13,604	58	-213	2	-7
26/27		13,429	13,698	13,620	191	-78	6	-3
27/28		13,291	13,557	13,620	329	63	11	2
28/29		13,132	13,395	13,620	488	225	16	8
29/30		12,931	13,190	13,620	689	430	23	14
30/31		12,725	12,980	13,620	895	641	30	21
31/32		12,500	12,750	13,620	1120	870	37	29
32/33		12,173	12,416	13,620	1447	1204	48	40
33/34		11,989	12,229	13,620	1631	1391	54	46
34/35		11,857	12,094	13,620	1763	1526	59	51
35/36		11,841	12,078	13,620	1779	1542	59	51

Source: SRP_borough_Spring2023_3_1_BPO202110-year_constrained_1805230626

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Chart 8: Current NOR compared to roll projections and places available for all Secondary Schools, Years 7 to 11



Source: SRP_borough_Spring2023_3_1_BPO202110-year_constrained_1805230626

3.7 Projections for Year 7 Secondary School Pupils

Table 14 and Chart 9 below show that Year 7 numbers on roll have overall continued increasing over the period shown in the table below, with 2,667 pupils on roll in 2022/23. The GLA projections are suggesting a gradual decline in the number of pupils, from 2,663 (Baseline) and 2,716 (+2%) in 2023/24 to 2,357 (Baseline) and 2,404 (+2%) in 2035/36. A surplus of places is suggested for the whole of the period shown in the table below.

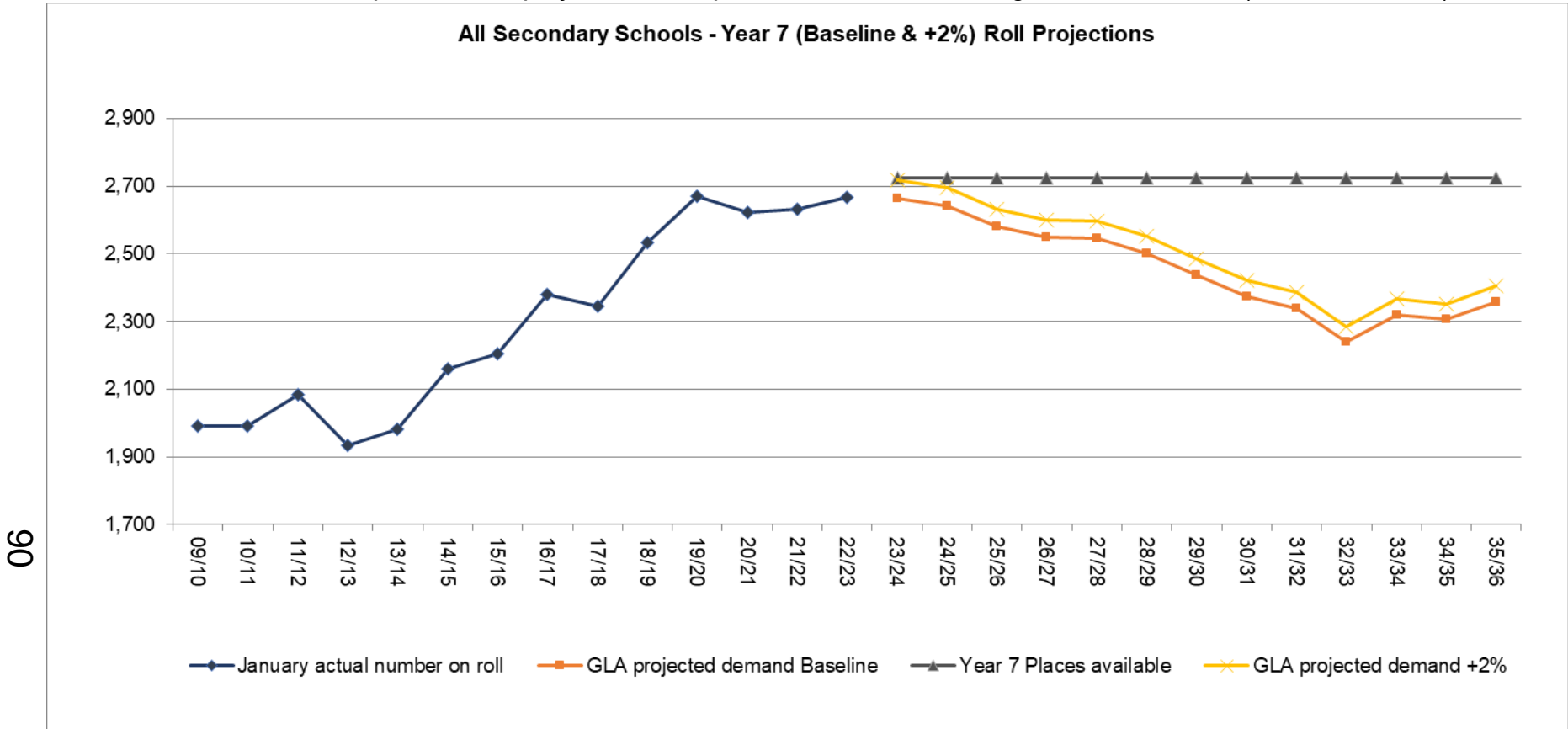
Table 17: Secondary projections for Year 7 in all High Schools

Secondary projection area: All Schools (Includes VA) – Year 7										
Year	January actual number on roll	GLA projected demand Baseline	GLA projected demand +2%	Year 7 Places available	Calculated FE Baseline	Proposed Additional FE required Baseline	Calculated FE +2%	Proposed Additional FE required +2%	Total Year 7 Places Proposed Baseline	Total Year 7 Places Proposed +2%
10/11	1,992									
11/12	2,084									
12/13	1,932									
13/14	1,982									
14/15	2,160									
15/16	2,204									
16/17	2,379									
17/18	2,346									
18/19	2,532									
19/20	2,670									
20/21	2,622									
21/22	2,631									
22/23	2,667									
23/24		2,663	2,716	2,724	2.03	0	0.26	0	2,724	2,724
24/25		2,641	2,694	2,724	2.77	0	1.01	0	2,724	2,724
25/26		2,581	2,633	2,724	4.77	0	3.05	0	2,724	2,724
26/27		2,548	2,599	2,724	5.87	0	4.17	0	2,724	2,724
27/28		2,546	2,597	2,724	5.93	0	4.24	0	2,724	2,724
28/29		2,502	2,552	2,724	7.40	0	5.73	0	2,724	2,724
29/30		2,436	2,485	2,724	9.60	0	7.98	0	2,724	2,724
30/31		2,373	2,420	2,724	11.70	0	10.12	0	2,724	2,724
31/32		2,338	2,385	2,724	12.87	0	11.31	0	2,724	2,724
32/33		2,239	2,284	2,724	16.17	0	14.67	0	2,724	2,724
33/34		2,320	2,366	2,724	13.47	0	11.92	0	2,724	2,724
34/35		2,306	2,352	2,724	13.93	0	12.40	0	2,724	2,724
35/36		2,357	2,404	2,724	12.23	0	10.66	0	2,724	2,724

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Chart 9: Current NOR compared to roll projections and places available for all High schools, Year 7 (Baseline & +2%)



SRP_borough_Spring2023_3_1_BPO202110-year_constrained_1805230626

4.0 Demand for Special Education Need Specialist Provision

The number of children with SEN and those with an Education, Health and Care Plan has increased year on year. In 2014 the SEND legislation changed, and Statements of SEN were replaced by EHCPs. A key change was the raising of the age limit for those who could be in receipt of a plan from 19 to 25. The SEND reforms initially resulted in an increase in the numbers of children aged 20-25 with EHCPs, however these numbers have started to settle now that the oldest learners have moved out of education. The number of pupils with EHCPs in the early years, primary and secondary phases has also increased.

Additionally, the 2014 legislation lowered the thresholds for awarding an EHCP and an increasing number of children now meet the threshold, this has also contributed to the number of EHCP assessments rising. Notwithstanding this, the number of children and young people presenting with complex needs is rising, the number of ASD diagnoses is rising, and the number of young people with deteriorating mental health is rising, also leading to an increased number of EHCPs.

The trends over the last decade show that regardless of the numbers of Children and Young People in Harrow's population fluctuating, the number of EHCPs in Harrow have continued to increase. This has created an on-going pressure on the number of finite specialist places available, therefore, any increase in the number of EHCPs in a year will create more pressure on an already overburdened system. Special schools, including the more expensive places outside of the borough or in the independent sector, are already full to capacity, which in turn is creating more pressure on mainstream schools who have children on their roll whose needs they are unable to fully meet.

The most significant impact of this is on the increased demand for specialist education. The demand for placements in special schools is rising beyond the LA capacity to meet need. The LA has had 3 bids rejected by the DfE for free special schools and is currently looking at alternative options to increase specialist provision for Harrow.

4.1 EHCPs maintained by Harrow

Harrow has increased the number of places at special schools and the number of additionally resourced places over the years. The Local Authority in accordance with Harrow SEND strategy is working with schools and stakeholders to increase this capacity to meet the rising demand. However, there is a continuing pressure on special provision, specifically for pupils with Severe Learning Difficulties (SLD) and complex needs, including autistic spectrum disorder (ASD), which is in line with what is happening nationally and across London.

The 2022 SEN2 return reported 2,094 children with EHCPs. This is an increase of 6% from 2021. EHCPs have consistently been increasing since 2010 and increased by 27% over the last 5 years since January 2019, as can be seen in the table below.

Table 18: Harrow's Total Number of EHCPs by Age Group

Year	Total EHCPs	% increase	under 5	5-10yrs	11-15yrs	16-19yrs	20-25
2015	1,336	-	75	503	518	227	13
2016	1,477	10.6%	90	529	519	299	40
2017	1,623	9.0%	104	562	543	322	92
2018	1,645	2.2%	95	604	542	322	82
2019	1,798	9.4%	100	652	575	351	120
2020	1,896	5.4%	77	720	596	377	126
2021	1,974	4.1%	76	760	631	391	116
2022	2,094	6.0%	93	799	688	396	118

Source: DfE SEN2 return

An increasing number of children have been placed in independent special schools (with a consequential impact on the high needs block Shortfall) in an attempt to meet the demand, but most schools are now at capacity. The LA is developing mainstream specialist provision, but this will not resolve the issue.

6 The numbers of requests for EHC needs assessment have risen and continue to do so. The rate of increase of requests received has fluctuated, but the rise this year (35% increase) is the highest ever. The reasons for this are unclear, however, the majority of children for whom an EHCP assessment is being carried out are in early years and key stage 1. It is possible that the impact of the COVID pandemic and missed early years education is a reason for this. However, even taking this into account, the numbers of young children with complex needs is unlikely to be completely as a result of this.

4.2 SEND Projections and modelling SEND places within Harrow Council

Prior to 2020, the continued growth in demand for primary SLD special school places has been largely accommodated through two expansions at a primary SLD special school (Woodlands School) and the development of a primary SLD resourced provision in a mainstream school (Belmont School). Harrow Council also expanded Kingsley High Special School, which is a school for CYP with SLD, to its full capacity, from 96 to 102 places from September 2021 and then commissioned a temporary increase to 126 places from September 2022 at a satellite provision at Weald Rise Primary School.

These developments have managed the current demand. Analysis of data on primary categories of need has identified that there is an increasing number of CYP with severe learning difficulties (SLD), often alongside a diagnosis of ASD. Actual pupil numbers of CYP who required SLD provision over the last 5 years has increased, and Harrow's SEND projections indicate that an increased number of new children each year will require SLD special school provision across both primary and secondary phases.

Officers have carried out projection modelling for pupil planning purposes to identify requirements for SEND provision for the next five years for children aged 0 to 25 and across all types of provision. We have used this methodology to submit a statutory return (SCAP) to the DfE in 2023 forecasting specialist places needed in Harrow. It should be noted that the specialist places forecast in the SCAP return are only for the Reception to Year 11, and for certain types of provision (Resourced Provision, Special schools, Independent schools and Alternative Provision settings).

The latest SEND projections show that Harrow requires additional places:

- For pupils already in mainstream education who require a special school place.
- For pupils currently attending the ARMS who will progress to secondary schools and need a special school place.
- For pupils at Woodlands school, as not all can currently transfer to Kingsley school due to lack of capacity and so would need to transfer to out-borough / non-maintained / independent settings; and
- To reduce the reliance on non-maintained / independent placements, to align Harrow with the national average.

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The table below shows Harrow's projection of specialist places required by children with EHCPs by type of provision from 2024 to 2030. The number of EHCPs required is projected to continue increasing from 2,260 in 2023/24 to 2,872 by 2029/30, with a majority of demand required in the mainstream and special schools.

Table 19: Projections of EHCPs by type of provision

Ages 0 to 25	2024	2025	2026	2027	2028	2029	2030
Early Years	35	36	38	39	41	43	52
Mainstream	842	884	921	956	994	1034	1123
Resourced Provision	148	156	162	168	175	182	188
Special Schools	671	705	734	762	792	824	808
Independent Schools	148	155	162	168	175	182	201
Alternative Provision	9	10	10	11	11	12	11
Post 16	356	374	389	404	420	437	437
Other	50	53	55	57	59	62	51
Total	2,260	2,372	2,470	2,566	2,668	2,774	2,872

Source: Harrow's School Officer Organisation Group (SOOG)

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Section 1: Child Population Projections

ONS Mid-Year Estimates (MYE)

Mid-year population estimates relate to the usually resident population. They account for long-term international migrants (people who change their country of usual residence for a period of 12 months or more) but do not account for short-term migrants (people who come to or leave the country for a period of less than 12 months).

Harrow’s 2021-MYE

According to the 2021-MYE, Harrow’s children and young people, age 11 to 25, are estimated to have increased from 2020 to 2021, whilst the pre-school (age 0-4) and primary school age (age 5 to 10) numbers have decreased, as can be seen in the Table 1 below.

Table 1: ONS 2020 & 2021 MYE by Age Groups

Age	Mid-2020	Mid-2021	# change	% change
0 to 4	17,832	15,569	-2,263	-12.7%
5 to 10	20,516	19,379	-1,137	-5.5%
11 to 15	15,464	16,365	901	5.8%
16 to 19	10,952	12,068	1,116	10.2%
20 to 25	16,224	18,631	2,407	14.8%

Source: Population Estimates Table (2021)

The ONS were scheduled to have published the 2022 MYE in summer 2023, unfortunately they are yet to be released.

ONS Sub National Population Projections

The ONS’s Population Projections (SNPP) provide statistics on potential future size and age structure of the population. They are based on past trends and assumptions of future levels of births, deaths and migration. They do not incorporate local development plans but instead provide a baseline, which can be combined with local knowledge.

Harrow’s 2018-based SNPPs

According to the ONS’s SNPPs Harrow’s primary age children from 0 to 4 and 5 to 9 are projected to decrease between 2018 and 2028.

According to the ONS’s SNPPs Harrow’s secondary age children from 10 to 19 are projected to continue increasing;

Table 2: ONS 2018 SNPP by Age Groups

Age range	2018	2023	2028	# change 2018-2028	% change 2018-2028
0-4	17,745	15,732	14,840	-2,905	-16.4%
0-9	16,783	16,919	15,059	-1,724	-10.3%
10-14	15,080	16,417	16,378	1,298	8.6%
15-19	13,767	13981	15,142	1,375	10.0%
20-24	13,528	11,880	11,710	-1,818	-13.4%

Source: 2018 SNPP table2

The ONS is yet to announce when the latest SNPP will be available.

GLA Borough Preferred Option Population Projections

The 2020-based BPO projections have been produced with a newly developed small area population model. This model has been developed to reduce reliance on 2011 census inputs in the modelling process. As a result, the model is able to run projections not only for census (2013) wards but also for updated wards including 2022 ward boundaries.

The Borough Preferred Option (BPO) projections are a special set of housing-led population projections produced by the GLA for London local authorities and based on a housing development trajectory specified by each borough for this specific purpose. The BPO projections use the GLA housing-led and small area models to produce ward-level population projections.

The 2021-based BPO projections (produced in early 2023) are produced on 2022 wards boundaries.

Population base and backseries

In December 2022 ONS released the 2021 Mid-Year Estimate (MYE) for local authorities in England and Wales. The 2021 MYE constitutes a break in the official MYE series (2012-2020) as it is based on rolling forward 2021 census data rather than the 2020 MYE.

In order to have a consistent backseries to work with the GLA have modelled a local authority level series between the accepted data points 2011 and 2021. This LA series has been modelled down to output area and then re-aggregated up to 2022 ward boundaries. The result is a consistent ward-level backseries for the period 2011-2021.

However, this process may mean that ward populations in 2021 differ in size and distribution from census 2021 outputs.

Model operation

The BPO projections use the GLA flexible area model to produce ward-level population projections.

The model operates by calculating a population based solely on trends and then separately one based on converting available dwelling stock into population through the application of average household size (AHS). These two populations are then reconciled in the model to produce a final population which accounts for both current trends and relative changes in housing availability.

Migration scenarios

The 2021-based BPO projections include three scenario projections for each development trajectory:

Scenario 1: Ward migration rates are calculated by applying the average of the last 5 years' rates to projected population. The population, births and deaths are constrained to the 2021-based 5-year migration trend projection.

Scenario 2: Ward migration rates are calculated by applying the average of the last 10 years' rates to projected population. The population, births and deaths are constrained to the 2021-based 10-year migration trend projection.

Scenario 3: Ward migration rates are calculated by applying the average of the last 10 years' rates to projected population. The population, births and deaths are constrained to the 2021-based 15-year migration trend projection.

Constraining

The constraining process has the effect of transferring the overarching characteristics of the trend projection, and its detailed migration assumptions, to the ward-level projection.

The trend projections assume the same level of international migration in 2022 (a figure based on ONS data on UK-level international flows for that year). International migration levels then diverge as the variants move towards their long-term levels. These levels are achieved in 2025 and then remain constant to the end of the projection.

Domestic migration levels in the constraining trend projections are calculated by applying averaged rates to projected population in each year of the projection.

2021-based BPO projections

This year we have used the school roll projections that are based on the BPO Scenario 2, in-line with Demography and Planning areas of the Council.

A summary of the GLA’s 2020 Borough Preferred Option population projections based on scenario 2 for Harrow of 0 to 3 year olds, 4-10 year olds, 11-15 year olds and 16 to 25 year olds is summarised in the chart below.

The bullet points and Table 3 below show the estimated number of children in Harrow between 2011 and 2021 by aged group. The number of:

- 0 to 4 year olds increased from 2011 to 2014 and then steadily decreased to 15,575 in 2021.
- 5 to 10 year olds increased from 17,290 in 2011 to 19,378 in 2021. The numbers increased consistently from 2011 to 2018 and started to dip slightly over the last 3 years.
- 11 to 15 year olds increased from 14,892 in 2011 to 16,357 in 2021, with some fluctuation in the years between.
- 16 to 19 year olds has fluctuated between 2011 and 2021, from 12,264 to 12,051 respectively.
- 20 to 25 year olds has declined from 19,641 in 2011 to 18,585 in 2021, with some fluctuation in the years between.

Table 3: GLA 2021 BPO by Age Groups

Age	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
0 to 4	15993	16582	16949	17281	17185	17246	16982	16894	16805	16493	15575
5 to 10	17290	17713	18456	19020	19462	19526	19745	19855	19812	19682	19378
11 to 15	14892	14691	14344	14354	14678	15058	15455	15912	16355	16416	16357
16 to 19	12264	12190	11826	11477	11336	11517	11116	10941	10902	11626	12051
20 to 25	19641	19470	18969	18686	18656	18629	18501	18689	18642	18893	18585

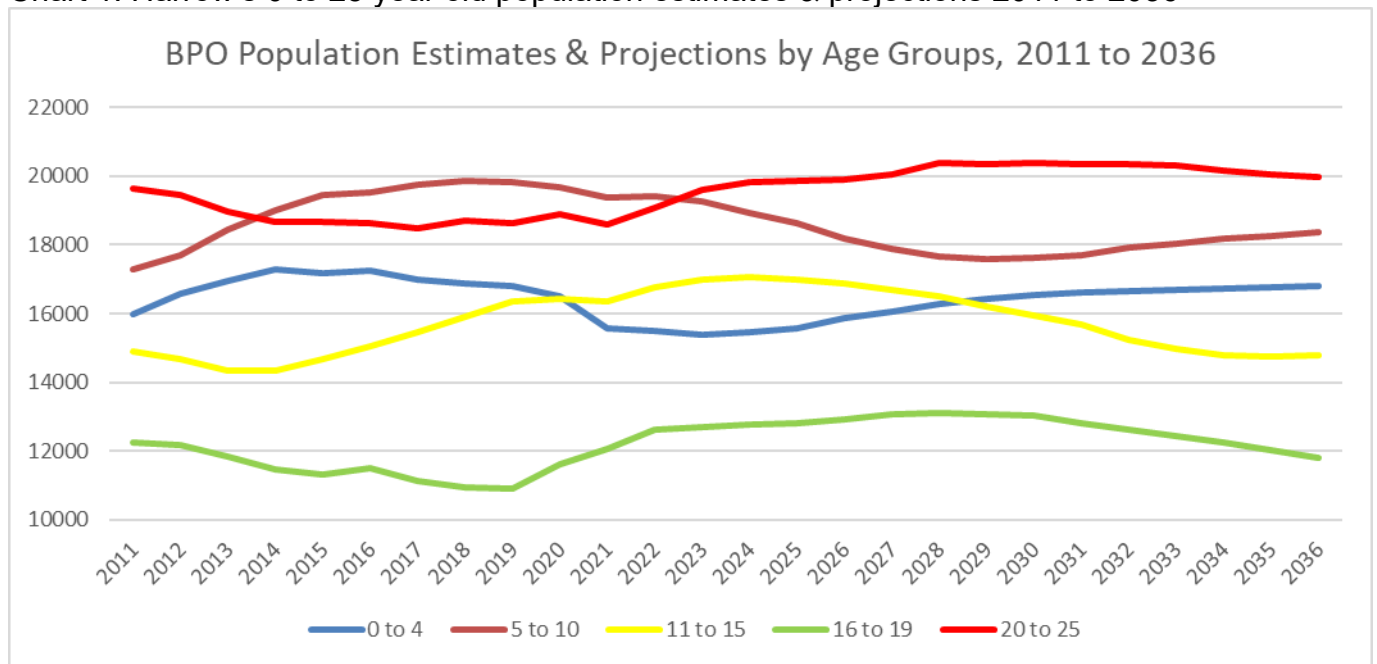
Source: GLA’s Harrow 10 year constrained

The bullet points and the chart below show the population projections by age group from 2022 to 2036.

- The 0 to 4 age group are projected to mostly continue increasing, from 15,493 in 2022 to 16,821 by 2036.
- The 5 to 10 age group are projected to drop from 19,407 in 2022 to 17,577 in 2029 after which the projections start increasing and reach 18,354 by 2036.
- The 11 to 15 age group is projected to continue decreasing from 16,762 in 2022 to 14,775 in 2036.

- The 16 to 19 age group are projected to increase from 12,629 in 2022 to 13,103 in 2028, after which point the projections start decreasing, dropping to 11,801 by 2036.
- The 20 to 25 age group is projected to continue increasing from 19,075 in 2022 to 20,389 in 2030, after which point the projections steadily drop to 19,964 in 2036.

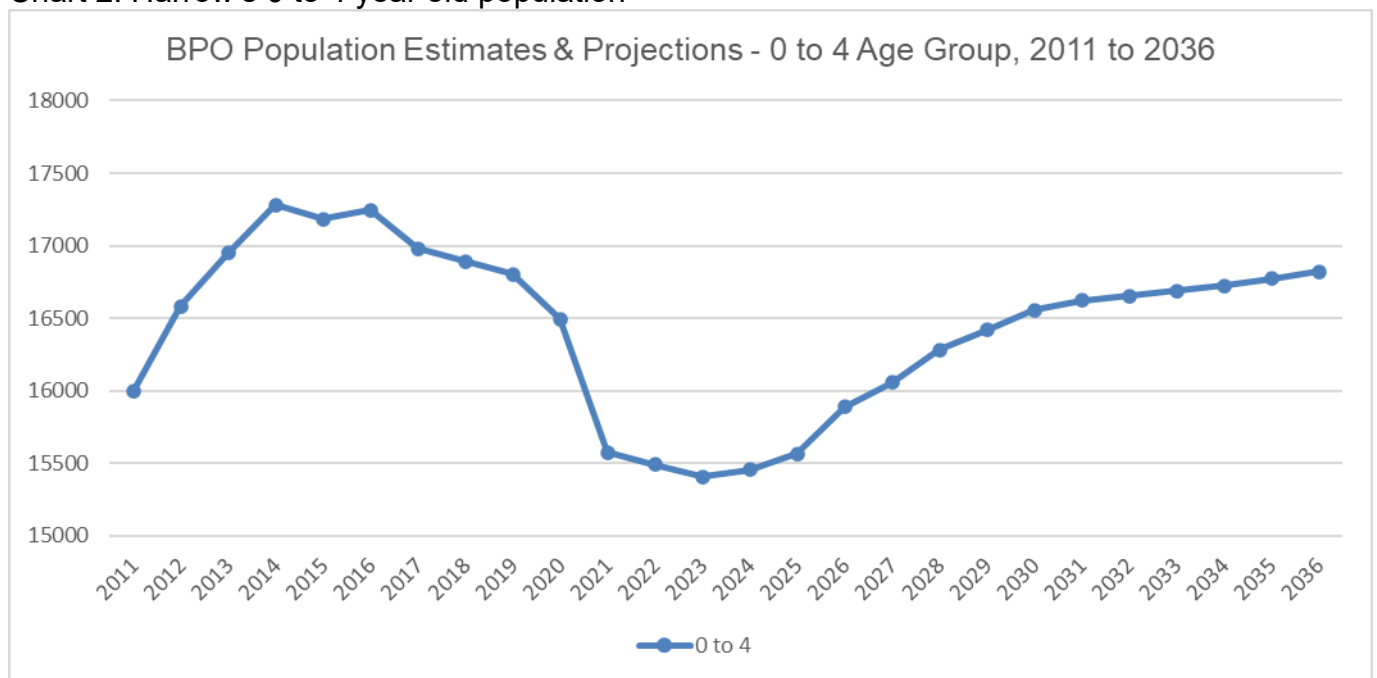
Chart 1: Harrow’s 0 to 25 year old population estimates & projections 2011 to 2036



Source: GLA’s Harrow 10 year constrained

The chart below shows that the number of 0 to 4 year olds in Harrow have sharply increased, plateaued and then dropped over the last decade, increasing from from 15,993 in 2011 to 17,281 in 2014 and then falling to 15,493 in 2022. The numbers are projected to stabilise until 2025, after which point they are projected to start increasing again, reaching 16,821 in 2036, with a continued upward trajectory.

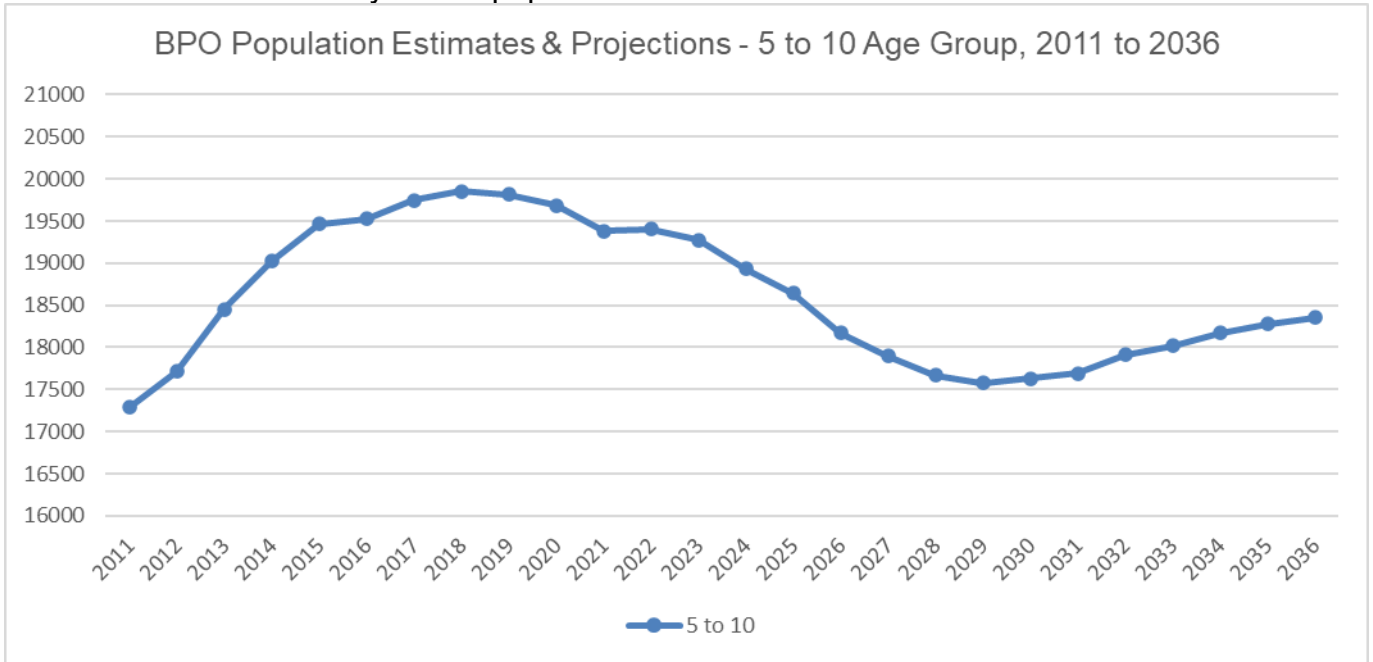
Chart 2: Harrow’s 0 to 4 year old population



Source: GLA’s Harrow 10 year constrained

Chart 3 below shows that the number of 5 to 10 year olds increased from 17,290 in 2011 to 19,378 in 2021, and are projected to decrease from 19,274 in 2022 to 18,434 by 2036.

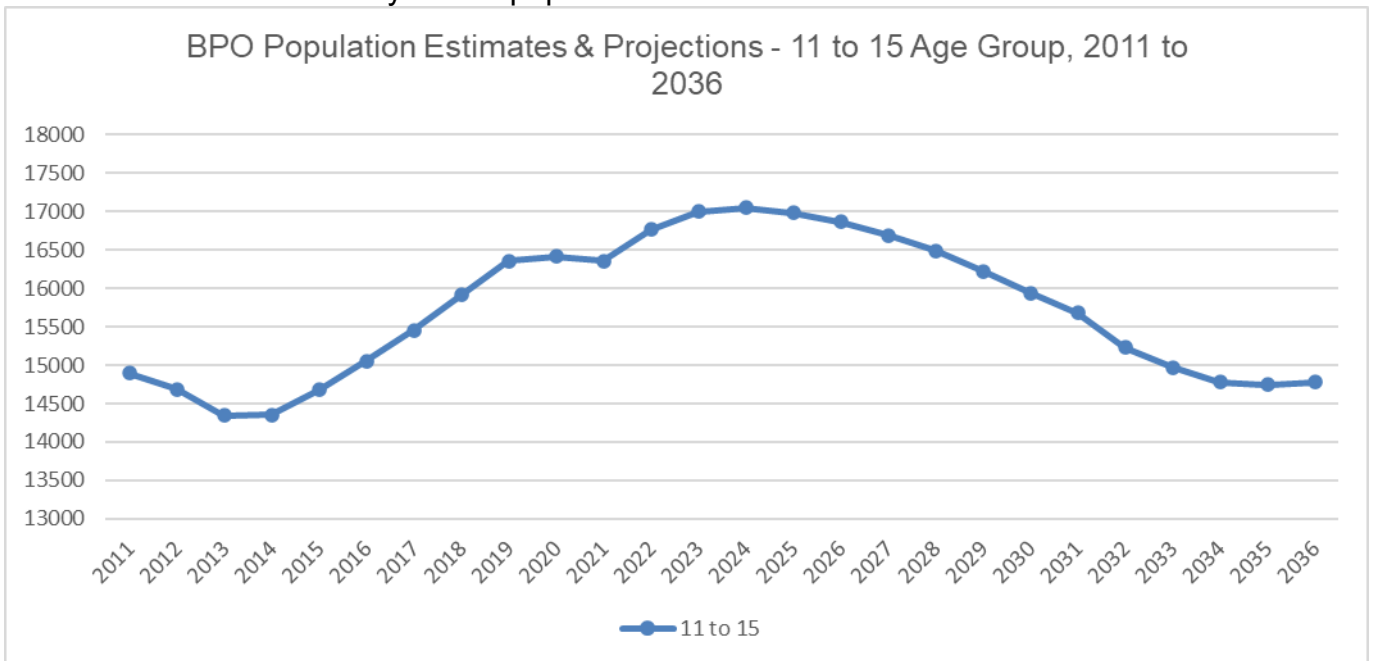
Chart 3: Harrow’s 5 to 10 year old population



Source: GLA’s Harrow 10 year constrained

Chart 4 below shows that the number of 11 to 15 year olds decreased from 14,892 in 2011 to 14,344 in 2013, and then increased to 16,357 in 2021. The projections are projected to continue increasing, peaking at 17,049 in 2024 and then to decline with a downward trajectory to 14,775 in 2036.

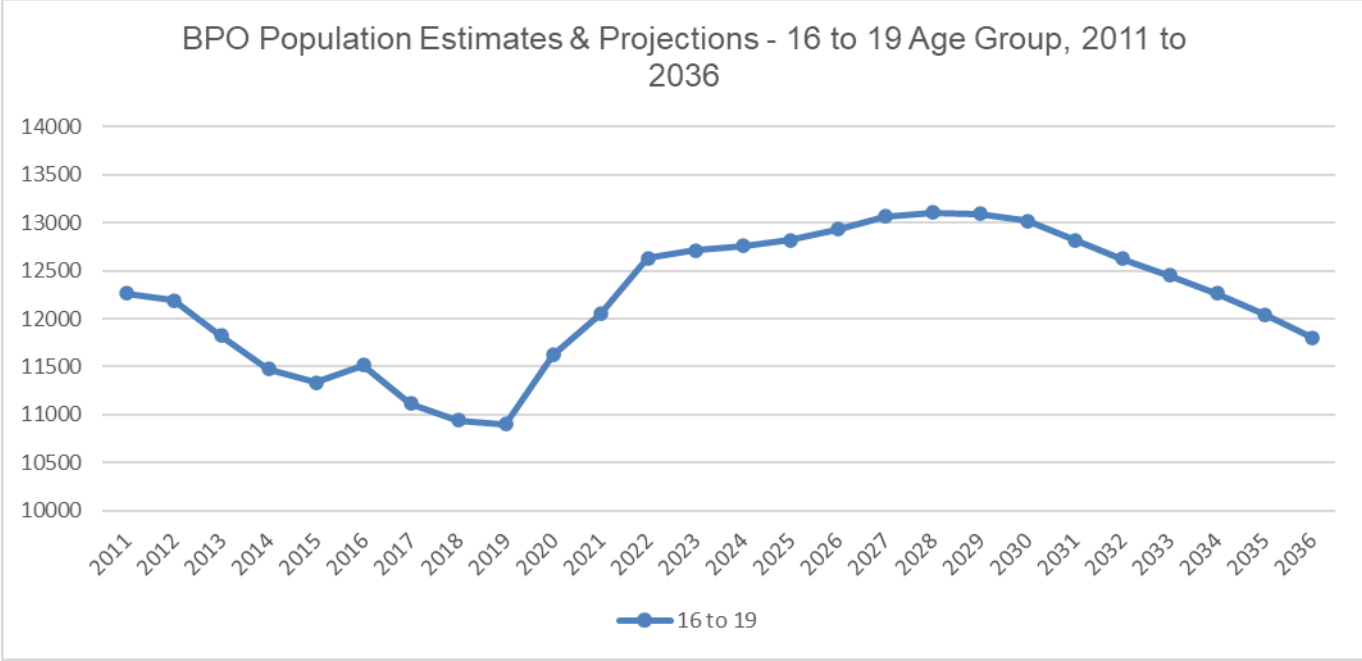
Chart 4: Harrow’s 11 to 15 year old population



Source: GLA’s Harrow 10 year constrained

Chart 5 below shows that the number of 16 to 19 year olds has dropped from 12,264 in 2011 to 11,336 in 2015, and then rose to 12,051 in 2021. The numbers are projected to continue increasing to 13,301 in 2028 and then start decreasing to 11,801 by 2036.

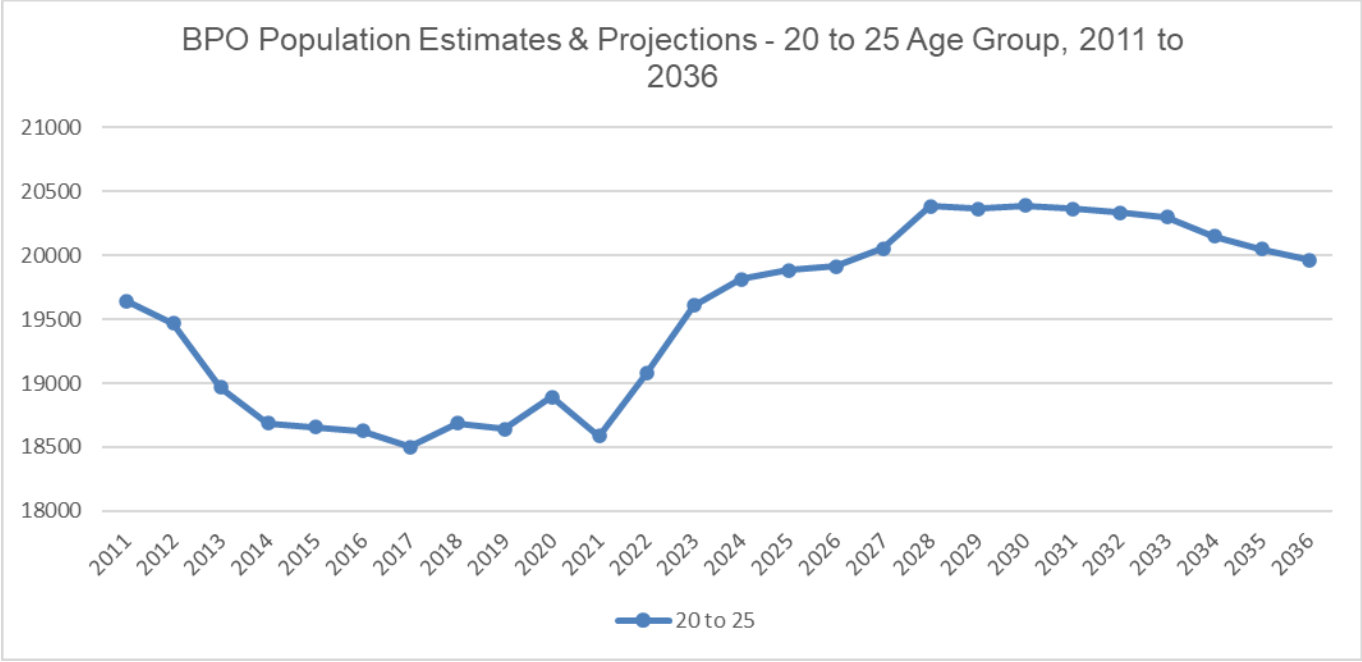
Chart 5: Harrow’s 16 to 19 year old population



Source: GLA’s Harrow 10 year constrained

Chart 6 below shows that the number of 20 to 25 year olds dropped from 19,641 in 2022 to 18,501 in 2017 and then started to increase, reaching 18,585 by 2021. The projections increase from 19,075 in 2022 to 20,389 in 2030 and then start to drop steadily to 19,964 by 2036.

Chart 6: Harrow’s 20 to 25 year old population



Source: GLA’s Harrow 10 year constrained

Primary Planning Areas

The GLA projections for primary schools are area based, using the Planning Areas created in 2004 by Harrow Council for school place planning when they were changed to reflect boundary changes. The projections for each Planning Area were based on a combination of ward-level child population projections and the historic pattern of subscription to schools.

Historically a methodology was used where schools were placed in planning area based on the wards that majority of the pupils resided in, with the exception of Voluntary Aided Schools. Wards were grouped together geographically taking into account the schools attended by pupils living the ward. Where the percentage of pupils from wards was less than 40% the geographical location of the ward and schools were taken into account. It was decided that the Voluntary Aided primary schools would have a non-geographical planning area as their pupils resided across the borough.

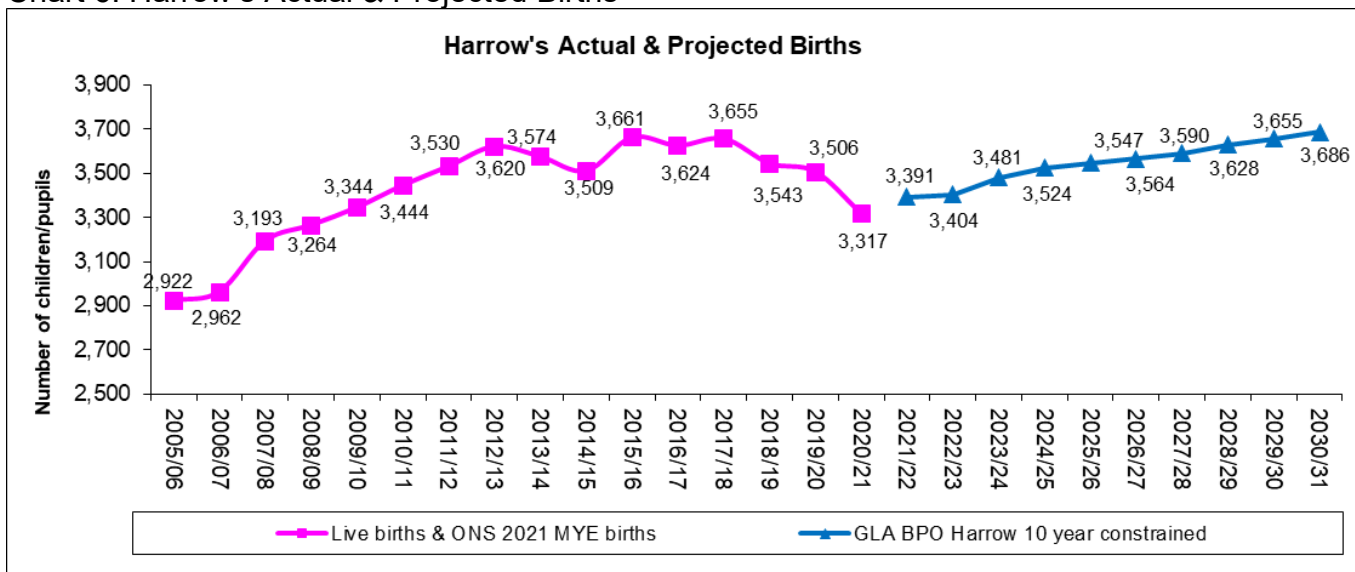
The recent review of the current planning areas is in line with DfE guidance and an analysis of where pupils went to school in May 2021, based on pupils’ postcodes, has been used. The new Primary Planning Areas were redefined using the new May 2022 wards retaining the current methodology as described above. The DfE’s current planning area guidance has strongly recommended not using non-geographical planning areas therefore a decision to not include the voluntary aided primary schools in the existing 5 geographical planning areas has been implemented. This resulted in the deletion of the Voluntary Aided primary planning area and Harrow currently has 5 geographical primary planning areas.

Harrow’s Births and Reception Year Rolls

Harrow’s observed births have continued to increase from 2,922 in 2005/06 to 3,620 in 2012/13. Births fluctuated from 2013/14 onwards - dropping to 3,509 in 2014/15, and then increasing to 3,655 in 2017/18 however Harrow’s births dropped to the lowest they have been over the last decade – decreasing to 3,317 in 2020/21, as can be seen in the chart 1 below.

In contrast to the recent decline in births Harrow’s projected births are projected to continue increasing from 3,391 in 2021/22 to 3,686 and beyond, as can be seen in chart 1 below.

Chart 6: Harrow’s Actual & Projected Births

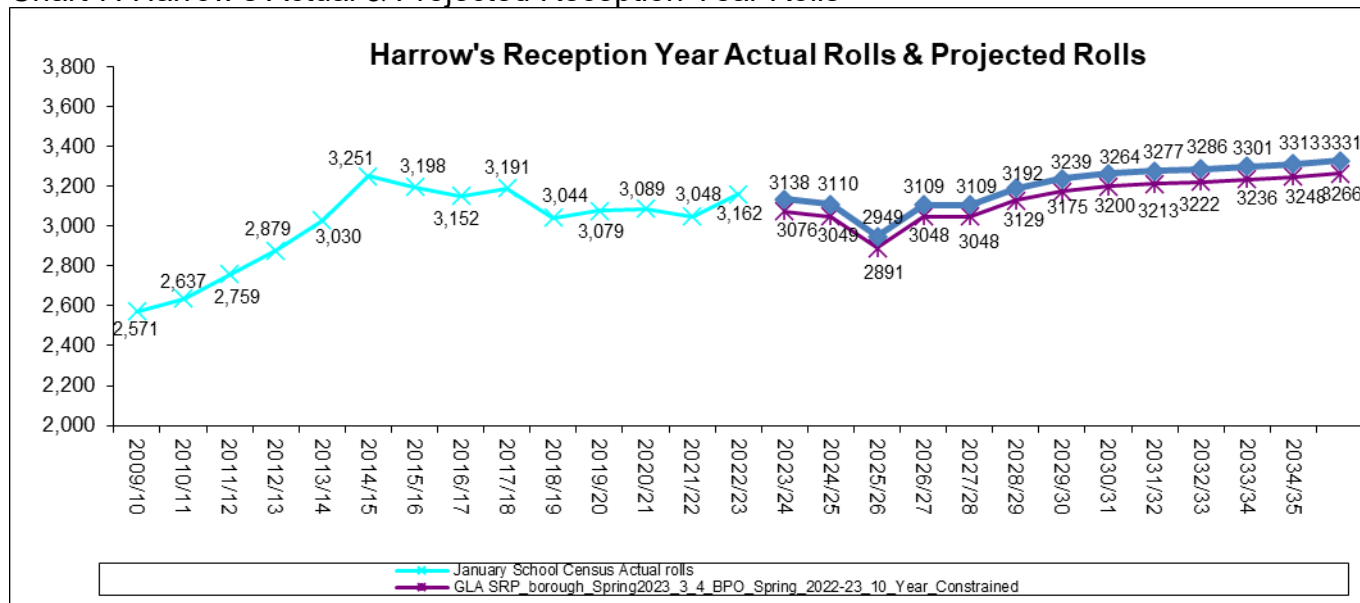


Source: GLA Births Harrow 10 year constrained

In-line with the increase in Harrow’s births Harrow schools’ actual Reception numbers increased from 2,224 in 2005/06 to 3,251 in 2014/15. However, the numbers fell in 2015/16 to 3,198 and then dropped again to 3,152 in 2016/17. Since 2017/18 the reception number have fluctuated, rising slightly to 3,191 but then dropped quite significantly to 3,044 in 2018/19. The 2021/22

Reception number on roll is 3,162. This overall decline in the actual numbers is reflected in the projected trajectory shown in chart 7 below. Due to this change this report includes both the school roll projections as provided by the GLA (referred to as baseline) alongside our local adjustment of 2%.

Chart 7: Harrow’s Actual & Projected Reception Year Rolls



Source: GLA SRP_borough_Spring2023_3_1_BPO202110-year_constrained_1805230626

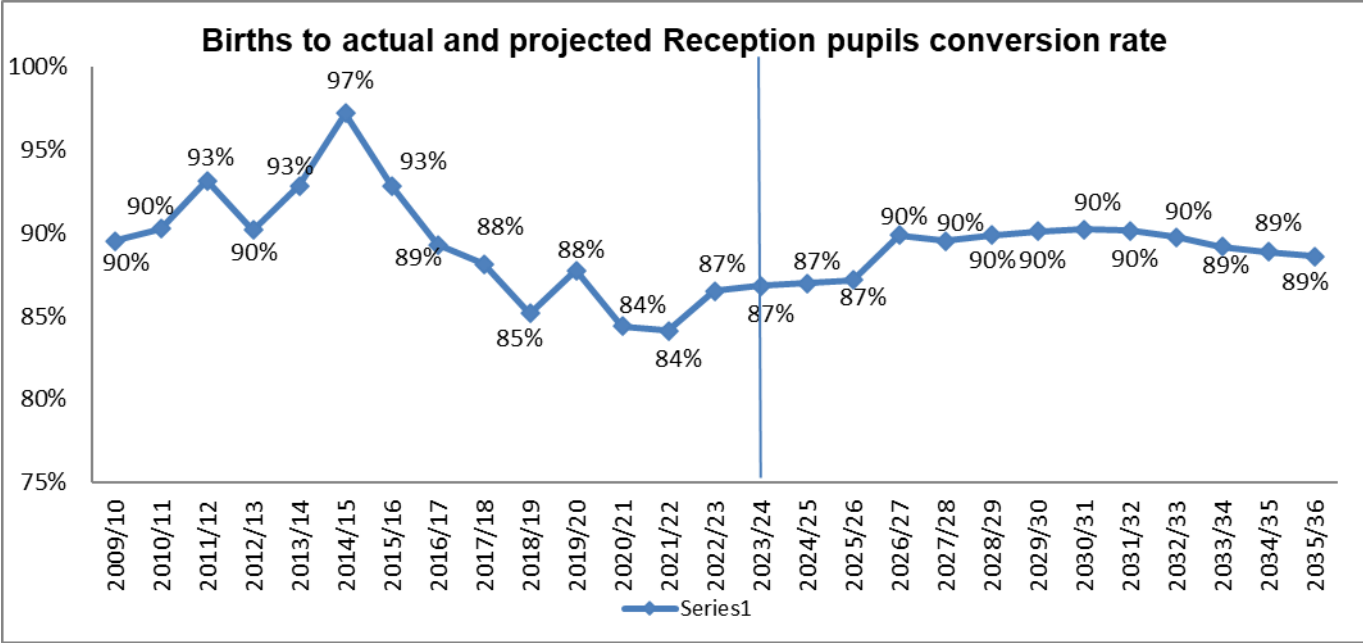
Births to School Conversion

Harrow’s birth to school pupil conversion rate has ranged from 89% in 2006/07 (representing 2,310 children in Reception in January 2007 from a total of 2,602 births in 2001/02) to 97% in 2014/15 (representing 3,251 children in Reception in January 2015 from a total of 3,344 births in 2009/10). The conversion rate has fluctuated since then, dropping to 84% in 2021/22, however it increased to 87% in 2021/22 (representing 3,162 children in Reception in January 2022 from a total of 3,655 births in 2017/18).

As can be seen by the latest data above the increases in Harrow’s births have not inevitably translated into children accepting a place in Harrow’s schools Reception year group. There are a range of variables that will affect the actual number of births converting into Harrow’s Reception school children, such as migration into and out of the borough, migration out of the country especially of European Citizens returning to their country of origin (likely to be due to both Brexit and or the Covid-19 pandemic), children living on the borders of Harrow could be attending neighbouring boroughs school’s (especially with new free school’s opening in Harrow’s neighbouring boroughs), or even selecting a grammar or an independent school.

Chart 9 below shows Harrow’s 2009/10 to 2019/20 births to actual Reception numbers on roll conversion rate, which has been fluctuating, from 90% in the academic year 2009/10, peaking at 97% in 2014/15, falling to 85% in 2018/19 and increasing to 88% in 2019/20 and then falling again to the lowest retention rate ever – 84% in 2020/21 & 2021/22. However, the latest retention rate in 2022/23 increased to 87%. The chart also shows Harrow’s 2022/23 to 2035/36 projected conversion rate, which is quite steady, ranging between 87% and 89%.

Chart 9 - Conversion rate of Harrow births into **actual** school Reception numbers on roll



Source: GLA Births Harrow 10 year constrained

Section 2: Local Factors Influencing Harrow’s Pupil Projections

School Admissions Applications, Offers for Places and Take –Up

Residents must apply to their home authority for a maintained school place, whether the school place is within the authority or out of borough. During the Admissions process, applications for a Harrow school from out borough residents are also considered and vice versa. Whilst residents do not apply for an independent school place via the Local Authority, they sometimes do let the authority know that they are sending their child to an independent school.

Reception in-take

The Admissions service experienced an increasing trend until 2014 in the number of on-time, late and in-year applications for Reception and all of the primary phase year groups. Applications for Reception places have fluctuated since 2015 (please see Table 4 below).

Harrow Residents

The Admissions Service received 3,092 applications (as at 10 August 2023) **from Harrow residents** for a September 2023 Reception year school place; this includes applications for Harrow schools, out of borough schools etc.

Applications and offers of Reception places

The Table 4 below shows the total number of applications over the last few years. This table also illustrates the difference between the number of offers made and the take up of places as measured by the DfE School Census in January. The take-up rate has reverted back to previous years, falling slightly from last year’s rate and this will be monitored.

Table 4: Admissions Reception Entry Applications of Harrow residents

Entry Year	On-time	Lates as at end of August	Total	Increase	% Increase from previous year	January Census	January Take Up Rate
	January*	**		(Total)		Reception	
Sep-12	2,796	318	3,114	-	-	2,879	92.5%
Sep-13	2,991	330	3,321	207	6.65%	3,029	91.2%
Sep-14	3,210	238	3,448	127	3.82%	3,251	94.3%
Sep-15	3,126	288	3,414	-34	-0.99%	3,195	93.6%
Sep-16	3,175	264	3,439	25	0.73%	3,154	91.7%
Sep-17	3,143	243	3,386	-53	-1.54%	3,189	94.2%
Sep-18	2,969	205	3,174	-212	-6.26%	3,043	95.9%
Sep-19	2,976	212	3,188	14	0.44%	3,079	96.6%
Sep-20	3,043	184	3,227	39	1.22%	3,089	95.7%
Sep-21	2,864	311	3,142	-52	-1.61%	3,048	96.0%
Sep-22	2,972	278	3,250	75	2.36%	3,162	97.3%
Sep-23	2,771	321	3,092***	-158	-4.9%	3,076	99.5%

* On-time applications are the data from the DfE returns submitted on offer day.

** Lates are the number of on-time applications subtracted from the total home (Harrow) applications on the Capita One system. (Note: if the home address of the pupil has changed to an address outside Harrow since the application, this may deflate the total number of late applications)

*** As at 10 August 2023

Year 7 intake

Harrow Residents

Admissions received 3,053 applications (as at 10 August 2023) **from Harrow residents** for a September 2023 year 7 school place; this includes applications for Harrow schools and out of borough schools and grammar schools.

The Table 5 below shows the increase in the total number of applications over the last few years. It also illustrates the difference between the number of offers made and the take up of places as measured by the DfE School Census in January. The take-up rate has remained at or just above 81% since September 2013, however it has fluctuated since then as can be seen in the table below. The most recent take-up rate increased to 89% in September 2023.

Table 5: Admissions Year 7 Entry Applications of Harrow residents

Entry Year	On-time	Lates as at end of August (2)	Total	Increase	% Increase from previous year	January Census	January Take Up Rate
	October (1)			(Total)		Year 7	
Sep-13	2,329	129	2,458	-	-	1,982	80.6%
Sep-14	2,475	167	2,642	184	7.49%	2,160	81.8%
Sep-15	2,557	167	2,724	82	3.10%	2,204	80.9%
Sep-16	2,676	142	2,818	94	3.45%	2,377	84.4%
Sep-17	2,753	75	2,828	10	0.35%	2,347	83.0%
Sep-18	2,749	139	2,888	60	2.12%	2,534	87.7%
Sep-19	2,914	104	3,018	130	4.50%	2,670	88.5%
Sep-20	2,986	83	3,069	51	1.69%	2,623	85.5%
Sep-21	2,931	122	3,053	-16	-0.52%	2,633	86.2%
Sep-22	2,876	135	3,011	-42	-1.38%	2,667	89.0%
Sep-23	2,923	130	3,503(3)	42	1.39%	2,716	88.6%

(1) On-time applications are the data from the DfE returns submitted on offer day.

(2) Lates are the number of on-time applications subtracted from the total home (Harrow) applications on EMS. (Note: if the home address of the pupil has changed to an address outside Harrow since the application, this may deflate the total number of late applications)

(3) As at 10th August 2023

Harrow primary schools’ pupils’ borough of residence

The number of pupils in Reception to Year 6 in Harrow schools consistently increased from 2005/06 (16,633) to 2019/20 (21,714). The number dropped for the first time in January 2021 (21,480) and again in January 2022 to 21,322 pupils, however it increased to 21,561 pupils in January 2023, in Harrow’s 39 primary and 1 all through school. (Source: Harrow schools’ school census).

The number of out of borough primary age pupils attending Harrow’s schools in previous years increased from 2,031 in January 2016 to 2,301 in January 2019, however they dropped to 2,258 in 2022. The number in January 2023 is 2,265

Table 6 below shows that as at January 2022 the majority (89.5%) of Harrow’s primary school pupils reside within the borough of Harrow.

Table 6: Harrow schools' Reception to Year 6 pupils Harrow ward of residence January 2023

Ward	Number of Primary pupils on roll	Percentage of primary pupils on roll
Headstone	1,287	6.0%
Edgware	1,227	5.7%
Pinner South	1,177	5.5%
Centenary	1,163	5.4%
Kenton East	1,094	5.1%
Marlborough	1,092	5.1%
Roxeth	1,068	5.0%
Harrow Weald	1,049	4.9%
Wealdstone North	956	4.4%
Greenhill	914	4.2%
Pinner	834	3.9%
Rayners Lane	815	3.8%
West Harrow	773	3.6%
Roxbourne	769	3.6%
Kenton West	714	3.3%
Belmont	712	3.3%
Wealdstone South	686	3.2%
North Harrow	685	3.2%
Stanmore	650	3.0%
Hatch End	624	2.9%
Harrow on the Hill	553	2.6%
Canons	454	2.1%
Harrow Wards Total	19,296	89.5%
Out of borough	2,265	10.5%
Grand Total	21,561	100%

Source – January 2023 School Census NB special schools not included

Residence of Reception Pupils

As at January 2023 there were 3,162 (3,048 in 2022) pupils in the Reception year group and 10.3% (10.3% in 2022) of Harrow schools' Reception pupils live outside the borough.

In January 2023 the out of borough pupils mainly live in Harrow's neighbouring boroughs: Brent 110 (120 in 2022), Hillingdon 79 (60 in 2022), Hertfordshire 50 (61 in 2022), Barnet 49 (34 in 2022), Ealing 34 (36 in 2022) and Other LAs 4 (3 in 2022).

In January 2022, 7.5%, 215 pupils, of Harrow's resident Reception age children attended schools maintained by other local authorities (6.7% in January 2021). In January 2022, 10.7%, 316 children (302, 10.1% in January 2021) of other local authorities children attended schools in Harrow, resulting in the net difference of 3.2% between imports and exports of the school population in Reception for Harrow in 2021/22.

The numbers of primary age pupils exported and imported into Harrow have remained similar and balanced over the last 4 years; however as at January 2022 Harrow imported 695 more children into its schools than it exported into other borough's schools (619 in January 2021).

Table 29 below shows where Harrow's resident pupils attend primary schools outside of the borough over the last 4 years. The number of pupils leaving Harrow to attend schools in other

boroughs has continued dropping over the last five years, from 1,920 in January 2017 to 1,574 in January 2021.

Table 29: Harrow’s resident pupils attending primary schools in other boroughs

Primary School LA	Pupil residents of Harrow					
	Jan-17	Jan-18	Jan-19	Jan-20	Jan-21	Jan-22
Primary Schools in Brent	521	514	501	500	515	508
Primary Schools in Hillingdon	659	621	567	538	462	442
Primary Schools in Barnet	431	419	398	385	359	350
Primary Schools in Ealing	155	147	164	160	171	154
Primary Schools in Hertfordshire	110	124	114	85	92	87
Other LAs	44	47	51	47	36	33
Total Harrow resident pupils exported	1,920	1,872	1,795	1,715	1,635	1,574

Source: DfE SFR Cross Border Movement

Table 30 below shows the number of out of borough of residents attending Harrow’s primary schools. The number of out of borough pupils attending Harrow’s schools increased from 2,060 in January 2017 to 2,296 in January 2019 but has dropped since, to 2,269 in 2022.

Table 30: Borough of residence of Harrow’s primary school pupils

LA Name Residence	Primary School in Harrow					
	Jan-17	Jan-18	Jan-19	Jan-20	Jan-21	Jan-22
Residents of Brent	711	743	789	786	788	803
Residents of Hillingdon	418	441	499	498	512	510
Residents of Hertfordshire	368	384	450	418	406	438
Residents of Ealing	307	296	297	283	267	270
Residents of Barnet	205	204	211	223	230	218
Other Las	42	36	48	48	48	30
Unknown*	9	6	2	6	3	0
Total out of borough pupils imported	2,060	2,110	2,296	2,256	2,254	2,269

Source: DfE SFR Cross Border Movement; * Includes pupils with invalid postcodes

Harrow secondary schools’ pupils’ borough of residence

As at January 2022, there were 13,393 pupils on roll (13,061 pupils in January 2022) in Years 7 to 11 in Harrow’s 12 secondary and 1 all through schools.

The number of out of borough secondary aged pupils attending Harrow schools continued to increase from 2,048 in January 2017 to 2,511 in January 2021, a 23% increase but dropped to 2,478 in January 2023.

Table 9: Number of Out of Borough pupils attending Harrow’s Secondary Schools

January	2017	2018	2019	2020	2021	2022	2023
OoB pupils	2,048	2,134	2,335	2,468	2,511	2,485	2,478

Table 10 below shows that a majority (81.5%) of Harrow’s high school pupils reside in the borough of Harrow.

Table 10: Harrow schools’ Year 7 to Year 11 pupils Harrow ward of residence January 2023

Ward	Number of pupils	Percentage of pupils
Headstone	760	5.7%
Harrow Weald	757	5.7%
Centenary	750	5.6%
Edgware	717	5.4%
Roxeth	655	4.9%
Wealdstone North	651	4.9%
Pinner South	585	4.4%
West Harrow	533	4.0%
Marlborough	511	3.8%
Kenton East	509	3.8%
Belmont	459	3.4%
Rayners Lane	425	3.2%
Roxbourne	424	3.2%
North Harrow	421	3.1%
Wealdstone South	408	3.0%
Greenhill	407	3.0%
Stanmore	405	3.0%
Kenton West	391	2.9%
Harrow on the Hill	356	2.7%
Pinner	294	2.2%
Canons	265	2.0%
Hatch End	232	1.7%
Harrow wards total	10,915	81.5%
Out of Borough	2,478	18.5%
Grand Total	13,393	100.0%

Source – January 2023 School Census. NB special schools not included.

Residence of Year 7 pupils

As at January 2023 there are 2,667 (2,633 in 2022) pupils on roll in Year 7, of these pupils 440 (478 in 2022) live in Harrow’s neighbouring boroughs - 128 (150 - 2022) in Brent, 95 (93 - 2022) in Ealing, 83 in Hertfordshire (73 in 2022), 67 (83 – 2022) in Hillingdon, 63 (69 – 2022) in Barnet and 4 in other LAs.

DfE Secondary Cross Border Movement

- As at January 2022 the number of secondary age pupils exported from Harrow was 3,662 (January 2021 – 3,648).
- The number imported into Harrow’s high schools was 2,514 (January 2021 – 2,512).
- Resulting in a loss of 1,148 pupils (January 2021 – 1,136), which is lower than the loss in previous years, for example a loss of 1,554 pupils in January 2015.

The table below shows where Harrow’s resident pupils have gone to high schools outside of the borough over the last five years.

Table 31: Harrow’s resident pupils attending high schools in other boroughs

High School LA	Pupil residents of Harrow					
	Jan-17	Jan-18	Jan-19	Jan-20	Jan-21	Jan-22
High Schools in Brent	821	862	893	862	882	886
High Schools in Hillingdon	836	836	868	868	877	868
High Schools in Hertfordshire	759	824	841	828	819	808
High Schools in Barnet	739	706	699	647	639	691
High Schools in Ealing	86	110	92	94	108	122
High Schools in Buckinghamshire	116	143	128	100	89	55
High Schools in Slough	84	84	80	87	88	91
High Schools in Hammersmith & Fulham	63	54	54	49	48	43
Other LAs	77	88	92	105	98	98
Total Harrow resident pupils exported	3,581	3,707	3,747	3,640	3,648	3,662

Source: DfE SFR Cross Border Movement

Table 8 below shows the number of out of borough residents attending Harrow’s high schools over the last 4 years. This number has increased from 2,148 in January 2017 to 2,514 in January 2022, which represents a 17.0% (366 pupils) increase from January 2017 to January 2022.

Table 32: Borough of residence of Harrow’s high school pupils

LA Name Residence	High Schools in Harrow					
	Jan-17	Jan-18	Jan-19	Jan-20	Jan-21	Jan-22
Residents of Brent	976	972	935	911	871	891
Residents of Ealing	384	419	492	542	584	552
Residents of Barnet	377	393	427	413	389	355
Residents of Hillingdon	172	197	254	306	344	360
Residents of Hertfordshire	188	225	194	231	255	296
Other LAs	49	54	51	60	69	56
Unknown*	2	6	6	5	5	4
Total out of borough pupils imported	2,148	2,266	2,359	2,468	2,512	2,514

Source: DfE SFR Cross Border Movement

* Includes pupils with invalid postcodes

Transferral rate of Harrow primary school pupils to Harrow secondary schools

The number of pupils in Year 6 continued increasing from 2,332 in 2011/12 to 3,083 in 2020/21, however have declined since to 3,035 in 2022/23.

The percentage of Year 6 pupils that have transferred to Year 7 in Harrows’ high schools has stayed steady between 66% and 70% over the last 8 years, with this year’s rate at 69.46%. The remainder of the year 6 pupils are likely to be leaving a Harrow primary school to attend an independent school or a state school in another borough including maintained, voluntary aided and grammar schools.

Table 13 below shows the Year 6 to Year 7 transferral rates for the last 13 years.

Table13: Proportion of Harrow’s Primary School Year 6 pupils (as at the May school census) transferring across to Year 7 in Harrow’s High Schools (as at the October school census)

School Census	Total Yr 6* in Harrow primary schools as at School Census	October School Census	No. of Harrow primary school Yr 6 pupils transferring to Yr 7 in Harrow's high schools as at October School Census*	% transferring	Yr 7 Number* on Roll as at October School Census
May-10	2,394	Oct-10	1,709	71.4%	1,972
May-11	2,408	Jan-12**	1,716	71.6%	2,088
May-12	2,333	Oct-12	1,559	67.4%	1,861
May-13	2,395	Oct-13	1,592	67.1%	1,980
May-14	2,545	Oct-14	1,697	66.7%	2,172
May-15	2,597	Oct-15	1,721	66.3%	2,198
May-16	2,711	Oct-16	1,783	65.8%	2,371
May-17	2,761	Oct-17	1,844	66.7%	2,348
May-18	2,791	Oct-18	1,892	67.8%	2,512
May-19	2,972	Oct-19	2,072	69.7%	2,659
Jan-20***	3,038	Oct-20	2,088	68.7%	2,618
May 2021	3,085	Oct-21	2,056	66.6%	2,627
May 2022	3,078	Oct-22	2,137	69.4%	2,651

*The numbers on roll do not include special school pupils;

**The October 2011 data was not available for Academies, so the January 2012 school census was used instead.

***The May 2020 school census did not occur due to the Covid-19 pandemic.

Retention rate of Harrow secondary schools

The number of pupils in Year 7 in Harrow’s secondary schools in October 2022 increased slightly to 2,651 from 2,627 in October 2021. The retention rate is calculated as a percentage of the number of pupils on roll in Year 7 in the October census to that of the number of pupils on roll in Year 6 in the May census. This retention rate has remained at or over 85% over the last 7 years. In October 2022 there were 2,651 pupils on roll which is 86.1% of the number of pupils on roll in May 2022 in Year 6.

Table 14: Year 7 Retention Rates

May School Census*	Year 6	October School Census*	Year 7	Yr 7 as % of previous Yr 6
May-10	2,394	Oct-10	1,972	82.4%
May-11	2,408	Jan-12**	2,088	86.7%
May-12	2,333	Oct-12	1,861	79.8%
May-13	2,395	Oct-13	1,980	82.7%
May-14	2,545	Oct-14	2,172	85.3%
May-15	2,597	Oct-15	2,198	84.6%
May-16	2,711	Oct-16	2,371	87.5%
May-17	2,761	Oct-17	2,348	85.0%
May-18	2,791	Oct-18	2,512	90.0%
May-19	2,972	Oct-19	2,659	89.5%
Jan-20	3,038	Oct-20	2,618	86.2%
May-21	3,085	Oct-21	2,627	85.2%
May-22	3,078	Oct-22	2,651	86.1%

*The numbers on roll do not include special school pupils;

**The October 2011 data was not available for Academies, so the January 2012 school census was used instead.

***The May 2020 school census was not collected due to the Covid-19 pandemic.

If you compare the transfer rate in table 9 and the retention rate in table 10, this indicates that some of the 30% of pupils who did not transfer at the end of Year 6 from a Harrow Primary School into Year 7 of a Harrow secondary school are replaced by children from outside the borough. The retention rate will be monitored closely to identify any emerging trends arising as a result of changes to secondary school provision in Harrow with the opening of new and additional secondary places.

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Overview of Harrow's population and changes

Harrow's main sources of population data are the Office for National Statistics (**ONS**) and the Greater London Authority (**GLA**).

The ONS produce the National Census every decade, the Mid-Year Estimates (**MYE**) annually and the Sub-National Population Projections (**SNPP**) approximately every two years; these datasets include births and migration data.

The GLA Demography Team produce a range of annually updated population projections at both borough and ward level for the 33 local authorities in the London region. The GLA's Borough Preferred Option (BPO) round of projections are produced for London boroughs based on development data or the latest GLA ward level Strategic Housing Land Availability Assessment (SHLAA).

Harrow uses the GLA's Borough Preferred Option based on Harrow's latest available housing trajectory, and they use this BPO to produce our School Roll Projections on.

The 2021 BPO are available for three scenarios.

5-year constrained - This projection is based on 5 years of past local migration patterns and constrained to match the 5-year trend projection results at subregional (NUTS2) level. Migration trends during this period (mid-2016 to mid-2021) were dominated by the effects of Brexit and the COVID-19 pandemic and this projection represents a pessimistic scenario of future population growth in London.

15-year constrained – This projection is based on 10 years of past local migration patterns and constrained to match the 15-year trend projection results at subregional (NUTS2) level. The 15-year period (mid-2006 to mid-2021) includes a decade of high population growth in London which offsets the subsequent years of lower growth in the trends projected forward. This is the most optimistic scenario of the 2021-based outputs, but still shows lower growth than previous rounds of projections.

10-year constrained – This projection is based on 10 years of past local migration patterns and constrained to match the 10-year trend projection results at subregional (NUTS2) level. The period (mid-2011 to mid-2021) used to determine future migration trends covers five years of high levels of population growth in London and five years of low growth impacted by Brexit and the pandemic. The results typically lie between those of the 5-year and 15-year projections.

Based on the recommendation of Harrow's Demography Team we have used the School Roll Projections based on the Scenario 2 BPO.

ONS 2021 National Census – First Release

On 28 June 2022 ONS released the first results from the 2021 Census of England and Wales comprising for each local authority the estimated population at census day (21 March 2021), the number of households and population density. Population estimates are by five-year age band and sex. Estimates of responses rates for each local authority were also published.

Data in the 2021 census first release are rounded to the nearest 100. Future releases will provide unit-level estimates. Estimates of Londoners' characteristics including for small areas will be published from October 2022 onwards.

Census Population

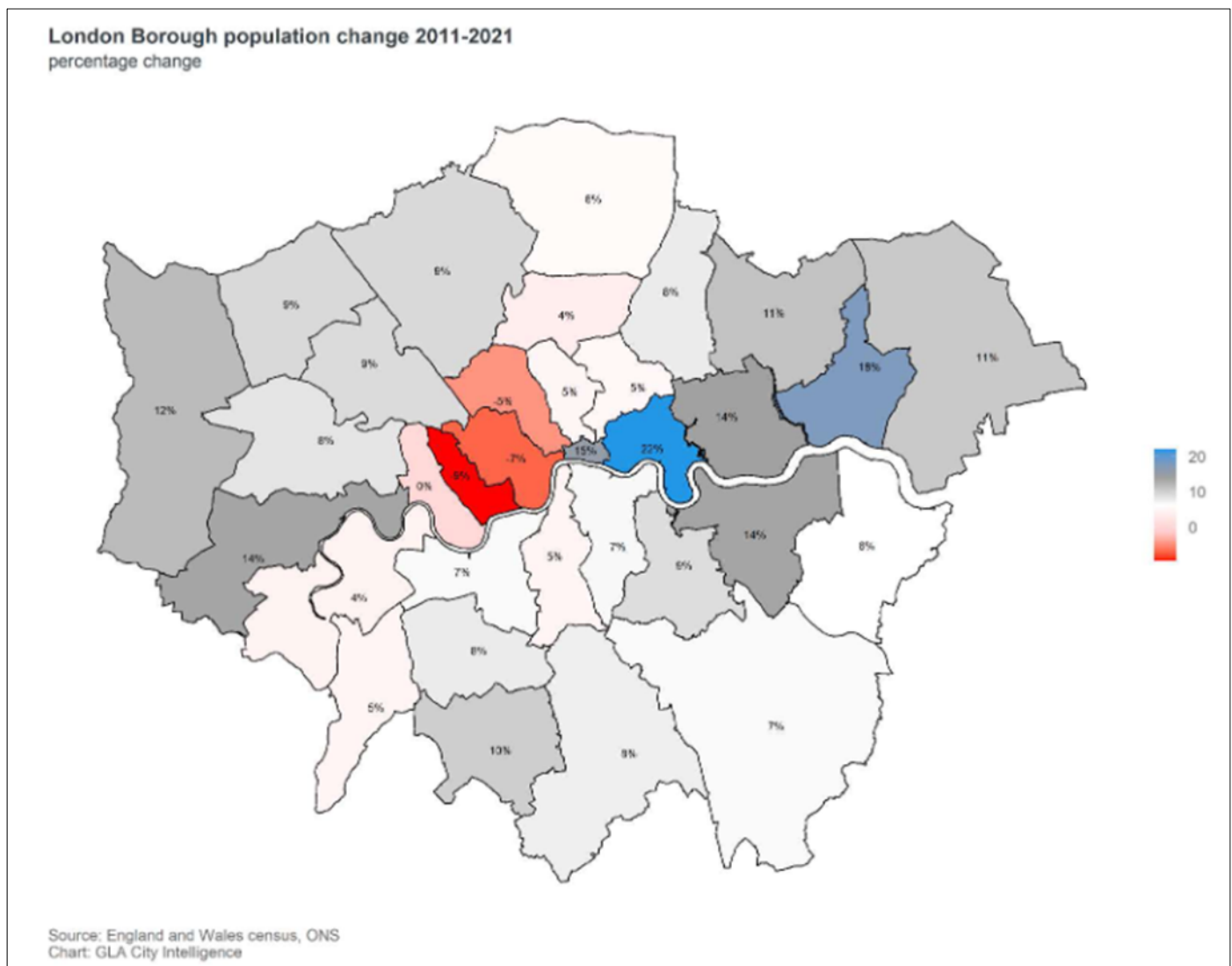
- **England's** population grew by 3.5 million (6.6% increase since 2011) to 56,489,800 million.

- **London** grew by 626 thousand persons (7.6 percent) to 8.8 million in the decade since the last census.
- **London’s** growth rate over the decade was higher than the national average (6.3 percent) but lower than that of East of England and the South West regions.

The change in population is due to – Births, deaths, internal and international migration. From April 2011 to end of March 2021 there have been:

- 6.8 million live births
 - 5.3 million = deaths
 - Resulting in a natural increase = 1.5 million
 - The remainder change due is to positive net migration
- **Harrow’s** population increased to 261,300 by 9.3% since the 2011 Census – see table and map below.

Borough	2011 Census	2021 Census	Change 2011-2021	Percentage change
Harrow	239,100	261,300	22,200	9.3%



Census Households

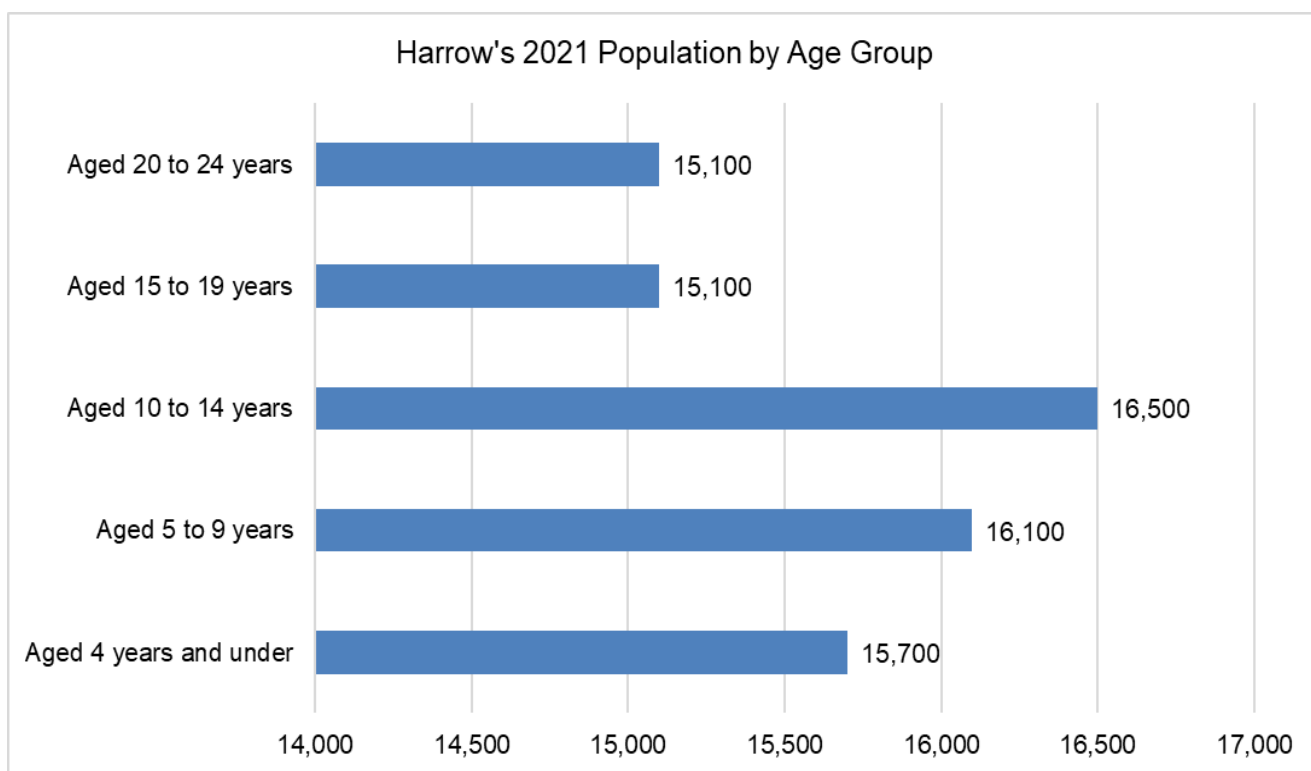
- **England's** number of households increased by 6.1% (1.4 million).
- There are a total of 3.42 million households in **London**, an increase of 158 thousand (4.6 percent) since the 2011 census. This data does not include empty dwellings so if a proportion of homes were vacant when the census was taken then these would not show in this data.
- **Harrow's** number of households increased to 89,600 in 2021, an increase of 6.3% from 84,268 in 2011.

Census Age Groups

Population growth over the decade is concentrated in older ages. There were fewer 0-to-4 year-olds and 20-to-29 year-olds in 2021 than in 2011.

- Two-thirds of **England's** population (64.1%) are between 15 and 64 years old, 17.4% (10.4 million) are under 15.
- There are less 4 and under, 15 to 19 year olds and 20 to 24 in 2021 than there was in 2011, with only an increase in the number of 5 to 9 year olds over the last decade.
- **London's** population is much younger than the rest of the country, 18.1% of it's population is under 15 years old.
- **Harrow's** population is made up of 18.5% of under 15 years, 66.2% of 15 to 64 year olds and 15.4% of 65 & above years. As can be seen in the table and chart below.

Area name	Aged 4 years and under		Aged 5 to 9 years		Aged 10 to 14 years		Aged 15 to 19 years		Aged 20 to 24 years	
	#	%	#	%	#	%	#	%	#	%
Harrow	15,700	6.0%	16,100	6.2%	16,500	6.3%	15,100	5.8%	15,100	5.8%
London	529,000	6.0%	531,500	6.0%	535,400	6.1%	489,400	5.6%	589,200	6.7%
England	3,077,000	5.4%	3,348,600	5.9%	3,413,100	6.0%	3,218,900	5.7%	3,414,400	6.0%



Economic migrants from within the UK and from overseas in their 20s and 30s give London its distinctive age structure. The older population is comparatively much smaller in London as people

migrate away from the capital as they begin to form families and then later again as they move into retirement.

ONS Population Projections and Estimates

Population Estimates (MYE) are the official source of estimated population size in between the censuses and inform a wide range of national statistics.

Population Projections (SNPP) provide statistics on potential future size and age structure of the population. They are based on past trends and assumptions of future levels of births, deaths and migration. They do not incorporate local development plans but instead provide a baseline, which can be combined with local knowledge.

The ONS’s SNPP project what the population of every local authority will look like over the next 25 years. It should be noted that all population projections become increasingly uncertain the further they are carried forward due to the inherent uncertainty of demographic behaviour.

The 2018-based SNPPs take the 2018 Mid-Year Estimates (MYEs) as their starting point, then: the population is projected forward a year at a time to 2041; the population is aged on from the previous year; the projected number of births and deaths are added; and adjustments for net migration are included. Births, deaths and migration are based on the trends observed in each local authority over the period mid-2011 to 2014. Finally the SNPPs are constrained to be consistent with the national projections for England.

GLA Borough Preferred Option Results for Harrow

Population Change

The population of Harrow is estimated to have grown by 20,321 persons (8.4 percent) between 2011 and 2021. Over the next decade from 2022 to 2032 the population is projected to grow by 17,581 persons (6.6 percent). By 2041 the population is projected to reach 292,300 persons, a 18.3 percent increase on the 2011 population.

Table 14 below outlines the total population of Harrow from the census base population of 240,499 through five-year intervals to a projected 2041 population of 280,336.

Table 14: Population of Harrow

Year	2021 Population
2011	240,499
2016	255,404
2021	260,820
2026	274,071
2031	282,358
2036	286,453
2041	292,300

Source: 10-year constrained

Age structure

The greatest growth in Harrow, between 2011 and 2021 and 2011 and 2031, is projected to be in the 65 and over age group, as can be seen in the table below.

Table 15: Age structure of Harrow - 2021

Age Group	Population 2011	Population 2021	Percentage Change (2011 to 2021)	Population 2031	Percentage Change (2011 to 2031)
0 to 3	12,885	12,396	-3.8%	13,472	4.6%
4 to 10	20,398	22,557	10.6%	20,846	2.2%
11 to 15	14,892	16,357	9.8%	15,677	5.3%
16 to 25	31,905	30,636	-4.0%	33,180	4.0%
26 to 64	126,533	138,412	9.4%	148,845	17.6%
65 and over	33,886	40,462	19.4%	50,334	48.5%

Source: 10-year constrained

ONS 2022 Mid Year Estimates (MYE)

Please note that the ONS have revised their MYE back to 2012. Therefore the tables and charts below have been updated to include the most recent data released.

Harrow’s population

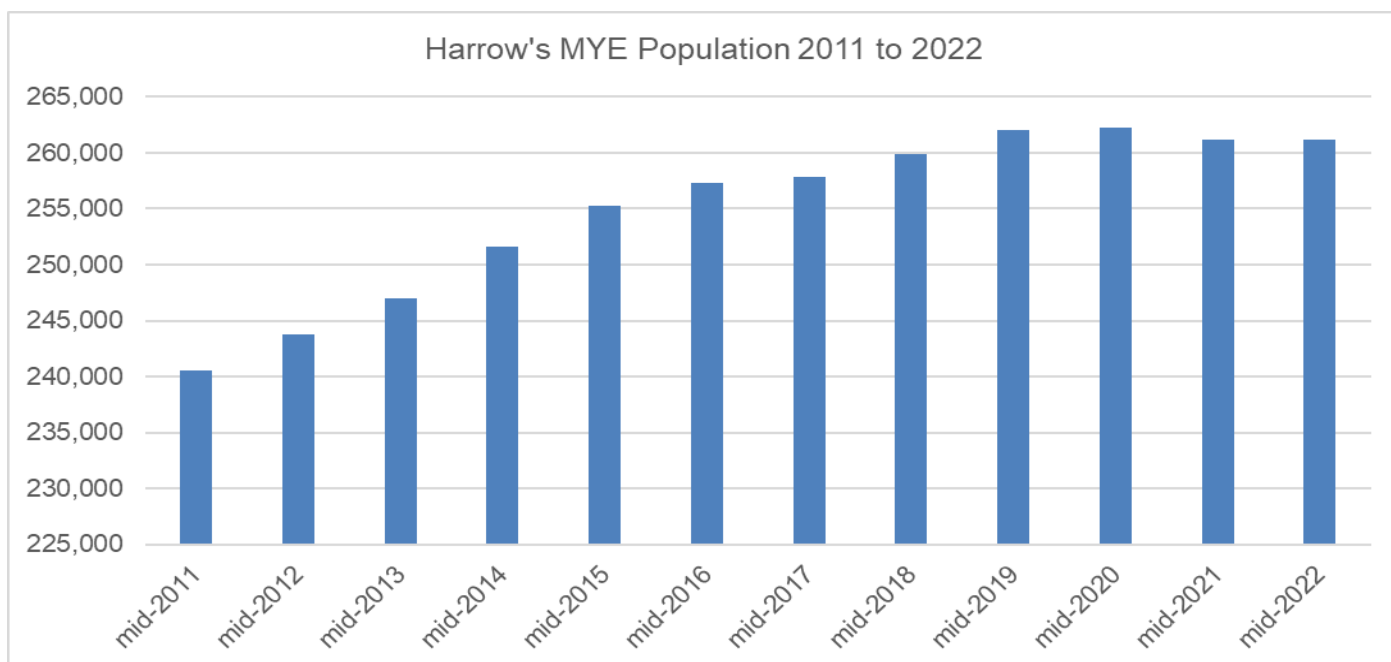
Harrow’s population has increased from 240,499 in 2011 to 261,185 in 2022, increasing by 26 from 2021 to 2022.

Harrow	mid-2011	mid-2012	mid-2013	mid-2014	mid-2015	mid-2016	mid-2017	mid-2018	mid-2019	mid-2020
Population	240,499	243,800	247,018	251,618	255,308	257,317	257,881	259,861	262,065	262,281

Harrow	mid-2021	mid-2022
Population	261,159	261,185

Source: Analysis of Population Estimates Tool

Harrow’s population from mid-2011 to mid-2022



Source: Analysis of Population Estimates Tool

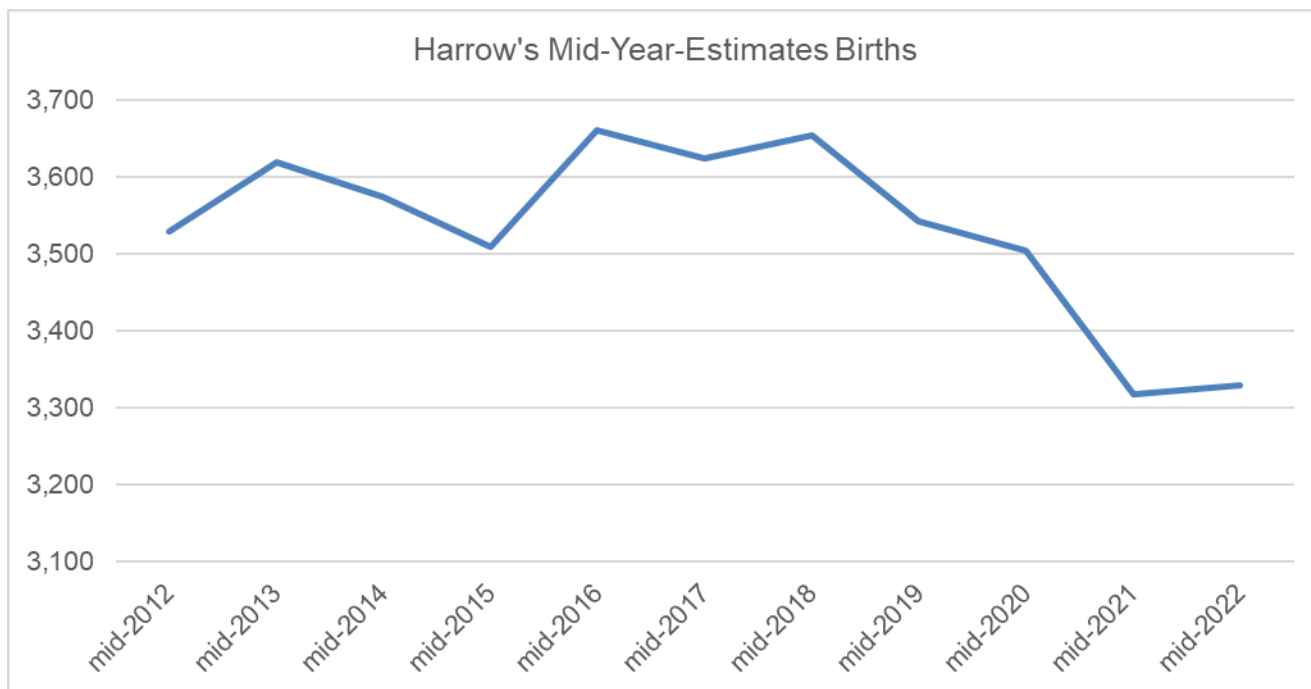
Harrow’s population increase between 2021 and 2022 (26) is lower than it’s neighbouring London boroughs; Barnet increased by 146, Brent increased by 1,973, Ealing increased by 3,175 and Hillingdon by 5,574.

Harrow’s births

As can be seen in the table and chart below Harrow’s births based on the ONS’s MYE have fluctuated between 2012 and 2022. Harrow’s births peaked at 3,661 in mid-2016, and increased again in mid-2018 to 3,655. However births continued to drop until mid-2021, falling from 3,543 in mid-2019 to 3,317 in mid-2021 but increased very slightly to 3,329 in mid-2022.

MYE	Births
mid-2012	3,530
mid-2013	3,620
mid-2014	3,574
mid-2015	3,509
mid-2016	3,661
mid-2017	3,624
mid-2018	3,655
mid-2019	3,543
mid-2020	3,505
mid-2021	3,317
mid-2022	3,329

Source: Analysis of Population Estimates Tool



Source: Analysis of Population Estimates Tool

Harrow's migration

As can be seen in the table below Harrow's internal migration resulted in a net loss of 2.5k people in 2020, net loss of 4.9k in 2021 and net loss of 4.8k in 2022. International migration resulted in a net gain of 686 people in 2020, net gain of 2k in 2021 and net gain of 3.2k in 2022. Net impact of total migration was a 1.9k loss in 2020, 3k loss in 2021 and 1.5k loss in 2022.

Harrow	2020-MYE	2021-MYE	2022-MYE	Diff 2021-2022	Direction
Internal inflow	17,463	19,188	18,291	-897	Loss
Internal outflow	20,058	24,162	23,134	-1,028	Loss
Internal net diff	-2,595	-4,974	-4,843	131	Loss
International inflow	5,943	6,620	8,399	1,779	Gain
International outflow	5,257	4,624	5,116	492	Gain
International net diff	686	1,996	3,283	1,287	Gain
Overall net diff	-1,909	-2,978	-1,560	-	Decreased loss

Source: Analysis of Population Estimates Tool

ONS 2018-based Subnational Population Projections (SNPP)

Published on 24th March 2020, the SNPP suggest that the populations of all regions within England are projected to grow by mid-2028. All regions are projected to have a greater proportion of people aged 65 and over by mid-2028. London is still the largest growing region but no longer the fastest growing as it was in the 2016 SNPPs, it has dropped to 5th place in 2018.

Local Authorities

Population projections at local authority level are especially subject to annual local fluctuations in source data. Also, the actual local population change will be influenced by local economic development and housing policies.

Nearly all local authorities are projected to grow by mid-2028. Of the LAs with the highest projected population growth from 2018 to 2028 the only London borough is Tower Hamlets. Of

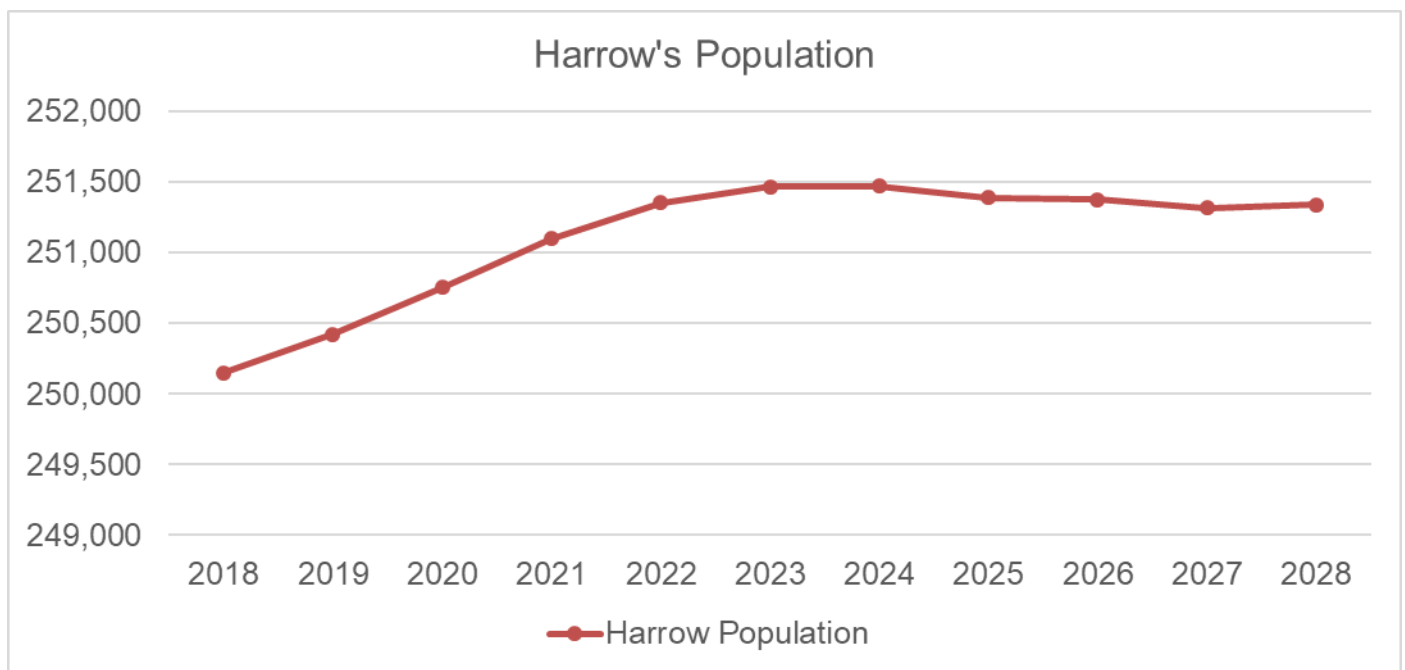
the LAs with the highest projected population decline from 2018 to 2028 the only London borough is Ealing.

Harrow's 2018-based SNPPs

Harrow's population

The table below shows Harrow's population over the next 10 years – it shows there is a very slow and steady increase from 2018 to 2028.

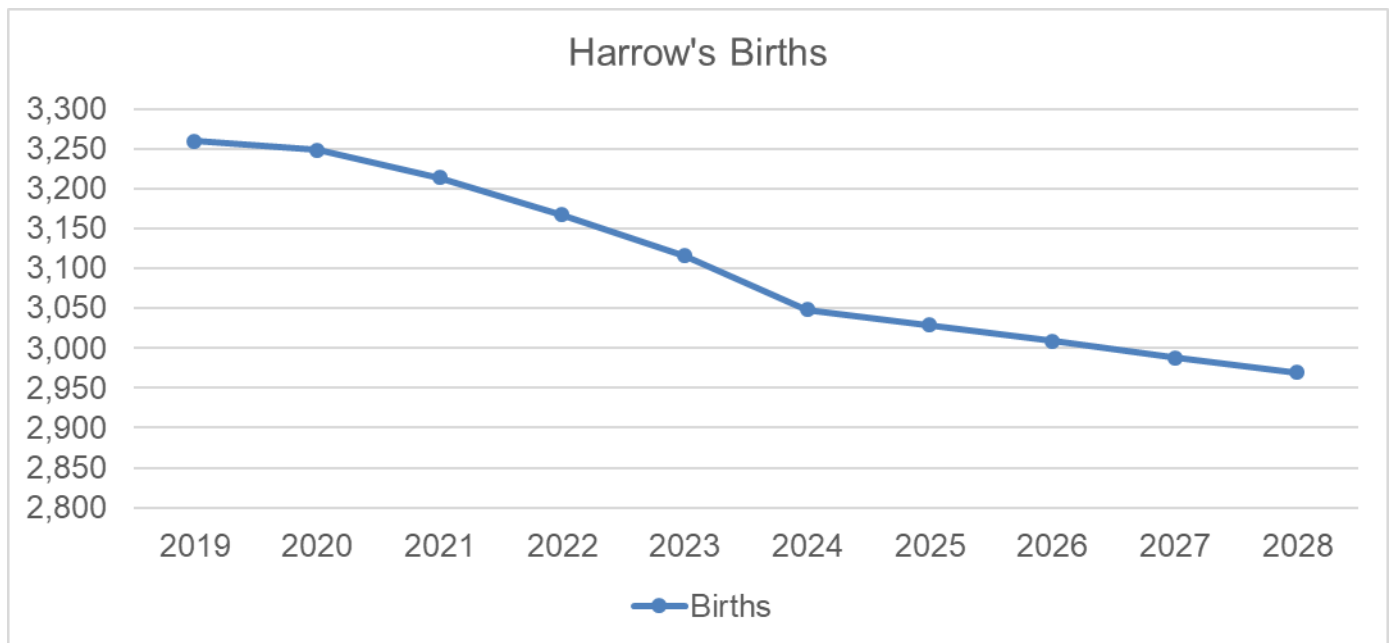
Year	Harrow Population
2018	250,149
2019	250,419
2020	250,751
2021	251,095
2022	251,350
2023	251,462
2024	251,467
2025	251,389
2026	251,371
2027	251,313
2028	251,337



Harrow's births

Harrow's births are projected to fall from 3,260 in 2019 to 3,116 in 2023 and 2,970 in 2028.

Births	Harrow
2019	3,260
2020	3,248
2021	3,214
2022	3,167
2023	3,116
2024	3,048
2025	3,029
2026	3,009
2027	2,988
2028	2,970



Harrow's age ranges

The table below shows Harrow's age ranges up to 90+. There is a projected drop in the 0 to 9 and 20 to 39 age ranges, with an increase for the remainder of the ages.

AGE GROUP	2018	2021	2024
0-4	17,745	16,603	15,518
5-9	16,783	17,267	16,560
10-14	15,080	15,729	16,579
15-19	13,767	13,553	14,188
20-24	13,528	12,561	11,656
25-29	17,457	16,857	16,635
30-34	19,119	18,214	17,132
35-39	19,467	18,657	17,880
40-44	17,210	18,266	18,254
45-49	16,432	16,404	16,993
50-54	15,926	15,865	15,808
55-59	15,278	15,520	15,424
60-64	13,155	13,874	14,609
65-69	11,190	11,924	12,689
70-74	9,598	10,148	10,314
75-79	6,996	7,637	8,577
80-84	5,740	5,737	5,878
85-89	3,530	3,881	4,110
90+	2,148	2,400	2,663
All ages	250,149	251,095	251,467

Migration

Harrow's internal migration net loss of people has continued to drop over the last 4 years, as can be seen in the table below.

Harrow	2016 MYE	2017 MYE	2018 MYE	2019 MYE
Internal migration Net	-4,988	-4,036	-3,458	-2,138

In contrast, International migration has resulted in a net gain, which has been dropping over the last few years, as can be seen in the table below.

Harrow	2016 MYE	2017 MYE	2018 MYE	2019 MYE
International migration Net	3,035	3,202	2,390	1,718

The net impact of total migration in Harrow over the last four years has resulted in a loss of people, as can be seen in the table below.

Harrow	2016 MYE	2017 MYE	2018 MYE	2019 MYE
International migration Net	-1,953	-834	-1,068	-420

The SNPP project a relatively steady picture regarding Harrow’s internal and international migration from 2018 to 2028

Harrow	2018	2028	Difference 2018-2028
All migration net	-1,505	-1,257	248
Internal migration in	15,469	15,420	-49
Internal migration out	19,893	18,952	-941
International migration in	4,900	4,094	-806
International migration out	1,892	1,725	-167
Cross border migration in	244	237	-7
Cross border migration out	334	332	-2

Migration by age

The ONS SNPPs contain migration projections by age. Harrow’s net internal migration is overall projecting a loss of children of the following age ranges 0 to 4, 5 to 9, 10 to 14 and 15 to 19. There is projected gain for young people of the age range 20 to 24.

Internal net	2019	2023	2028	Direction
0-4	-367	-310	-270	Decreasing loss
5-9	-367	-383	-332	Decreasing loss
10-14	-86	-89	-103	Increasing loss
15-19	-1,556	-1,555	-1,628	Increasing loss
20-24	611	930	1,078	Increasing gain

Harrow’s net international migration projects an increasing number of children migrating into Harrow for all the age ranges, however the increase is declining from 2019 to 2028.

International net	2019	2023	2028	Direction
0-4	294	260	243	Decreasing gain
5-9	193	171	159	Decreasing gain
10-14	171	151	141	Decreasing gain
15-19	263	231	215	Decreasing gain
20-24	484	408	368	Decreasing gain

Overall net migration – there is a projected loss from 2019 to 2028 of the age ranges 0 to 4 and 5 to 9 and 15 to 19; and a projected gain of the age ranges 10 to 14 and 20 to 24.

Net Migration	2019	2023	2028	Direction
0-4	-73	-50	-27	Decreasing loss
5-9	-174	-212	-173	Stable loss
10-14	85	62	38	Decreasing gain
15-19	-1,293	-1,324	-1,413	Increasing loss
20-24	1,095	1,338	1,446	Increasing gain

It should be noted that these projections are purely based on past trends, so any impacts that Brexit or the Covid-19 pandemic may have on future migration levels (or as a result of any other changes in government policies or economic circumstances) are not considered.

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Special Education Needs and Early Years Data

Special Education Needs and Disabilities (SEND)

The growth of the pupil population is impacting on the demand for provision for pupils with special educational needs. Harrow’s SEND Strategy 2019-2024 outlines the current context for SEND nationally and locally, sets out the guiding principles and four strategic priorities. The four strategic priority areas are:

Strategic Priority 1:

Review in-borough specialist provision in the context of a changing demographic profile, pre-school, school and college organisational changes and other developments.

Strategic Priority 2:

Review current provision and need for children, young people and young adults with social, behaviour and mental health needs to ensure continuum of provision and support. (previously SEBD)

Strategic Priority 3:

Improve local education and social care opportunities for post-16 and post 18 provision working in partnership with other agencies including colleges and voluntary sector.

Strategic Priority 4:

Improve outcomes for children and young people (0-25) with SEND and ensure appropriate staff skilled and qualified in all provision.

A high-level summary is provided in this report.

The data on pupils and their needs is collated in two key respects:

- Children and young people whose resident address is within the London Borough of Harrow. These numbers will include children who attend provision outside the Harrow local authority area. These are children and young people for whom the London Borough of Harrow has a direct responsibility.
- Pupils and students attending provision in the Harrow local authority area. These numbers will include some pupils and students whose resident address is in other local authority areas.

Children and young people whose resident address is within the London Borough of Harrow

The 2021 Census estimated that Harrow has approximately 78,486 children and young people from 0 to 24 years. Of this cohort 3,260 (4.2%) a disability. Table 1 below gives a further breakdown by age group.

Table 1: Harrow’s children with a disability

Disability Status	Under 1	1 to 4	10 to 14	15 to 19	20 to 24
Disabled	25	240	815	990	1,190
Disabled; limited a lot	15	140	350	350	395
Disabled; limited a little	10	95	465	640	795
Non-disabled; with non-limiting condition	20	105	285	420	430
Non-disabled; no condition	2,990	12,325	15,380	13,630	13,511
Non-disabled	3,005	12,425	15,670	14,055	13,945

Source: ONS 2021 National Census

Some children and young people, with a long-term health problem or disability, will be supported by Harrow with an Education, Health and Care Plan (EHCP). Table 2 below presents the number of EHCPs maintained by Harrow. There is an increasing trend in the total number of plans and as the Children and Families Act 2014 extended the eligibility age range beyond 19 and up to 25 this has led to young people with an EHCP remaining in the education system.

The number of EHCPs has continued to increase over the period shown in Table 2 below, with the highest increase of 12.9% from 1,183 in 2015 to 1,336 in 2016. The increase has continued over the years, with a 6.0% increase from 2022 to 2023.

Of the age groups shown in Table 2 below a majority of the children with an EHCP in Harrow are within the 5 to 10-year-old group, their numbers have continued increasing from 503 in 2015-16 to 799 in 2023. The number of under 5, 5-10, 11-15 and 16-19 year olds have increased in 2023, and the number of 20-25 year olds remained the same.

Table 2: Total statements/plans maintained by Harrow in each calendar year

Calendar Year	Total statements/plans	% Change	Under 5	5-10yrs	11-15yrs	16-19yrs	20-25yrs
2007	1,044	-	56	405	493	90	-
2008	1,051	0.7%	76	416	495	64	-
2009	1,061	1.0%	53	431	512	65	-
2010	1,080	1.8%	65	446	504	65	-
2011	1,120	3.7%	62	466	515	77	-
2012	1,137	1.5%	58	475	500	104	-
2013	1,158	1.8%	70	504	487	97	-
2014	1,168	0.9%	78	500	489	101	-
2015	1,183	1.3%	78	510	493	102	-
2016	1,336	12.9%	75	503	518	227	13
2017	1,477	10.6%	90	529	519	299	40
2018	1,623	9.9%	104	562	543	322	92
2019	1,645	1.4%	95	604	542	322	82
2020	1,799	9.4%	100	652	575	351	121
2021	1,896	5.4%	77	720	596	377	126
2022	1,974	4.1%	76	760	631	391	116
2023	2,093	6.0%	93	799	688	397	116

Source: DfE SEN2 return

Table 3 below shows the number of new statements/plans issued since 2006 up until 2022. The numbers have fluctuated over the years ranging from 103 in 2011 to 265 in 2022. The latter is the highest number of new plans over the last sixteen years. The number of new plans issued to the under 5 year olds has increased from 56 in 2021 to 70 in 2022, the number of 5 to 10 year olds has increased from 129 in 2021 to 152 in 2022, the number of 16 to 19 year olds increased from 7 in 2021 to 11 in 2022, and the number of 20 to 25 year olds decreased.

Table 3: New statements/plans issued by Harrow in each calendar year

Calendar Year	Total statements / plans	under 5	5-10yrs	11-15yrs	16-19yrs	20-25yrs
2006	117	47	51	18	1	-
2007	145	57	63	25	0	-
2008	144	36	63	44	1	-
2009	132	49	61	21	1	-
2010	141	44	60	37	0	-
2011	103	37	50	15	1	-
2012	141	53	69	19	0	-
2013	144	63	61	19	1	-
2014	137	55	66	13	3	-
2015	142	60	47	26	7	2
2016	192	69	83	20	11	9
2017	204	73	77	38	8	8
2018	182	68	76	27	10	1
2019	218	69	102	39	8	0
2020	209	50	96	46	12	5
2021	240	56	129	42	7	6
2022	265	70	152	32	11	0

Source: DfE SEN2 return

Placement of children and young people with an EHC Plan by establishment type

The tables below show the placement of Harrow's children and young people with an EHC Plan.

- The number of children and young people across all establishment types has increased from 1,974 in 2022 to 2,093 in 2023.
- The number of pupils attending an independent school also increased from 18 in 2022 to 28 in 2023, a 56% increase.
- The number of children with an EHCP attending a mainstream school increased by 94, from 762 in 2022 to 856 in 2023, a 12% increase.
- The increase in the EHC Plans issued to those 16 years old and above has resulted in a substantial increase in the use of post 16 institutions, with the numbers rising from 111 in 2015-16 to 328 in 2019-20, this is a 195% percentage change, as can be seen in Table 7.

Table 4: Total statements/plans & Early Years placements

Year	Total statements / plans	Non-maintained EY PVIs
2010	1,080	14
2011	1,120	10
2012	1,137	8
2013	1,158	16
2014	1,168	34
2015	1,183	18
2016	1,336	30
2017	1,477	44
2018	1,610	48
2019	1,645	38
2020	1,799	46
2021	1,896	22
2022	1,974	30
2023	2,093	32

Source: DfE SEN2 return

Table 5: Mainstream Schools placements by calendar year

Year	Mainstream Schools						
	LA maintained	Academy	Free School	LA maintained resourced provision	Academy resourced provision	Free school resourced provision	Independent school
2010	541	2	-	41	-	-	3
2011	547	3	-	57	-	-	5
2012	399	163	-	57	-	-	5
2013	374	165	1	70	-	-	6
2014	355	167	2	67	-	-	9
2015	328	205	3	69	-	-	8
2016	297	230	10	74	-	-	7
2017	303	218	10	60	26	0	7
2018	299	233	11	71	35	7	8
2019	305	243	18	57	38	8	6
2020	311	303	30	48	48	10	17
2021	332	323	45	62	49	12	17
2022	370	335	57	61	56	14	18
2023	414	373	69	62	50	13	28

Source: DfE SEN2 return

Table 6: Special School and Alternative Provision placements by calendar year

Calendar Year	Special School				Hospital School	Alternative provision / Pupil Referral Unit – LA Maintained
	LA maintained	Academy / Free	Non-maintained	Independent special schools		
2010	360	-	35	61	0	6
2011	387	-	32	57	0	7
2012	383	-	34	67	0	8
2013	399	2	35	71	0	8
2014	329	87	34	67	0	13
2015	330	95	36	74	0	4
2016	355	99	30	78	0	6
2017	369	106	29	84	0	4
2018	380	117	32	76	0	3
2019	394	122	28	82	2	7
2020	396	127	22	93	2	5
2021	393	137	19	114	0	3
2022	405	131	19	114	1	9
2023	415	129	13	121	0	7

Source: DfE SEN2 return

Table 7: Post 16 and Educated Elsewhere placements

Calendar Year	Post 16				Educated Elsewhere	Not in education, employment or training
	General FE & Tertiary colleges / HE	Other FE	Sixth Form College	Specialist post-16 institutions		
2010	-	-	-	-	24	-
2011	-	-	-	-	20	-
2012	-	-	-	-	17	-
2013	-	-	-	-	19	-
2014	-	-	-	-	21	-
2015	0	0	0	-	21	-
2016	94	0	0	17	23	-
2017	179	0	2	25	31	-
2018	215	1	4	30	64	-
2019	246	4	5	27	19	3
2020	287	2	5	34	36	0
2021	260	17	5	25	41	4
2022	267	18	6	27	38	7
2023	296	0	0	17	17	14

Source: DfE SEN2 return

Table 8: Other placements

Year	Apprenticeships	Traineeships	Supported Internships
2017	0	0	0
2018	0	1	8
2019	0	2	9
2020	1	1	7
2021	1	1	19
2022	1	0	19
2023	0	0	0

Source: DfE SEN2 return; Any students in Supported Internships sponsored by a FE college are counted under General FE.

Pupils with Special Educational Needs – EHCPs in Harrow’s Schools

In January 2023, of the school population attending Harrow’s schools (maintained and academies) there were 1,493 pupils (3.8% of the school population) with an EHCP (Education, Health and Care Plan) (1,374, 3.6% in January 2022). It should be noted that in accordance with the SEND Reforms all Statements have been replaced by Education, Health and Care Plans in Harrow.

Overall, the trend has been a continued increase in the number of statements/EHC Plans from January 2016 to January 2023. The actual number of statements/EHC Plans has risen from 990 in January 2016 to 1,493 in January 2023, which is a 50.1% increase and there has been an 8.7% increase between January 2022 and January 2023. The percentage increase in the number of statements over the period covered in Table 9 below was at one time in line with the percentage increase in the school population, however in recent years it is higher.

Table 9: Total EHCP/Statements in Harrow

Year	Total EHCP/Statements	% Increase
2015-16	995	-
2016-17	1,034	3.9%
2017-18	1,080	4.4%
2018-19	1,127	4.4%
2019-20	1,198	6.3%
2020-21	1,276	6.5%
2021-22	1,374	7.7%
2022-23	1,493	8.7%

Source: DfE SEN in England

The gender split of Statement/EHC Plan and SEN support pupils at January 2023 was 71.3% boys and 28.7% girls. The overall gender split of the school cohort was 50.5% boys and 49.5% girls.

Table 10 below shows the number of Harrow’s primary school pupils with statements or EHC plans, which have continued increasing over the last eight years, from 320 in 2015/16 to 581 in 2022/23, a 82% increase. The number of pupils attending resourced provision have fluctuated over the years.

Table 10: Primary School Pupils with SEN with statements or EHC plans

Primary Schools	Pupils with SEN with statements or EHC plans		
	Total pupils	Pupils placed in resourced provision	% of pupils placed in resourced provision
Harrow			
2015-16	320	57	17.8%
2016-17	328	64	19.5%
2017-18	366	61	16.7%
2018-19	406	72	17.7%
2019-20	429	73	17.0%
2020-21	481	82	17.0%
2021-22	527	78	14.8%
2022-23	581	68	11.7%

Source: DfE SFR SEN Analysis

The total number of secondary pupils with statements/EHC plans have increased from 252 in 2015/16 to 396 in 2022/23, which is a 57% increase. The number of children placed in resourced provision has increased significantly from 24 in January 2016 to 48 in January 2023, as can be seen in Table 11 below.

Table 11: Secondary School pupils with SEN with statements or EHC plans

Secondary schools	Pupils with SEN with statements or EHC plans		
	Total pupils	Pupils placed in resourced provision	% of pupils placed in resourced provision
Harrow			
2015-16	252	24	9.5%
2016-17	263	30	11.4%
2017-18	262	35	13.4%
2018-19	256	39	15.2%
2019-20	297	47	15.8%
2020-21	313	44	14.1%
2021-22	348	48	13.8%
2022-23	396	45	11.4%

Source: DfE SFR SEN Analysis

Special Schools

Table 12 below shows the number of pupils with a statement / EHC plan at Harrow's special schools. The table shows the increase in the number of places available at Woodlands School due to planned expansion of the school site.

Table 12: Special School pupils with a statement/EHC plan

Harrow's Special Schools	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Alexandra School	75	80	80	80	80	80	80	80
Woodlands School	105	120	122	136	136	132	135	133
Kingsley High	80	80	76	75	85	98	104	121
Shaftesbury High	155	160	168	170	163	172	173	172

Source: 2015/16 to 2022/23 DfE SEN in England

Spaces at Kingsley High have been temporarily increased to manage a significant shortfall of places for three years from 2022/23. This will allow the transfer of large numbers of pupils at Woodlands School into Kingsley High School. A satellite provision has been created at Weald Rise Primary School to accommodate a maximum of 24 pupils.

SEND Projections and modelling SEND places within Harrow Council

Officers have carried out projection modelling for pupil planning purposes to identify requirements for SEND provision and the most cost-effective provision model.

Analysis of data on primary categories of need and projection modelling has shown that there are now greater numbers of children and young people (CYP) in Harrow with SEND who have increasing levels of need such that they will be identified as having severe learning difficulties (SLD), often alongside a diagnosis of ASD. Based on actual pupil numbers of CYP who required SLD provision, over the last 5 years, and projections of pupil numbers and need, the projections show that, an increased number of new children each year will require SLD special school provision.

Projections, for pupil planning purposes have been modelled on new children entering the system in the Reception Year and rolling through actual pupil numbers in the primary and secondary phases of education.

The projection modelling confirms that the immediate and significant pressure is for secondary phase SLD special school places. To accommodate this immediate place pressure Harrow has expanded Kingsley High Special School, to its full capacity, from 96 to 102 places from September 2021 and then a temporary increase to 126 places from September 2022. The temporary increase is being accommodated at a satellite provision at Weald Rise Primary School.

Analysis of SEND data and trends indicate that there will continue to be growth in demand for primary SLD special school places. Prior to 2020, the growth in numbers has been largely accommodated through two expansions at a primary SLD special school (Woodlands School) and the development of a primary SLD resourced provision in a mainstream school (Belmont School). These developments have managed demand in the primary sector but as pupils roll through this will create pressure in the secondary sector.

In line with the key priority, to reduce out of borough placements, Harrow is progressing 2 main strands of development:

- A 'Whole System Shift' model
- Further expansion of the additional resourced mainstream school (ARMS) provision

A ‘Whole System Shift’ is a strategic and cultural approach across all Harrow’s special and mainstream schools to develop the education provision on offer in Harrow as a continuum of provision so that the finite numbers of special school places are prioritised for children and young people with the greatest complexity of need.

Table 13 below shows the current number of places across the primary and secondary special schools in Harrow.

Table 13: Special School Places

School	Designation	Number of places	Maximum capacity
Primary –Alexandra (Academy)	MLD	80	80
Primary-Woodlands (Maintained)	SLD	135	135
Secondary-Kingsley (Maintained)	SLD	126*	102
Secondary-Shaftesbury (Maintained)	MLD	180	180

*Temporary increase accommodated by a satellite provision at Weald Rise Primary School

The local authority is working collaboratively with Harrow’s four special schools, two of which are designated Moderate Learning Difficulties (MLD), to explore and progress how best SLD provision can be expanded across a ‘Whole System Shift’ model and subsequently how MLD provision can be expanded and developed within mainstream schools.

The engagement and commitment of the MLD schools and mainstream schools to develop ARMS provision, to the ‘Whole System Shift’ model, is critical to the LA’s SEND Strategy and key priority to increase the number of SLD places. This approach will reduce the pressures on the High Needs Budget created by expensive out of borough placements, thus enabling spend to benefit the development of Harrow’s school provision for Harrow pupils. In addition, this approach will secure diversity in the provision of schools and increase choice for parental preference.

Additionally Resourced Mainstream Schools (ARMS)

For there to be an effective ‘Whole System Shift’ resulting in an increase in SLD provision across the 4 special schools, Harrow will work with its mainstream schools to further develop and upskill provision to meet the needs of CYP with MLD. This will be achieved through developing additional resourced provisions on mainstream school sites and further build on the additionally resourced mainstream school (ARMS) model in Harrow to ensure there is a pathway of specialist provision from primary through to secondary.

In parallel to the ‘Whole System Shift’ Harrow is also working towards ensuring a continuum of provision for ASD in mainstream schools. Harrow currently has 5 mainstream schools with designated ASD additionally resourced provision. These provisions provide 42 places across the primary sector and 24 across the secondary sector. Analysis of NOR and roll through of actuals in schools’ evidence that to ensure there is sufficient pathway capacity for pupils with ASD Harrow will need to develop 2 new secondary school ASD ARMS to prevent children being placed in out borough provisions due to the lack of suitable local provision.

The development of the ARMS model to provide the pathway of provision for MLD and ASD is a phased programme of work over a period of 6 years. The phased programme is focused on implementing a key strategic priority that will reduce expenditure on provision of special needs placements over the longer term.

Engagement with Headteachers and Governing Bodies to develop inclusive resourced provision, within the context of the SEND Capital build programme and SEND Strategy, has been successful. Agreements with four schools have been reached and the aim is for new resourced provision to be in place for September 2023.

Pupils subject to an EHC plan currently placed out of borough

The projection modelling and 'whole system shift' approach aims to accommodate current numbers in the system and the projected growth of new pupils. The modelling does not include CYP who are currently placed in out of borough independent provision and the plans do not provide Harrow with sufficient capacity to bring those CYP back in borough and thus reduce the current 'spend' on out borough placements and the overall Dedicated Schools Grant deficit.

Harrow's need for a new Special School

The 2019-24 SEND Strategy includes a need for a new special school for SLD and autism as part of priority 1. This school would provide for pupils with severe learning difficulties and complex needs, including autism. The school would complement the existing high-quality provision in Harrow. The SLD / ASD designations reflect the growth of need, which has resulted in changing pupil profiles at Alexandra School and Shaftesbury High School and created greater pressure upon mainstream schools to meet the needs of pupils for whom a special school place would be most appropriate.

A new school is required because Harrow's special schools are unable to expand sufficiently. The new school also addresses the existing imbalance between primary and secondary phases and helps reduce reliance upon non-maintained / independent placements towards national averages. Without the new school, Harrow would be reliant upon a quadrupling of non-maintained / independent placements. The new school would avoid over £11m/year expenditure once full, supporting our DSG management plan.

1) Projected need

Harrow requires additional special school places.

Harrow also requires capacity to provide:

- pupils in mainstream a special school place, for whom it would be appropriate;
- special school places for the pupils currently attending the ARMS who will progress to secondary schools;
- additional secondary places to provide progression for Woodlands pupils (not all can currently transfer to Kingsley due to lack of capacity and so would need to transfer to out-borough / non-maintained / independent settings); and
- capacity to reduce reliance upon non-maintained / independent placements back towards the national average by accommodating 50% of pupils.

A new special school is not expected to have any detrimental effect upon the four existing special schools, and instead expects the number of pupils placed in the non-maintained / independent sector to increase even if a new school is established.

2) Reliance upon out-borough and non-maintained / independent places

There is no ability to increase capacity at three of the existing special schools, of which two are PFI (Private Finance Initiative) schools. Up to 20 additional places are proposed at Shaftesbury High School and feasibility studies show that this is the last expansion that the school's infrastructure could support. While Kingsley High School has established a temporary satellite provision of 3 classes at a primary school in surplus accommodation, no mainstream school has sufficient space for a permanent satellite of a financially viable size.

The reliance upon out of borough / non-maintained / independent schools to meet rising demand has four implications:

- a) Risk of insufficient places.
- b) Location / travel time – on average, pupils attending out of borough or non-maintained / independent special schools travel further, have a longer overall school day, and are less connected to their local community.
- c) Cost avoidance (fees and transport) – such reliance will rapidly increase the high needs block deficit. On average, independent placements currently cost £33k/year more in fees, and £6k/year more in transport costs. Educating a pupil (from Reception to Y14) would cost £585k less at the new school compared to an independent placement. If a new school was opened and once full, the cost avoidance would be over £11m/year.
- d) Quality of provision and effective partnership – the Council works closely with the four special schools. Our ability to quality assure provision is greatly improved by having the majority of our pupils in a relatively small number of schools.

3) Support for a new school

Headteachers of mainstream and special schools, have been involved in and are strongly supportive of Harrow applying for a new free special school application, along with Harrow's Schools Forum which also supports the application. Engagement with Harrow's parent forums in October 2022 also confirmed parental support for this application.

Harrow's neighbouring local authorities are also experiencing rising demand and have also submitted applications and / or have been expanding special school provision.

Table 14 Actual 2018 & 2025 Pupil Numbers and Projected 2025 & 2029 Demand

Type of Provision	Number of providers used	2018	2022	Projected figures without a new school		Projected figures with a new school	
				2025	2029	2025	2029
Resourced provision and units inside local authority	2018 - 12 2022 - 14	113	126	200	236	200	236
Resourced provision and units outside local authority	0	0	5	6	6	6	6
Total	-	113	131	206	242	206	242
Special schools (either maintained or academies) inside local authority	2018 - 4 2022 - 4	417	451	541	517	541	757
Special schools (either maintained or academies) outside local authority	2018 - 19 2022 - 17	79	85	40	40	40	40
Total	-	496	536	581	557	581	797
Independent / non-maintained special schools inside local authority	2018 - 0 2022 - 2	0	5	20	38	20	38
Independent / non-maintained special schools outside local authority	2018 - 18 2022 - 29	108	128	271	512	271	272
Total	-	108	133	291	550	291	310
Mainstream schools inside local authority	2018 - 55 2022 - 54	452	636	665	794	665	794
Mainstream schools outside local authority	2018 - 45 2022 - 56	91	126	222	200	222	200
Total	-	543	762	887	994	887	994
General FE colleges (if relevant) inside local authority	2018 - 4 2022 - 4	136	180	181	203	181	203
General FE colleges (if relevant) outside local authority	2018 - 11 2022 - 18	84	107	127	131	127	131
Total	-	220	287	308	334	308	334
Specialist FE providers (if relevant) inside local authority	2018 - 0 2022 - 0	0	0	0	0	0	0
Specialist FE providers (if relevant) outside local authority	2018 - 5 2022 - 14	30	27	27	27	27	27
Total	-	30	27	27	27	27	27

Early Years 0-4 Year Olds

The Local Authority has a statutory duty to secure enough early education places for eligible 2, 3 and 4-year-old children, free at the point of access through settings that deliver the full Early Years Foundation Stage (EYFS). Data about this section of the population is provided because it helps inform the level of provision required but also because it impacts on the number of pupils entering reception classes.

Using the Greater London Authority (GLA) 2021-based trend projections ('interim' projections published January 2023), Harrow's population of the 0-4 age group was 15,400. The GLA projections report that the early years population in Harrow has declined quite considerably since 2020, with a minimum figure expected in 2023. It is then projected to remain relatively stable, with perhaps a slow rate of growth into the second half of the decade. A breakdown of the population of the 0-4 age group is shown in the table below.

Table 15: GLA 2021 Population of 0-4-year olds in Harrow (*figures are rounded to the nearest 100*).

Harrow	2023
Age 0	3,200
Age 1	3,200
Age 2	2,900
Age 3	3,100
Age 4	3,000
Total	15,400

Sufficiency of places for two, three- and four-year olds

Using the available data provided by Harrow Families Information Service (FIS), below is an analysis of the supply of childcare in the London Borough of Harrow as of May 2023 (this does not include school nursery provision).

Number of places and type of provision

Harrow had a total of 6,005 childcare places for children aged 0-4 as of May 2023. These places are available through:

- 78-day nurseries making available 4,142 places for children aged 0-4 years (69% of all places) and 27 playgroups/ pre-schools making available 871 places for children aged 0-4 years (14.5% of all places).
- 111 childminders making available 714 places for children aged 0-4 years (11.9% of all places).
- 6 independent schools with under 5's nurseries making available 278 places for children aged 0-4 years (4.6% of all places).

The quality of the provision is good overall with 92.9% of inspected settings judged as good or above by Ofsted (this figure does not include childminders with 'Met' or 'Not Met' judgements as they were not looking after children at the time of Ofsted inspection). Broken down further 94.9% of PVI settings are judged as good or above and 90.1% of childminders are judged as good or above. A full breakdown of inspection judgements is provided in Tables 16 and 17 below.

Table 16: Private, Voluntary and funded Independent setting's Ofsted judgements (Harrow FIS data May 2023 – settings with current Ofsted judgements)

Ofsted Judgement	Number of settings	Percentage
Outstanding/Excellent	19	19.2%
Good	75	75.8%
Requires Improvement	3	3%
Inadequate	2	2%

Table 17: Childminder Ofsted judgements (Harrow FIS data May 2023 – childminders with current Ofsted judgements)

Ofsted Judgement	Number of Childminders	Percentage
Outstanding	9	9.7%
Good	55	59.1%
Met	20	21.5%
Not Met	2	2.2%
Requires Improvement	4	4.3%
Inadequate	3	3.2%

**Met and Not Met are judgements given to registered childminders not looking after children at the time of inspection.*

Early years education funding entitlements comprise of 2-year-old funding which is means tested and universal funding for all 3- & 4-year olds from the school term following their third birthday (15 hours per week of free early education, over 38 weeks a year). In September 2017, the government introduced the 30 hours childcare scheme for 3- & 4-year olds of working parents who meet the relevant eligibility criteria. The past several years have seen an increase in the number of day nurseries (open through the day) and places available through this provider type, which may in part be a result of childcare providers wishing to accommodate 30 hours funded places.

Assessing the occupancy of childcare places shows that 3,601 of the 6,005 childcare places in Harrow were occupied by funded children (2, 3- and 4-year olds) as of the Spring Term 2023. This represents 60% occupancy of funded children and suggests there are sufficient places available for all children eligible for funded entitlements. No data is currently available on the number of non-funded 0-4-year olds accessing childcare places, however considering the occupancy of funded children in the Spring Term 2023, 40% of all registered places were available to non-funded children.

Further to a declining birth rate and early years population in recent years, current population projections indicate the early years population in Harrow should remain relatively stable over the next few years. This would suggest levels of demand for childcare may not fluctuate greatly. However, this assumption is based on the population projections of the early years' cohort only. Regeneration projects and re-developments particularly in the Heart of Harrow, may lead to enhanced demand on a more local scale, as it is possible they will attract more families to these areas. Particular focus on ensuring sufficient childcare provision in these areas will be required.

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School Roll Projections Methodology

Summary methodology

The school roll projection model creates a roll projection for each school based on the GLA population projections of the wards where its pupils live.

For each ward of residence in London, National Curriculum (NC) year (R to 11) and sex, the proportion of children of the corresponding age attending each mainstream state school is calculated. These proportions are carried forward as the pupils age through the school in the years being projected.

For new pupils entering a school in future years, for example at reception, there is currently no information on what proportions of the residents will attend the schools. In this case the proportions are calculated as averages over the latest years of actuals, for example, with the 3/4 back series, the years used are 2019, 2020 2021 and 2022. The same approach is used at years 7 and 12, even if the school is an all through school as it is assumed that there will be significant changes in the cohort at this point.

Where a school has opened recently, the proportions for its new intake are determined by averaging over all years used for calculating new intake, even if it was only opened, for example, last year. This means that new schools will show lower projections going forward. The reverse is true for schools which closed within the back series – they will still provide a contribution to the projection going forward if they were open at any point during the back series. As a consequence, results for individual schools that have opened or closed within the back-series period may now appear counterintuitive, but the results are expected to be more robust at borough or planning area level as they take into account all of the pupils who were, or were not, present in schools in those areas during the back-year period.

For the current round year (2022), the actual school rolls submitted specify roll numbers but we have no information on wards of residence of the pupils. For this year, the number of pupils from the roll attributed to each ward are estimated by averaging over the previous years' patterns, with the 3/4 back series, the years used are 2019, 2020 and 2021, and scaling to ensure that the total numbers at each school for each age and sex match the submitted rolls.

The rolled forward and calculated new intake proportions for future years are then applied to the population projections to give projections of the number of children on roll by school by age and sex. Due to lower retention rates, sixth form projections are calculated using a survival ratio as the cohort ages through sixth form. School level projections are then aggregated to planning areas and borough totals.

Options for running the model

The **current** school roll projection model produces annual projections

- 15 years ahead by individual national curriculum year (reception to 14)
- Gender (boys, girls and total)
- Levels of aggregation include school, planning area and borough levels

Three different backseries are included in the projections.

The **3 /4 option** has been used in previous years as the default option incorporating several years of past data to smooth out fluctuations in the data in terms of wards pupils live in and number of pupils in the new intake, giving more stable results than fewer years data, using 3 years of back-data for both as well as the current 2022 roll for the new intake:

- **Three** years of past detailed flow data (2019-2021) to define relationships between ward of residence and school attended for the 2022 roll
- **Four** years of data (2019-2022) to calculate the size of the new intake.

The **3/1 option** is an appropriate choice when there have been changes in your schools over the past year which are not population driven, for example a change in popularity or a school opening or closing in a neighbouring borough which affects your boroughs rolls. This variant uses three years of data to smooth fluctuations in the underlying patterns of pupil movement, while reflecting only the most recent data in terms of overall number of pupils on roll:

- **Three** years of past detailed flow data (2019-2021) to estimate relationships between ward of residence and school attended for the 2022 school roll
- **One** year of data (2022) to calculate the size of the new intake in projected years

The **1/1 option** is based off the most recent data and is the most susceptible to change. It can be useful where there has been a big change in the patterns of pupil residence to school flow patterns in the last year, for example if there has been a lot of development in the borough:

- **One** year of past detailed flow data (2021) to estimate relationships between ward of residence and school attended for the 2022 school roll
- **One** year of data (2022) to calculate the size of the new intake in projected years

Which population projection to use?

School roll projections can be run based on the following population projection variants:

Development options

- **Borough Preferred Option (BPO).** This is the default option but is dependent on boroughs providing development data to be incorporated into the projections.
- **Strategic Housing Land Availability Assessment (SHLAA)** – This projection is not published and has been run specifically for use in the SRP process. The model assumptions are the same in the BPO projection, but the development used is adapted from the 2017 SHLAA. The trajectory has been adjusted in the first 5 years to account for assumed lower housing delivery resulting from pandemic disruption to both supply and demand. If no BPO development trajectory is provided this projection will be used.

Influences of population projections

The biggest driver of projected future school rolls is the population projections for schools' catchment areas. The underlying factors include:

• Development

The amount of development projected in a LA will affect that authority's population projections and in turn its school roll projections. More development generally means that the LA will attract more people and its population will therefore rise. If population increases, there will consequently be more children and so school roll projections will also rise.

LAs should assume that significant changes in assumed development will be accompanied by corresponding changes in projected rolls. If LAs are unsure what development assumptions have been used in the past, the GLA is able to provide this information.

• Births

The number of births in an area will have a direct effect on the number of children on roll four years later. 2012 saw the highest number of births in London with these children starting school in either academic year 2016/17 or 2017/18 depending on when in the year they were born. Many areas have seen a fall in birth numbers since and this has led to subsequent projections of future births and therefore rolls, being correspondingly lower.

• Migration

Migration, both from other areas within the UK and internationally, can significantly influence population projections. The BPO variants used in the 2022 SRP are constrained to projections based on different migration assumptions (see above).

The GLA has created an Excel based dashboard that allows boroughs to see in-, out- and net flow of children to/from their LA from elsewhere in London. It is available to download from the London Datastore and will be updated annually: <http://data.london.gov.uk/dataset/internal-migration-flows-school-age-children-visualisation>

ONS releases both mid-year international and internal migration data by single year of age and sex at the end of June each year. The former is released as part of the mid-year components of change and the latter as part of the internal migration estimates series.

Analysis of trends in the mid-year estimate series, and comparison to administrative sources, suggests that there has been an over estimation of the number of 0-14 year olds in London as a whole since 2011 in the official data. We believe that this is the result of underestimation of international out migration flows in the young population. Following this analysis, the GLA has taken the decision to revise the estimates of migration and population used as the basis for projections. The GLA considers the overall level of migration in ONS estimates to be robust and that the issues identified are with the distribution of outflows by age. Therefore, the GLA adjustment to outflows and total population is a redistribution of population with a reduction in ages 0-14 and a corresponding increase in ages 18-27 so that overall total population remains consistent.

What the School Roll Projection Model does and does not take into account

School closures

There is currently no provision in the model to take account of planned school closures.

New schools

There is currently no provision in the model to include planned new schools that have yet to open. Where a school has recently opened, it will not have existed at the 2021 January census so we have no information on the wards from which the school draws its pupils. In this case, it is assumed to draw its intake from across the local authority as a whole.

A new school is assumed if the DfE number given in the actual rolls (or its corresponding 'previous DfE number') cannot be matched to a DfE number in the national pupil database extract that the model uses.

Children who live outside London

The base population projections for areas outside of London are at local authority level. Therefore, pupil flow data for children resident outside of London is aggregated to LA level rather than ward level.

The City of London

The City of London is treated by the model as one entity to match the population projections used by the model.

Age to NC year

Boroughs should provide all data by national curriculum year. However, the population projections refer to children's age instead of year group. To line up the population projections with the school roll data, the model converts pupil age at beginning of academic year to year group (Reception <-> age four, Year 1 <-> age five, etc.).

Cross border mobility

The model takes cross border mobility into account explicitly as it uses information about pupils' home wards from the national pupil database (NPD). The detailed flow data (i.e. assumed flows for the whole projection period for an authority's schools) can be provided on request.

Child yield

Child yields are not incorporated into the model in the same sense that many people think about them. The borough projection models contain assumptions about the age and gender characteristics of migration flows between locations. The difference in characteristics between in- and out-flows defines the resulting population age structure. These migration flows are influenced by assumed development in the model and new development tends to be associated with increased numbers of children in the population.

Limitations and considerations

The models are simplifications of complex real-world processes. They project forwards relationships taken from past data, so they are projections and not predictions. Many factors are not explicitly taken into account and LAs should be aware of the limitations of the models when interpreting results.

Among the factors that the current models do not account for are:

- Changes to future patterns of migration;
- Changes to future planned development;
- Changes to parental preferences for schools;
- Constraints to the capacity of schools;
- Schools opening/closing in neighbouring boroughs
- Future changes to provision, e.g. schools opening or closing, or changes to the characteristics of schools; and
- Future changes to the character of local areas, e.g. gentrification or the impact of welfare reform

Appendix A. School Roll Projection Model

Introduction

Not all children attend school in their borough of residence. This is particularly the case in London where the geographic size of local authorities is relatively small and transport networks enable children to travel beyond their borough boundary. Additionally, for children who live close to a borough boundary, their closest school may be in a neighbouring authority.

To create school roll projections based on the ward level population projections it is necessary to know where pupils come from. The National Pupils Database (NPD), based on the School Census, provides home ward and school attended for all pupils attending state funded schools.

As can be seen from the summary diagram at Appendix B, there are four key stages to the projections.

- For the wards that the school draws pupils from, estimate the proportion of the ward attending the school in the current academic year by NC year and sex. (**ward distribution of current roll**).
- By NC year and sex estimate the proportions from each ward moving forward (**aging**).
- Estimate the proportions from each ward for future new intake (**new intake**).
- Aggregate to obtain school, planning area and Borough projections (**aggregating projections**).

Proportion of ward population attending a school

For each ward in London, national curriculum (NC) year, and sex, the proportion of children attending each mainstream state school is calculated as follows: Divide the number of pupils of that sex who attend the school in that NC year who live in the ward by the total number of children of the equivalent age group and sex who live in the ward (the base population). NC year is matched to age at the beginning of the school year. For example, reception pupils are matched to children from the population projection who were 4 years old at 1st September 2022.

$$\text{Pupil ward to school flow proportion} = \frac{\text{number from home ward attending that school}}{\text{home ward base population}}$$

Ward distribution of current roll

For the 2023 cohort, boroughs provide the numbers on roll for each school by age and sex. As the NPD data is not available yet to obtain the home ward information for the new intake years in 2023, the average home ward patterns over a number of previous years are taken as a proxy. The default being three years (2020–2022) with options for a different number e.g. only the most recent year (2022). These averaged patterns are scaled to ensure that the numbers across all wards equal the number on roll for each school, NC year and sex as submitted in the 2023 rolls.

Aging

There is no information on the proportion of pupils from each ward beyond the years for which we hold NPD and pupil on roll data. Beyond this point the proportion of pupils from a ward is carried forward as children age. Therefore, the proportion of year 3 pupils living in ward *a* and attending school *z* in 2023 is the same as the proportion of year 4 pupils living in ward *a* and attending school *z* in 2024. Figure 1 shows the aging of proportions through the projection period. It can also be seen from Figure 1, as projections move further forward, proportions for new intake cohorts need to be estimated. In the special case of aging from the NPD 2022 to the current roll year of 2023, the proportions are scaled after aging to ensure that the total numbers at each school for each age and sex match the submitted 2023 rolls.

Figure 2 shows aging of proportions, with the proportion of the latest intake of reception pupils carried forward until, in this example, 2027 and beyond when this proportion is applied to all year groups from that ward.

Figure 1. Aging of primary school pupils’ resident in one ward

NC year	NPD 2019	NPD 2020	NPD 2021	estimated 2022	Aging 2023	Aging 2024	Aging 2025	Aging 2026	Aging 2027
R	3/5	2/5	1/3	1/4	?	?	?	?	?
1	3/5	3/5	2/3	1/2	1/4	?	?	?	?
2	2/5	4/5	4/5	3/4	1/2	1/4	?	?	?
3					3/4	1/2	1/4	?	?
4						3/4	1/2	1/4	?

Figure 2. Aging of primary school pupils’ resident in one ward

NC year	NPD 2019	NPD 2020	NPD 2021	estimated 2022	Aging 2032	Aging 2024	Aging 2025	Aging 2026	Aging 2027
R	3/5	2/5	1/3	1/4	1/4	1/4	1/4	1/4	1/4
1	3/5	3/5	2/3	1/2	1/4	1/4	1/4	1/4	1/4
2	2/5	4/5	4/5	3/4	1/2	1/4	1/4	1/4	1/4
3					3/4	1/2	1/4	1/4	1/4
4						3/4	1/2	1/4	1/4

New intake

We don’t have information on which wards pupils entering a school in its intake NC year (reception year in the above example) will come from in the future, and what proportion of each ward’s population will attend. To estimate this, the proportions of pupils in that NC year attending the school from each ward in previous years are averaged to give an estimated proportion to use for calculation of new intake in future years. The default number of years to average over is 4 (2020 - 2023); 3 years from the NPD and the estimated current year proportions. As noted below there is the option to use a different number of years. The same approach is used at NC years 7 and 12, even if the school is an all-through school as it is assumed that there will be significant changes in the cohort at this point.

Where a school has opened recently, the proportion for its new intake is calculated by averaging over all years used for calculating new intake (default of four), even if it was only opened, for example, last year. This means that new schools will show lower projections going forward. The reverse is true for schools which closed within the back series – they will still provide a contribution to the projection going forward if they were open at any point during the back series. Consequently, results for individual schools that have opened or closed within the back-series period may now appear counterintuitive, but the results are expected to be more robust at borough or planning area level as they take into account all of the pupils who were, or were not, present in schools in those areas during the back-year period.

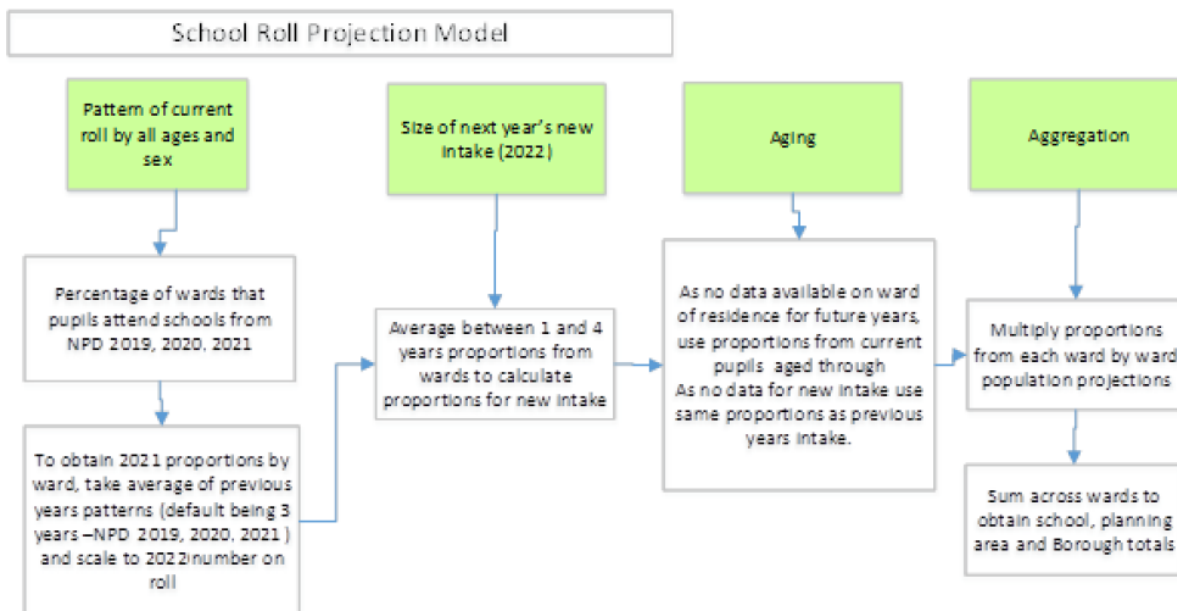
Sixth form

It was found that projecting the proportions forward in the sixth form years over-projected the numbers of pupils in NC years 13 and 14. For this reason sixth form projections are calculated using a survival ratio as the cohort ages through sixth form. For example, for each of the projection years, the number of year 13 pupils in a school in that year is a fixed proportion of year 12 pupils at the school the year before. Year 12 pupils are always treated as new entry even if the school also includes younger years. Projections for year 12 pupils are calculated using the methodology outlined in the New Intake passage above.

Aggregating proportions

For each NC year and sex, the proportions of each ward attending a school is projected, then multiplied by the ward population projection to obtain the number from that ward attending the school. This is summed across all wards that pupils are resident in to obtain the school projection for a particular NC year and sex. Schools are summed to planning area and Borough totals.

Appendix B. School Roll Projection Model summary diagram



Appendix C. Population Projections – GLA methodology used to produce the 'Borough preferred Option' (BPO) projections

The 2021-based BPOs have been produced using a revised ward-level model which uses modelled estimates of gross migration at the small area. This methodology differs from both past BPO projections and that used to produce the published small area population projections. In addition, the housing trajectory input for this borough is replaced by bespoke ward-level housing development data provided by the borough. Full methodology papers for the housing-led and small area projection models used to produce these outputs are available from the GLA. This set of projections may differ in some aspects from those from previous years but the GLA believes the revised methodology provides robust and sound projections based on the most recently available data. There is a BPO FAQ document available in the BPO Hub on the Datastore which provides more detail about the projections and how they vary from the publicly available outputs.

Appendix D. Summary methodology details for DfE School Capacity Survey (SCAP) returns

How the GLA's school roll projections are produced

There is no single accepted method for projecting school numbers and London boroughs have recently faced major challenges in providing places to meet a growing child population. Harrow, along with the majority of other London boroughs, commission's school roll projections from the Greater London Authority's (GLA) School Roll Projections Service. The GLA provides the baseline projections to which local knowledge is applied to make reasonable adjustments in line with pressure at Reception, Year 7 and other school year groups.

Data Sources

- Greater London Authority (GLA) bespoke Borough Preferred Option population projections
- Pupil level School Census data from National Pupil Database (Spring Census 2019 to 2022)
- School level current roll data by sex and NC year (from Spring Census 2023)
- Data on linked schools and maximum and minimum NC years from Edubase/Get Information About Schools and school census data

Data Processing

The GLA school roll projection model creates a roll projection for each school based on the GLA population projections of the wards where its pupils live.

For each ward of residence in London, National Curriculum (NC) year (R to 11) and sex, the proportion of children of the corresponding age attending each mainstream state school is calculated. These proportions are carried forward as the pupils age through the school in the years being projected.

For new pupils entering a school in future years, for example at reception, proportions are calculated as averages over the latest years of actuals, with 4 being the standard number of years used (2020, 2021, 2022 and 2023). The same approach is used at years 7 and 12, even if the school is an all through school as it is assumed that there will be significant changes in the cohort at this point.

For the current round year (2023), the school level rolls submitted by London Boroughs to the GLA have no information on wards of residence of the pupils. For this year, the number of pupils from the roll attributed to each ward are estimated by averaging over the previous years' patterns, with the default being 3 years (2020, 2021 and 2022), and scaling to ensure that the total numbers at each school for each age and sex match the submitted rolls.

The rolled forward and calculated new intake proportions for future years are then applied to the population projections to give projections of the number of children on roll by school by age and sex. Due to lower retention rates, sixth form projections are calculated using a survival ratio as the cohort ages through sixth form. School level projections are then aggregated to planning areas and borough totals.

Population projections

The Spring 2023 school roll projections are underpinned by the GLA 2021-based interim population projections. More information about these projections, including model methodology and configuration, reporting, and publicly available outputs, are available at:

<https://data.london.gov.uk/demography/population-and-household-projections/>

Additional commentary and background to these projections are available in this blog post:

<https://data.london.gov.uk/blog/new-population-projections-for-london-building-on-the-2021-census/>

The GLA's 2021-based interim population projections are the first to incorporate data from the 2021 Census. The Census highlighted a number of issues with the accuracy of the existing official series of mid-year population estimates and resulted in significant revisions to estimates for many areas, with some of the largest differences being for London local authorities.

The circumstances under which the 2021 Census was conducted has led to increased uncertainty about how well it captured specific population groups. Most relevant for school place planners, concerns were raised by both officers of London boroughs and the GLA about the potential under enumeration of young children (under age 4), leading ONS to apply adjustments to the final estimates for many authorities. Information about this issue is included in ONS's published documentation:

<https://www.ons.gov.uk/peoplepopulationandcommunity/populationandmigration/populationestimates/methodologies/maximisingthequalityofcensus2021populationestimates#changes-made-because-of-the-quality-assurance-process>

As the GLA's 2021-based projections use ONS's (Census-derived) 2021 Mid-Year Population estimates as their starting point, there is potential for any errors in the Census estimates of young children to directly impact the accuracy of the projected numbers of school age children.

The current round of population projections has been badged as 'interim' largely to reflect that they were produced at a point when much of the data that underpins the models had yet to be updated following the release of results from the 2021 Census. A complete set of updated official estimates aren't due until November 2023, when ONS's rebasing work concludes with the release of a revised population series for small areas. It was therefore necessary for the GLA to create 'best fit' versions of many of the required inputs to the projections, which will be subsequently updated or superseded as more data is released.

Migration and Housing Developments

The effects of migration and housing developments feed into the school roll projection model via the underlying population projections.

Housing development

The Interim 2021-based population projections comprise both variant trend projections and housing-led scenario projections. Trend projections are based on an extrapolation of past patterns of population change while the housing-led projections also incorporate considerations of future housing delivery. Trend projections are typically most robust at larger geographic scales, such as regions or subregions, while the incorporation of housing data becomes increasingly important at lower geographies.

The population projections used in the current round incorporate assumptions about future housing delivery at ward level, with future development trajectories being based either on data submitted directly by local authority users for this purpose or, if no data has been supplied, on trajectories derived from the 2017 Strategic Housing and Land Availability Assessment (SHLAA). Projections are labelled as Borough Preferred Option (BPO) or SHLAA, respectively.

Migration

The GLA produces multiple variants of population projection variants that reflect a range of possible future migration patterns. The three projection scenarios used in the current round differ only in the periods of past migration patterns used as a basis for the rates and flows that are projected forward. Assumptions about fertility and mortality are the same across all scenarios, with any variations in annual births and deaths being due to differences in the at-risk populations. The three scenarios used in this year's roll projection service are:

- **5-year variant** - based on 5 years of past local migration patterns and constrained to match the 5-year trend projection results at subregional (ITL2) level. Migration trends during this period (mid-2016 to mid-2021) were dominated by the effects of Brexit and the COVID-19 pandemic and this projection represents a pessimistic scenario of future population growth in London.
- **10-year variant** - based on 10 years of past local migration patterns and constrained to match the 10-year trend projection results at subregional (ITL2) level. The period (mid-2011 to mid-2021) used to determine future migration trends covers five years of high levels of population growth in London and five years of low growth impacted by Brexit and the pandemic. The results typically lie between those of the 5-year and 15-year projections.
- **15-year variant** - based on 10 years of past local migration patterns and constrained to match the 15-year trend projection results at subregional (ITL2) level. The 15-year period (mid-2006 to mid-2021) includes a decade of high population growth in London which offsets the subsequent years of lower growth in the trends projected forward. This is the most optimistic scenario of the 2021-based outputs, but still shows lower growth than previous rounds of projections.

Provisional estimates for the UK published by ONS in November, indicated a record net inflow to the UK of 504 thousand long term international migrants in the year to mid-2022. An attempt has been made to account for this in the population projections by including a temporary uplift to international migration in the first few years of the projection period.

Cross Border Movement

The GLA model explicitly accounts for cross border mobility by calculating the contribution from all wards that the school draws pupils from, both from inside and outside of the local authority. The model does not account for changes in cross border mobility patterns which may happen in the future due to factors such as changes in a school's popularity with parents, or schools opening and closing.

Changes made since last year

The migration assumptions that GLA population projections which feed into the school roll projection model have been updated to reflect new assumptions since the pandemic. In addition, the underlying population projections model has been updated to incorporate a new

method for calculating small area (ward) migration flows. See the documentation here for further information.

Quality Assurance

Comparisons are made with last year and with population and births data. Changes to information about specific schools are identified and flagged for checking.

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You will need to produce an Equality Impact Assessment (EqIA) if:

- You are developing a new policy, strategy, or service
- You are making changes that will affect front-line services
- You are reducing budgets, which may affect front-line services
- You are changing the way services are funded and this may impact the quality of the service and who can access it
- You are making a decision that could have a different impact on different groups of people
- You are making staff redundant or changing their roles

Guidance notes on how to complete an EqIA and sign off process are available on the Hub under Equality and Diversity. You must read the [guidance notes](#) and ensure you have followed all stages of the EqIA approval process (outlined in appendix 1). Section 2 of the template requires you to undertake an assessment of the impact of your proposals on groups with protected characteristics. Equalities and borough profile data, as well as other sources of statistical information can be found on the Harrow hub, within the section entitled: [Equality Impact Assessment](#) - sources of statistical information.

Equality Impact Assessment (EqIA)

Type of Decision:	<input checked="" type="radio"/> Cabinet <input type="radio"/> Portfolio holder <input type="radio"/> Other (state)	
Title of Proposal	School Organisation Up-Date	Date EqIA created 10/11/2023
Name and job title of completing/lead Officer	Rajeshree Parmar, Head of School Organisation, Admissions and Attendance	
Directorate/ Service responsible	People Services	
Organisational approval		
EqIA approved by EDI Team	Name Jennifer Rock Assistant Policy Officer: Equality, Diversity and Inclusion	Signature <input checked="" type="checkbox"/> Tick this box to indicate that you have approved this EqIA Date of approval:

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1. Summary of proposal, impact on groups with protected characteristics and mitigating actions

(to be completed **after** you have completed sections 2 - 5)

a) What is your proposal?

To provide updated school roll projections for Cabinet, including specialist provision for CYP with SEND aged 0-25 in accordance with the SEND Strategy and the associated capital programme.

b) Summarise the impact of your proposal on groups with protected characteristics

The proposal should positively impact on groups with protected characteristics as we are ensuring sufficient school places and including additional SEND provision.

c) Summarise any potential negative impact(s) identified and mitigating actions

There are no potential negative impacts.

2. Assessing impact																													
You are required to undertake a detailed analysis of the impact of your proposals on groups with protected characteristics. You should refer to <u>borough profile data</u> , <u>equalities data</u> , service user information, consultation responses and any other relevant data/evidence to help you assess and explain what impact (if any) your proposal(s) will have on each group. Where there are gaps in data, you should state this in the boxes below and what action (if any), you will take to address this in the future.		What does the evidence tell you about the impact your proposal may have on groups with protected characteristics? Click the relevant box to indicate whether your proposal will have a positive impact, negative (minor, major), or no impact																											
Protected characteristic	For each protected characteristic, explain in detail what the evidence is suggesting and the impact of your proposal (if any). Click the appropriate box on the right to indicate the outcome of your analysis.	Positive impact	Negative impact		No impact																								
			Minor	Major																									
Age	School places including SEND provision are required to meet the needs of all young people from 0-25. The demand on places for young people with SEND is increasing.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>																								
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2016	2017	2018	2019	2020	2021	2022	2023																						
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The tables below shows that the number of pupils attending the new ARMS Provisions and Special Schools referred to in the Cabinet Report.

School Name	2017	2018	2019	2020	2021	2022	2023	Last 7 years Difference	
Grange Primary School	600	591	601	612	538	512	495	-105	-21.2%
Pinner Wood School	610	581	637	665	666	667	666	56	8.4%
Stanburn Primary School	798	812	797	783	753	755	739	-59	-8.0%
Canons High School	1,197	1,221	1,250	1,262	1,266	1,276	1,302	105	8.1%

Source: Spring School Census Returns 2017-2023; Includes pupils who are sole or dual main registrations.

School Name	2017	2018	2019	2020	2021	2022	2023	Last 7 years Difference	
Weald Rise Primary School	675	558	464	434	373	375	413	-262	-63.4%
Kingsley High School	78	76	75	85	98	104	121	43	35.5%
Woodlands School	120	122	136	136	132	135	133	13	9.8%
Alexandra School	79	80	80	80	80	80	80	1	1.3%
Shaftesbury High School	162	169	171	163	172	173	172	10	5.8%

Source: Spring School Census Returns 2017-2023; Includes pupils who are sole or dual main registrations.

Disability

We are creating additional SEND places in special schools and mainstream schools to allow residents the opportunity to send their child to a local provision. This is a positive step to allow young people to remain within their community and reduce travel times for young people who need specialist provision.

SEND provision is required to meet the needs of all young people from 0-25. The demand on places for young people with SEND is increasing.

Primary Schools (Current and Main-Dual Enrolment Status)						
EHCP/Statement						
2017	2018	2019	2020	2021	2022	2023
331	371	409	436	488	539	613

Source: Spring School Census Returns 2017-2023

Secondary Schools (Current and Main-Dual Enrolment Status, Yr7-Yr13)						
EHCP/Statement						
2017	2018	2019	2020	2021	2022	2023
260	257	253	290	306	342	380

Source: Spring School Census Returns 2017-2023

Special Schools (All Enrolment Status)						
EHCP/Statement						
2017	2018	2019	2020	2021	2022	2023
439	446	457	464	479	491	506

Source: Spring School Census Returns 2017-2023

EHCP/ Statement								
School Name	2017	2018	2019	2020	2021	2022	2023	Last 7 year Difference
Grange Primary School	5	5	10	9	12	20	20	+15
Pinner Wood School	5	5	4	6	9	11	14	+9



Stanburn Primary School	7	6	8	12	12	19	18	+11
Canons High School	23	21	22	21	22	19	17	-6

Source: Spring School Census Returns 2017-2023

EHCP/ Statement								
School Name	2017	2018	2019	2020	2021	2022	2023	Last 7 year Difference
Weald Rise Primary School	5	4	6	6	5	7	3	-2
Kingsley High School	78	76	71	85	96	103	121	+43
Woodlands School	120	122	136	136	132	135	133	+13
Alexandra School	79	80	80	80	80	80	80	+3
Shaftesbury High School	162	168	170	163	171	173	172	+10

Source: Spring School Census Returns 2017-2023

Gender reassignment

This data is not held, and this data is not applicable in the context of this proposal.

Marriage and Civil Partnership

Not applicable in the context of this proposal.

Pregnancy and Maternity

Not applicable in the context of this proposal.

Race/
Ethnicity

There are school places across Harrow to ensure that children are able to attend their local community school. In addition, there are faith-based schools, which collectively provide choice and diversity in Harrow.

The positive implications of the inclusive approach to young people from all races are not impacted by the proposed change. By creating additional local capacity will we secure diversity in the provision of schools and increase choice for parental preference. Young people will be able to access the additional provision based on an assessment of their need. Race and Ethnicity is not a criterion by which their needs are assessed. School places at special schools are assessed by educational and health needs.

Ethnic Origin	Grange Primary School	Pinner Wood School	Stanburn Primary School	Canons High School	All Schools
Any other ethnic group	26 (5.3%)	17 (2.6%)	48 (6.5%)	126 (9.7%)	2,037 (5.2%)
Asian Other	163 (32.9%)	60 (9.0%)	115 (15.6%)	221 (17.0%)	7,084 (18.1%)
Bangladeshi	7 (1.4%)	16 (2.4%)	9 (1.2%)	8 (0.6%)	320 (0.8%)
Black African	28 (5.7%)	47 (7.1%)	16 (2.2%)	163 (12.5%)	2,038 (5.2%)
Black Caribbean	5 (1.0%)	8 (1.2%)	12 (1.6%)	27 (2.1%)	894 (2.3%)
Black Other	11 (2.2%)	3 (0.5%)	1 (0.1%)	15 (1.2%)	357 (0.9%)
Chinese	1 (0.2%)	2 (0.3%)	5 (0.7%)	3 (0.2%)	331 (0.8%)
Indian	48 (9.7%)	247 (37.1%)	257 (34.8%)	123 (9.4%)	10,198 (26.0%)
Information not obtained	(0.0%)	(0.0%)	(0.0%)	3 (0.2%)	108 (0.3%)
Mixed Other	16 (3.2%)	25 (3.8%)	35 (4.7%)	44 (3.4%)	1,352 (3.5%)



Mixed White Asian	5 (1.0%)	13 (2.0%)	19 (2.6%)	24 (1.8%)	1,062 (2.7%)
Mixed White Black African	7 (1.4%)	2 (0.3%)	7 (0.9%)	17 (1.3%)	336 (0.9%)
Mixed White Black Caribbean	11 (2.2%)	20 (3.0%)	4 (0.5%)	5 (0.4%)	500 (1.3%)
Pakistani	20 (4.0%)	49 (7.4%)	47 (6.4%)	44 (3.4%)	1,887 (4.8%)
Refused	12 (2.4%)	2 (0.3%)	13 (1.8%)	3 (0.2%)	517 (1.3%)
White British	20 (4.0%)	93 (14.0%)	22 (3.0%)	48 (3.7%)	3,068 (7.8%)
White Irish	1 (0.2%)	1 (0.2%)	1 (0.1%)	2 (0.1%)	258 (0.7%)
White Irish Traveller	3 (0.6%)	(0.0%)	2 (0.3%)	(0.0%)	49 (0.1%)
White Other	111 (22.4%)	60 (9.0%)	124 (16.8%)	423 (32.5%)	6,690 (17.1%)
White Roma	(0.0%)	1 (0.2%)	2 (0.3%)	3 (0.2%)	72 (0.2%)
Grand Total	495	666	739	1,302	39,158

Source – Spring School Census 2023

Ethnic Origin	Weald Rise Primary School	Kingsley High School	Woodlands School	Alexandra School	Shaftesbury High School
Any other ethnic group	59 (14.3%)	2 (1.7%)	6 (4.5%)	5 (6.3%)	9 (5.2%)
Asian Other	118 (28.6%)	35 (28.9%)	32 (24.1%)	12 (15.0%)	26 (15.1%)
Bangladeshi	8 (1.9%)	1 (0.8%)	1 (0.8%)	1 (1.3%)	2 (1.2%)
Black African	21 (5.1%)	12 (9.9%)	20 (15.0%)	4 (5.0%)	19 (11.0%)

Black Caribbean	19 (4.6%)	1 (0.8%)	2 (1.5%)	(0.0%)	12 (7.0%)
Black Other	1 (0.2%)	2 (1.7%)	4 (3.0%)	1 (1.3%)	3 (1.7%)
Chinese	1 (0.2%)	1 (0.8%)	1 (0.8%)	1 (1.3%)	1 (0.6%)
Indian	33 (8.0%)	19 (15.7%)	23 (17.3%)	14 (17.5%)	23 (13.4%)
Information not obtained	(0.0%)	(0.0%)	(0.0%)	(0.0%)	(0.0%)
Mixed Other	7 (1.7%)	2 (1.7%)	2 (1.5%)	5 (6.3%)	6 (3.5%)
Mixed White Asian	5 (1.2%)	6 (5.0%)	(0.0%)	1 (1.3%)	2 (1.2%)
Mixed White Black African	4 (1.0%)	(0.0%)	2 (1.5%)	1 (1.3%)	2 (1.2%)
Mixed White Black Caribbean	2 (0.5%)	(0.0%)	1 (0.8%)	1 (1.3%)	3 (1.7%)
Pakistani	13 (3.1%)	8 (6.6%)	11 (8.3%)	6 (7.5%)	12 (7.0%)
Refused	(0.0%)	2 (1.7%)	(0.0%)	(0.0%)	1 (0.6%)
White British	28 (6.8%)	10 (8.3%)	11 (8.3%)	17 (21.3%)	29 (16.9%)
White Irish	(0.0%)	(0.0%)	1 (0.8%)	2 (2.5%)	1 (0.6%)
White Irish Traveller	1 (0.2%)	(0.0%)	(0.0%)	1 (1.3%)	1 (0.6%)
White Other	93 (22.5%)	20 (16.5%)	16 (12.0%)	8 (10.0%)	20 (11.6%)
White Roma	(0.0%)	(0.0%)	(0.0%)	(0.0%)	(0.0%)
Grand Total	413	121	133	80	172

Source – Spring School Census 2023

	There is no group that will be disproportionately impacted by the proposed changes.																																																				
Religion or belief	<p>This proposal is inclusive of children from all religions and belief. Schools draw pupils from their local area and the pupil profiles reflects the ethnicity of their areas. The positive implications of the inclusive approach to children from all religions and belief are not impacted by the proposed change. School places at special schools are assessed by educational and health needs.</p> <p>This data is not held.</p>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>																																																
Gender	<p>Any proposals for making changes to school organisation and for creating additional SEND places is inclusive of young people of all genders. School places at special schools are assessed by educational and health needs.</p> <table border="1"> <thead> <tr> <th>Gender</th> <th>Grange Primary School</th> <th>Pinner Wood School</th> <th>Stanburn Primary School</th> <th>Canons High School</th> <th>All Schools</th> </tr> </thead> <tbody> <tr> <td>Female</td> <td>240 (48.0%)</td> <td>323 (48.5%)</td> <td>369 (49.9%)</td> <td>579 (44.5%)</td> <td>19,395 (49.5%)</td> </tr> <tr> <td>Male</td> <td>255 (51.5%)</td> <td>343 (51.5%)</td> <td>370 (50.1%)</td> <td>723 (55.5%)</td> <td>19,763 (50.5%)</td> </tr> <tr> <td>Grand Total</td> <td>495</td> <td>666</td> <td>739</td> <td>1,302</td> <td>39,158</td> </tr> </tbody> </table> <p>Source – Spring School Census 2023</p> <table border="1"> <thead> <tr> <th>Gender</th> <th>Weald Rise Primary School</th> <th>Kingsley High School</th> <th>Woodlands School</th> <th>Alexandra School</th> <th>Shaftesbury High School</th> </tr> </thead> <tbody> <tr> <td>Female</td> <td>210 (50.8%)</td> <td>32 (26.4%)</td> <td>44 (33.1%)</td> <td>23 (28.8%)</td> <td>63 (36.6%)</td> </tr> <tr> <td>Male</td> <td>203 (49.2%)</td> <td>89 (73.6%)</td> <td>89 (66.9%)</td> <td>57 (71.3%)</td> <td>109 (63.4%)</td> </tr> <tr> <td>Grand Total</td> <td>413</td> <td>121</td> <td>133</td> <td>80</td> <td>172</td> </tr> </tbody> </table> <p>Source – Spring School Census 2023</p>	Gender	Grange Primary School	Pinner Wood School	Stanburn Primary School	Canons High School	All Schools	Female	240 (48.0%)	323 (48.5%)	369 (49.9%)	579 (44.5%)	19,395 (49.5%)	Male	255 (51.5%)	343 (51.5%)	370 (50.1%)	723 (55.5%)	19,763 (50.5%)	Grand Total	495	666	739	1,302	39,158	Gender	Weald Rise Primary School	Kingsley High School	Woodlands School	Alexandra School	Shaftesbury High School	Female	210 (50.8%)	32 (26.4%)	44 (33.1%)	23 (28.8%)	63 (36.6%)	Male	203 (49.2%)	89 (73.6%)	89 (66.9%)	57 (71.3%)	109 (63.4%)	Grand Total	413	121	133	80	172	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>
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Sexual Orientation	This data is not held, and this data is not applicable in the context of this proposal.	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>																																																

2.1 Cumulative impact – considering what else is happening within the Council and Harrow as a whole, could your proposals have a cumulative impact on groups with protected characteristics?

Yes No

If you clicked the Yes box, which groups with protected characteristics could be affected and what is the potential impact? Include details in the space below

2.2 Any other impact - considering what else is happening nationally/locally (national/local/regional policies, socio-economic factors etc), could your proposals have an impact on individuals/service users, or other groups?

Yes No

If you clicked the Yes box, Include details in the space below

3. Actions to mitigate/remove negative impact

Only complete this section if your assessment (in section 2) suggests that your proposals may have a negative impact on groups with protected characteristics. If you have not identified any negative impacts, please complete sections 4 and 5.

In the table below, please state what these potential negative impact (s) are, mitigating actions and steps taken to ensure that these measures will address and remove any negative impacts identified and by when. Please also state how you will monitor the impact of your proposal once implemented.

State what the negative impact(s) are for each group, identified in section 2. In addition, you should also consider and state potential risks associated with your proposal.	Measures to mitigate negative impact (provide details, including details of and additional consultation undertaken/to be carried out in the future). If you are unable to identify measures to mitigate impact, please state so and provide a brief explanation.	What action (s) will you take to assess whether these measures have addressed and removed any negative impacts identified in your analysis? Please provide details. If you have previously stated that you are unable to identify measures to mitigate impact please state below.	Deadline date	Lead Officer

4. Public Sector Equality Duty

How does your proposal meet the Public Sector Equality Duty (PSED) to:

1. Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Equality Act 2010
2. Advance equality of opportunity between people from different groups
3. Foster good relations between people from different groups

Include details in the space below

The Local Authority has a statutory responsibility to provide sufficient school places for its area. Making changes to school organisation and the SEND Strategy are designed to improve outcomes for children and young people across Harrow. They focus on increasing opportunity for residents to send their children to local schools informed by appropriate and thorough provision mapping, with potential development of more local provision. The projections for primary schools have dipped slightly and are forecast to increase. Secondary school projections have plateaued, and special educational needs projections are continuing to rise requiring additional provision to be created.

5. Outcome of the Equality Impact Assessment (EqIA) click the box that applies

Outcome 1

No change required: the EqIA has not identified any potential for unlawful conduct or disproportionate impact and all opportunities to advance equality of opportunity are being addressed

Outcome 2

Adjustments to remove/mitigate negative impacts identified by the assessment, or to better advance equality, as stated in section 3&4

Outcome 3

This EqIA has identified discrimination and/ or missed opportunities to advance equality and/or foster good relations. However, it is still reasonable to continue with the activity. Outline the reasons for this and the information used to reach this decision in the space below.

Include details here



Report for: Cabinet

Date of Meeting:	19 December 2023
Subject:	Procurement Action for Silk Stream & GLA Chandos Recreation Ground
Key Decision:	No
Responsible Officer:	Dipti Patel, Corporate Director Place Cathy Knubley, Director of Environment
Portfolio Holder:	Councillor Anjana Patel - Portfolio Holder Highways, Infrastructure & Community Safety Councillor David Ashton - Portfolio Holder for Finance and Human Resources
Exempt:	No, except for appendices A, B, C and D which are exempt by virtue of Paragraph 3 of Schedule 12A of the Local Government Act 1972 because they contain information relating to the financial & business affairs of the council.
Decision subject to Call-in:	Yes
Wards affected:	All
Enclosures:	Appendix A. AfSS EA Outline Business Case Appendix B. AfSS Community & Business Engagement Strategy Appendix C. Program Appendix D. Defra & GLA Funded Area Plan

Section 1 – Summary and Recommendations

This report requests authority from Cabinet to commence a procurement exercise for the construction phase of the Action for Silk Stream (AfSS) Chandos Recreation Ground major park and infrastructure improvements.

Recommendations:

Cabinet is requested to:

1. Grant approval to commence a procurement exercise, subject to consultation with the Portfolio Holders for Highways, Infrastructure & Community Safety and the Portfolio Holder for Finance and Human Resources, for the selection of a provider to deliver the Chandos Recreation Ground major park improvements.
2. Delegate authority to the Corporate Director for Place, following consultation with the Portfolio Holders for Highways, Infrastructure and Community Safety and Finance and Human Resources to commence a joint procurement of a provider for major river and park wide improvements to Chandos Recreation Ground.
3. Delegated authority to the Corporate Director for Place, following consultation with the Portfolio Holders for Highways, Infrastructure and Community Safety and Finance and Human Resources to approve and make any changes required to the tender evaluation criteria or specification.
4. Delegate authority to the Corporate Director of Place, following consultation with the Portfolio Holders for Highways, Infrastructure and Community Safety and Finance and Human Resources and the Director of Finance, following a competitive and compliant procurement process, to award and appoint a supplier for the £2.5m Chandos Recreation Ground major river and park improvements commencing spring 2024 for a 9-month construction phase period.

Reason: (For recommendations)

To ensure the Council fulfils its Flood Water Management Act 2010 statutory responsibilities by undertaking major flood resilience works to the Edgware Brook and improvements to the landscape, footpaths, car park, entrances and play area in Chandos Recreation Ground.

Section 2 – Report

Introductory paragraph

- 2.1 In 2010 the Flood and Water Management Act became law designating Local Authorities as Lead Local Flood Authority (LLFA) requiring them to develop local flood risk management strategies, investigate flooding and manage risk of flooding from surface water, groundwater and ordinary watercourses and lead on community recovery.

The LLFA must also designate, inspect, and protect flood defence assets which include our 82kms of rivers, 70 flood defence and 12 flood storage areas.

- 2.2 In March 2021 LB Barnet in partnership with the Council were awarded £6m over 6 years to reduce flood risk and increase flood resilience in the Silk Stream catchment the pioneering Defra Flood, Resilience and Innovation program [Flood and coastal innovation programmes – GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/programmes/flood-and-coastal-innovation-programmes).

Our project is delivering new innovative funding frameworks from ecosystems, natural capital, and green financing in partnership with the private sector. Developing innovative approaches to community engagement and stewardship to deliver integrated land management measures interventions to reduce flood risk at a hydrological catchment scale.

The project economic case for investment has been approved by the Environment Agency (EA) to deliver nature based urban drainage solutions, improve flood resilience, amenity, habitat, biodiversity, water, and air quality, and increase awareness, knowledge, and support from local communities through a program of engagement. Appendix A. section 1 page 9-14 AfSS EA Outline Business Case that sets out the strategic, economic, commercial, financial, management cases and recommendations.

A further successful grant application of £600k was made to the GLA Green Resilient Spaces Fund [Green and Resilient Spaces Fund – Round Two | London City Hall](#) for Chandos Recreation Ground (Harrow) and Watling Park (Barnet) to deliver the wider park infrastructure improvements.

- 2.3 We have completed 2 years of community engagement including consultation and co design workshops with residents from both Barnet and Harrow, parks users and friends' groups from both Barnet and Harrow and Ward Councillors and Portfolio Holders from both Barnet and Harrow during development phase.

Working with both Barnet and Harrow Communication teams a communications and engagement strategy and plan in Appendix B.

has been running to communicate, monitor and evaluate project to measure progress and successes on both Barnet and Harrow websites [Action for Silk Stream | Barnet Council](#) and [Action for Silk Stream – London Borough of Harrow](#).

Behind the strategies there are community engagement and business action plans, lesson learnt, stakeholder mapping and analysis and community and co design mapping that both residents, park users and Councillors in both Barnet and Harrow have participated. Appendix B. AfSS Community & Business Engagement Strategy.

Design, cost estimating, technical specification is nearing completion for the first 2 largest works projects at Chandos Recreation Ground (Harrow) and Watling Park (Barnet) will be ready for the construction delivery phase in spring 2024. Page 4 rows 565-576 of Appendix C. AfSS Program.

Works will include modifying the rivers to improve flood storage, moving and reshaping rivers to a more sinuous shape as opposed to their existing straight canalise form to naturalise to better manage dry weather and flood flow conveyancing which will also improve water quality, habitat for wildlife, bank and channel erosion protection, access for community water related educational activities.

Following a long list exercise was undertaken to identify all opportunities within the catchment to meet the overall objectives of the project. The schemes of planned catchment interventions are set out in. Table E Page 33-39 of Appendix A. Outline Business Case.

- 2.4** A further successful 2 year grant application of £600k was made to the GLA Green Resilient Spaces Fund [Green and Resilient Spaces Fund – Round Two | London City Hall](#) for Chandos Recreation Ground and Watling Park to deliver wider park infrastructure improvements. Appendix D. DEFRA & GLA Funded Areas
- 2.5** Communities, park users and the Highways Infrastructure and Community Safety Portfolio Holder and Ward Councillors in Barnet and Harrow have been involved in engagement activities throughout the project development phase including consultation and co design workshops.
- 2.6** An Executive Board led by LB Barnet is in place for the 6-year term of the AfSS project with quarterly meetings and monthly operational and project team meetings.

Options considered

2.7 The following options were considered:

Option 1: The London Borough of Harrow to conduct an Open tender process.

Option 2: is the preferred option for a joint procurement exercise through My Tenders and Contract Finders facilitated by The London Borough of Barnet and on behalf of the London Borough of Harrow. The tender will be advertised through their procurement portal www.barnetsourcing.co.uk as it will enable both Councils the opportunity to cooperate in one procurement and set out its own specific requirements and an evaluation mechanism that will provide the maximum opportunity for a best value contract.

Ward Councillors' comments

None as it will impact all Wards

Risk Management Implications

The risk associated with this procurement is mainly financial and relates to the Council being unable to find suitable affordable proposals. This risk will be managed in the procurement process via an evaluation mechanism that provides the balance between price and quality.

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

The relevant risks contained in the register are attached/summarised below and are included in Appendix A section 6.6 Key Risks and Change Management page 69.

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

Risk Description	Mitigations	RAG Status
The Council is unable to find financially suitable supplier within cost estimate provided in tender	<ul style="list-style-type: none"> ▪ Undertaking a competitive tender exercise will generate competition and deliver best in market value. 	GREEN
Costs increase on the project due to supply and inflationary pressures	<ul style="list-style-type: none"> ▪ Accurate cost estimating and use of a JCT CDP (Joint Contracts Tribunal Contractor Designed Portion) contract will enable to project team to work closely with the contractor on discreet components of the works. However the main responsibility will remain with the project team, the Quantity Surveyor (QS) and contract administrator to control costs ▪ Any increase in project costs will be met by Defra 	GREEN
The project fails to deliver customer and resident satisfaction	<ul style="list-style-type: none"> ▪ Community engagement has been delivered throughout the first 3 years of the project and will continue throughout the following 3 years of the 6-year project to ensure it delivers for the community 	GREEN

Procurement Implications

It is proposed that the best way forward is for the London Borough of Barnet to facilitate a joint procurement as detailed in Section 2.7.

A joint procurement with the London Borough of Barnet will be more efficient by reducing time and costs and provide continuity in delivery for the wider catchment outcomes as opposed to two separate procurements. This approach will also reduce time and costs for bidders which is expected to be reflected in the pricing. The intention is to tender two Lots and award one contract per Lot with the relevant Authority.

Lots:

- Lot 1 Watling Park (Barnet)
- Lot 2 Chandos Recreation Ground (Harrow)

Organisations will be able to tender for both projects as a single or joint award on the understanding that both Chandos Recreation Ground and Watling Park must commence and be delivered at the same time.

The Tender documents will also reserve the right to not award both Lots to a single bidder and defer to the second placed bidder should a robust delivery plan and program not be provided by a single winning bidder during the evaluation.

The estimated contract value is below the Public Contract Regulations 2015 threshold for works. As such the Procurement will be conducted by London Borough of Barnet as a compliant process consistent with the Councils Contracts Procedure Rules (CPR's). The award of the contract is also subject to the Council's own Standing Orders in respect of high value contracts and Financial Regulations. As a result, Cabinet approval will be required to delegate authority for the award of the contract.

The tender documents are currently being developed by The London Borough of Barnet and will be finalised up until to the date of publication. It is therefore requested for delegated authority to the Corporate Director for Place, following consultation with the Portfolio Holders for Environment and Community Safety and Finance and Human Resources to approve and make any changes required to the tender criteria or specification.

The proposed high-level evaluation criteria for this procurement are weighted at 40% price, 50% quality and 10% Social Value.

An indicative timetable for the procurement is shown in Table 1 – Indicative Procurement Timetable below.

Table 1 – Indicative Procurement Timetable

Timing	Activity
05/12/2023	Cabinet Report to authorise procurement
02/01/2024	Issue Invitation to Tender
26/02/2024	Receive Tenders
27/02/2024	Evaluate and moderate Tenders
05/03/2024	Contract Award Decision
12/03/2024	Issue notice of award and commence standstill period
26/03/2024	Contract Mobilisation, Transition and Take-On Period
02/04/2024	Contract Start Date

Legal Implications

The Cabinet report is seeking approval to commence a tender activity. In accordance with the Council's Contract Procedure Rules (CPRs), (Table 1 Authorisation and Acceptance Thresholds) approval to procure contracts with a value of £500k plus should be obtained by completing a Cabinet Report and having a Cabinet decision prior to any tender activity commencing.

The estimated contract value is below the financial threshold for public works set out in Regulation 5 of the Public Contract Regulations 2015 (PCRs) and therefore does not require a formal procurement exercise in accordance with Section 3 of the PCRs. Nonetheless the other provisions of the PCRs still apply and the London Borough of Barnet will conduct a procurement process which is compliant with the PCRs and consistent with the Councils CPRs.

Paragraph 4.2 of the Council's CPR's state that; '*Where the Council is entering into a Contract... in collaboration with another public body or organisation, these Contract Procedure Rules apply only in so far as they are consistent with the requirements of the organisation with whom we are collaborating*'. The CPR's are consistent with the procurement process being conducted by the London Borough of Barnet.

The procurement process as set out in this report complies with the PCRs and the Council's CPRs.

Financial Implications

Table 2 – Finance Profile

The contract value for Lot 2 (Chandos Recreation Ground) of this joint procurement is estimated at £2.5m. This will cover works for Harrow boundary, funded by DEFRA's Silk Stream Flood Resilience Innovation project, the GLA's Green and Resilient Spaces Fund, and the Council's Borough Community Infrastructure Levy (BCIL) match fund. The funding sources of the contract are summarised below.

Project	DEFRA funding	GLA funding	BCIL match fund	Total
Chandos Rec Ground		£0.240m	£0.200m	£0.440m
Edgware Brook in Chandos Rec Ground as part of the Silk Stream Flood Resilience Innovation project (Barnet led)	£2.060m			£2.060m
Total	£2.060m	£0.240m	£0.200m	£2.500m

The Chandos Recreation Ground project has been included in the Capital Programme with a total budget allocation of £0.5m, funded from the GLA (£0.3m) and BCIL (£0.2m). £60k has been committed to the development phase in 2023/24. The remaining £440k will be utilised in construction delivery phase which is part of this procurement.

The Silk Stream Flood Resilience Innovation project is led by Barnet with a total funding award of £6m by the DEFRA, but the geographical area of the project also covers some within Harrow boundary i.e., Edgware Brook. Therefore, the scope of the procurement includes this element of work with an estimated cost of £2.060m.

The improvement works in Chandos Recreation Ground is expected to reduce both revenue and capital burdens for the Council. The project will deliver nature-based solutions to reduce future ongoing maintenance. Opportunities are also being explored with a Green Financing consultant to secure private section income to provide future revenue funding for maintenance in the Silk Stream catchment parks.

Equalities implications / Public Sector Equality Duty

There are no equalities implication to this decision.

Council Priorities

The Council's vision:

Restoring Pride in Harrow and Putting Residents First

The proposal meets the Council's vision to restore pride in Harrow and put residents first. Good maintenance of public parks and rivers greatly enhances Boroughwide appearance, amenities, and public safety. The procurement also ensures the continuation of the range of environmental, health and social benefits that parks and rivers provide and will achieve Green Flag status.

Section 3 - Statutory Officer Clearance

Statutory Officer: Jessie Man

Signed on behalf of the Chief Financial Officer

Date: 09/11/23

Statutory Officer: Patricia Davila

Signed on behalf of the Monitoring Officer

Date: 14/11/2023

Chief Officer: Dipti Patel

Signed by the Corporate Director

Date: 15/11/2023

Head of Procurement: Martin Trim

Signed off on behalf of Head of Procurement

Date: 06/11/23

Head of Internal Audit: Neale Burns

Signed on behalf the Head of Internal Audit

Date: 13/11/23

Has the Portfolio Holder(s) been consulted? Yes

Mandatory Checks

Ward Councillors notified: Yes the Edgware Ward Councillors have been notified and commented in Ward Councillor comments

EqIA carried out: NO

There are no equalities Implication to this decision as covers all Wards and residents

Section 4 - Contact Details and Background Papers

Contact: Michael Bradshaw Flood Risk Manager
michael.bradshaw@harrow.gov.uk

Background Papers: None

Call-in waived by the Chair of Overview and Scrutiny Committee: NO

REPORT FOR: CABINET

Date of Meeting:	19 December 2023
Subject:	Calculation of Council Tax Base for 2024 – 2025
Key Decision:	Yes
Responsible Officer:	Sharon Daniels, Interim Director of Finance & Assurance
Portfolio Holder:	Councillor David Ashton – Portfolio Holder for Finance and Human Resources
Exempt:	No
Decision subject to Call-in:	Yes
Wards affected:	All
Enclosures:	Appendix 1- Taxbase Calculation

Section 1 – Summary and Recommendations

The Local Government Finance Act (LGFA) 1992, as amended by the LGA 2003 & LGFA 2012, requires the Authority to formally calculate the Council Tax Base for 2024-2025 and pass this information to precepting authorities by 31 January 2024. The tax base must be set between 1 December 2023 and 31 January 2024.

Statutory provisions also require Harrow to consider annually whether it should change the Council Tax Support (CTS) scheme, and if so, in what way. Having approved the scheme already in place, Cabinet is now also being requested to consider reviewing its scheme.

Recommendations:

That Cabinet considers the information given in this report and agrees that :

- (a) The band D equivalent number of taxable properties is calculated as shown in this report and in accordance with the Government regulations;
- (b) The provision for uncollectable amounts of Council Tax for 2024-2025 be agreed at 2% producing an expected collection rate of 98%.
- (c) Subject to (a) & (b) above, a Council Tax Base for 2024-2025 of **89,375** Band D equivalent properties (being 91,199 x 98%) be approved, allowing for payment in lieu of Ministry of Defence properties.
- (d) Having considered whether to review the local CTS scheme, suggest changes or conclude that there is no change required and approve and recommend to Full Council the continuation of the existing Council Tax Support Scheme, as previously adopted by Full Council, for the 2024/25 financial year.

Reason: (For recommendations)

To fulfil the Council's statutory obligation to set the Council Tax Base for 2024-2025.

Section 2 – Report

Tax Base

2.1 The Local Government Finance Act 1992, as amended by the LGA 2003 & LGFA 2012, requires the Authority to calculate the Council Tax Base for 2024-2025 and pass this information by 31 January 2024 to precepting authorities. The Tax Base must be set between the 1 December and 31 January.

2.2 The Council has to work out how much next year's band D council tax should be so that the total tax that will be collected equals the budget required to pay for its services. Band D is also the reference from which all other council tax band valuations are calculated. To work out the band D tax, the budget requirement is divided by a figure called the Council Tax base, which is calculated in this report. In effect, the tax base represents the total taxable value of every property in Harrow. As well as Harrow, the Greater London Authority also needs the tax base figure to work out how much they need to add on to pay for their services.

2.3 The Council's Tax Base has been calculated, according to the relevant procedures and guidance for 2024-2025, at 89,375 net properties. The Tax Base has two parts:

- (a) The number of taxable properties shown as 'band D equivalents' and
- (b) The expected collection rate for the year.

2.4 The calculation method is set out in the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as amended. The regulations require that calculations must be shown for each tax band as well as a total for all bands. The detailed calculation of the band D equivalent properties is shown at Appendix 1. For calculating the Tax Base, (and setting the Council Tax) properties in each of the eight valuation bands are given different weightings. These weightings are shown as a proportion of the band D value. These are shown below:

Band	A	B	C	D	E	F	G	H
Weighting	6/9	7/9	8/9	1	11/9	13/9	15/9	2

2.5. Background

2.6 The Regulations state that the calculation of the Tax Base must be based on the Valuation list produced by the Listing Officer of HM Revenue & Customs as it stands on 30 November in the year preceding that for which the relevant amount is calculated (i.e. at 30 November 2023 for the financial year 2024-2025). It must show actual numbers of properties at that date and allow for the effects of council tax discounts and exemptions including the council tax support scheme discount (CTS). It must also show likely changes to bands, new properties, properties taken off the valuation list and likely changes to discounts, empty properties and exemptions for 2024-2025.

- 2.7 For 2023-2024 the percentage collection rate used was 98%. For 2024-2025 a budgeted collection rate of 98% is again being recommended. The budgeted or expected collection rate is the percentage of Council Tax to be collected after estimating uncollectable amounts.

Note - The "budgeted" collection rate differs from the "in year" collection rate. The budgeted collection rate is based on all payments received over 3 years (in year and 24 months after the relevant year closes). The in year collection reflects payments actually received between 1st of April and 31st March of the year for which the council tax relates.

- 2.8 Collection efforts will also not stop once the budgeted collection levels have been reached, nor does it mean that eventual losses will necessarily be 2.0%. It is, however, essential that an adequate provision for non-collection is made each year. The Government recognises that no billing authority can collect every pound of Council Tax payable and that an element of collection will continue after the relevant year. The legislation provides for non-collection to be compensated for by an element within the Council Tax Base itself.
- 2.9 Collection rate overall has been maintained as per previous years and takes into account the fact that collection rates have performed better than expected post pandemic and in the face of the current cost of living crisis. Harrow also has provisions for outstanding arrears to the 31/3/2023 of almost 70%. This does not mean that in the future, the high collection expectation will not bring challenges, but it is expected to be achievable.

Council Tax Support Scheme Review

- 2.10 The Council must consider whether to revise or replace its Council Tax Support scheme (CTS) each financial year. Changes to the scheme also impact on the Tax base and must therefore be considered. As such it is necessary for Cabinet to consider whether the scheme requires reviewing for the 2024/25 financial year and this report therefore also requests that Members consider reviewing the scheme and recommending the outcome to Full Council for consideration alongside the decision to set the 2024/25 budget.
- 2.11 Having reviewed the operation of the scheme, it is considered that the existing scheme, agreed by Full Council on 21st January 2013, 22nd January 2015 and again on 9th January 2019, meets the Council's statutory requirements. It is therefore recommended that the scheme is not revised or replaced. However, this is the recommendation for the next financial year only. The authority's budget position can fluctuate yearly, and should it come under pressure in future, then it is possible that the current scheme may no longer be fit for purpose that it may need revising or replacing for future years.

- 2.12 Modelling the current CTS caseload commitments and estimating 2024/25 expenditure, based upon the current economic climate, would suggest future expenditure for the current scheme to be in the region of £19m to £19.2m in the next financial year (dependant on any council tax inflation). This is in line with the tax base calculation as set out within this report and expected expenditure.
- 2.13 The expenditure estimate assumes some increases in caseload and assumes no disproportionate increase in persons of pension credit age that would be protected from the effects of the scheme. In conclusion, there are currently no fundamental reasons to change the existing scheme. Case load is currently static or slightly decreasing after increasing due to the effects of the pandemic, and no real increase has materialised due to the current “cost of living crisis”, but the expected potential reduction or additional expenditure has been budgeted for and the risk of caseload numbers increasing beyond that provided for is felt to be low. As financial forecasts are similar to target expenditure, this report recommends that the CTS scheme continues in its current format and is recommended for adoption by full Council.

Legal Implications

The Council is legally obliged to calculate the Council Tax Base for 2024-2025 by 31 January 2024.

Section 31B of the Local Government Finance Act 1992, as inserted by the Localism Act 2011, imposes a duty on Harrow Council, as a billing authority, to calculate its Council Tax by applying a formula laid down in that Section. The formula involves a figure for the Council Tax Base for the year, which must itself be calculated.

The Local Authority (Calculation of Council Tax Base) (England) Regulations 2012 SI.2914, require a billing authority to use a given formula to calculate the Council Tax Base. This is the formula set out and followed in the appendix to this report.

In respect of item Z, which relates to the authority’s council tax reduction scheme, the regulations allow for the provision of an estimate, rather than applying a defined formula. To arrive at the total value number of dwellings to be removed from the council tax base as a result of Harrows’ local council tax reduction scheme, an estimate has been based upon the total amount of CTS reductions given for each valuation band and divided by the estimated council tax payable for the valuation band concerned.

Legislation also imposes a duty on the Council to calculate the Council Tax Base within a prescribed period which is laid down in the Regulations as between 1 December and 31 January in the financial year preceding that for which the calculation of the council tax base is made.

Section 67 Local Government Finance Act 1992 was amended by section 84 of the Local Government Act 2003, (and the Localism Act 2011), to enable Full Council to delegate the power to set the tax base to the Executive. The constitution was duly amended at full Council on 20 October 2005.

Regarding the CTS scheme, Paragraph 5 of Schedule 1A to the Local Government Finance Act 1992, as inserted by Schedule 4 to the Local Government Finance Act 2012, requires the authority to consider whether, for each financial year, the CTS scheme is to be revised or replaced. Where the scheme is to be revised or replaced, the procedural requirements in paragraph 3 of that Schedule apply. Any revision/replacement must be determined by 11th of March in the preceding year to the year which the changes are to apply. The council must therefore consider whether the scheme requires revision or replacement and if so, consult with the GLA, publish a draft scheme and then consult with such persons as may be affected by the operation of that scheme prior to determining the scheme before 31 January.

Article 6 of the Council's Constitution states a key decision is an executive decision which:

- (i) is likely to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates; or
- (ii) is likely to be significant in terms of its effects on communities living or working in an area of two or more wards of the Borough.

A decision is significant for the purposes of (i) above if it involves expenditure or the making of savings of an amount in excess of £1m for capital expenditure or £500,000 for revenue expenditure or, where expenditure or savings are less than the amounts specified above, they constitute more than 50% of the budget attributable to the service in question.

Financial Implications

This report deals with financial matters throughout. The tax base of 89,375 is reflected in the Council's Revenue Budget for 2024-25. This compares with a tax base of 89,085 for the financial year 2023/24. This is an increase of 290 band D equivalents which represents £521k more in actual council tax income.

The Council Tax base is now the largest single income stream for the Council. As such it is important that the Council both grow the taxbase and maximise the income from it to support current and future financial pressures. Over the last few years, Harrow has grown the taxbase above expectations. Unfortunately, due to the increase in Council Tax Support caseload as a direct result of the pandemic, the last few years have seen little net growth as most of the actual growth that materialised offset higher CTS expenditure. This year, 2023/24, also resulted in the number of domestic properties coming on stream being lower than expected, partly due to the cost of living crisis and developers reducing new completions or slowing down building works due to affordability issues and lack of buyers.

Regarding the CTS scheme, it should be noted that provision for its cost is included within the Local Government Finance Settlement. It is not ring fenced, it is entirely for Harrow, as a Local Authority, to determine how much it is prepared to spend in light of the Council's overall financial position.

If the CTS scheme was to award higher and more generous support amounts to claimants, this would increase expenditure further and would not be sustainable as well as having a further detrimental impact on the Collection

Fund, that would be unaffordable to Harrow. On the other hand, if the scheme was to be revised such that a lower award was to be available to eligible claimants, a positive financial impact would be achieved that could feed into the following year's budget setting process.

Performance Issues

The Council Tax collection rate is no longer a national indicator but is monitored locally. The completion of the Council's statutory obligation to set a Council Tax Base as described previously, contributes to a favourable audit opinion.

In year collection over the last four financial years has been as below;

	2019/20	2020/21	2021/22	2022/23
Council Tax collected %	97.57%	95.35%	96.72%	96.63%

Due to the introduction of localised council tax support from 1/4/2013, the overall in year collection rate, whilst fluctuating slightly in the earlier years, has largely settled and performs in the upper quartile for both London and England. Collections' from this taxpayer category have therefore been higher than anticipated historically and should pose little risk to overall performance.

However, this needs to be caveated with the fact that uncertainty exists with regards to the impact of the "cost of living crisis" on collection performance and the fact that higher arrears exist as a result of the pandemic and the current economic crisis which will still need to be collected.

This will pose challenges to increasing collection performance as will the higher numbers of CTS claimants that could still materialise should unemployment rise disproportionately.

Environmental Implications

There are no direct environmental impacts anticipated from the recommendations contained within this report.

Data Protection Implications

There are no direct data protection impacts anticipated from the recommendations contained within this report.

Procurement Implications

There are no procurement impacts anticipated from the recommendations contained within this report.

Risk Management Implications

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

Separate risk register in place? **No** but part of overall budget risks

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

Whilst Officers have estimated the tax base as accurately as possible within the data available, the following key risks should be taken into account when agreeing the recommendations in this report:

Risk Identified	Mitigations	Rag Status
Statutory requirements not met within required deadline (31/01/24)	Council Tax Base for 2024/25 calculated using the required formula as detailed in the body of the report.	Green
Calculation is inaccurate	Processes are in place to validate tax base calculations including a working model which follows and aligns the formulas to the statutory parameters required under the legislation.	Green
Expected Collection rate not achievable	A strict recovery program is in place and bad debt provisions (BDP) for arrears are high which would mitigate lower collection rates by up to 1% - 2% in the short term.	Green
Potential unexpected increases in CTS caseload, both pensioner and working age, which may mean an overspend on council tax support beyond that budgeted for because of <ul style="list-style-type: none"> 1. Cost of living crisis 2. Economy deteriorating 	Facts as we know them have been taken into account and best estimates based on historical and current knowledge used, but the risk is largely unmitigated as factors, such as the economy over which we have no control, influence risk. Being too prudent and assuming a much higher CTS caseload than at this point in time would also remove monies from the taxbase which are needed to support the budget. A balanced and considered view using Officers best estimate has therefore been used. This could mean that the collection fund would be adversely affected in the first instance, not the revenue budget, and there would be no immediate risk to the budget. This would allow the local authority time to clear the collection fund deficit therefore giving Harrow time to plan to clear any shortfall without endangering the 2024/25 budget.	Amber
Council Tax Support Scheme does not meet Statutory requirements	Operation of scheme has been reviewed to confirm that it meets statutory requirements	Green

Equalities implications

There are no Equalities implications from this report.

Council Priorities

Agreeing the tax base allows the Council to set council tax levels which is a fundamental part of the Council's budget process. Council Tax revenue is an essential part of the Council's overall budget and helps to support corporate priorities. As such it supports;

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

Section 3 - Statutory Officer Clearance

Statutory Officer: Sharon Daniels
Signed off by the Chief Financial Officer
Date: 07 December 2023

Statutory Officer: Paresh Mehta
Signed on behalf of the Monitoring Officer
Date: 01 November 2023

Chief Officer: Sharon Daniels
Signed off by Director
Date: 07 December 2023

Head of Procurement: Nimesh Mehta
Signed by the Head of Procurement
Date: 25 October 2023

Head of Internal Audit: Tracy Barnett
Signed off by the Interim Head of Internal Audit
Date: 27 October 2023

Has the Portfolio Holder(s) been consulted? Yes

Mandatory Checks

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

EqlA carried out: NO

This is a technical financial report which does not require an EqlA.

EqlA cleared by: N/A

Section 4 - Contact Details and Background Papers

Contact:

Fern Silverio (Head of Service – Collections & Housing Benefits),
Tel: 020-8736-6818 / email: fern.silverio@harrow.gov.uk

Background Papers:

- The Local Authorities (Funds) (England) Regulations 1992
<http://www.legislation.gov.uk/ukpga/1992/14/contents>
- The Non-Domestic Rating (Rates Retention) Regulations 2013
<http://www.legislation.gov.uk/ukdsi/2013/9780111532959/contents>

Call-in waived by the Chair of Overview and Scrutiny Committee: NO

Appendix 1:		Calculation of the Council Taxbase for 2024-2025									
SI No. 2914 The Local Authorities (Calculation of Council Tax Base) (England) Regulations 2012											
((H - Q + E + J) - Z) x (F divided by G)											
Line	Band	@	A	B	C	D	E	F	G	H	Total
Actual current properties											
1	Dwellings on database 30/11/23	0	1,027	4,445	22,521	29,976	22,570	8,638	6,302	1,306	96,785
2	Exemptions (minus)	0	31	148	532	428	285	135	126	17	1,702
Disabled Reductions of Band:											
3	Add to Lower Bands	0	3	36	129	183	76	58	11	0	496
4	Take from Higher Bands (minus)	0	0	3	36	129	183	76	58	11	496
5	Line 1-2+3-4 = H	0	999	4,330	22,082	29,602	22,178	8,485	6,129	1,278	95,083
6	Number in H above Entitled to One 25% Discount		-530	-2,383	-8,136	-6,279	-4,215	-1,504	-928	-131	-24,106
7	Line 6 x 25%		-132.50	-595.75	-2034.00	-1569.75	-1053.75	-376.00	-232.00	-32.75	-6026.50
8	Number in H above Entitled to Two 25% (50%) Discount		0	-1	-8	-13	-11	-9	-17	-12	-71
9	Line 8 X 50%		0.00	-0.50	-4.00	-6.50	-5.50	-4.50	-8.50	-6.00	-35.50
10	No in H above entitled to 50% discount		-12	-28	-111	-113	-112	-31	-24	-5	-436
	50% of above		-1.20	-2.80	-11.10	-11.30	-11.20	-3.10	-2.40	-0.50	-43.60
11	No in H above entitled to 0% discount		0	0	0	0	0	0	0	0	0
	0% of above		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
12	Total Discounts = Q		-133.70	-599.05	-2049.10	-1587.55	-1070.45	-383.60	-242.90	-39.25	-6105.60
13	Line 5+ Line 12	0	865.30	3,730.95	20,032.90	28,014.45	21,107.55	8,101.40	5,886.10	1,238.75	88,977.40
	No entitled to be charged 100% premium		15	10	86	68	49	29	10	14	281
	Total Premiums = E		30.00	20.00	172.00	136.00	98.00	58.00	20.00	28.00	421.50
Estimated changes likely											
14	* Properties Awaiting Banding	0	88	22	37	28	12	3	2	1	193
15	**New Properties	0	0	0	0	0	0	0	0	0	0
16	Line 14 + Line 15	0	88	22	37	28	12	3	2	1	193
17	Properties to be Deleted		0	0	-1	-1	-1	-1	-1	0	-5
18	Known Errors in Valuation List		0	0	0	0	0	0	0	0	0
19	Line 17 + Line 18	0	0	0	-1	-1	-1	-1	-1	0	-5
20	Line 16 + Line 19	0	88	22	36	27	11	2	1	1	188
21	Assumed Exemptions on Ratio of Line 2 to 1		0	0	0	0	0	0	0	0	0
22	Assumed Discounts on Ratio of Line 12 to 5		0	0	0	0	0	0	0	0	0
Changes to Status of Existing Properties:											
23	Change in Discounts		0	0	0	0	0	0	0	0	0
24	Change in Exemptions		0	0	0	0	0	0	0	0	0
Expected appeals against bands:											
25	Add to Lower Bands		5	15	21	32	11	9	7	0	100
26	Take from Higher Bands		0	-5	-15	-21	-32	-11	-9	-7	-100
27	Line 20+21+22+23+24+25+26 = J	0	93	32	42	38	-10	0	-1	-6	188
CTR Discount											
	Til Band reduction based on total monetary	0	-204	-981	-3180	-2898	-1293	-299	-74	-5	-8934
	Expected in year changes		0	0	0	0	0	0	0	0	0
28	Total CTS Band Equivalent	0	-204	-981	-3180	-2898	-1293	-299	-74	-5	-8934
	Total CTR Discount = Z		-204.00	-981.00	-3180.00	-2898.00	-1293.00	-299.00	-74.00	-5.00	-8934.00
29	H - Q + E + J - Z	0.00	784.30	2801.95	17066.90	25290.45	19902.55	7860.40	5831.10	1255.75	80652.90
30	To calculate band equivalents		0.67	0.78	0.89	1.00	1.22	1.44	1.67	2.00	
31	Band D Equivalent:Lines 29x30	0	522.87	2179.29	15170.58	25290.45	24325.34	11353.91	9718.50	2511.50	91072.44
32	Contributions in lieu of Class O	0.0	0.0	0.0	42.0	60.0	0.0	12.0	14.0	2.0	126.16
33	Band D equivalent for Taxbase calculation										91,199
34	Band D Equivalent for Taxbase Calculation										91,199
											<i>Before allowance for collection rate</i>
35	Band D equivalent for Taxbase calculation after non-collection allowance (2.00%) applied										89,375

Report for: Cabinet

Date of Meeting:	19 December 2023
Subject:	Estimated Surplus / (Deficit) on the Collection Fund 2023-24
Key Decision:	Yes
Responsible Officer:	Sharon Daniels – Interim Director of Finance and Assurance
Portfolio Holder:	Councillor David Ashton – Portfolio Holder for Finance and Human Resources
Exempt:	No
Decision subject to Call-in:	Yes
Wards affected:	All
Enclosures:	None

Section 1 – Summary and Recommendations

This report sets out the estimated financial position on the Collection Fund as at 31st March 2024 and how it is shared amongst the constituent precepting bodies and Central Government.

Recommendations:

Cabinet is asked to:

- (a) Note an overall net estimated deficit of -£1.462m on the total Collection Fund as at 31st March 2024 as set out in the table in paragraph 2.
- (b) Agree Harrow's surplus share of £0.790m as set out in the table in paragraph 2 and this be transferred to the General Fund in 2024-25.

Reason: (For recommendations)

To report to Cabinet on the Council's statutory obligation to estimate the surplus or (deficit) on the Collection Fund for the year end. Approval to the recommendations set out is a major part of the annual budget review process.

Section 2 – Report**Introductory paragraph**

1. The Council is required by statute to maintain a separate fund called the Collection Fund for the collection and distribution of amounts due in respect of council tax and national nondomestic rates (NNDR / Business Rates). The arrangement in respect of council tax is that of an agent with 79.93% being retained by Harrow and 20.07% going to its preceptor Greater London Authority. For NNDR the Council is responsible for collecting and distributing the business rates they collect in the proportions 30% retained by Harrow, 37% to the Greater London Authority and 33% to Central Government.

2. Specific to 2023/24 - Surplus / Deficits

The estimate of the deficit for the Collection Fund as at 31st March 2024 is made for the purpose of the 2024-25 budget. The estimated financial position shows a £1.462m deficit as at 31st March 2024 as set out in the table below with the allocation between the stakeholders for both council tax and NNDR.

	Council Tax		NNDR		Total
	%	£m	%	£m	£m
Harrow Council	79.93	1.967	30	(1.177)	0.790
Greater London Authority	20.07	0.494	37	(1.452)	(0.958)
Central Government	-	-	33	(1.295)	(1.295)
		2.461		(3.923)	(1.462)

With regards to Council Tax, a surplus occurred due to Harrow's collection performance continuing to achieve top quartile status and Harrow reducing the bad debt provision, which had been increased previously due to the risk of the cost of living situation impacting collection performance. The risk did not fully materialise which allowed Harrow to release funds.

Additionally, the increase in Council Tax Support (CTS) over the last two years, (which decreased the tax base as more band D's were required to cover the cost) is now reducing, which has also contributed to the surplus available.

Notwithstanding the above, bad debt provisions (BDP) are still at a level which Officers believe will be more than adequate to cater for deteriorations in collection performance linked to the current and on-going cost of living situation.

The majority of the Business Rates deficit occurred due to the fact that the Government increased the reliefs to small businesses and this was not fully

reflected in the taxbase as some of the reliefs were announced very late in the year. As reliefs are offset by s31 compensation grants, the overall cost to Harrow regarding this is 100% mitigated. However, approximately £500k of the deficit is due to Harrow losing rateable value annually as more commercial properties are converted to domestic use. This is not mitigated and is a real loss to the taxbase.

General - Council Tax

3. There are four main factors in the calculation of the estimated surplus / (deficit) on Council Tax: -
 - Surplus / (deficit) brought forward from the previous financial year.
 - Change in the gross income due to variations in relation to council tax discounts, exemptions and the cost of Local Council Tax Support Scheme.
 - Increase to the tax base due to additional new properties being added to the Council Tax list; and
 - Increase / decrease in the level of bad debt provision (BDP).
4. The council tax in year collection rate for 2023-24 is on profile and is expected to exceed 96.7% in year. For 2023-24 the overall budgeted collection percentage over time is 98%, and it is proposed that it remains at 98% for the 2024-25 financial year.

General - Business Rates Retention Scheme

5. The Business Rate Retention Scheme (BRRS) was introduced on 1st April 2013, as part of the move to localise and stimulate business growth at a local level. Under the BRRS the Authority currently retains 30%, the GLA 37% and DLUHC (Department for Levelling Up, Housing & Communities) retains the remaining 33%.
6. There are six main factors in the calculation of the estimated surplus / (deficit) on BRRS:-
 - Surplus / (deficit) brought forward from the previous financial year;
 - Change in the gross income due to variations relating to reliefs and exemptions;
 - Change in the expenditure in relation to reliefs and exemptions;
 - Increase / decrease in the level of appeals against rateable values;
 - Increase / decrease in the level of bad debt provision (BDP); and
 - Increase / decrease in the tax base due to properties being added to or removed from the Business Rates valuation list.
7. The collection rate is slightly below the national trend but this is due to the fact that Harrow's predominant ratepayers (65%) are Small Medium Enterprises (SME). These small traders do not generally pay by the regular direct debit method of payment and as such this can cause collection challenges which contribute to Harrow's lower collection rates.

Performance Issues

8. There are challenges in achieving the collection target due to the make up and affordability power of a large percentage of our ratepayers.

Procurement Implications

9. There are no procurement implications arising from the Recommendations of this report.

Risk Management Implications

10. The outcome of the surplus or deficit estimated calculation impacts on the future financial year's budget as it is a first call on that future budget should there be a deficit which needs funding.

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

Separate risk register in place? **No** but part of overall budget risks

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

Risk Identified	Mitigations	RAG
Non-compliance with legislative requirements to estimate the surplus or deficit on the Collection Fund	An overall surplus has been estimated for 2023/24 as per the main body of the report	Green
Any deficit identified in 2023/24 will detrimentally impact the MTFS.	There is an estimated surplus for the year 2023/24. As such there is no expected detrimental impact to the MTFS. The collection fund will continue to be monitored throughout the year so management reacts to any variance from the expected outcome at an early stage.	Green
Calculation is inaccurate	Processes in place to validate surplus or deficit calculations. Officers have estimated the surplus/(deficit) by adhering to provisions and appeals guidance regarding the amounts that are required, taking into account current level of arrears or appeals lodged or that may be lodged in future	Green
Potential unexpected increases in CTS caseload, both pensioner and working age, which may mean a bigger deficit on council tax if CTS support is above that budgeted for because of 1. On-going cost of living crisis 2. Lower collection rates due to higher unemployment	The overall surplus simply represents the snapshot position expected as at 31 st March. Any differences would be accounted for once actuals are known, as part of the new financial year's calculation, therefore not affecting 2024/25 financial year, but 2025/26. This will mean that the collection fund would be adversely affected in the first instance, not the revenue budget, and there would be no immediate risk to the budget. This would allow the local authority an additional year to clear the collection fund deficit therefore giving Harrow time to plan to clear any shortfall without endangering the 2024/25 budget.	Green

Legal Implications

11. The Local Authorities (Funds) (England) Regulations 1992 (SI 2428) requires the billing authority to estimate each financial year the surplus or (deficit) on its Collection Fund for the preceding financial year by 15th January each year, or the first working day thereafter if the 15th falls on a weekend or bank holiday.
12. The Non-Domestic Rating (Rates Retention) Regulations 2013 (SI 452) requires the billing authority to estimate, for the relevant year, the surplus or (deficit) for business rates on or before 31st January each year.
13. Article 6 of the Council's Constitution states a key decision is an executive decision which:
 - (i) is likely to result in the Council incurring expenditure which is, or the making of savings which are, significant having regard to the Council's budget for the service or function to which the decision relates; or
 - (ii) is likely to be significant in terms of its effects on communities living or working in an area of two or more wards of the Borough.
14. A decision is significant for the purposes of (i) above if it involves expenditure or the making of savings of an amount in excess of £1m for capital expenditure or £500,000 for revenue expenditure or, where expenditure or savings are less than the amounts specified above, they constitute more than 50% of the budget attributable to the service in question.

Financial Implications

15. Financial matters are integral to the report. High collection rates feed into the budget and it is imperative that this level of performance continues, specifically regarding Council Tax as this is now the Council's largest income stream. Harrow's rates compare well with the national position and against London.

The surplus will impact the MTFs. For 2024/25, there will be a one off contribution of £0.790m to the general fund.

Equalities implications / Public Sector Equality Duty

16. There are no direct equalities impacts arising from the decisions within this report.
17. This report deals with the Collection Fund which is a key part of the budget setting process and therefore helps deliver the Council's vision and priorities.

Council Priorities

Agreeing the surplus or deficit amount in the Collection Fund allows the Council to work out its available income. As such it is an essential part of the Council's budget process and helps to support corporate priorities. It therefore supports;

1. A council that puts residents first
2. A borough that is clean and safe

3. A place where those in need are supported

Section 3 - Statutory Officer Clearance

Statutory Officer: Sharon Daniels
Signed off by Chief Financial Officer
Date: 07 December 2023

Statutory Officer: Paresh Mehta
Signed on behalf of the Monitoring Officer
Date: 16 November 2023

Chief Officer: Sharon Daniels
Signed by Director
Date: 07 December 2023

Head of Procurement: Nimesh Mehta
Signed by the Head of Procurement
Date: 15 November 2023

Head of Internal Audit: Tracy Barnett
Signed on behalf of the Head of Internal Audit
Date: 17 November 2023

Has the Portfolio Holder(s) been consulted? Yes

Mandatory Checks

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

EqlA carried out: NO

This is a technical financial report which does not require an EqlA.

EqlA cleared by: N/A

Section 4 - Contact Details and Background Papers

Contact:

Fern Silverio (Head of Service – Collections & Housing Benefits),
Tel: 020-8736-6818 / email: fern.silverio@harrow.gov.uk

Background Papers:

- The Local Authorities (Funds) (England) Regulations 1992
<http://www.legislation.gov.uk/ukpga/1992/14/contents>

- The Non-Domestic Rating (Rates Retention) Regulations 2013
<http://www.legislation.gov.uk/ukdsi/2013/9780111532959/contents>

**Call-in waived by the Chair of Overview and Scrutiny
Committee: No**

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Report for: Cabinet

Date of Meeting:	19 December 2023
Subject:	Revenue and Capital Budget Monitoring Report 2023-24 Quarter 2
Key Decision:	Yes
Responsible Officer:	Sharon Daniels - Interim Director of Finance and Assurance
Portfolio Holder:	Councillor David Ashton - Portfolio Holder for Finance and Human Resources
Exempt:	No
Decision subject to Call-in:	Yes
Wards affected:	All
Enclosures:	Appendix 1 – Summary of Grants 2023-24 Appendix 2 – MTFS Savings Tracker 2023-24 Appendix 3 – Capital Programme 2023-24 Appendix 4 – Trading Company Update 2023-24

Section 1 – Summary and Recommendations

This report sets out the Council's projected revenue and capital outturn position for 2023-24, based on all information known at the end of Q2 30 September 2023.

Recommendations: That

1. the forecast revenue and capital outturn positions set out in paragraphs 1.2 to 1.5 be noted.
2. the proposed additions and amendments to the Capital Programme as set out in paragraphs 3.20 be approved.
3. the Council's Trading Update as detailed in Appendix 4 be noted.

Reason: (For recommendations)

To report the 2023-24 financial forecast position at Q2 and to update Cabinet on trading company performance.

Section 2 – Report

1.0 INTRODUCTION

- 1.1 This is the second budget monitoring report for 2023-24.
- 1.2 The revenue budget in 2023-24 at Q2 is £196.354m which is net of external grants. A list of external grants is shown at Appendix 1. The net forecast position on the revenue budget for 2023-24, after the planned use of reserves, is a net overspend of £1.379m. This sum will need to be drawn down from the budget planning reserve if it is not mitigated by year end.
- 1.3 The general fund capital programme budget in 2023-24 is £106.025m. The net forecast position on the capital budget at Q2 is £67.812m which represents 64% of the total capital programme budget. The variance of £38.212m is made up of proposed slippage of £36.538m and an underspend of £1.674m.
- 1.4 The Housing Revenue Account (HRA) revenue budget in 2023-24 at Q2 is an in-year surplus of £423k and reporting a favourable variance of £677k.
- 1.5 The Housing Revenue Account (HRA) capital programme budget is £57.505m. The net forecast position on the HRA capital budget at Q2 is £44.628m which represents 78% of the total HRA capital programme budget. The variance of

£12.877m is made up of proposed slippage of £12.812m and a net underspend of £65k.

2.0 REVENUE MONITORING

2.1 As at Q2 the forecast revenue budget outturn, after the planned use of reserves, is a net overspend of £1.379m.

2.2 This is a reduction of £971k from the position reported in Q1 which relates to a £601k reduction in the directorates' forecasts and £370k reduction in the corporate budgets. There is in more detail set out in the relevant sections.

Table 1: Summary of Revenue Budget Monitoring – Forecast at Q2 2023-24

Service Area	Revised Budget	Outturn	Variance	Contribution/ Draw down From reserves	Revised Outturn	Variance to budget at P6	Q1 Variance to budget	Movement from Q1
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Managing Director	19,023	18,708	-315	-250	18,458	-565	-340	-225
Resources	19,447	20,008	561	-381	19,627	180	180	0
Place	34,172	40,138	5,966	-3,531	36,607	2,435	2,804	-369
People's Services	104,234	113,612	9,378	-4,906	108,706	4,472	4,480	-8
Total Directorate Budgets	176,875	192,466	15,591	-9,068	183,398	6,522	7,124	-601
Corporate	4,320	3,106	-1,214	-1,000	2,106	-2,213	-2,270	57
Contingency for Unforeseen	1,248	0	-1,248	0	0	-1,248	-1,248	0
Technical	14,007	13,642	-366	-2,400	11,242	-2,765	-2,056	-709
Investment Properties	-2,876	-2,801	75	-75	-2,876	0	0	0
Pay Inflation	4,000	7,210	3,210	0	7,210	3,210	2,928	282
Non-Pay Inflation	2,625	498	-2,127	0	498	-2,127	-2,127	0
Total Corporate Budgets	23,324	21,654	-1,670	-3,475	18,180	-5,143	-4,773	-370
Uncontrollable Budgets	-3,846	-3,846	0	0	-3,846	0	0	0
Grand Total	196,354	210,275	13,921	-12,543	197,732	1,379	2,350	-971

2.3 Table 1 shows a projected net draw down from reserves of £12.543m (which does not include the draw down of £1.379m for the projected overspend). Out of the £12.543m, £1m relates to planned draw down to support the 2023-24 budget. The remainder of the draw downs from reserves generally relate to planned use, for example

- £2m MTFS Implementation to support delivery of savings. £2m MTFS Implementation to support delivery of savings.
- £2.3m ringfenced grants to support planned spend
- £2m Adults budget in relation to a one-off payment to be made to care providers in 2023-24 in relation to inflation pressures.
- £1.4m of budget carried forward from the 2022-23 budget to complete projects or ensure grant is fully spent.

- £1m Children’s Social Care to support overall pressures.
- £2.8m Other draw downs including planned PFI contributions, use of the public health reserve and other projects.

MANAGING DIRECTOR

Table 2: Managing Director Forecast Outturn Q2 2023-24

Division	Revised Budget	Forecast	To/ (From) Reserves	Revised Forecast	Variance to budget	Q1 Variance	Movement to Q1
	£000	£000	£000	£000	£000	£000	£000
Managing Director	265	265	0	265	0	0	0
Finance and Insurance	3,447	3,697	-250	3,447	0	0	0
Revenues and Benefits	9,593	9,593	0	9,593	0	0	0
Procurement	680	680	0	680	0	0	0
Internal Audit & CAFT	658	658	0	658	0	0	0
Legal and Governance	4,380	3,815	0	3,815	-565	-340	-225
Total	19,023	18,708	-250	18,458	-565	-340	-225

2.4 As at Q2 the directorate is reporting a net underspend of £565k after drawdown from reserves.

2.5 The reserve movements are shown in Table 3.

Table 3: Managing Director Reserve Movements 2023-24

Description	Movement £'000
Insurance Reserve	-250
Managing Director net draw down	-250

2.6 The net underspend of £565k is made up as follows:

- **Legal & Governance** - £390k net underspend due to additional Land Charges and Registrars income and delayed recruitment and £175k increased demand for HBPL services

2.7 The movement between Q1 and Q2 is a net reduction of £225k. This is mainly due to delayed recruitment in Democratic Services and increased demand for HB Public Law legal practice services and Registration services resulting in extra income.

RESOURCES

Table 4: Resources Forecast Outturn Q2 2023-24

Division	Revised Budget	Forecast	To/ (From) Reserves	Revised Forecast	Variance to budget	Q1 Variance	Movement to Q1
	£000	£000	£000	£000	£000	£000	£000
Business Support	3,916	3,916	0	3,916	0	0	0
Access Harrow	3,698	3,872	0	3,872	175	0	175
Director of Resources	-255	-454	0	-454	-199	0	-199
Strategy	2,304	2,278	0	2,278	-26	0	-26
ICT	7,562	7,562	0	7,562	0	0	0
HR	2,222	2,834	-381	2,453	231	0	231
Resources Grand Total	19,447	20,008	-381	19,627	180	0	180

2.8 As at Q2 the directorate is reporting a net overspend of £180k after draw down from reserves.

2.9 The position has remained the same as that reported at Q1.

2.10 The reserve movements are shown in Table 5.

Table 5: Resources Reserve Movements 2023-24

Description	Movement £'000
Corporate MTFS Implementation Reserve	-342
Equalities Diversity & Inclusion Reserve	-39
Resources net draw down	-381

2.11 The net overspend of £180k is made up as follows:

- **Access Harrow** - £175k overspend due to the decision to not implement a prior year MTFS saving to close the telephone lines for Revenues and Collections.
- **HR** - £231k overspend due to the loss of income from schools for payroll services.
- **Management** - £200k underspend due to vacancies.
- **Strategy** - £26k underspend due to vacancies.

PLACE

Table 6: Place Forecast Outturn Q2 2023-24

Division	Revised Budget	Forecast	To/ (From) Reserves	Revised Forecast	Variance to budget	Q1 Variance	Movement to Q1
	£000	£000	£000	£000	£000	£000	£000
Directorate Management	466	672	-81	591	125	125	0
Environment	19,227	21,371	-513	20,858	1,631	2,095	-464
Inclusive Economy, Leisure & Culture	4,203	4,237	-26	4,211	8	-99	107
Regeneration & Development	6,799	8,027	-542	7,485	686	700	-14
Housing General Fund	3,477	5,831	-2,369	3,462	-15	-17	2
Total Budget	34,172	40,138	-3,531	36,607	2,435	2,804	-369

2.12 As at Q2 the directorate is reporting a net overspend of £2.435m after contributions to and draw down from reserves and cross-divisional adjustments.

2.13 The reserve movements are shown in Table 7.

Table 7: Place Reserve Movements 2023-24

Description	Movement £'000
Capacity Building Reserve	-51
Business Risk Reserve	-81
Place MTFS Implementation Reserve	-445
Revenue Grant Reserve	-2,239
3G Pitch Strategy Reserve	25
Decommissioning Accommodation Reserve	-500
Budget Planning Reserve	-240
Place net draw down	-3,531

2.14 **Directorate Management** – £125k net overspend due to the delay in finalising and implementing the new directorate-wide restructure, meaning the £125k MTFS savings target profiled for 2023-24 is unlikely to be met. This pressure will be offset via savings made from vacant posts held elsewhere in the directorate.

2.15 **Environment** - £1.631m net overspend. This is made up as follows:

- **Parking Services** - £2.260m net overspend due to an under achievement of income generated from penalty charge notices (PCNs) of £1.9m and a reduction in car parking income of £360k as a result of fewer paid parking transactions.
- **Network Management** - £200k net underspend due to £100k over-achievement of income from street works arising from increased work activities. The service currently has a number of vacant posts, which results in a forecast underspend of salaries by £100k.

- **Clean & Green** - £300k net underspend due to a historical one-off income for cemeteries owed from Brent and Hillingdon councils relating to the service level agreements (SLAs) in place for Carpenders Park Cemetery and Breakspeare Crematorium respectively.
- **Strategy, Development & Performance** - £104k net underspend on staffing costs owing to vacant posts across the service. These posts have kept vacant pending the review of a directorate wide reorganisation. This saving will be used to partially mitigate against the MTFS target of £125k for the directorate restructure.
- **Head of Transport & Environmental Operations** - £25k net underspend on employer pension contributions.

2.16 **Inclusive Economy, Leisure, and Culture** - £8k net overspend. This is made up as follows:

- **Harrow Museum** - £134K net overspend due to a salary pressure of £48k arising from the use of additional agency staff to support activities/events and an income pressure of £86k as income generated from facility hire and catering is below budget. Mitigating actions are being drawn up to increase income at the site.
- **Community Engagement and Economic Development** - £126k underspend. Vacant posts in these service areas have resulted in an underspend on salaries.

2.17 **Regeneration and Sustainable Development** - £686k net overspend. This is made up as follows:

- **Planning** - £555k net overspend due to a forecast underachievement of income of £525k, driven by a reduction in applications due to market conditions. Legal costs arising from appeals are forecast to create a budget pressure of £30k.
- **Building Control** - £154k net overspend due to a forecast underachievement of income from building control applications, due to market conditions and competitions from the private sector.
- **Facilities Management** - £55k net overspend. The building repair & maintenance budget is forecast to overspend by £400k based on historical trend on spend. In addition, a further overspend of £85k is forecast following the deployment of additional security staff across various council buildings. These have been partially offset by a forecast

underspend on other staffing costs of £120k as a result of vacant posts and a net credit of £310k relating to the annual NNDR bill for the Civic Centre.

- **Catering Services** - £278k net overspend due to reduced sales from the canteen at HCH which has resulted in £167k loss of income. In addition, following the cessation of Meals on Wheels service, there are one-off residual costs and redundancy costs in 2023-24 totalling £111k.
- **Corporate Estate** - £356k net underspend as a result of an over-achievement on rent income from corporate property portfolio, driven by some one-off backdated rents and additional income from various leases.

2.18 The movement between Q1 and Q2 is a net reduction of £369k. This is due to a reduction in the overall forecast underachievement of income £160k, £9k relating to a net reduction in staffing costs and £200k relating to a reduction in the pressure reported on highway reactive maintenance works.

2.19 Housing General Fund

2.20 As at Q2 Housing General Funding is projecting a slight net underspend of £15k after a projected draw down from the Homelessness Prevention Grant (HPG) reserve of £2.239m, which is in addition to the full use of the 2023-24 HPG of £2.312m and the HPG Ukraine of £627k. In addition, there is corporate funding of £130k. This will leave a balance on the HPG reserve of £2.032m.

2.21 The £2.239m increase in the use of HPG in 2023/24 is towards the prevention of homelessness; keeping vulnerable households in their current accommodation. The provision of the temporary accommodation (TA) is currently the highest spending area of the Housing Services. Based on the net number of people entering and leaving temporary accommodation per year, if there is no change in current practices the number of households in temporary accommodation will continue to grow.

2.22 Temporary accommodation is becoming difficult to source to meet demand, as private sector rents escalate, and an increased number of landlords are exiting the market. These variables have had a big impact on the Council's ability to retain existing TA (and are also putting more households at risk of homelessness in the first place).

2.23 The movement between Q1 and Q2 is a net overspend of £2k. This small movement is due to a change in the temporary accommodation forecast.

PEOPLE SERVICES

Table 8: People Services Forecast Outturn Q2 2023-24

Division	Service Area	Revised Budget	Outturn	To/ (From) Reserves	Revised Forecast	Variance to budget	Q1 Variance	Movement to Q1
		£'000	£'000	£'000	£'000	£'000	£'000	£'000
Adults	Strategic Management & Governance	843	843		843	0	0	0
	Workforce (Social Care & Safeguarding)	11,414	12,614	-1,179	11,435	21	0	21
	Grants & Better Care Fund	-29,128	-32,155		-32,155	-3,027	-240	-2,787
	Community Equipment	967	1,467		1,467	500	400	100
	Purchased Care - Adults	38,337	44,633	-525	44,108	5,771	2,128	3,643
	Purchased Care - LD, CYAD & shared lives	27,878	31,355	-1,475	29,880	2,002	2,307	-305
	CNWL s75	4,512	4,663		4,663	152	152	0
	Inhouse Services	4,158	3,964		3,964	-194	-175	-19
	Transport	979	865		865	-114	-81	-33
	Contracts	711	711		711	0	0	0
Complaints	179	166		166	-13	-13	0	
Adults Total		60,850	69,127	-3,179	65,948	5,098	4,480	618
Public Health Total		-163	319	-482	-163	0	0	0
Children's Services	Children & Young People Services	31,761	30,885	-68	30,817	-944	-318	-626
	Education Services	10,110	11,458	-1,133	10,325	215	215	0
	People Services Mgt	1,676	1,823	-44	1,779	103	103	0
Children's Services Total		43,547	44,166	-1,245	42,921	-626	0	-626
People Services Total		104,234	113,612	-4,906	108,706	4,472	4,480	-8

2.24 As at Q2 the directorate is reporting a net overspend of £4.472m after drawing down £4.906m from reserves.

2.25 The reserve movements are shown in Table 9.

Table 9: People Services Reserve Movements 2023-24

Description	Movement £'000
Adults – People Services MTFS Implementation Reserve	-1,179
Adults – Budget Planning Reserve	-2,000
Public Health Reserve	-482
Childrens – People Services MTFS Implementation Reserve	-168
Children's – Children's Social Care Reserve	-325
Children's – Schools PFI Reserve	-655
Children's – Revenue Grant Reserve	-97
People Services net draw down	-4,906

2.26 The variations are explained in more detail at the following paragraphs.

Adult Services

2.27 As at Q2 the service is reporting a net overspend of £5.098m after draw down from reserves of £3.179m.

2.28 **Staffing** – a minor overspend of £21k after the draw down of £1.179m from the implementation reserves, reflecting costs associated with delivery of the MTFs savings. The MTFs savings are expected to be achieved in full, albeit a shortfall of approximately £130k will be mitigated through vacancies.

2.29 **Equipment** - £500k overspend based on forecast split of costs for all equipment which will be 45% for Harrow Council and 55% Integrated Care Board (ICB) based on the actual invoiced costs for the period April to August.

2.30 **Mental Health** - £152k overspend. This is the latest forecast position provided by Central North West London (CNWL) which assumes new care packages of £132k. The service was managed by CNWL until June 2023, and is now managed directly by the Council.

2.31 **Grants & Better Care Fund** - £3.027m additional income reflecting the annual BCF uplift of the funding of social care services £240k together with the Integrated Care Board (ICB) Discharge funding of £1.312m and additional Market Sustainability Improvement Fund (Workforce) grant of £1.475m. This additional funding partially offsets the overspend in relation to care support costs reported within the purchasing budget below.

2.32 **Purchasing (Adults)** – The full year impact of the 2022-23 overspend resulted in an immediate pressure of £5.491m, which has now increased by £805k to £6.296m at Q2. This overspend is reduced to £5.771m after the agreed one-off contribution from reserves.

2.33 The Adults budget is volatile and there are a number of variables which impact the forecast outturn position:

- Hospital discharges – a total of 607 discharges between April and September, requiring a package of support. Of these packages 555 were new services to residents not previously in receipt of care support. Winter pressures are likely to see the numbers between October and March increase as Northwick Park seek to ensure prompt discharges and dependent on the severity of the season.
- Deaths – during the period April to September 2023, 91 fewer deaths than in the same period last financial year. Cost of care - The average weekly cost of bedded care (residential and nursing) at the end of September was £1,070 per week compared with £1,009 per week at the end of March 2023, with the number of beds commissioned since April increasing by 23 from 419 to 442.

- The forecast includes capacity of £1.4m for growth of in year packages of care together with a further £770k for support for respite, carers and reablement between Q2 and year end.

2.34 The cost of care provider inflation is expected to cost £4.3m.

2.35 In addition, the home care MTFS saving of £500k is expected to be delivered.

2.36 Contribution from reserves - £525k. This represents an agreed contribution from reserves.

2.37 The outstanding level of debt associated with unpaid client contribution continues to increase and age. At the end of September, the outstanding debt totalled £9.1m of which £3.9m had been outstanding for more than a year. As a result, a provision for bad debt of £4.4m needs to be set aside, requiring an increase in the bad debt provision of £750k (budgeted £500k).

2.38 **Purchasing (LD, CYAD & Shared Lives)** - £2.002m overspend. This is made up as follows:

- **LD - £1.486m overspend.** At the beginning of the financial year, the full year impact of the 2022-23 overspend of £732k resulted in an immediate pressure of £1.241m (there was no MTFS growth in 23-24 for LD). This variation has increased by £245k to £1.1486m and largely reflects the shortfall on the MTFS savings (assumes £135k will be delivered) offset by changes in a number of care packages.
- **CYAD - £1.991m overspend.** At the beginning of the financial year, the full year impact of the 2022-23 overspend of £824k resulted in an immediate pressure of £1.667m (there was no MTFS growth in 2023-24 for CYAD) which together with the forecast for new packages and assumption for recovery of health contributions for 4 children results in this forecast overspend position.
- **Shared Lives – balanced position**
- **Contribution from reserves - £1.475m** – this represents an agreed contribution from reserves (as noted in table 9 above) following the application of the MSIF grant for a large part of the care provider inflation.

2.39 **Transport** - £114k underspend largely related to staffing vacancies and offsets the non-delivery of the day care savings reported within the LD overspend reported in para 2.40 above.

2.40 **Complaints** - £13k underspend which reflects a lower level of external support required for the complaints process.

2.41 **Inhouse Services** - £194k underspend which reflects in the main a lower level of staffing costs arising from vacancies, reduced by the non-achievement of Bedford House deregistration (MTFS £100k). This underspend offsets the non-delivery of the MTFS day care savings (approved at £400k with a shortfall on delivery of £265k) reported within the LD overspend reported in para 2.40 above.

2.42 The movement between Q1 and Q2 is a net increase of £618k. The variation largely reflects an increase in the forecast for older people (including a higher bad debt provision), equipment issues and workforce costs which are partially offset by reductions in the placement forecast for all age disabilities reflecting reviews and assumptions around health contributions, together with a lower level of expenditure on inhouse and transport services arising from recruitment delays.

Public Health

2.43 As at Q2 Public Health is reporting a balanced position after a planned draw down of £482k from the Public Health reserve to fund the continuation of improvement projects and increased funding for wider determinants of health.

2.44 The position has remained the same as that reported at Q1.

2.45 The impact of the NHS uplift in relation to the Agenda for Change, unfunded by the Government, is expected to be contained within the grant uplift.

Children's Services

2.46 As at Q2 the service is reporting a net underspend of £625k after draw down from reserves of £1.245m.

2.47 The main variances are summarised in the following paragraphs.

2.48 **Children and Young People Services** – £944k net underspend

- **Children's Placements & Accommodation** - £906k net underspend. Permanent growth was added to the placements budget through the 2023-24 MTFS of £3.450m which was based on the estimated number of children and young people requiring accommodation in 2023-24 however this is currently lower than originally projected.
- **Frontline Staffing** – £38k net underspend. There are underspends in the frontline social work teams due to vacancies which are partially offset by costs of covering long term sickness and pressures in the Early Support Service. The forecast assumes that £300k of the £450k savings target will be delivered as there is a long process of assimilation and interviews to undergo before the anticipated 1 December delivery. As the months progress it will be clearer if this saving will be achieved in full this year.

- 2.49 **Education Services – SEN Transport** - £215k net overspend due to projected in growth in the number of children and number of routes from the 2023-24 academic year as well as the full year impact of growth in the number of children and routes from the 2022-23 academic year. In addition to this, there are contract inflation pressures linked to the rise in London Living Wage.
- 2.50 **Commissioning & People Services Management** – £104k net overspend. This relates staffing pressures in relation to the Mosaic Team and the Safeguarding Team.
- 2.51 The movement between Q1 and Q2 is a net reduction of £625k. This relates to frontline staffing of £409k underspend due to anticipated partial delivery of the CYPs MTFs staffing restructure and a reduction in forecast for placements £217k due to lower costs of accommodation than originally projected.

Dedicated Schools Grant

- 2.52 The Dedicated Schools Grant (DSG) is a ring-fenced grant of which the majority is used to fund individual school budgets in maintained schools, academies, and free schools in Harrow. It also funds Early Years nursery free entitlement places for 2-, 3- and 4-year-olds in maintained council nursery classes and private, voluntary, and independent (PVI) nurseries as well as provision for pupils with High Needs.
- 2.53 There is a projected overspend on the High Needs Block of £2.482m in 2023-24 which added to the cumulative deficit of £2.623m brought forward from previous years will take the total projected deficit at the end of March 2024 to £5.104m.
- 2.54 Any deficits an authority may have on its DSG account is expected to be carried forward and does not allow or require a local authority to cover this from its general reserves. This is a fixed term arrangement ending in March 2026.
- 2.55 The DfE requires local authorities to explain their plans for bringing the DSG account back into balance. An updated recovery plan is being drafted with the latest projections and will align with the updated SEND Strategy being presented to Cabinet later this year. Despite the significant proposals and measures planned over the next ten years, it is unlikely that the plan will fully mitigate the deficit. This is due to the following contributory factors:
- historical underfunding
 - current budgets being based on historical budgets rather than historical spend
 - extension of age range to include 0-5 and post 19
 - 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

CORPORATE AND TECHNICAL

2.56 As at Q2 the forecast for Corporate & Technical budgets is a net underspend of £5.144m as detailed below.

2.57 This is an improvement from the position reported at Q1 of £370k. This is mainly due to £386k additional treasury management income and reduced interest charges, the release of £323k corporate growth budget that is no longer required and one-off excessive deaths grant income of £41k. These positive movements are partially offset by an increase in pay inflation costs of £282k, a reduction of £130k corporate funding, and an increase of Audit fees £228k.

Corporate Items

2.58 As at Q2 the forecast is a net underspend of £2.213m on the corporate items.

2.59 This is an increase from the position reported at Q1 of £57k which relates to an increase in Audit Fees of £228k partially offset by excessive deaths grant income of £41k. In addition, at Q1 the forecast assumed that £130k pressure in housing would be met by the MRP budget, however in Q2 this has been removed reducing the reliance for corporate funding.

2.60 This includes a draw down from the Children's Social Care Reserve of £1m. This funding was originally planned to be drawn down in 2022-23 to offset Children's Services pressures. However, this was not required and is therefore uncommitted and available to support overall council pressures. In addition, there is £2.4m rebate from the West London Waste Authority from the sale of electricity of which £1.4m will be used to manage overall council pressures and the remaining £1m added to the Place MTFs Implementation reserve to support the Place directorate with delivery of savings in the MTFs. There is also excessive deaths grant income of £41k. This has been offset by an increase in external audit fees of £228k.

Contingency for Unforeseen Items

2.61 As at Q2 the forecast is a net underspend of £1.248m as this budget is uncommitted and will be used to manage overall council pressures.

Technical Budgets

2.62 As at Q2 the forecast is an underspend of £2.765m of which the majority relates to additional treasury management income and reduced interest charges.

2.63 The underspend of £2.765m is made up as follows:

- Net underspend on capital financing costs of £2.042m. The gross underspend on Treasury management is £2.692m which has been partially offset by the non-achievement of the £650k residual management savings.
- £400k draw down from Public Health reserve.
- Release of £323k against the corporate growth budget and in the main is to offset the projected impact of the pay award detailed below.

2.64 This is a favourable movement of £709k between Q1 and Q2, reflecting the £386k additional treasury management income and reduced interest charges, and £323k relating to the release of the corporate growth budget.

Pay & Non-Pay Inflation Budgets

2.65 As at Q2 the pay and non-pay inflation budgets are held corporately. There is a net underspend on the non-pay inflation budget of £2.127m as forecast energy prices are lower than originally anticipated.

2.66 The pay award for 2023-24 (effective 1/4/2023) was agreed at the end of October and will cost £7.21m against the original budget of £4m, therefore creating an overspend of £3.2m which is offset by the £2.127m non-pay underspend and £283k underspend from corporate growth budget leaving a pressure of £800k.

2.67 This is an increase of £282k between Q1 and Q2 which reflects the difference between the estimated pay award of £6.928m and the actual pay award of £7.21m.

Investment Properties

2.68 As at Q2 the forecast for investment properties is a balanced position. This is after allowing for a draw down of £75k from the Investment Properties Reserve to fund a loss in rental income as a result of vacant space.

HOUSING REVENUE ACCOUNT (HRA)

2.69 The HRA budget was set with an in-year surplus for £423k in 2023-24. The forecast at Q2 is an increased surplus of £1.1m and now reporting a favourable variance of £677k.

2.70 This is a movement from Q1 of £600k is due to increased forecast income of £338k - commercial property £70k, Licence income £70k and additional service charge income of £198k, £60k reduction in Repairs and Maintenance following an analysis of Temporary Accommodation income, £114k from increased forecast staff vacancies and £88k reduction in capital charges as a result of the rephasing of the Capital Programme.

2.71 The favourable variance of £677k is made up as follows:

- **Supervision & Management** - £409k reduced expenditure due to lower forecast of utilities spend £136k following management action and lower energy prices, and staff vacancies £273k.
- **Capital Charges** - £268k reduction as a result of the review and rephasing of the BCHFL Capital programme based on current information.

RESERVES

Table 10: Summary of Reserves 2023-24

Description	Balance Carry Forward 31/03/2023	Directorate Reserve Movements	Corporate Reserves Movements	Other Reserves movement	Balance Carry Forward 31/03/2024
CIL Harrow	-11,053,401			1,000,000	-10,053,401
Revenue Grant Reserve	-5,161,951	2,336,000			-2,825,951
Compensatory Added Year Reserve	-162,782			80,000	-82,782
PFI Schools Sinking Fund	-2,071,676	655,000			-1,416,676
Public Health Reserve	-2,848,296	482,000	400,000		-1,966,296
PFI NRC Sinking Fund	-1,823,836				-1,823,836
Legal Services Contingency	-500,000				-500,000
Carryforward Reserve	-1,396,857		999,793	397,064	0
Collection Fund Reserve	-2,246,846				-2,246,846
Borough Election	-159,847				-159,847
Harvist Reserve Harrow Share	-88,613				-88,613
Proceeds Of Crime Reserve	-63,000				-63,000
Proceeds Of Crime Reserve Planning	-430,172				-430,172
Public Mortuary Expansion Reserve	-500,000				-500,000
3G Pitch	-50,000	-25,000			-75,000
CIL Mayor	-192,259				-192,259
Vehicle Fund	-1,250,478				-1,250,478
PAP Sinking Fund	-712,500				-712,500
HRA Hardship Fund	-2,330				-2,330
HRA Regeneration Reserve	-199,531				-199,531
HRA Repair Reserve	-277,428				-277,428
Business Risk Reserve	-155,000	81,000			-74,000
Capacity Build/ Transformation Reserve	-527,927	51,000		300,000	-176,927
Equalities Diversity & Inclusion Reserve	-26,000	39,000			13,000
Total Earmarked (Specific) Reserves	-31,900,730	3,619,000	1,399,793	1,777,064	-25,104,873
Decommissioning Accommodation	-561,000	500,000			-61,000
Adults Social Care Reserve	-1,800,475				-1,800,475
People Services MTFS Implementation	-2,099,000	1,347,000			-752,000
Children's Social Care Reserve	-2,620,771	325,000	1,000,000		-1,295,771
Insurance Reserve	-1,304,124	250,000			-1,054,124
Place MTFS Implementation Reserve	-1,595,000	445,000	1,000,000	-1,000,000	-1,150,000
Investment Property Reserve	-1,122,960		75,000		-1,047,960
Corporate MTFS Implementation Reserve	-3,000,000	342,000			-2,658,000
Total Earmarked (Non Specific) Reserves	-14,103,330	3,209,000	2,075,000	-1,000,000	-9,819,330
Budget Planning Reserve MTFS gap	-18,342,606	2,240,000			-16,102,606
Total Non Earmarked Reserves	-18,342,606	2,240,000	0	0	-16,102,606
General Fund Reserves	-10,008,000				-10,008,000
Total General Fund Reserves	-10,008,000	0	0	0	-10,008,000
DSG Deficit Recovery	-1,384,105				-1,384,105
DSG Overspend	4,006,867				4,006,867
Total Net DSG Deficit Reserve	2,622,762	0	0	0	2,622,762
Grand Total All Reserves	-71,731,904	9,068,000	3,474,793	777,064	-58,412,047

2.72 Table 10 shows the balance brought forward on the Council reserves and the projected reserve balances at the end of the financial year. The drawdowns from reserves of £9.068m and £3.475m in table 10 are already incorporated in the overall forecast for 2023-24 as reflected in Table 1 (which shows the total use of reserves of £12.543m). The “other reserves movement” in Table 10, are further use or reserves not reflected in the current revenue forecast. For example, £1m planned use of BCIL will support the Capital programme. The forecast year end balance on the budget planning reserve is £16.103m after allowing for a £2.240m draw down already included in the forecast. If the Q2 forecast overspend is not mitigated by the end of the year, then the budget planning reserve would be reduced by a further £1.379m.

GRANTS

2.73 Attached at Appendix 1 is a schedule of all the revenue grants the Council expects to receive in 2023-24. The majority of these grants are received and paid out and don't impact on the bottom line. For example, the Dedicated Schools Grant is £152m and is paid out to education providers.

SAVINGS TRACKER

2.74 Attached at Appendix 2 is the MTFs Savings Tracker.

Rag Rating	Resources	Managing Director	Total People	Total Place	Council Wide	Total	%
	£000	£000	£000	£000	£000	£000	
Red	0	0	0	(2,616)	0	(2,616)	28%
Orange	0	0	(60)	(65)	0	(125)	1%
Amber	(506)	0	(1,444)	(875)	0	(2,825)	30%
Green	(365)	(366)	(1,594)	(959)	(650)	(3,934)	41%
Total	(871)	(366)	(3,098)	(4,515)	(650)	(9,500)	100%

2.75 28% of the savings are rated Red which means they will not be achieved either fully or only partially achieved in 2023-24. These assumptions are already included within the directorate forecasts as follows:

Directorate	Savings Proposal	2023-24 £'000	Comments
Place	Parking Review	-2,500	Partially achieved in 2023-24 and is part of directorate overspend. Unlikely to be achieved in full in future.
Place	Building Control Fees & Charges	-68	Not achieved in 2023-24 and is part of directorate overspend. Unlikely to be achieved in full in future.
Place	Development Management Fees & Charges	-48	Not achieved in 2023-24 and is part of directorate overspend. Unlikely to be achieved in full in future.
Total		-2,616	

2.76 1% of the savings are rated Orange which means they will not be achieved as per original proposal, however the saving be delivered by alternative means in part or fully or saving has been implemented as per original proposal but not all of the savings can be achieved These assumptions are already included within the directorate forecasts as follows:

Directorate	Savings Proposal	2023-24 £'000	Comments
People	Review of Occupational Therapy	-60	Saving will not be delivered as per original proposal, however the saving will be delivered by alternative means in fully
Place	Remove Principal Conservation Architect post	-65	Saving will not be delivered as per original proposal, however the saving will be delivered by alternative means in fully
Total		-125	

CAPITAL PROGRAMME

3.0 The revised capital budget for 2023-24 is £163.529m as set out at Table 11 and in more detail at Appendix 3:

Table 11: Capital Programme Budget 2023-24 Q2

Directorate	Grant Funding/CiL/ S106 (A)	Harrow Borrowing (B)	Revised Budget (A+B)	Forecast Outturn	Forecast Variance	Slippage to 24/25	Over/ Underspend after Slippage
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
RESOURCES TOTAL	0	11,026	11,026	7,253	-3,773	-3,623	-150
PEOPLE:							
Adults	100	268	368	81	-287	-287	0
Public Health	1	0	1	1	0	0	0
Children	18,772	129	18,901	9,897	-9,005	-9,005	0
PEOPLE TOTAL	18,873	396	19,270	9,978	-9,291	-9,291	0
PLACE:							
Environment	12,777	22,500	35,278	30,451	-4,827	-4,802	-25
Inclusive Economy, Leisure & Culture	2,343	3,764	6,108	2,744	-3,363	-2,836	-527
Regeneration & Development	3,046	17,739	20,785	5,039	-15,745	-14,833	-912
Housing General Fund	5,047	8,513	13,560	12,347	-1,212	-1,152	-60
PLACE TOTAL	23,213	52,516	75,729	50,581	-25,148	-23,624	-1,524
TOTAL GENERAL FUND	42,086	63,938	106,025	67,812	-38,212	-36,538	-1,674
TOTAL HRA	16,656	40,848	57,505	44,628	-12,877	-12,812	-65
TOTAL GENERAL FUND & HRA	58,742	104,786	163,529	112,440	-51,088	-49,349	-1,739

3.1 The general fund capital programme budget in 2023-24 is £106.025m. The net forecast position on the capital budget at Q2 is £67.812m which represents 64% of the total capital programme budget. The variance of £38.212m is made up of proposed slippage of £36.538m and an underspend of £1.674m.

- 3.2 The Housing Revenue Account (HRA) capital programme budget is £57.505m. The net forecast position on the HRA capital budget at Q2 is £44.628m which represents 78% of the total HRA capital programme budget. The variance of £12.877m is made up of proposed slippage of £12.812m and a net underspend of £65k.

RESOURCES

- 3.3 As at Q2 the projected spend is £7.253m which represents 66% of the capital budget. £3.623m will all be slipped into next financial year of which £1.249m relates to the council wide capital budget which is used to fund various schemes across the council which have not received a capital allocation during the normal budgeting cycle. This is currently uncommitted and therefore will be slipped to 2024-25. £2.374m relates to current IT projects. There is a net underspend of £150k relating to IT projects.

PLACE

- 3.4 As at Q2 the projected spend is £50.581m which represents 67% of the capital budget. Of the variance to budget of £25.148m, a total of £23.124m of funding will be slipped to 2024-25 and there is an underspend of £2.024m.

Environment

- 3.5 The services forecast to spend £30.451m against a budget of £35.278m. £4.802m is forecast to be slipped to 2024-25 and £25k is an underspend.
- **Climate Emergency** - £350k slippage relates to energy emissions reduction measures. A number of solar projects are planned to be implemented this year and survey works are underway. Subject to a procurement exercise, it is anticipated that £400k of the budget will be utilised to improve energy efficiencies of our buildings through installing solar panels. The forecast to be slipped to 2024-25 is to undertake further energy efficiency projects.
 - **Parks Infrastructure** - £450k slippage. Improvement works at the Green Flag parks are underway and the majority of these are anticipated to be completed in 2023/24. Within this year's budget allocation, there is an externally funded project at Chandos Recreation Ground. This is a 2-year project funded by the GLA's Green and Resilient Spaces Fund and BCIL, and the forecast slippage primarily relates to this as the construction phase is scheduled for 2024-25.
 - **Vehicle Procurement** - £2.367m slippage. The budget of £2.867m was originally set up based on the data in the vehicle replacement programme. Of this, £500k is forecast to be spent this year on the replacement of grounds maintenance vehicles and machines. A number of minibuses for delivering Brent's special needs transport service are almost 7 years old

and are due to be replaced. However, options are to be explored with Brent, considering their service requirements and the potential move to greener vehicles as part of the re-procurement process. Given the replacement value of the vehicles, this will be subject to a separate Cabinet decision in future. £2.367m is therefore forecast to be slipped to 2024-25.

- **Future High Street Fund (FHSF) Harrow Town Centre** – £1.135m slippage. All 3 projects in the revised FHSF programme are underway following the approval of the project and adjustment request by DLUHC that all grant is spent by 31 March 2024. The budget of £8.319m is made up of FHSF of £7.184m and BCIL of £1.135m. As the grant condition requires the FHSF to be committed no later than 31 March 2024, the FHSF is forecast to be spent this year and the BCIL fund is slipped to 2024-25 to meet the remaining costs of the projects.
- **Depot Redevelopment** - £500k slippage. The main redevelopment project has been completed. Additional works including the transformation of the external areas are being progressed this year. Any further works to enhance the site will be reviewed and decided later, and therefore a budget allowance of £500k is forecast to slip to 2024-25.
- **Street Lighting Programme** - £25k underspend. Lighting columns already planned to be replaced in the Town Centre are now assumed to be part of the wider Public Realm project and funded from the FHSF programme, therefore a net £25k is reported as budget underspend.

3.6 Unless stated otherwise, the slippage has no implications on the revenue budget.

Inclusive Economy, Leisure, and Culture

3.7 As at Q2 the forecast is £2.744m against a budget of £6.108m. £2.837m is forecast to be slipped to 2024-25 and a forecast underspend of £527k.

- **Leisure Centre Infrastructure** - £2.755m slippage. Capital budgets have been allocated for health & safety and operational improvement works at Harrow Leisure Centre, Hatch End Swimming Pool and Bannister Sports Centre. Preliminary works and surveys are planned in 2023/24 before any procurement exercise will take place. Given the value of works, a separate Cabinet approval will likely be required. Therefore, the funding of £2.755m for delivery phase is forecast to be slipped to 2024-25.
- **Harrow High Street Fund** - £608k, consisting of £81k slippage and £527k underspend. The delivery of 2023-24 agreed programme is underway. At the same time, a review is being undertaken on some of the current projects to assess their suitability and/or delivery timeline. Therefore £81k is forecast as a slippage to 2024-25. Within this year's budget allocation, £638k is assumed to be funded from BCIL and £527k from borrowing. At this stage, the working

assumption is that the programme will be delivered and funded from the remaining BCIL, therefore releasing £527m Council borrowing as budget underspend.

Regeneration and Development

3.8 As at Q2 the service forecasts to spend £5.039m against a budget of £20.785m. The remaining £14.833m is forecast to be slipped to 2024-25 and £912k forecast to underspend.

- **Investment in Harrow New Civic and 3 core sites** - £14.183m slippage. Following the Cabinet report in November 2022 on the review and progress of the Harrow Strategic Development Partnership (HSDP), it was agreed that £10.735m of the budget was earmarked for Grange Farm Phase 2 (private homes) and Grange Farm Phase 3 design and planning (private homes) respectively. This is profiled to be spent in 2024. The remaining budget of £3.448m will remain in the capital programme for future schemes.
- **High Priority Planned Maintenance** - £1.562m, consisting of £650k slippage and £912k underspend). A planned investment programme on corporate buildings and the associated costings are to be developed. Works will be prioritised based on investment criteria. It is proposed that the capital budget is re-profiled to provide an annual allocation of £650k per annum over the next 3 years. This results in net £912k being reported as budget underspend in 2023-24.

3.9 Unless stated otherwise, the slippage has no implications on the revenue budget.

Housing General Fund

3.10 As at Q2, the services forecast to spend £12.347m against a budget of £13.560m. £60k is forecast as an underspend and, £1.153k to be slipped into 2024-25.

- **Empty Properties Grant** - £60k underspend. Demand has reduced due to landlords in London exiting the rental market. The rent levels offered by Harrow are no longer competitive even with the guaranteed rent and bond schemes.
- **Disabled Facilities Grant** - £1.153m slippage. This relates to unallocated external grant to be slipped to 2024-25 to be added to next year's programme. The service is currently undergoing peer review to establish best practice and efficiencies and effective ways of allocating the DFG budget allocation.

PEOPLE SERVICES

3.11 As at Q2 the projected spend is £9.978m which is 52% of the total budget.

Adult Services

3.12 As at Q2 the forecast spend is £81k which is 22% of the total budget. The remaining £289k is reported as slippage.

3.13 The slippage relates to funding for inhouse provision which largely represents a placeholder in the event of any unforeseen requirements. It is not anticipated that the full budget will be required this financial year. There are no revenue implications as a result of this slippage.

Public Health

3.14 As at Q2 the projected spend is £1k which represents 100% of the budget.

Children's Services

3.15 As at Q2 the projected spend is £9.896m which is 52% of the total budget. The remaining £9.005m will be slipped to future years.

3.16 The majority of the slippage relates to grant funding for Special Educational Needs capital projects which are planned for 2024-25.

HOUSING REVENUE ACCOUNT (HRA)

3.17 The HRA capital programme budget is £57.505m. As at Q2 the net forecast spend position is £44.628m. The variance of £12.877m is made up of slippage of £12.812m and a net underspend of £65k.

3.18 The slippage of £12.812m relates to the following schemes:

- **Planned Investment** - £2.576m slippage.
Meadfield & Cornell £1.05m- Delay is due to specialist contractors carrying out detailed ground surveys which impacts on the delivery of the programme.

Various estate renewal schemes £356k - Delay to s20 consultation notice and schemes to go out to tender in November 2023

Roof renewal schemes (Pinner Green & Tapley & Cornell) £450k - Tender currently being evaluated and work due to start in new year for Pinner Green. Tapley & Cornell about to go to tender via framework, revised expected SOS January 2024.

Windows & Doors £720k - Tenders currently being evaluated with proposed start on site (SOS) early in new year, resulting in slippage of £720k into 2024-25.

- **Retrofit for Energy** - £1.259m slippage. The HRA budget report set aside £1.0m placeholder budget as match funding to support bids to the government for energy efficiency/decarbonisation related works. The budget has been reprofiled following a successful bid to the Social Housing Decarbonisation Fund (SHDF) Wave 2, at £2.147m contributing to a contract circa £5.1m of which £2.93m will be co-funding by Harrow to delivery energy efficiency works across over 226 homes over 2 years.
- **Grange Farm Phase 2** - £942k slippage and **Grange Farm Phase 3** - £109k slippage. The budget has been reprofiled to reflect the later than anticipated handover of Phase 1 and pause in design and planning application for Phase 2 and 3 related to the HSDP review.
- **Housing IT phase 2** - £600k slippage. Phase 1 of the Housing IT systems replacement is at the user acceptance testing stage and 'Go live' is not anticipated until December 2023, resulting in Phase 2 of scheme being pushed back into 2024-25.
- **Homes for Harrow Phase 2** - £1.079m slippage. The budget has been reprofiled to reflect the HSDP review and reprofiling of GLA grant agreed with the GLA to match with start on sites being reprofiled to 2024-25.
- **Building Council Homes for Londoners** - £6.246m slippage and £7k underspend.

Slippage on Brookside Close and Charles Crescent, £1.601m and £1.076m respectively, due to cash flow forecast from contractor being over estimated. SOS completed in line with GLA grant requirements. 90% of grant has been claimed. Assuming lost time may be made up later in the project so currently predicting practical completion will be on target.
Milton Road (£3.569m)- Milton Road reprofiled following move to fixed rate contract, £3.41m in 24/25 and £159k in 25/26.

Underspend relates to completion of schemes with £7k borrowing released as underspend.

3.19 Unless stated otherwise, the slippage has no implications on the revenue budget.

ADDITIONS AND AMENDMENTS TO THE CAPITAL PROGRAMME

3.20 Relocation of existing Harrow Adult Drug & Alcohol Community Treatment and Recovery Service £60k – addition.

Public Health are seeking an addition to the capital programme from S106 monies, to support the relocation of the existing Harrow Drug & Alcohol Community & Recovery Service delivered by Via (formerly WDP) which is funded by the Public Health grant. The funding is being applied to support with the costs associated with adaptation and the refurbishment of the new site from which the services will be run.

This addition is in line with the Financial Regulations. The spend will ensure that the drug & alcohol community & recovery service can continue to be provided to the public and is externally funded therefore will not increase the cost of borrowing.

This is in accordance with “a place where those in need are supported” priority of the capital programme and will have no implications on the revenue budget

3.21 Contribution towards the refurbishment of 8 units into 5 self-contained flats as part of a project with Notting Hill Genesis (NHG) £154k - addition.

Adults Services are seeking an addition to the capital programme of £154k to contribute towards the refurbishment of 8 units into 5 self-contained flats as part of a project with Notting Hill Genesis (NHG).

The scheme costs total £1.054m and will be jointly funded by capital grant funding from the Greater London Authority (GLA) of £500k, funding of £500k from NHG with the balance of £154k funded by the Council. This contribution will be funded by social care grants, with the Council receiving 100% nomination rights in perpetuity (subject to agreement as part of the contractual arrangements). This redeveloped NHG owned property will increase the choice of accommodation in Harrow and reduce the reliance of out of borough placements for citizens with learning disabilities and autism anticipated and will contribute towards the delivery of existing MTFS proposals for 2025-26.

This addition is in line with the Financial Regulations. The spend will reduce the reliance of out of borough placements for citizens with learning disabilities and autism by giving more choice of accommodation in Harrow and is externally funded therefore will not increase the cost of borrowing.

This is in accordance with “a place where those in need are supported” priority of the capital programme and will have no implications on the revenue budget.

4.0 COUNCIL TRADING STRUCTURE UPDATE 2023-24

4.1 The Council’s Trading Structure update is attached at Appendix 4 and summarises the financial position and provides a general update on the activities of all the Council’s trading entities.

5.0 REPORTING FOR THE 2023-24 FINANCIAL YEAR

5.1 This is the second revenue and capital budget monitoring report for 2023-24

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

- Q3 Revenue & Capital Monitoring – February 2024
- Q4/Final Revenue & Capital Monitoring – July 2024

6.0 Implications of the Recommendation

Implications of recommendation are set out in the body of this report.

7.0 Performance Issues

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

As at Q2 the forecast on the revenue budget is a net overspend of £1.379m.

The projected spend on the Capital Programme is £112.440m which represents 69% of the total budget.

8.0 Environmental Implications

There is no direct environmental impact.

9.0 Risk Management Implications

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

Separate risk register in place? **No**

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

The following key risks should be taken onto account when noting the report:

Risk Description	Mitigations	RAG Status
Failure to deliver the budget on target	<ul style="list-style-type: none"> ▪ At Q1 there is a projected net revenue overspend of £1.379m. ▪ This includes an assumption that 28% of the MTFs savings are rated Red and are either not achieved or not achieved in full this financial year with the remaining 72% as outlined above. ▪ It is anticipated that by the end of the year this overspend can be contained within budget through continued robust budget monitoring and challenge. 	Amber
Pay inflation impact on budget	<ul style="list-style-type: none"> ▪ The pay award for 2023-24 (effective 1/4/2023) was agreed at the end of October and will cost £7.21m against the original budget of £4m, therefore creating an overspend of £3.2m which is offset by the £2.127m non-pay underspend and £283k underspend from corporate growth budget leaving a pressure of £800k. ▪ The movement of £282k between Q1 and Q2 reflects the difference between the estimated pay award of £6.928m and the actual pay award of £7.21m 	Amber

Trading companies' failure to deliver required contribution to the MTFS	<ul style="list-style-type: none"> ▪ Income target reprofiled over four years rather than three ▪ Impact of reprofiling on 2023-24 budget is already assumed in the overall outturn ▪ Quarterly stakeholder groups ▪ Review of financial and non-financial performance information 	Green
Projects within the Capital Programme exceed their budget, potentially resulting in additional capital financing costs	<ul style="list-style-type: none"> ▪ If projects exceed their costs, Directorates would be asked to find compensatory savings elsewhere in the programme to cover the overspend. In the worst-case scenario, a council wide capital budget is held and a virement would be carried out to offset the overspend. 	Green
Additions to the capital programme occur that may incur additional borrowing costs to the council	<ul style="list-style-type: none"> ▪ Funded by additional grants and contributions thus no additional capital financing costs will be incurred 	Green

10.0 Procurement Implications

Any procurement arising from this report will be supported by the Procurement Team and will be undertaken compliant with the Public Contract Regulations 2015 and the Council's Contract Procedure Rules.

11.0 Legal Implications

Section 151 of the Local Government Act 1972 states that without prejudice to section 111, every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs". Section 28 of the Local government Act 2003 imposes a statutory duty on a billing or major precepting authority to monitor, during the financial year, its income and expenditure against budget calculations.

Under the Financial Regulations B48 Additions in-year to the Capital Programme

Up to £5m – additional capital spending can be approved by Cabinet on specific projects where

- i. The expenditure is wholly covered by additional external sources; and
- ii. The expenditure is in accordance with at least one of the priorities listed in the capital programme; and
- iii. There are no full year revenue budget effects

The additional capital spending agreed by Cabinet in one financial year cannot exceed £20 million.

12.0 Financial Implications

Financial matters are integral to this report.

13.0 Equalities implications / Public Sector Equality Duty

13.1 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 budget 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:

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

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

- remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;
- 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;
- 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:
 - Tackle prejudice, and
 - Promote understanding.

13.4 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

13.5 Equality assessments were undertaken for the budget proposals agreed by Council listed as part of the MTFS process and an overall equality assessment was undertaken on the MTFS.

Section 3 - Statutory Officer Clearance

Statutory Officer: Sharon Daniels

Signed by the Interim Chief Financial Officer

Date: 21/11/23

Statutory Officer: Caroline Eccles

Signed on behalf of the Monitoring Officer

Date: 22/11/23

Chief Officer: Alex Dewsnap

Signed off by the Managing Director

Date: 23/11/23

Head of Procurement: Nimesh Mehta

Signed on behalf of Head of Procurement

Date: 21/11/23

Head of Internal Audit: Neale Burns

Signed on behalf of the Head of Internal Audit

Date: 22/11/23

Mandatory Checks

Ward Councillors notified: NO as it impacts on all Wards

EqIA carried out: NO

Section 4 - Contact Details and Background Papers

Contact: Sharon Daniels, Interim Director of Finance & Assurance
(S151 Officer), Telephone 020 8424 1332,
Sharon.Daniels@harrow.gov.uk

Background Papers:

Final Revenue Budget 2023/24 and Final Medium Term Financial Strategy 2023/24 to 2025/26 Report

Call-in waived by the Chair of Overview and Scrutiny Committee - NO

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Directorate	Division	Awarding Body	Grant Name	2023/24 Value	Purpose of grant
Corporate	Corporate	DLUHC	S31 Business Rates Relief	£ 2,500,000	Compensation from government to billing authorities for the cost of reliefs
Corporate	Corporate	DLUHC	NNDR Multiplier inflation	£ 7,011,000	A Section 31 grant to compensate local authorities for under-indexation of the business rates multiplier
Corporate	Corporate	DLUHC	New Services Grant	£ 1,541,000	One off grant to support local government costs including for the increase in employer NI contributions
Corporate	Corporate	DLUHC	Revenue Support Grant	£ 2,081,000	government grant given to LAs to support revenue expenditure
Corporate	Corporate	DLUHC	Business Rates Top Up Grant	£ 23,195,000	a local authority will receive a top-up if its baseline funding level is greater than its individual authority business rate baseline.
Corporate	Corporate	DLUHC	Business Rates Retention	£ 15,141,000	The amount that an authority is entitled to receive to reflect their own Business Rates.
Corporate	Corporate		New Homes Bonus	£ 2,245,000	a grant paid by central government to local councils to reflect and incentivise housing growth in their areas.
People	Adults	DHSC	Market Sustainability and Fair Cost of Care Fund	£ 2,271,015	the primary purpose of the fund is to support local authorities to move towards paying providers a fair cost of care and to prepare their markets for adult social care reform
People	Adults	DHSC	Local Reform and community voices	£ 166,514	• Funding for Deprivation of Liberty Safeguards (DOLS) in Hospitals; • Local Healthwatch funding, and; • Funding for Independent NHS Complaints Advocacy Services (ICAS).
People	Adults	DLUHC	PFI	£ 965,648	To help fund costs of historic PFI projects for NRC's
People	Adults	DLUHC	Improved Better Care Fund	£ 6,663,537	Meeting adult social care needs, supporting people to be discharged from hospital when they are ready, ensuring the social care provider market is supported
People	Adults	DLUHC	Social Care Grant	£ 12,807,955	The purpose of the grant is to provide support to local authorities in England towards expenditure lawfully incurred or to be incurred by them
People	Adults	DHSC	Adult Social Care Discharge Fund	£ 934,217	prioritise those approaches that are most effective in freeing up the maximum number of hospital beds and reducing bed days lost within the funding available, enable more people to be discharged to an appropriate setting, boost workforce capacity to help reduce delayed discharges
People	Adults	DfT	Bus Service Operators (BSOG)	£ 23,160	Payment made to LA for community transport.
People	Children	Home Office	Unaccompanied Asylum Seeking Children	Variable TBC	To support UASC and 18+ Asylum seekers. Grant as is claimed in arrears based on agreed support days.
People	Children	YJB	Youth Justice Grant	£ 269,230	Delivery of youth justice services
People	Children	DFE	Holiday Activities & Food Programme	£ 678,050	Local co-ordination of free activities and healthy food for disadvantaged children.
People	Children	ESFA	Children Looked After Pupil Premium Grant	£ 339,810	Grant per child for looked after children by LA for at least 1 day. LAC premium is managed by Virtual School Head for the benefit of the child. Grants to be paid to schools and also can be held centrally to be pay for staffing, tutors training etc. Grant needs to be fully spent. Unspent grant is recovered by ESFA.
People	Children	DLUHC	Supporting Families (was Troubled Families)	£ 789,533	Provision of intensive family support services and increasing the maturity of the Early Help system. Also bringing services together around families to deliver whole family working. £534k Advance payment and up to £255k Payments by Results.
People	Children	DWP	Reducing Parental Conflict	£ 30,000	To develop staff skills and capability to identify parents experiencing parental conflict, deliver specialist interventions and provide other support to reduce parental conflict
People	Children	DfE	Social Workers in Schools	£ 128,867	A team of social workers based in schools (SWIS) with the aim they work more effectively with education colleagues and with children and families. Grant can be claimed for salary costs only. Funding is for April to August 2023.
People	Children	DfE	Extended Rights for Home to School Travel	£ 6,500	To promote sustainable travel for children and young people of compulsory school age who travel to receive education or training
People	Children	DfE	Schools PFI	£ 1,543,316	Credit to contribute to the Schools PFI contract
People	Children	DfE	Sec 31 Extension of the Role of Virtual School Heads	£ 30,000	The purpose of this grant is to provide support to local authorities in England, to help them meet their duty to appoint a Virtual School Head for previously looked-after children and make information and advice available to the following parties for the purposes of promoting the education of eligible previously looked-after children
People	Children	DfE	Sec 31 Extension of the Role of Virtual School Heads to children with a social worker Implementation Grant	£ 100,000	Extend the role of the Virtual School Head to promote the educational outcomes of the cohort of children with a social worker in early years setting, schools and colleges. To help all children with social worker to make educational progress.
People	Children	HMPPS	Remand	£ 132,364	Under 18s in remand/secure accommodation placements
People	Children	DfE	Staying Put	£ 71,259	Statutory Staying Put duty (18+ remain with foster carers)
People	Children	DfE	Personal Advisor	£ 55,550	Statutory duty to offer Personal Adviser support to all care leavers up to age 25
People	Children	DfE	Adoption Support Fund	Variable TBC	Therapeutic services for adoptive and Special Guardianship Order (SGO) families. Extended to Residence Order and Child Arrangement Order families for 2022/23. Funding is for approved claims.
People	Children	ESFA	KS2 Moderation and KS1 Phonics	TBC	To support the teaching of phonics at key stage 2
People	Children	MOPAC	Your Choice	Up to £69,778	To deliver High Intensity Therapeutic Interventions for children and young people who get involved in violence. Up to £52,000 plus £17,777.78 additional funding.

Directorate	Division	Awarding Body	Grant Name	2023/24 Value	Purpose of grant
People	Children	MOJ	Turnaround Programme	Up to £64,961	To intervene earlier and improve outcomes for children on the cusp of entering the Youth Justice System. This additional funding will enable YOTs to consistently support a cohort of children not currently on their statutory caseload.
People	Children	DfT	Bus Service Operators (BSOG)	£ 46,181	Payment made to LA for community transport.
People	Children	MOPAC	Engage Project	Up to £200,000 TBC	Providing Brief Solution Focused Early Intervention to Young People who have been arrested and are within Custody suites aimed at reducing violent and other forms of crime.
People	Children	DfE	S31 Implementation of Supported Accommodation Reforms	£ 43,550	Funding to contribute towards costs associated with Supported Accommodation reforms for CLA and LC 16-17 year olds
People	Children	DfE	S31 Implementation of Leaving Care Allowance Uplift	£ 57,552	Funding to contribute towards costs associated with increasing the leaving care allowance from a minimum of £2,000 to £3,000 as per recommendations in statutory guidance
People	Children	DfE	S31 Pupil Premium Plus post-16	£ 30,410	To support implementing the role of Virtual School Head for post-16 looked-after children and care leavers
People	Children	ESFA	School Led Tutoring programme	Variable TBC	To provide tutoring intervention to support catch-up for lost education due to COVID-19
People	Children	ESFA	Recovery Premium	TBC	Additional funding for Eligible schools based on Pupil Premium eligibility to provide further support to disadvantaged pupils
People	Children/Adults	MOPAC	Appropriate Adult	Up to £17,394	46% refund for Appropriate Adult costs incurred for young people and adults in Harrow and Barnet custody suites. Value is estimated based on maximum amount available.
People	Public Health	DOH	Public Health Grant	£ 12,006,594	Improving the health of the local population and reducing health inequalities
People	Public Health	DOH	Supplemental Substance Misuse treatment & Recovery Grant	£ 233,765	Additional Funding to support improvement in the quality and capacity of D&A treatment
People	Public Health	DOH	Inpatient Detoxification Grant	£ 18,428	Inpatient detox and rehab-Paid directly to provider
People	Schools	ESFA	Dedicated Schools Grant	£ 152,281,400	75% passported to schools and early years providers determined by funding formulae. 25% retained by LA for commissioning of High Needs provision for pupils with Special Educational Needs & Disabilities
People	Schools	ESFA	Pupil Premium Grant	£ 4,026,653	All passported to schools
People	Schools	ESFA	Universal Infant Free School Meals	£ 2,353,606	All passported to schools
People	Schools	ESFA	16-19 Sixth Form provision	£ 1,860,369	All passported to schools
People	Schools	ESFA	PE & Sports	£ 242,296	All passported to schools (2021-22 allocation, 2022-23 tbc)
Place	Environment	Mayor of London - Rewild London Fund	Making the Difference - Bentley Priory: Bigger; Better; Wetter and all Joined Up "Yeading Brook Unbound" project	£ 146,121	To help restore wildlife habitats including rivers, help species such as water vole thrive, create meadows for pollinators and new wetlands for birds, as well as enable the monitoring of iconic species such as hedgehogs to inform projects to reverse their decline.
Place	Environment	TfL	TfL - Local Implementation Plan 2023/24	£ 295,000	Total funding allocation is £1.591m. Various Revenue TFL projects.
Place	Housing	DLUHC	Homelessness Prevention Grant	£ 2,312,235	to give local authorities control and flexibility in managing homelessness pressures and supporting those who are at risk of homelessness
Place	Housing	DLUHC	HPG - Homes for Ukraine Funding Top-Up	£ 627,162	to support Ukrainian guests as they move into their second year and to reduce the risk of homelessness - administered via a top up to the Homelessness Prevention Grant (HPG)
Place	Housing	DLUHC	Rough Sleeping Initiative	£ 265,269	support for rough sleepers. £221,944 is the allocation for this year which we expect to be reduced by the amount of £32,571 which was carried forward from 21-22
Place	Housing	DLUHC	AFEO - Accommodation Ex Offenders (DLUHC)	£ 88,000	to support homeless prison leavers to access the private rented sector, reducing the chances of this cohort rough sleeping and reoffending.
Place	Housing	DLUHC	Mayor's Rough Sleeping Accommodation Programme	£ 124,280	To support Rough sleepers into longer term accommodation to enable them to transition to independent living.
Place	Housing	DLUHC	Domestic Abuse Accommodation Based Support	£ 37,145	Supports the new duty on relevant local authorities with the aim of ensuring all victims of domestic abuse have access to the right support within safe accommodation when they need it.
Place	Housing	HO	Home Office - Asylum Dispersal New Burdens	£ 67,250	To reduce and eliminate the use of hotels for asylum seekers by moving to a full dispersal model for asylum accommodation
Place	Inclusive Economy Leisure & Culture	Sport England	National Leisure Recovery Fund	£ 44,284	Funding for the development of a new Indoor and Outdoor Sports Facility Strategy as agreed by CSB. Funding carried forward from 21/22
Place	Inclusive Economy Leisure & Culture	London Youth Games	LYG Give Back	£ 3,778	London Youth Games only ran a summer festival last year and not the full campaign due to Covid-19 and lockdowns
Place	Inclusive Economy Leisure & Culture	Arts Council	Music Education Grant	£ 338,179	To support the delivery of activities from Music Hub
Place	Inclusive Economy Leisure & Culture	John Lyon's Charity	John Lyon Music Bursary Funding	£ 4,950	Year 5 (final year) of the funding towards supporting pupil bursaries
Place	Inclusive Economy Leisure & Culture	DLUHC	Near Neighbours - Windrush Day	£ 10,265	This project aims to curate a programme dedicated to educating young people and intergenerational families to come together to commemorate the 75th anniversary of Windrush in Harrow within the context of the wider historical story.

Directorate	Division	Awarding Body	Grant Name	2023/24 Value	Purpose of grant
Place	Inclusive Economy Leisure & Culture	Sporting Heritage	Sporting Heritage Microform Grant	£ 500	To support activities to celebrate National Sporting Heritage Day on 30 September 2023
Place	Inclusive Economy Leisure & Culture	WLA	European Social Fund (ESF) GLA	£ 50,274	Supporting Harrow residents into work
Place	Inclusive Economy Leisure & Culture	GLA	UK Shared Prosperity Fund (UKSPF)	£ 184,641	The GLA has allocated a total of £1.4m funding to Harrow Council to deliver projects under the UKSPF themes of (i) Communities and Place and (ii) Supporting Local Businesses.
Place	Regeneration & Development	DEFRA	Biodiversity Net Gain	£ 26,807	The grant relates to supporting the Council to meet its statutory obligations relating to Biodiversity Net Gain under the Environment Act 2021. The grant has just been awarded and the Government is insisting that it is invoiced for / paid by the end of financial year, so it is not practical to spend the grant within the financial year, so it therefore needs to be carried forward (from 21/22)
Resources	Benefits	DLUHC	MHCLG Local Council Tax Support Schemes Grant	£ 340,000	this is c/f fro Council Tax hardship support Grant received to support CTS claimants in 2023/24.
Resources	Benefits	DWP	Rent Rebate Subsidy	£ 20,000,000	as received in 20/21 – DWP subsidy paid to local authority to cover the cost of Housing Benefit paid to local authority tenants who are paid Housing Benefit by the LA via means testing
Resources	Benefits	DWP	Rent Allowance Subsidy	£ 90,000,000	as received in 20/21– DWP subsidy paid to local authority to cover the cost of Housing Benefit paid to privately renting tenants who are paid Housing Benefit by the LA via means testing
Resources	Strategy	Home Office	Resettlement VPRS grant	£ 105,000	to fund resettlement cost (admin, support officer) for refugee families
Resources	Strategy	Home Office	Afghan Resettlement	£ 700,000	To fund resettlement costs (including staffing costs) for qualifying Afghan refugee families (over the three year funding period (for 10 families currently resettled in Harrow)
Resources	Strategy	DLUHC	Domestic Abuse Grant	£ 167,050	Funds Complex Needs project which supplements the DA contract and funds requirements to ensure compliance with new DA Bill duties
Resources	Strategy	MOPAC	VRU/LCPF	TBC	To fund Community safety and crime prevention activity including DV and serious violence co-ordinator
Resources	Strategy	DWP	Household Support Fund	£ 1,520,000	To support households in the most need particularly those including children and pensioners who would otherwise struggle with energy bills, food and water bills.
Resources	Strategy	DLUHC	Homes for Ukraine	£ 426,000	To support Ukrainian families fleeing the war
Resources	Strategy	MOPAC	VRU	TBC	To fund Community safety and crime prevention activity including DV and VAWG Coordinator
Total				£ 372,805,518	

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MTFS Savings- 2023/24 to 2024/25												
Item No	Area	ref	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2022/23 Service Budget	2023/24	2023/24 RAG Rating	2024/25	2024/25 RAG Rating	2025/26	2025/26 RAG Rating	Total
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
					£000	£000		£000		£000		£000
				Resources								
1	Resources Savings	RES L1	BSS	Reduction of the cost of post through digitalisation	260	(100)	G	-		-		(100)
2	Resources Savings	RES L2	IT	Integrated Apps - IT is in the process of agreeing a new corporate approach to management of business systems which are currently managed within departments. This new approach is expected to result in rationalisation and centralisation of budgets and deliver savings through reduction in contract spend.	7,455	-		(200)	A	-		(200)
3	Resources Savings	RES L4	IT	Print reduction	7,455	(50)	G	-		-		(50)
4	Resources Savings	RES 2	Access H /BSS	Customer Services & Business Support efficiencies - this is a back office saving which is not expected to have an impact on residents. HR procedures will be followed as required including any consultation and	1,954	(35)	G	-		-		(35)
5	Resources Savings	RES 9	IT	IT Expenditure review and consolidation - this is a back office saving which is not expected to have an impact on residents.	7,455	(100)	G	(100)	G	-		(200)
6	Resources Savings	RES 7	Access H	Cost of Housing Telephony through the HRA – Full cost of telephony and email enquiries for the Repairs and Resident Services team via the Harrow contact centre to be met from HRA, alternatively the service will be scaled down	1,954	(80)	G	-		-		(80)
7	Resources Savings	RES 8	HR- EDI	Reduction in EDI Team subscriptions - Non-renewal of subscriptions relating to equality, diversity and inclusion agenda – when they expire in 2023-24 •AccessAble, •Business Disability Forum, •Business in the community , •MyMentor	154	(25)	A	-		-		(25)
8	Resources Savings	RES 12	Resources	Redesign of Resources Directorate - An exercise to redesign the Resources Directorate is currently underway. Although this is being driven to make sure that the Directorate is fit for purpose for the ongoing needs of the Council, it is also important to consider that one of these needs is to address affordability. This will be subject to HR procedures and consultaion and an Equailty Impact Assesment.	14,917	(481)	A	(408)	A	(108)	G	(997)
				RESOURCES SAVINGS PROPOSALS	41,604	(871)		(708)		(108)		(1,687)
				Managing Director								
9	CE Savings	CEO6	Revs & Bens - Cashiers Cashlite	Savings in Cashiers - as a direct result of the implementation of the Cashlite strategy, post is vacant	450	(30)	G	0		0		(30)
10	CE Savings	CEO 1	Procurement	Saving on procurement salary budget - this is a back office saving which is not expected to have an impact on residents. The post is vacant.	653	(20)	G	-		-		(20)

MTFS Savings- 2023/24 to 2024/25												
Item No	Area	ref	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2022/23 Service Budget	2023/24	2023/24 RAG Rating	2024/25	2024/25 RAG Rating	2025/26	2025/26 RAG Rating	Total
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
					£000	£000		£000		£000		£000
11	CE Savings	CEO 7	Legal	Legal Services efficiencies - this is a back office saving which is not expected to have an impact on residents. HR procedures will be followed as required including any consultaion and Equality Impact assesments (EQIA)	1,689	(310)	G					(310)
12	CE Savings	CEO 10	Registration Services	Land Charges - this savings relates to transfer to Land Registry of local land charges register that records obligations affecting properties within their administrative area	-292	-		(100)	G			(100)
14	CE Savings	CEO 2	Revs & Bens	Rationalise the Discretionary Freedom Pass provision - Currently Discretionary Freedom passes are issued to approximately 200 residents. The scheme will continue for existing users but will not be offered to new applicants from 1.04.2023.	5,900	(6)	G	(6)	G	(6)	G	(18)
15	CE Savings	CEO 8	Governance	Efficiencies in legal and Governance	81	-		(20)	G			(20)
16	CE Savings	CEO 9	Registration Services	Registry Office - saving relates to review of service operating model and staffing levels. Subject to EQIA and consultation with staff and residents if required.	(292)	-		(63)	A			(63)
				CHIEF EXECUTIVE'S SAVINGS PROPOSALS	8,189	(366)		(189)		(6)		(561)
				People								
				Adults								
17	Adults Savings	ASC01	Safeguarding	Merge Safeguarding Quality Assurance Team (Non-statutory) with contract management function.	321	(176)	A	-		-		(176)
18	Adults Savings	ASC02	ASC	Freeze DASS post for six months	176	(88)	G	88	G	-		-
19	Adults Savings	ASC03	ASC	Management Review during 2023/24 (all M grades & above) . HR procedures will be followed with consultaion and eqia	1,391	(193)	A	(60)	A	-		(253)
20	Adults Savings	ASC04	ASC	Review Adult Social Care pathway during 2023/24 (all G grades) HR procedures will be followed with consultaion and eqia.	13,681	(198)	G	(302)	A	-		(500)
21	Adults Savings	ASC05	Domiciliary Care	Review of packages of support to maximise independence and reduce long term dependency. Each package will be assesd individually and that equality impacts will be taken into consideration on an individual basis	15,245	(500)	G	-		-		(500)
22	Adults Savings	ASC06	Neighbourhood Resource Centre (NRC)	Consolidate capacity at Kenmore & Vaughan NRC'S to provide the most complex support and thereby reducing the need for externally commissioned day care.	1,595	(400)	A	(800)	A	-		(1,200)
23	Adults Savings	ASC07	Neighbourhood Resource Centre (NRC)	Public Health wellbeing support model - short term funding (2 years) to support the changes to the new NRC operating model		(100)	G	-		100	G	-

MTFS Savings- 2023/24 to 2024/25												
Item No	Area	ref	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2022/23 Service Budget	2023/24	2023/24 RAG Rating	2024/25	2024/25 RAG Rating	2025/26	2025/26 RAG Rating	Total
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
					£000	£000		£000		£000		£000
24	Adults Savings	ASC08	Neighbourhood Resource Centre (NRC)	Harrow Alliance Community Model (New Bentley)	630	-	A	(220)	A	-		(220)
25	Adults Savings	ASC09	Neighbourhood Resource Centre (NRC)	Services at Wiseworks are to be provided at alternative settings realising a back office saving.	69	(69)	G	-		-		(69)
26	Adults Savings	ASC10	Health Funding	Use of Better Care Fund to protect of Social Care Services (via Better Care Fund) - uncommitted resources and 2% annual uplift allocated against existing social care expenditure	(7,141)	(389)	G	(145)	G	(145)	A	(679)
27	Adults Savings	ASC11	CYAD	Review out of borough post 18 residential placements - equality impacts will be considered on an individual basis.	1,100	-	A	(250)	A	(250)	A	(500)
28	Adults Savings	ASC12	Inhouse Residential	Changing the registration status of Bedford House (20 bedded CQC registered residential unit) to provide supported living accommodation for the most complex & challenging.	1,364	(100)	A	(300)	A	-		(400)
29	Adults Savings	ASC13	Adults	Review of Occupational Therapy support to Disabled Facilities Grant	60	(60)	O	-		-		(60)
				ADULTS TOTAL	28,491	(2,273)		(1,989)		(295)		(4,557)
				Childrens								
30	Childrens Savings	PC01	CYPS	Placements & Accommodation Increased demand management	9,625	(250)	G	(500)	A	(500)	A	(1,250)
31	Childrens Savings	PC02	CYPS	Social Care Staffing Service redesign. HR policies will be followed.	12,305	(445)	A	(1,070)	A			(1,515)
32	Childrens Savings	PC03	Education	SEN Transport Reduction in demand for single passenger taxis cases will be assessed on an individual basis and equality impacts taken into account.	5,901	(130)	A		A			(130)
				CHILDRENS SERVICES TOTAL		(825)		(1,570)		(500)		(2,895)
				PEOPLE SAVINGS PROPOSALS	5,901	(3,098)		(3,559)		(795)		(7,452)

MTFS Savings- 2023/24 to 2024/25												
Item No	Area	ref	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2022/23 Service Budget	2023/24	2023/24 RAG Rating	2024/25	2024/25 RAG Rating	2025/26	2025/26 RAG Rating	Total
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
					£000	£000		£000		£000		£000
				PLACE								
33	Place Savings	PLACE_S01	THAM & Parking	Transport Strategy: Parking Charge Notices - Proposed move from Band B to Band A , subject to endorsement by London Councils, the Mayor of London, and the Secretary of State for Transport.	(9,646)			(1,500)	A			(1,500)
34	Place Savings	PLACE_S02	THAM & Parking	Transport Strategy: Moving Traffic Contraventions (MTC) Review - review of all MTCs in the borough and evaluate if they meet transport needs. The introduction of schemes including school streets and other measures following consultation from early 2023 including increasing ANPR / CCTV cameras.	(9,646)			(500)	A			(500)
35	Place Savings	PLACE_S03	Waste Services	Behavioural change (residents) for reducing waste disposal cost. - Increase recycling / food waste to flats - Waste minimisation	9,108			(500)	A			(500)
36	Place Savings	PLACE_S04	THAM & Parking	Transport Strategy: Parking Permits - Policy and F&Cs review to streamline permits that meet all customer needs and prepare to move to e-permits with new T&Cs.	(735)	(100)	G					(100)
37	Place Savings	PLACE_S05	THAM & Parking	Transport Strategy: Paid for Parking (P&D) - benchmark and review F&Cs to ensure that tariffs are streamlined and meet customer needs.	(2,829)	(150)	A					(150)
38	Place Savings	PLACE_S06	THAM & Parking	Transport Strategy: Electric vehicle charging points - Increase installation using government funding (DfT) and supplier's match fund; and charge for the spaces to generate income. Concession contract. subject to a separate decision making process. Savings assume £3k per annum per bay, and a total of 100 bays following full roll out	-			(150)	A	(150)	A	(300)
39	Place Savings	PLACE_S07	Parking	Implementation of Cashlite Project - reduction in one Cash In Transit officer (vacant post) - net reduction in parking equipment maintenance	44	(44)	G					(44)

MTFS Savings- 2023/24 to 2024/25												
Item No	Area	ref	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2022/23 Service Budget	2023/24	2023/24 RAG Rating	2024/25	2024/25 RAG Rating	2025/26	2025/26 RAG Rating	Total
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
					£000	£000		£000		£000		£000
40	Place Savings	PLACE_S08	Parking	<p>Parking Review - Improvement on current parking enforcement activity and performance.</p> <p>Immediate actions to review current enforcement:</p> <ol style="list-style-type: none"> 1. Review the effectiveness of deployment plan of civil enforcement officers 2. Identify areas of low compliance and formulate enforcement plan 3. Review and amend current PCN cancellation procedure 5. Review and improve debt recovery rate <p>Deep dive:</p> <ol style="list-style-type: none"> 1. Review structure to create a streamlined team 2. Develop Parking Services Strategy and CCTV Strategy 3. HGV Enforcement and Littering from Vehicles (via CCTV). Subject to a separate decison making process EQIA and consulation as required. <p>Subject to a detailed business case.</p>	(9,646)	(2,500)	R	(1,000)	R			(3,500)
41	Place Savings	PLACE_S09	Waste Services	<p>Waste Service - Route Optimisation</p> <p>To allow for maximum operational efficiencies, we will look to undertake a service review of current waste collection and undertake a full re-routing exercise with a view to reducing 2 rounds, which will reduce the current reliance on staffing including agency (2 drivers, 4 loaders).</p>	5,669	(200)	G					(200)
42	Place Savings	PLACE_S10	Waste Services	<p>Garden waste collection service - Moving to Annual only service</p> <p>Proposal to remove the summer garden waste service to achieve operational service consistency and reduced complaints. Additional income is assumed to come from customers currently on Summer service moving to Annual only service. No net additional collection costs are factored in as routes will be optimised to ensure that there are no more than 4 rounds.</p>	(1,580)	(100)	G					(100)
43	Place Savings	PLACE_S11	Trading Standards	<p>Review of the current shared Trading Standards service</p> <p>Trading standards is currently provided as a joint service between Brent and Harrow, with an annual payment of £300k to Brent under the SLA. It would be prudent to review the costs of this service and whether there could be savings and service improvement bringing back in house. Under the SLA, a 2 year notice period is required if Harrow wishes to terminate the contract. The Service will continue to explore the in-house option including the costs of staff, IT and other running costs. TUPE implications, cost of adding Trading Standard module to Public Protection & Licensing IT system etc.</p>						(150)	A	(150)

MTFS Savings- 2023/24 to 2024/25												
Item No	Area	ref	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2022/23 Service Budget	2023/24	2023/24 RAG Rating	2024/25	2024/25 RAG Rating	2025/26	2025/26 RAG Rating	Total
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
					£000	£000		£000		£000		£000
44	Place Savings	PLACE_S12	Building Control	Building Control - Review of fees & charges Benchmarking exercise undertaken recently suggests that our fees are 10% below average. An in-year increase of 10% and a further 7% from April 2023 could potentially generate additional income of £68k. Fees & Charges agreed January 23 cabinet.	(978)	(68)	R					(68)
45	Place Savings	PLACE_S13	Planning Service	Development Management - Review of fees & charges Benchmarking exercise undertaken recently suggests that our non statutory fees are 10% below average. Proposed an in-year increase of 10% from January 2023 and a further 7% from April 2023. A total of 17% increase could potentially generate additional income of £48k. Fees & Charges agreed January 23 cabinet.	(1,973)	(48)	R					(48)
46	Place Savings	PLACE_S14	Planning Service	Planning Enforcement Substitute funding source for a Senior Planning Enforcement officer post (G10 £59k) and 1 Planning Officer post (£36k) with POCA monies	317	(95)	G					(95)
47	Place Savings	PLACE_S15	Planning Service	Remove Principal Conservation Architect post (G11) and fund ad hoc conservation advice via PPAs	(65)	(65)	O					(65)
48	Place Savings	PLACE_S16	Network Management	Right-sizing of income budget for Street Works based on historical income performance and activity level	(542)	(158)	G					(158)
49	Place Savings	PLACE_S17	Energy & Water Management	Right-sizing of income budget for School SLAs based on historical income performance and SLAs	(86)	(10)	G					(10)
50	Place Savings	PLACE_S18	Waste Services	Trade Waste collection - Review of fees & charges Proposed 7% increase in F&C in 2023/24. Fees & Charges agreed January 23 cabinet.	(848)	(57)	G					(57)
54	Place Savings	PLACE_S19	THAM	Vehicle Access - Review of fees & charges Following benchmarking exercise, a 10% increase is proposed in 2023/24. Fees & Charges agreed January 23 cabinet.	(250)	(25)	G					(25)
55	Place Savings	PLACE_S20	Place Review	Overarching review of the management tiers below Directors across the entire Place Directorate. High level estimate only at this stage, to be worked through to confirm final savings and one-off redundancy costs. HR procedures will be followed EQIA and consultation.		(125)	A	(125)	G			(250)

MTFS Savings- 2023/24 to 2024/25												
Item No	Area	ref	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2022/23 Service Budget	2023/24	2023/24 RAG Rating	2024/25	2024/25 RAG Rating	2025/26	2025/26 RAG Rating	Total
		(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
					£000	£000		£000		£000		£000
56	Place Savings	PLACE_S22	Housing Regeneration	Deletion of Enabling & New Business Manager role	79	(20)	G			-		(20)
57	Place Savings	PLACE_S26	Housing Needs	Increase income target following review of Property Acquisition Programme(100 Homes)	(322)	(150)	G					(150)
58	Place Savings		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.		(600)	A					(600)
				PLACE SAVINGS PROPOSALS	(23,929)	(4,515)		(3,775)		(300)		(8,590)
				Corporate - Council Wide								
59	Corporate Savings	CORPORATE - COUNCIL WIDE	Corporate - Council Wide	10% Management efficiencies not already included in individual proposals - Saving will be allocated out to Directorates once proposals are agreed. HR policies will be followed subject to EQIA and consultation.		(650)	G	-		-		(650)
				CORPORATE SAVINGS PROPOSALS		(650)		-		-		(650)
				TOTAL SAVINGS PROPOSALS Exc Corporate	31,765	(9,500)		(8,231)		(1,209)		(18,940)

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Key

Green	Saving will be fully delivered as per original proposal / timescale.
Amber	Saving will be fully delivered as per original proposal but will not be delivered to the original timescale. However the saving will be fully delivered in future years
Orange	Saving will not be delivered as per original proposal, however the saving be delivered by alternative means in part or fully OR Saving has been implemented as per original proposal but not all of the savings can be achieved
Red	Saving cannot be delivered or cannot be mitigated elsewhere

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Project Title	Revised Budget (A+B)	Forecast Outturn	Forecast Variance	Outturn variance split by			Over/ Underspend after		
				Grant Funding/CiL/ S106	Harrow Borrowing	Slippage to 24/25	Over/ Underspend after Slippage	Grant Funding/CiL / S106	Harrow Borrowing
	£	£	£	£	£	£	£	£	£
Resources:									
Devolved IT Applications	2,768,648	2,519,000	-249,649		-249,649	-249,649	0		
Digital Improvements Programme	1,633,882	450,000	-1,183,882		-1,183,882	-1,183,882	0		
Enterprise Resources Planning TT	483,674	884,000	400,326		400,326	400,326	0		0
Ongoing ICT Refresh and Enhancements	3,190,055	1,700,000	-1,490,055		-1,490,055	-1,340,055	-150,000		-150,000
Other Schemes (Council wide)	2,949,361	1,700,000	-1,249,361		-1,249,361	-1,249,361	0		
Total Resources Directorate	11,025,620	7,253,000	-3,772,621	0	-3,772,621	-3,622,622	-149,999	0	-150,000
People's Directorate:									
Adults:									
Assistive Technology	170,000	0	-170,000		-170,000	-170,000	0		
In-House Residential	97,500	0	-97,500		-97,500	-97,500	0		
Re-Purposing of Wiseworks Day Centre	100,000	80,693	-19,307	-19,307		-19,307	0		
Total Adults	367,500	80,693	-286,807	-19,307	-267,500	-286,807	0	0	0
Public Health:									
Healthy Pupil Capital Fund	513	513	0			0	0		
Total Public Health	513	513	0	0	0	0	0	0	0
Schools:									
Bulge Classes	552,266	0	-552,266	-552,266		-552,266	0		
Childrens IT Development	128,784	0	-128,784		-128,784	-128,784	0		
Devolved Formula Non VA Schools	53,243	0	-53,243	-53,243		-53,243	0		
School Amalgamation	41,178	41,178	0			0	0		
Schools Capital Maintenance	7,461,277	6,668,341	-792,937	-792,937		-792,937	0		
SEN Expansion	10,664,492	3,187,174	-7,477,318	-7,477,318		-7,477,318	0		
Total Schools	18,901,241	9,896,693	-9,004,548	-8,875,764	-128,784	-9,004,548	0	0	0
Total People's Directorate	19,269,254	9,977,899	-9,291,355	-8,895,071	-396,284	-9,291,355	0	0	0
Place Directorate:									
Environment:									
CA Site Infrastructure	227,506	227,506	0			0	0		
Carbon Offset Fund	39,781	39,781	0			0	0		
CCTV Infrastructure	381,683	381,683	0			0	0		
Climate Emergency - Energy emissions reduction measures	750,000	400,000	-350,000	-350,000		-350,000	0		
Depot Redevelopment	1,524,458	1,024,458	-500,000		-500,000	-500,000	0		

Project Title	Revised Budget (A+B)	Forecast Outturn	Forecast Variance	Outturn variance split by		Slippage to 24/25	Over/ Underspend after Slippage	Over/ Underspend after	
				Grant Funding/CiL/ S106	Harrow Borrowing			Grant Funding/CiL / S106	Harrow Borrowing
	£	£	£	£	£	£	£	£	£
Electric Vehicle Charging Points	520,840	520,840	0			0	0		
Flood Defence & Highways Drainage	644,043	644,043	0			0	0		
Highway Improvement Programme	11,951,592	11,951,592	0			0	0		
Parking Management Programme	427,067	427,067	0			0	0		
Parks Infrastructure	1,463,755	1,013,755	-450,000	-400,000	-50,000	-450,000	0		
Parks Playground Improvement	45,672	45,672	0			0	0		
Public Sector Decarbonisation Scheme	525,303	525,303	0			0	0		
Street Lighting Improvement Programme	3,964,027	3,939,027	-25,000		-25,000	0	-25,000		-25,000
TfL Transport Capital (LIP)	1,391,000	1,391,000	0			0	0		
Vehicle Procurement	2,867,000	500,000	-2,367,000		-2,367,000	-2,367,000	0		
Wealdstone Future High Street Fund (FHSF)	8,319,846	7,184,846	-1,135,000	-1,135,000		-1,135,000	0		
Wealdstone Major Transport Infrastructure	233,962	233,962	0			0	0		
WLWA Food Waste Project	0	0	0			0	0		
Total Environment	35,277,533	30,450,533	-4,827,000	-1,885,000	-2,942,000	-4,802,000	-25,000	0	-25,000
Inclusive Economy, Leisure & Culture:									
Harrow Arts Centre	636,911	636,911	0			0	0		
Harrow Arts Centre Capital Infrastructure	63,320	63,320	0			0	0		
Harrow High Street Fund	1,164,593	556,179	-608,414	-81,414	-527,000	-81,414	-527,000		-527,000
Libraries and Leisure Capital Infrastructure	264,094	264,094	0			0	0		
Leisure Centre Infrastructure	2,955,000	200,000	-2,755,000		-2,755,000	-2,755,000	0		
Sec 106 Banister Sport Pitch	10,297	10,297	0			0	0		
Tennis Infrastructure	551,125	551,125	0			0	0		
UK Shared Prosperity Fund	462,191	462,191	0			0	0		
Total Inclusive Economy, Leisure & Culture	6,107,531	2,744,117	-3,363,414	-81,414	-3,282,000	-2,836,414	-527,000	0	-527,000
Regeneration & Development:									
Accommodation Strategy	529,365	529,365	0			0	0		
Bannisters Former Civil Defence Building	256,819	256,819	0			0	0		
Biodiversity Net Gains in Harrow	300,000	300,000	0			0	0		
Harrow Green Grid	150,000	150,000	0			0	0		
High Priority Plan Maintenance Corporate Property	1,962,242	400,242	-1,562,000		-1,562,000	-650,000	-912,000		-912,000
Investment in 3 core sites	3,448,222	0	-3,448,222		-3,448,222	-3,448,222	0		
Grange Farm Phase 2 – private homes	9,905,000	0	-9,905,000		-9,905,000	-9,905,000	0		
Grange Farm Ph 3–design/planning private homes	830,000	0	-830,000		-830,000	-830,000	0		
Borough CIL Schemes	1,425,000	1,425,000	0			0	0		
Neighbourhood CIL Schemes	965,666	965,666	0			0	0		

Project Title	Revised Budget (A+B)	Forecast Outturn	Forecast Variance	Outturn variance split by		Slippage to 24/25	Over/ Underspend after Slippage	Over/ Underspend after	
				Grant Funding/CiL/ S106	Harrow Borrowing			Grant Funding/CiL / S106	Harrow Borrowing
	£	£	£	£	£	£	£	£	£
Yeading Brook Unbound Project	204,975	204,975	0			0	0		
Waxwell Lane Development	807,377	807,377	0			0	0		
Total Regeneration & Development	20,784,665	5,039,444	-15,745,222	0	-15,745,222	-14,833,222	-912,000	0	-912,000
Housing General Fund:									
Disabled Facilities Grants	3,376,601	2,224,229	-1,152,372	-1,152,372		-1,152,372	0		
Empty Property Grant	120,000	60,000	-60,000		-60,000	0	-60,000		-60,000
Property Acquisition Programme	10,062,902	10,062,902	0			0	0		
Total Housing General Fund	13,559,504	12,347,132	-1,212,372	-1,152,372	-60,000	-1,152,372	-60,000	0	-60,000
Total Place Directorate	75,729,233	50,581,225	-25,148,008	-3,118,786	-22,029,222	-23,624,008	-1,524,000	0	-1,524,000
Total General Fund	106,024,107	67,812,125	-38,211,983	-12,013,857	-26,198,127	-36,537,984	-1,673,999	0	-1,674,000
Housing Revenue Account:									
Building Council Homes For Londoners (includes infill)	21,018,534	14,765,560	-6,252,974		-6,252,974	-6,246,384	-6,590		-6,590
Grange Farm phase 1	2,450,945	2,450,945	0		0	0	0		
Grange Farm phase 2	3,766,899	2,825,174	-941,725		-941,725	-941,725	0		
Grange Farm phase 3	437,222	328,222	-109,000		-109,000	-109,000	0		
Grange Farm Infrastructure and Costs	7,493,000	7,493,000	0		0	0	0		
Homes for Harrow - Phase 2	1,079,389	0	-1,079,389		-1,079,389	-1,079,389	0		
Housing IT Scheme	928,599	328,599	-600,000	-600,000	0	-600,000	0		
Local Authority Housing Fund Round 2	1,747,500	1,747,500	0		0	0	0		
Planned Investment Programme	18,582,553	14,689,013	-3,893,539	-3,893,539	0	-3,835,122	-58,417	-58,417	
Total HRA	57,504,641	44,628,013	-12,876,628	-4,493,539	-8,383,088	-12,811,621	-65,007	-58,417	-6,590
Total General Fund + HRA	163,528,748	112,440,138	-51,088,611	-16,507,396	-34,581,215	-49,349,605	-1,739,006	-58,417	-1,680,590

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Appendix 4 – Council Trading Company Update 2023/24, Quarter 2

Introduction

1. As at Quarter 2 2023/24, the Council's trading structure consists of five separate legal entities set out in table 1 below and presented as a flow chart at the end of this report along with detailed financial results.

Table 1: Harrow Council Trading Structure

Name	Legal Structure	Date Started Trading
Concilium Group Limited (Holding Company)	UK Limited Company	November 2015
Sancroft Community Care Limited	UK Limited Company	January 2018
Concilium Assets LLP	Limited Liability Partnership	January 2019
Harrow Strategic Development Partnership LLP	Limited Liability Partnership	March 2021

2. These entities have been set up to provide a financial or other benefit to the Council whilst enabling it to undertake specific commercial activities.
3. The Council's interests in these entities are not material for the purposes of the financial statements. The Council's financial statements do not therefore include group accounts.

Background

4. Concilium Group Ltd. is a wholly owned commercial subsidiary of the Council, set up with the dual purpose of consolidating the financials of its subsidiaries and to act as the minority partner in a Council controlled Limited Liability Partnership (Concilium Assets LLP). For reporting purposes, Concilium Group Limited is classified as a dormant entity.
5. Sancroft Community Care Ltd is a wholly owned subsidiary of Concilium Group Ltd. The company took over the operation of the residential care home for the elderly situated on Sancroft Road, Harrow on 8th February 2018. Of the care home's 62 beds, 45 are block contracted with the London Borough of Harrow for five years.
6. Concilium Assets LLP is a Limited Liability Partnership owned 95% by Harrow and 5% by Concilium Group Ltd, set up to enable direct private rental sector (PRS) property investment activities. 53 PRS units on Gayton Road were transferred to the LLP in July 2019 on a 10 year lease for rent to the private market.
7. Harrow Strategic Development Partnership LLP (HSDP LLP) is a Limited Liability Partnership owned 50% by Harrow and 50% by Wates Construction Limited, set up to facilitate the development of Council assets at Poets Corner, Peel Road and Byron Quarter phase 1 as per the Council's Regeneration Programme. The

Council's investment in the LLP will primarily be the transfer of the land once individual schemes are ready to commence.

Financial Implications

8. The accounting year end for all of these entities is 31st March in line with the Council's year end. This report references detail for financial years ended 2023 along with a summary for financial years ended 2024.
9. The detailed annual position to 31st March 2023 for the council's trading structure has been summarised in Table 4. These figures have not yet been subject to audit.
10. The detailed annual forecast position to 31st March 2024 for the council's trading structure has been summarised in Table 5.
11. The annual forecast position for the council's trading structure has been summarised in Table 6. The table covers financial years 2020/21 to 2023/24 in line with the respective business plans.

Sancroft Community Care Ltd

12. The unaudited financial information for Sancroft Community Care Ltd for the year ending 31st March 2023 is summarised in Table 4 at the end of this report. A financial summary of Sancroft's performance against its business plan (budget) for 2023/24 is presented in Table 2 below.

Table 2: Sancroft Unaudited Annual Position as at 31st March 2024

<i>Negative/(Positive)</i>	Full year Actual	Annual Budget	Forecast Budget Variance
Total Income	(2,840,000)	(2,861,000)	21,000
Total Expenditure	2,740,000	2,782,000	(42,000)
(Net Profit)/Loss	(100,000)	(79,000)	(21,000)

13. Costs have been controlled despite pressures relating to increase in the price of essential supplies and recruiting/retaining staff.

Concilium Assets LLP

14. The audited financial information for Concilium Assets LLP for the year ending 31st March 2023 is summarised in Table 4 at the end of this report. A financial summary of the LLP's performance against its business plan (budget) for 2023/24 is presented in Table 3 below.

Table 3: LLP Unaudited Annual Position as at 31st March 2024

<i>Negative/(Positive)</i>	Full year Actual	Annual Budget (B-Plan)	Forecast Budget Variance
Total Income	(1,231,176)	(1,189,922)	(41,254)
Total Expenditure*	1,213,899	1,174,761	39,138
(Net Profit)/Loss	(17,277)	(15,161)	(2,116)

* See paragraphs 18 - 20 below

15. The Council charges the LLP 33% of its turnover (the lease rent) which is accounted for as an expense in the accounts of the LLP. The lease rent is a direct benefit to the Council and is included in the MTFS.

16. Any remaining profit is distributed back to the council as a dividend. The position for the LLP including these distributions is published in the business plan and included in the council's MTFS. The amount to be paid to the Council in respect of lease rent and dividend for 2023/24 will be £602k (it was £580k in 2022/23).

HARROW COUNCIL UPDATED COMMERCIAL STRUCTURE

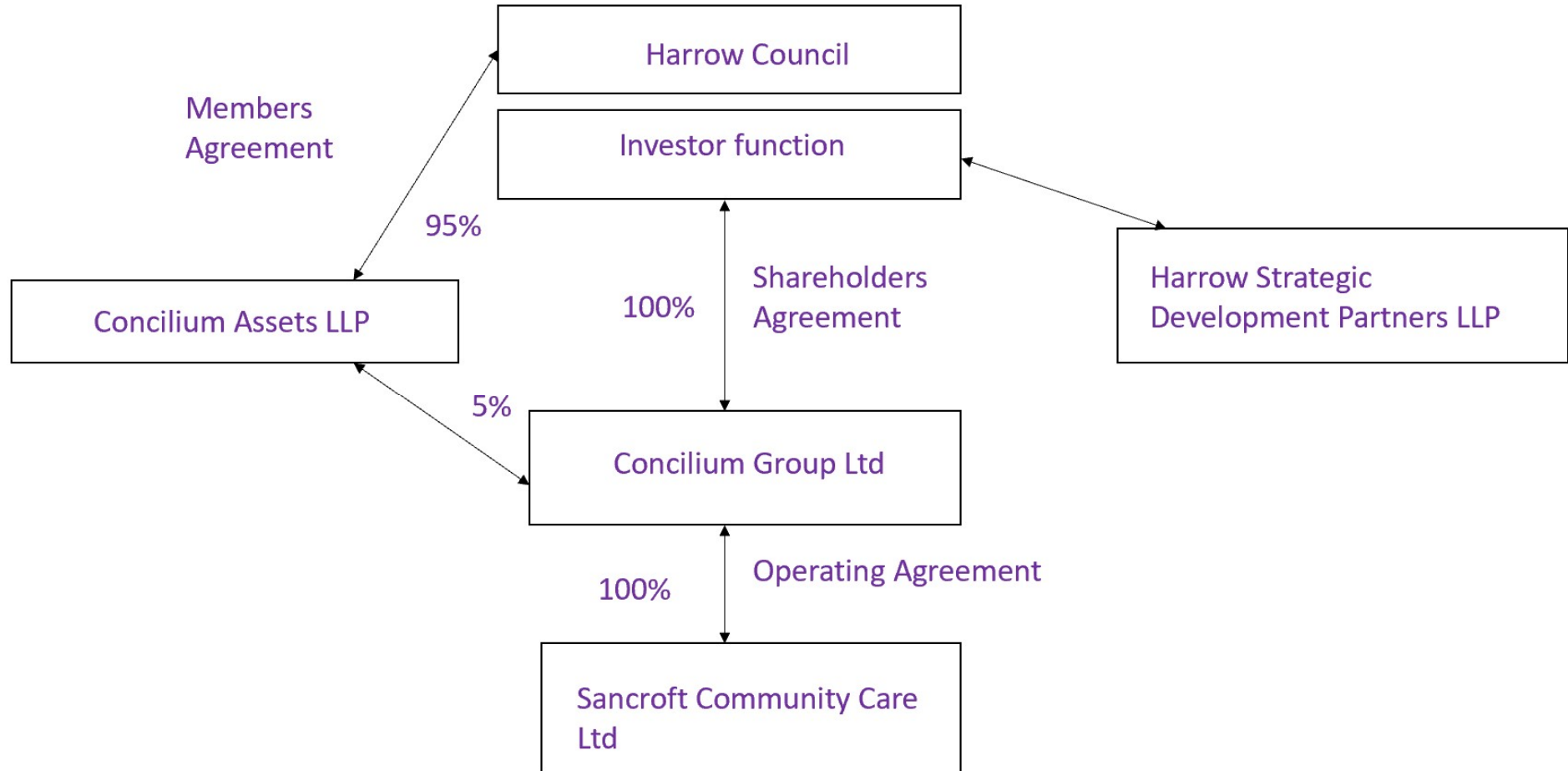


Table 4: Trading Structure Full Year Position to 31st March 2023

£ Negative/(£ Positive)	Concilium Business Services Ltd	Concilium Group Ltd (unaudited)	Sancroft Community Care Ltd (unaudited)	Concilium Assets LLP (audited)	Aggregate Position
Income	(31,400)	(10,261)	(2,725,000)	(1,152,139)	(3,918,800)
Direct and Administrative Expenditure	18,885	(6,727)	2,636,000	1,126,649	3,777,872
(Net Profit)/Loss	(12,515)	(16,988)	(89,000)	(25,490)	(140,928)
Reserve transfer on closedown (previously taxed profits)	24,680	(24,680)	N/A	N/A	N/A
Retained Earnings c/f	(0)	(27,681)	(361,634)	(153,429)	(542,744)

Table 5: Trading Structure Full Year Forecast to 31st March 2024

£ Negative/(£ Positive)	Concilium Group Ltd	Sancroft Community Care Ltd	Concilium Assets LLP	Aggregate Position
Income	0	(2,840,000)	(1,231,176)	(4,071,176)
Direct and Administrative Expenditure	4,000	2,740,000	1,193,118	3,937,118
(Net Profit)/Loss	4,000	(100,000)	(38,058)	(134,058)
Less reserve-funded capex	0	0	20,781	20,781
Retained Earnings c/f	(20,616)	(461,634)	(170,706)	(656,021)

Table 6: Trading Structure Full Year Forecast for MTFS

£ Negative/(£ Positive)	Concilium Group Ltd	Sancroft Community Care Ltd	Concilium Assets LLP	Aggregate Position
Retained Earnings b/f	7,824	(56,000)	55,700	7,524
(Net Profit)/Loss - 2021/22	6,163	(216,634)	(183,639)	(394,110)
(Net Profit)/Loss - 2022/23	(38,603)	(89,000)	(25,490)	(265,093)
(Net Profit)/Loss and reserve adjustment- 2023/24	4,000	(100,000)	(17,277)	(113,277)
Retained Earnings c/f	(20,616)	(461,634)	(170,707)	(656,021)

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REPORT FOR: CABINET

Date of Meeting:	19 December 2023
Subject:	Draft Capital Programme 2024/25 to 2026/27
Key Decision:	Yes Involves expenditure in excess of £1m
Responsible Officer:	Sharon Daniels, Interim Director of Finance and Assurance
Portfolio Holder:	Councillor David Ashton - Portfolio Holder for Finance and Human Resources
Exempt:	No
Decision subject to Call-in:	Yes
Wards affected:	All
Enclosures:	Appendix 1 – Capital Programme Review Summary Appendix 2 – Draft Capital Programme for 2024/25 to 2026/27

Section 1 – Summary and Recommendations

This report sets out the draft General Fund capital proposals as part of the 2024/25 budget process.

The final version of the Capital Programme 2024/25 to 2026/27 will be brought back to Cabinet in February 2024 for recommendation to Council.

Recommendations:

1. Cabinet is requested to note the outcomes of Capital Programme review undertaken in September 2023 as detailed within Appendix 1, and the updated budget profile of capital proposals as detailed within Appendix 2, which will be brought back to Cabinet in February 2024 for approval.

Reason: To enable the Council to have an approved Capital Programme for 2024/25 to 2026/27.

Section 2 – Report

Development of the Capital Programme

1. The purpose of this Draft Capital Programme report is to set out the Council's capital proposals for investment over the years 2024/25 to 2026/27, which have been proposed as part of the annual budget setting process. The Final Capital Programme report, which will contain new proposals (if any) as well as the existing Capital Programme, will be presented to Cabinet in February 2024.

Capital Programme Review

2. The Capital Programme agreed at Cabinet and Council in February 2023 included provision for capital proposals for 2023/24 to 2025/26. Although it is the intention to maintain a 3-year Capital Programme, it is considered that the 3rd year of the Programme, in this case 2026/27, is too far ahead for any detailed investment proposals to be developed in order to provide accurate capital budget estimates. In addition, the capital financing costs arising from 2026/27 capital proposals will not be incurred until 2027/28 which falls outside the period of the 2024/25 Medium Term Financial Strategy (MTFS).
3. Historical performances of the Capital Programme suggest that, on average, 32% of the capital budget was spent each year in 2021/22 and 2022/23, resulting in a significant sum being shown as slippage into the following financial year at outturn.

4. Given the financial challenges in the current MTFs and in-year revenue budget position, if any eligible projects currently funded from borrowing in the existing Capital Programme could be substituted by Borough Community Infrastructure Levy (BCIL) funding, it would then lead to a reduction in borrowing costs.
5. Considering all of the above, a review of the current Capital Programme was undertaken in September 2023 to understand project progress and to re-profile the budget, where applicable, to better reflect the timeline of delivery plans. The review also included an assessment on individual projects against BCIL funding criteria to confirm any opportunity of funding substitution to reduce borrowing requirements.
6. The outcomes of the review are summarised below.
 - a. Due to delays, a number of projects will not spend to budget in 2023/24 and therefore a budget slippage is expected. More details of these are included in a separate report (Q2 budget monitoring report) at this Cabinet meeting. Where the project is in a rolling programme (i.e. a budget is provided in each financial year of the Capital Programme), the budget slippage will also have a knock-on effect on future years whereby some budgets are to be slipped into 2026/27 which is outside of the current Capital Programme.
 - b. For some projects, due to the change in delivery plans, some of the budget in the current Capital Programme is no longer required. This is primarily a result of capital budgets being set 3 years in advance and no detailed proposal was available at the time of capital bid to confirm the exact capital budget requirements.
 - c. No change to the funding sources has been identified in the current Capital Programme as all projects that are eligible for BCIL funding have already had allocations. Projects currently funded from borrowing have been reviewed and are confirmed not being eligible for BCIL funding.
7. The Draft Capital Programme is therefore prepared by refreshing the current Programme and re-profiling budget into 2026/27 (where applicable), to form a 3-year Capital Programme in the MTFs. The Capital Programme Review summary is provided in Appendix 1, and the Draft Capital Programme is detailed in Appendix 2.

Cost of the Draft Capital Programme

8. The Capital Programme can be funded from a variety of funding sources. Where the Capital Programme is funded from capital grants, external partnership funding, BCIL and revenue funding such as reserves; this will not attract any form of capital financing cost and has no impact on the revenue budget. Schemes funded from borrowing will attract a capital financing cost and therefore a direct impact on the revenue budget.

9. Although there are no specific limits to borrowing in order to fund capital expenditure, the Council must be prudent when considering the revenue implications in the context of the overall revenue budget commitments in the medium term, and the Capital Programme must be affordable.
10. Table 1 shows the capital financing cost budgets that are already factored into the existing MTFS from 2023/24 to 2025/26 in relation to the Capital Programme agreed in February 2023 and also what proportion of the 2023/24 net revenue budget of £196.3m is made up of Capital Financing costs.

Table 1 - Capital Financing Costs as % of the 2023/24 Net Revenue Budget of £196.3m

	Capital Financing Budgets	Capital financing costs as % of 2023/24 Net Budget
	£m	%
2023/24	31.4	16.0%
2024/25	33.3	17.0%
2025/26	33.7	17.2%

11. The capital financing cost of the existing Capital programme 2023/24 to 2025/26 (**agreed at Council in February 2023**) is £31.4m in 2023/24 and then increases to £33.7m by 2025/26. These figures include the cost of historic capital programmes.
12. The figures in Table 1 will also include capital financing costs which relate to projects put into the programme to generate enough revenue to cover their capital financing costs and therefore are cost neutral and do not impact on the revenue budget as a direct cost. If these costs were removed from the figures in Table 1, it would reduce the overall percentage figure. However, for prudence the figures are included on the basis that the requirement on borrowing is definite but the requirement to generate revenue is not guaranteed.
13. As explained in paragraph 6b, some budgets in the current Capital Programme assumed to be funded from borrowing are no longer required. These total £2.124m and will provide a revenue saving of £286k per annum. Of the total budget of £2.124m, £1.674m is a reduction in the 2023/24 Capital Programme which is reported in the Q2 Budget Monitoring report being presented in the same Cabinet meeting, and £450k is the net reduction in 2024/25 and 2025/26 which forms part of the Draft Capital Programme for the next 3 years. Table 2 provides a list of projects with budget variances following the Capital Programme Review, and Table 3 shows the impact of this on capital financing costs.

Table 2 – A list of projects with budget variances following Capital Programme Review

Project	2023/24 £'000	2024/25 £'000	2025/26 £'000	Total £'000
Ongoing ICT Refresh and Enhancements	-150			-150
New Council Head Office refit – Flexible Futures		-150	-400	-550
Ongoing ICT Refresh - to include core Network upgrade and Migration of remaining azure applications into SaaS.		-500	100	-400
Ongoing ICT refresh - to cover improvements and refresh of cyber security, rolling device and peripheral refresh of IT equipment (W10/O365 & Sharepoint)		850		850
Ongoing ICT Refresh		200	-550	-350
Street Lighting Improvement Programme	-25			-25
Harrow High Street Fund	-527			-527
High Priority Plan Maintenance Corporate Property	-912			-912
Empty Property Grant	-60			-60
Total capital budget savings	-1,674	400	-850	-2,124

Table 3 – Revised capital financing costs

Financial year	Capital Financing Budgets agreed at Council February 2023 £'m	Capital Financing Budgets required to fund 26/27 projects in the original Capital Programme £'m	Revision to Capital Financing Budgets arising from changes in Table 2 £'m	Capital Financing Budgets for 24/25 Draft Budget report (December 2023) £'m
2023/24	31.4			
2024/25	33.3		-0.2	33.1
2025/26	33.7		+0.1	33.6
2026/27		35.2	-0.2	34.9

14. When the Final Capital Programme report is presented to Cabinet in February 2024, an updated table will be included which will show the revised capital financing costs for the period 2024/25 to 2026/27, which will reflect any changes for additions or further savings to capital financing costs proposed as part of the budget process.
15. Between now and the submission of the Final Capital Programme report to Cabinet in February 2024, there could be refinement of the capital proposals in Appendix 2 to take account of factors such as any external funding notifications, for example, government grant announcements, further internal departmental reviews etc.

Community Infrastructure Levy (CIL) Funding

16. The Community Infrastructure Levy (CIL) enables the council to raise funds for infrastructure from new development. It is levied on the net increase in floor space arising from new developments and is paid when that development starts. The Community Infrastructure Levy (CIL) is a tool for local authorities to support the development of their area by funding the provision, improvement, replacement, operation or maintenance of infrastructure. The focus of CIL is on the delivery of new infrastructure to meet and mitigate the impacts of new development in an area.
17. CIL receipts can be used to fund a wide range of infrastructure including transport, schools, health and social care facilities, libraries, play areas, green spaces and sports facilities.
18. Of all CIL monies collected, 85% is used to fund strategic borough wide infrastructure projects, which includes a 5% allowance to cover the administrative costs of CIL. The decisions on where to spend CIL at a borough-wide level is determined by the Council. The remaining 15% is allocated to Neighbourhood CIL (NCIL) and must be spent on projects that have taken account of the views of the communities in which the income was generated, and these projects (capital and revenue) should support the development of the area.
19. In 2017, the principle was adopted by the Major Development Panel (14th November 2017) and Cabinet (7th December 2017) that the allocation of Borough and Neighbourhood CIL is included as part of the Annual Budget Setting process and included in the Capital Programme report which goes to Cabinet in draft (this report) and in February in its final version. In agreeing the Borough CIL allocations process, Cabinet also indicated that this should be informed by the Harrow Local Plan, Infrastructure Delivery Plan (IDP), corporate priorities and external funding opportunities.
20. In this regard, a new Local Plan is currently being prepared and this will be informed by an updated IDP (due mid-2024). The IDP will provide an up to date assessment of infrastructure required to support the development envisaged in the new Local Plan, including the increased housing targets set by the London Plan. In this context, it is considered prudent not to fully allocate current BCIL balances / anticipated receipts as the forthcoming IDP may identify infrastructure needs that would benefit from BCIL to ensure timely provision.

21. In terms of the Neighbourhood element of CIL (NCIL) a review of the process was undertaken during 2022/23, and the outcomes and recommendations were presented to Cabinet in February 2023. A new process of NCIL allocation and project delivery is now in place.
22. The Borough CIL element is used to fund the core Capital programme where projects relate to infrastructure to support development in accordance with CIL Regulations. Schemes in the Capital Programme that have been funded by BCIL between 2017/18 to 2022/23 are set out in Table 4 and total £18.176m. Of this total, £2.076m of schemes remain outstanding as at 31st March 2023 and this sum has been carried forward as a commitment for 2023/24 and included in Table 6.

Table 4 – Schemes funded from BCIL up to 2022/23

Financial year	Description	BCIL	17/18 Actual Exp	18/19 Actual Exp	19/20 Actual Exp	20/21 Actual Exp	21/22 Actual Exp	22/23 Actual Exp	Outstanding commitment
2017/18	Highway projects	4,800,000	4,800,000						0
2018/19	Headstone Manor (Parks for People)	300,000		51,293	233,081	15,626			0
2018/19	Rayners Lane Triangle project	40,000		40,000					0
2018/19	Parks Infrastructure (Playground replacement)	545,000		219,138	325,862				0
2019/20	Parks Infrastructure (Playground replacement)	350,000			227,458	122,542			0
2019/20	Harrow Arts Centre - refurbishment & new build	1,150,000			71,737	841,490	26,978		209,795
2019/20	Flood Defence	300,000			300,000				0
2019/20	Highway Drainage	200,000			199,999				1
2019/20	Green Grid	75,000			39,761	35,239			0
2019/20	New Town Centre Library	2,090,000			1,569,662	520,338			0
2020/21	Headstone Manor (Flood alleviation scheme)	500,000				30,574	469,426		0
2020/21	Parks Infrastructure (Playground replacement)	250,000				204,329			45,671
2020/21	Harrow Arts Centre - refurbishment & new build	599,000						599,000	0
2020/21	Harrow Arts Centre Capital Infrastructure	300,000				266,212	11,201	22,587	0
2020/21	Flood Defence	300,000				300,000			0
2020/21	Highway Drainage	200,000				149,607	38,067	12,326	0
2020/21	Green Grid	150,000				150,000			0
2020/21	High Street Fund	250,000				152,733	97,267		0
2021/22	Green Grid	150,000					130,270	19,697	33
2021/22	Flood Defence and Highway Drainage	500,000					414,953	12,410	72,637
2021/22	High Street Fund	1,300,000					568,199	731,801	0
2021/22	Wealdstone Major Transport Infrastructure projects - Bus Improvement	900,000						666,039	233,961
2021/22	Harrow Arts Centre - refurbishment & new build	1,177,000						749,885	427,115
2022/23	Green Grid	150,000						149,999	1
2022/23	Flood Defence & Highway Drainage	500,000						428,584	71,416
2022/23	High Street Fund	1,100,000						84,546	1,015,454
Total		18,176,000	4,800,000	310,431	2,967,560	2,788,690	1,756,361	3,476,874	2,076,084

23. Table 5 sets out the balance of CIL funding remaining as at 31st March 2023, plus CIL received in 2023/24 to 26th October 2023, which shows that £9.584m of BCIL and £2.998m of NCIL is available to fund projects from 2023/24 onwards.

Table 5 – CIL Funding available as at 26 October 2023

	BCIL	NCIL	Total
	£'000	£'000	£'000
Balance as at 31.3.2023	7,650	2,672	10,322
2023/24 Receipts (up to 26/10/2023 as per D365)	1,934	326	2,260
Total Balance (up to 26/10/2023)	9,584	2,998	12,582

24. The projects in the Capital Programme for 2023/24 to 2026/27, to be funded from BCIL, are £6.186m as set out in Table 6 which shows the total spend over financial years.

Table 6: Schemes funded from BCIL from 2023/24 to 2025/26

	2023/24	2024/25	2025/26	2026/27	Total
(N.B. Amount shown in the BCIL element only)	£'000	£'000	£'000	£'000	£'000
Flood Defence and Highway Drainage	644	500	500		1,644
Green Grid	150	150	150		450
Harrow Arts Centre - refurbishment & new build	637				637
Parks Playground replacement	46				46
Harrow High Street Fund	1,015				1,015
Wealdstone Future High Street Fund	1,135				1,135
Wealdstone Major Transport Infrastructure projects - Bus Improvement	234				234
Biodiversity Net Gains in Harrow	300	275	250		825
Chandos Recreation Ground Infrastructure	200				200
Total BCIL funding requirements	4,361	925	900	0	6,186

25. The total current BCIL available as at 26th October 2023 amounts to £9.584m as set out in Table 5. The total requirement for BCIL funding to cover the total commitment of the existing capital programme is £6.186m as set out in Table 6. This means that there is uncommitted BCIL funding of £3.398m available for further eligible projects at the time of writing this report.

26. Given that BCIL averages £2m per annum, it could be anticipated that a further £6m of BCIL would be received in 2024/25 to 2026/27 available to fund new projects in the Capital Programme. This would then lead to a reduction in borrowing costs if schemes currently funded from borrowing could be substituted by BCIL funding instead (subject to confirmation that they are eligible for BCIL funding). As detailed in paragraph 19, considerations should also be given on the allocation of BCIL funding while the updated IDP and Harrow Local Plan are being prepared.

Housing Revenue Account (HRA)

27. The proposed HRA Capital Programme will be detailed in a separate report to Cabinet in January 2024. Any implications from the HRA Capital Programme are funded from the Housing Revenue Account and do not impact upon the General Fund Budget. The HRA Capital Programme will be included in the Final Capital Programme report going to Cabinet in February 2024.

Options considered

28. A review of the current Capital Programme was undertaken during the budget setting process. The outcomes are set out in paragraph 6 of this report. These also form the basis for preparing the Draft Capital Programme 2024/25 to 2026/27.

Legal Implications

29. Under the Financial Regulations paragraph B2, full council is responsible for agreeing the authority's policy framework which are proposed by Cabinet, and this includes the capital programme. Under B41 the Director of Finance is responsible for producing an annual capital strategy for Cabinet to recommend to Council.

Financial Implications

30. Financial matters are integral to this report. The capital financing costs of all capital investment must be provided for within the revenue budget.

Procurement Implications

31. There are no procurement implications arising from this report.

Performance Issues

32. The capital programme proposed represents a significant investment by the Council in infrastructure. This will have an impact on a range of performance indicators across the Council's services.

33. Monitoring of the approved programme is ongoing and is essential for good financial management.

34. It is proposed that a performance target is set of 90% of the approved budget to be spent in year. Having approved an investment programme it is important that the programme is then substantially delivered in the planned timeframe, in line with member priorities.

Risk Management Implications

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

36. Separate risk register in place? **No**

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

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

Risk Description	Mitigations	RAG Status
<p>Proposals put forward by Directorates are not part of an agreed Corporate Asset Management Plan(s) and therefore it is not possible to confirm that the proposals put forward cover the full estate which could lead to an increase in health and safety risks and additional costs in replacing assets if they deteriorate too much to repair.</p>	<p>Two of the key criteria for including projects in the capital Programme are those projects that are needed to ensure that we continue to invest in our capital assets to ensure the Council meets its requirements for both Life and Limb/Health and Safety requirements and to fulfil the Council's Statutory and legislative duties.</p>	
<p>The costs of the Capital proposals are not affordable.</p>	<p>No new capital has been included in 2026/27 and therefore the capital financing costs of all proposals in the Capital Programme are included in the 3 year period covered by the current MTFS up to 2026/27. .</p>	
<p>The risk that the required level of BCIL does not materialise.</p>	<p>As the Capital programme is an annual process and the BCIL funding is now included in the report each year to Cabinet, the availability of BCIL to fund the Capital Programme is kept under review. In normal circumstances, should the level of BCIL not be sufficient then either the schemes can be removed from the programme or funded from an alternative source. If that source is borrowing then the revenue cost of borrowing will need to be included in the revenue budget. However, for 2023/24 there is sufficient BCIL funding to meet existing commitments in the Capital Programme -see paragraphs 24 and 25.</p>	

Equalities implications / Public Sector Equality Duty

39. One of the aims of the Capital Strategy is to ensure the responsible allocation of funding in line with the Council's priorities and legislative requirements such as equalities legislation. The officer's views are that no protected group is adversely affected by the proposals.

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

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

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

The relevant protected characteristics are:

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

41. **Council Priorities**

The Council's Draft Capital Programme for 2024/25 to 2026/27 have been prepared in line with the Council's priorities set out below:

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

Section 3 - Statutory Officer Clearance

Statutory Officer: Sharon Daniels

Signed by the Chief Financial Officer

Date: 21/11/2023

Statutory Officer: Paresh Mehta

Signed on behalf of the Monitoring Officer

Date: 22/11/2023

Chief Officer: Alex Dewsnap

Signed by the Managing Director

Date: 20/11/2023

Head of Procurement: Nimesh Mehta

Signed by the Head of Procurement

Date: 15/11/2023

Head of Internal Audit: Neale Burns

Signed on behalf of the Head of Internal Audit

Date: 15/11/2023

Has the Portfolio Holder(s) been consulted? Yes

Mandatory Checks

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

EqIA carried out: NO as these capital proposals are in the main rolling programme items which will improve the Council's infrastructure and assets.

EqIA cleared by: N/A

Section 4 - Contact Details and Background Papers

Contact: Jessie Man, Interim Head of Strategic and Technical Finance (Deputy S151)

Email: jessie.man@harrow.gov.uk

Background Papers: none

**Call-in waived by the Chair of Overview and Scrutiny Committee:
No**

Appendix 1 - Capital Programme Review Summary

Project Title	Original Programme approved at Feb 23 Cabinet				2023/24 Adjustments			Revised Programme				2023/24 Forecast outturn			Draft Capital Programme 2024/25 - 2026/27				2024/25 & 2025/26 programme Variance	
	2023/24	2024/25	2025/26	Total	Carry Forwards 22/23	Virement	Additions	2023/24	2024/25	2025/26	Total	2023/24 Forecast outturn	2023/24 Forecast slippage	2023/24 Forecast Variance	2024/25	2025/26	2026/27	Total		
	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£	£		£
Regeneration & Development:																				
Accommodation Strategy	0			0	529,365	0	0	529,365	0	0	529,365	529,365	0	0					0	0
Bannisters Former Civil Defence	0			0	256,819	0	0	256,819	0	0	256,819	256,819	0	0					0	0
Biodiversity Net Gains in Harrow	300,000	275,000	250,000	825,000	0	0	0	300,000	275,000	250,000	825,000	300,000	0	0	275,000	250,000			525,000	0
Harrow Green Grid	150,000	150,000	150,000	450,000	0	0	0	150,000	150,000	150,000	450,000	150,000	0	0	150,000	150,000			300,000	0
High Priority Plan Maintenance	650,000	650,000	650,000	1,950,000	1,312,242	0	0	1,962,242	650,000	650,000	3,262,242	400,242	650,000	-912,000		650,000	650,000		1,300,000	0
Investment in 3 core sites	1,915,000			1,915,000	10,198,222	-8,665,000	0	3,448,222	0	0	3,448,222	0	3,448,222	0					0	0
Grange Farm Phase 2 – private homes				0		9,905,000		9,905,000			9,905,000	0	9,905,000	0					0	0
Grange Farm Ph 3–design/planning private homes				0		830,000		830,000			830,000	0	830,000	0					0	0
Investment in HNC	0			0	2,070,000	-2,070,000	0	0	0	0	0								0	0
Borough CIL Schemes	1,000,000	1,000,000	1,000,000	3,000,000	0	425,000	0	1,425,000	1,000,000	1,000,000	3,425,000	1,425,000	0	0	1,000,000	1,000,000			2,000,000	0
Neighbourhood CIL Schemes	500,000	500,000	500,000	1,500,000	465,666	0	0	965,666	500,000	500,000	1,965,666	965,666	0	0	500,000	500,000			1,000,000	0
Yeading Brook Unbound Project						0	204,975	204,975			204,975	204,975	0	0					0	0
Waxwell Lane Development	0			0	207,377	600,000	0	807,377	0	0	807,377	807,377	0	0					0	0
Total Regeneration & Development	4,515,000	2,575,000	2,550,000	9,640,000	15,039,690	1,025,000	204,975	20,784,665	2,575,000	2,550,000	25,909,665	5,039,444	14,833,222	-912,000	1,925,000	2,550,000	650,000	5,125,000	0	
Housing General Fund:																				
Disabled Facilities Grants	1,721,533	1,721,533	1,721,553	5,164,619	1,655,068	0	0	3,376,601	1,721,533	1,721,553	6,819,687	2,224,229	1,152,372	0	1,721,533	1,721,553			3,443,086	0
Empty Property Grant	120,000	120,000	0	240,000	0	0	0	120,000	120,000	0	240,000	60,000	0	-60,000	60,000	60,000			120,000	0
Property Acquisition Programme	5,950,000			5,950,000	2,442,902	0	1,670,000	10,062,902	0	0	10,062,902	10,062,902	0	0					0	0
Total Housing General Fund	7,791,533	1,841,533	1,721,553	11,354,619	4,097,971	0	1,670,000	13,559,504	1,841,533	1,721,553	17,122,590	12,347,131	1,152,372	-60,000	1,781,533	1,781,553	0	3,563,086	0	
Total Place Directorate	32,924,537	17,645,533	15,977,553	66,547,623	40,306,881	-198,000	2,695,815	75,729,233	17,645,533	15,977,553	109,352,319	50,581,224	23,624,009	-1,524,000	13,879,533	18,849,553	894,000	33,623,086	0	
Total General Fund	43,170,838	28,766,886	18,977,553	90,915,277	59,462,506	0	3,390,763	106,024,107	28,766,886	18,977,553	153,768,546	67,812,123	36,537,983	-1,674,000	16,179,533	30,220,906	894,000	47,294,439	-450,000	

Project Title	2024/25			2025/26			2026/27			Total		
	Total Project cost £000	Funding excluding Borrowing £000	Net project cost funded from borrowing £000	Total Project cost £000	Funding excluding Borrowing £000	Net project cost funded from borrowing £000	Total Project cost £000	Funding excluding Borrowing £000	Net project cost funded from borrowing £000	Total Project cost £000	Funding excluding Borrowing £000	Net project cost funded from borrowing £000
Resources:												
New Council Head Office refit – Flexible Futures	100		100	100		100	0		0	200	0	200
My Harrow Account upgrade	0		0	150		150	0		0	150	0	150
Ongoing ICT Refresh - to include core Network upgrade and Migration of remaining azure applications into SaaS.	500		500	600		600	0		0	1,100	0	1,100
Ongoing ICT refresh - to cover improvements and refresh of cyber security, rolling device and peripheral refresh of IT equipment (W10/O365 & Sharepoint)	1,500		1,500	500		500	0		0	2,000	0	2,000
Dynamics F&D Improvement projects	0		0	750		750	0		0	750	0	750
Ongoing ICT Refresh	200		200	200		200	0		0	400	0	400
Total Resources Directorate	2,300	0	2,300	2,300	0	2,300	0	0	0	4,600	0	4,600
People's Directorate:												
Schools:												
Schools Expansion Programme - Phase 2	0		0	9,071	9,071	0	0		0	9,071	9,071	0
Total Schools	0	0	0	9,071	9,071	0	0	0	0	9,071	9,071	0
Total People's Directorate	0	0	0	9,071	9,071	0	0	0	0	9,071	9,071	0
Place Directorate:												
Environment:												
Breakspear Crematorium - Replacement of 3 cremators	0		0	700		700	0		0	700	0	700
CA Site Infrastructure	75		75	75		75	0		0	150	0	150
Climate Emergency - Energy emissions reduction measures	250	250	0	750	750	0	0		0	1,000	1,000	0
Flood Defence & Highways Drainage	500	500	0	500	500	0	0		0	1,000	1,000	0
Highway Improvement Programme	6,000		6,000	6,000		6,000	0		0	12,000	0	12,000
Parking Management Programme	300		300	300		300	0		0	600	0	600
Parks Infrastructure	350		350	350		350	0		0	700	0	700
Street Lighting Improvement Programme	1,000		1,000	2,000		2,000	0		0	3,000	0	3,000
TfL Transport Capital (LIP)	1,391	1,391	0	1,391	1,391	0	0		0	2,782	2,782	0
Vehicle Procurement	0		0	2,086		2,086	214		214	2,300	0	2,300
Total Environment	9,866	2,141	7,725	14,152	2,641	11,511	214	0	214	24,232	4,782	19,450
Inclusive Economy, Leisure & Culture:												
Harrow Arts Centre Capital Infrastructure	20		20	60		60	0		0	80	0	80
Libraries and Leisure Capital Infrastructure	130		130	140		140	30		30	300	0	300
Leisure Centre Infrastructure - Harrow Leisure Centre/Hatch End Swimming Pool/ Banister	13		13	166		166	0		0	179	0	179
UK Shared Prosperity Fund	144	144	0	0		0	0		0	144	144	0
Total Inclusive Economy, Leisure & Culture	307	144	163	366	0	366	30	0	30	703	144	559
Regeneration & Development:												
Biodiversity Net Gains in Harrow	275	275	0	250	250	0	0		0	525	525	0
Harrow Green Grid	150	150	0	150	150	0	0		0	300	300	0
High Priority Plan Maintenance Corporate Property	0		0	650		650	650		650	1,300	0	1,300
Borough CIL Schemes	1,000	1,000	0	1,000	1,000	0	0		0	2,000	2,000	0
Neighbourhood CIL Schemes	500	500	0	500	500	0	0		0	1,000	1,000	0
Total Regeneration & Development	1,925	1,925	0	2,550	1,900	650	650	0	650	5,125	3,825	1,300
Housing General Fund:												
Disabled Facilities Grants	1,722	1,722	0	1,722	1,722	0	0		0	3,443	3,443	0
Empty Property Grant	60		60	60		60	0		0	120	0	120
Total Housing General Fund	1,782	1,722	60	1,782	1,722	60	0	0	0	3,563	3,443	120
Total Place Directorate	13,880	5,932	7,948	18,850	6,263	12,587	894	0	894	33,623	12,194	21,429
Total General Fund	16,180	5,932	10,248	30,221	15,334	14,887	894	0	894	47,294	21,265	26,029

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REPORT FOR: CABINET

Date of Meeting:	19 December 2023
Subject:	Draft Revenue Budget 2024/25 and draft Medium Term Financial Strategy to 2026/27
Key Decision:	Yes
Responsible Officer:	Sharon Daniels – Interim Director of Finance and Assurance (S151 Officer)
Portfolio Holder:	Councillor David Ashton – Portfolio Holder for Finance and Human Resources
Exempt:	No
Wards affected:	All
Enclosures:	Appendix 1A – Savings and Growth from 2024/25 Budget Process Appendix 1B – Savings and Growth from 2023/24 Budget Process Appendix 2 - Medium Term Financial Strategy 2024/25 to 2026/27 Appendix 3 – Draft Public Health Budget 2024/25 Appendix 4 - Draft Schools Budget 2024/25

This report sets out the draft revenue budget for 2024/25 and draft Medium Term Financial Strategy (MTFS) to 2026/27. The budget and MTFS will be brought back to Cabinet in February 2024 for final approval and recommendation to Council.

Recommendations:

Cabinet is requested to:

- 1) Approve the draft budget for 2024/25 and the MTFS to 2026/27 for general consultation as set out in Appendices 1(A & B) and 2 so that Cabinet may later consider the budget including the consultation responses and the equality impact assessment (s), before it is referred to Council in February 2024.
- 2) Note the draft budget will be updated when the detail is announced in the Indicative Financial Settlement which is expected on 19 December followed by the Final Settlement in January 2024 (paragraph 1.07).
- 3) Note that, at draft budget stage, there remains an estimated budget gap of £0m for 2024/25, £12.466m for 2025/26 and £6.732m for 2026/27.
- 4) Note the proposal to increase core Council Tax by 2.99% in 2024/25, 2025/26 and 2026/27 (paragraph 1.19 and 1.21).
- 5) Note the proposal to increase Adult Social Care Precept Council Tax by 2% in 2024/25 and then by 0% per annum in 2025/26 and 2026/27 in respect of the Adult Social Care Precept (paragraph 1.19 and 1.21).
- 6) Approve the draft Public Health budget for 2024/25 as set out in Appendix 3.
- 7) Note there are no proposed structured changes to the schools funding formula for 2024/25 as set out in Appendix 4.
- 8) Note the assumed funding for the protection of social care 2024/25 through the Better Care Fund (paragraphs 1.38 to 1.41)
- 9) Authorise the Interim Director of Finance and Assurance, following consultation with the Portfolio Holder for Finance and Human Resources, to agree Harrow's 2024/25 contribution to the London Borough's Grant Scheme (paragraph 1.46).

Final approval will be sought from Cabinet and Council in February 2024.

Reason: (For recommendations)

To ensure that the Council publishes a draft budget for 2024/25 and a draft MTFS to 2026/27.

Section 2 – Report

BACKGROUND

- 1.01 Harrow remains one of the lowest funded Councils both within London and nationally. The Council does not benefit from large reserves compared with the rest of London and is in the lower end of the lower quartile for reserve balances held.
- 1.02 Over the past 10 years, the Council's revenue support grant has reduced from £50.5m to £2m in 2023/24 and whilst the Council does receive other grant funding to support services, these grants are all ring fenced to areas of activity and cannot be used to support the core budget, for example the Dedicated Schools Grant of £143m. In 2023/24 these grants total £366m.
- 1.03 The Council does not receive specific funding to meet demographic growth and demand led pressures. In addition, inflation has increased substantially, creating unfunded budget pressures.
- 1.04 In previous years, Council Tax has been increased to just below referendum limits and full use has been made of the Adults Social Care Precept, both of which were in line with central government expectations. The impact of this is that the Council is heavily reliant on Council Tax to fund its core budget. In 2023/24 approximately 78% of the Council's net revenue budget of £196.3m is funded from Council Tax.

SUMMARY

- 1.05 The draft budget set out in this report shows an updated MTFS to the figures agreed by Council in February 2023. After all adjustments, the budget for 2024/25 is balanced, but there remain budget gaps of £12.466m and £6.732m over the two years of MTFS for 2025/26 and 2026/27.
- 1.06 It is important to note that for 2025/26 and 2026/27, many of the budget adjustments are estimated at a high level due to the challenges of forecasting complex issues such as inflation, demand, and demographics so far in advance. As the budget is approved annually, the latter two years of the MTFS will be subject to substantive review and adjustment before finally being approved.
- 1.07 The draft MTFS is based on the announcements made as part of the 2023/24 Finance Settlement (which covered 2023/24 and 2024/25) and will be updated further once the detail of the 2024/25 Local Government Provisional Financial Settlement is known, which is expected to be announced on 19 December 2023. Estimates have been based on the most up to date information known at the time of setting the draft MTFS. It is likely this position will change following the indicative settlement. This change could be for the better or worse. The final settlement is expected to be agreed by the end of January 2024.

AUTUMN STATEMENT 2023

- 1.08 The Chancellor of the Exchequer, Jeremy Hunt, delivered the 2023 Autumn Statement on 22nd November 2023. As well as the usual updates on the state of public finances and the performance of the economy, the Chancellor organised his policies into five key areas: reducing debt; cutting tax and rewarding hard work; backing British business; building domestic and sustainable energy; and delivering world-class education.
- 1.09 The key policy announcements relating to public spending and local government are summarised below:

Local Government Funding

- There was no new funding for 2024-25 for adult or children's social care or any general local government funding, beyond what was announced last year.

Housing and Homelessness

- Local Housing Allowance rates will be raised to a level covering 30% of local market rents.
- Additional funding of £120m for homelessness prevention (UK-wide) in 2024-25. The details of the allocations are not yet known and therefore the Harrow allocation is still to be confirmed.
- Local Authority Housing Fund to be extended with a third round worth £450m to deliver new housing units and temporary accommodation for Afghan refugees.
- For the Housing Revenue Account, there is a rate extension of £5m to June 2025 of the Public Works Loan Board policy margin announced in Spring 2023.
- There are plans to allow local authorities to be able to fully recover the cost of planning fees for major planning applications if decisions are made within certain timelines.
- Local Planning Authorities to receive £32m to tackle planning backlogs.

Business Rates

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

Local Government Pension Schemes

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

National Living Wage and Benefits

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

- 1.10 There have been no changes made to the MTFS as a result of the Autumn Statement as the detail of any funding changes for 2024/25 will be included in the Financial Settlement for Local Government, which is due around the 19 December 2023, as indicated above.

DELIVERY OF THE 2023/24 BUDGET

- 1.11 Harrow has had a good track record of robust financial management and has not reported a revenue budget overspend for many years. The budget for 2022/23 was originally based on drawing down £14.7m of reserves to bring in a balanced position. The final position for 2022/23 improved significantly as a result of careful control and oversight of budgets, which meant that only £5.8m of reserves were needed (as opposed to £14.7m) to bring the budget into a balanced position.
- 1.12 Performance against the current 2023/24 revenue budget is detailed in a separate report on this agenda, 'Revenue and Capital Budget Monitoring Report 2023-24 Q2'. This report forecasts a net overspend of £1.379m as at 30th September 2023. If the position does not improve before year end it would be necessary to draw down this amount from the MTFS Budget Planning Reserve to bring in a balanced position, but it is anticipated that 2023/24 can be balanced with no draw down from reserves other than those already built into the budget.
- 1.13 In line with the national picture, the Council is being heavily impacted by inflation. Budget provision for pay inflation was £4m (4%). The 2023/24 pay award has recently been announced and it equated to an increase of 7% against the pay bill and has created a budget pressure of £3.2m. The bulk of this pressure has been funded from the general corporate budget and the non-pay inflation provision, but still leaves an £800k shortfall to be carried forward into 2024/25.
- 1.14 In addition, there are very substantial pressures on demand in adult services. Such is the scale of the demand, that across the 3 years of the MTFS from 2024/25 to 2026/27, a further £9.7m has been added in as a budget growth, as set out in Table 1.

BUDGET PROCESS 2024/25

- 1.15 The Council has a statutory obligation to agree and publish the budget for 2024/25, and approval for this will be sought in February 2024. In preparing the 2024/25 budget and rolling forward the MTFS to cover the three-year period to 2026/27, the current MTFS has been the starting point for the process.
- 1.16 The Council's financial position and its operational environment has always been affected by several financial uncertainties and adjustments that impact upon its financial position over the short and medium term. In preparing the draft budget for 2024/25 the existing MTFS has been:
- Refreshed and rolled on a year into 2026/27
 - Updated to reflect the demand pressures as well as any opportunities and savings, plus council tax changes.
- 1.17 The adjustments are summarised in Table 1 below. Following Table 1 there is an explanation for the figures contained within the table. These adjustments are also set out in Appendix 2 along with adjustments included within the previous MTFS agreed as part of the 2023/24 Budget process. Table 1 shows budget gaps of £0m for 2024/25, £12.466m for 2025/26 and £6.732m for 2026/27.

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

Council Tax and NNDR Changes

- 1.18 In 2023/24, despite an increase in Council tax of 4.99% which raised additional revenue of £7.8m (Council tax income increased from £146.2m to £154.0m), the cost of the 2023/24 pay award (only agreed in October 2023) is £7.2m and therefore, this left very little funding available for other demand pressures that have emerged in adult services and other inflationary pressures.
- 1.19 The assumed Council tax levels built into the MTFS agreed in February 2023 were based on 3.99% for 2023/24 and 2.99% for 2025/26. The changes made in Table 1 reflect an assumed Council tax of 2.99% in 2026/27 and an additional 1% assumed for 2024/25 which would take the increase from 3.99% to 4.99% for 2024/25. There is no change to the assumed 2.99% for 2025/26. This therefore provides for Council tax increases of 4.99%, 2.99% and 2.99% for the 3-year period 2024/25 to 2026/27.
- 1.20 In Table 1, the additional 1% in 2024/25 achieves additional income of £1.545m, whilst the original 3.99% achieves income of £6.144m. Therefore, the total council tax to be achieved from the 4.99% increase is £7.689m. The addition of 2.99% in 2026/27 provides £4.995m of council tax income in 2026/27.

In addition, the Council's tax base has been calculated, (according to the relevant procedures and guidance) at 89,375 band D equivalent properties, which is an increase of 290 Band D equivalents on the 2023/24 Band D of 89,085. This will generate additional income of £0.521m in 2024/25. Because £0.5m had already been included in the 2024/25 assumptions when the MTFS was set last year in Feb 2023, Table 1 only includes a further £21k. There are further tax base increases assumed for 2025/26 and 2026/27 and included in Table 1, which will be revisited as part of the 2025/26 budget process.

- 1.21 A maximum Council Tax increase of 4.99% is budgeted for 2024/25 in line with announcements made as part of the 2023/24 Finance settlement in December 2022. There is uncertainty as to whether the 2024/25 settlement will provide guidance as to the maximum level of Council Tax increase for 2025/26 and 2026/27 and for this reason, the working assumption has been left at 2.99% for both of these years.
- 1.22 The Autumn Statement 2023 is clear that the small business rates multiplier will be frozen in 2024/25 and local authorities will be fully compensated for any loss of income at the September CPI level of 6.7%. Freezing the multiplier 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. However, due to revaluation losses in NNDR, there is no assumed increase in NNDR built into the budget for 2024/25 and this will be revisited following the announcement of the 2024/25 Finance settlement. Rateable value generally reduces annually in Harrow, this being a trend that has existed locally for several years.

- 1.23 The Collection Fund and its impact on the 2024/25 budget is subject to a separate report elsewhere on this agenda (Report: Estimated Surplus/(Deficit) on the Collection Fund 2023/24). The estimated impact on the 2023/24 Collection Fund is a surplus of £0.790m which must be accounted for as a one-off income against the 2024/25 budget and is included in Table 1.

Technical Changes

- 1.24 A number of other adjustments have been included in Table 1 which are explained as follows:
- £1m of council wide growth in 2026/27 – this is a general allowance for growth as, other than for adults, there is no other departmental growth included.
 - £175k one off reduction of the contingency budget to balance the 2024/25 budget whilst awaiting the 2024/25 Finance settlement which could bring in some other opportunities to balance the budget.
 - In 2023/24, £6.822m of social care funding was awarded for 2 years and initially it was felt that it was possible that the grant might have to be used in 2025/26 for Social Care reform. Therefore, in arriving at the original budget gap of £13.143m in 2025/26, it had been assumed that the grant would be removed, resulting in an increase of the gap from £6.321m to £13.143m. It is now widely assumed that this grant will not be removed and therefore Table 1 reverses that assumption which improves the 2024/25 position by £6.822m.
 - Capital Flexibilities are assumed for a further year in 2025/26 which enables the Council to charge transformation costs to capital and thereby reduce the cost to the revenue budget. £1.25m is assumed for 2025/26 as a one-off basis.
 - Capital financing savings of £3m are assumed on a one-off basis as a result of slippage expected in the capital programme based on past experience.
 - Treasury Management savings of £650k are assumed in 2024/25 which will offset a previous saving not achieved in overall Management savings.
 - The Council has received some cash rebates from West London Waste Authority of £1.6m and £2.4m respectively in 2022/23 and 2023/24 as a result of energy income. The energy from waste facility generates electricity which then generates an income for the WLWA. A decision was made to reimburse a proportion of the energy income to the six constituent boroughs. Therefore, the budget assumes £1m for a further 2 years but then this is reversed out in 2026/27, since it cannot be assumed to continue indefinitely.
 - As a result of a review of the existing Capital Programme, it has been possible to remove some surplus capital budgets and therefore reducing capital financing costs by a net £286k across the MTFS period (-£182k 2024/25, £92k 2025/26 and -£196k 2026/27).

- The cost of the 2023/24 Capital Programme was approved as part of the 2023/24 budget setting process, but as the cost of £1.5m fell into 2026/27 which was last year outside of the MTFs period, the cost of £1.5m is now included.
- The pay award for 2023/24 has recently been agreed and cost £7.2m, an approximate 7% uplift against the pay bill. The 2023/24 budget included a provision of £4m and there were other budgets (non-pay inflation and corporate budgets) of £2.4m available to fund the pay award, which leaves an £800k shortfall that need to be built into the 2024/25 budget. To offset the pressure, a corporate growth budget of £755k is being reduced to fund it.
- In terms of 2024/25, 2025/26 and 2026/27, pay award budgets have been assumed of £5.5m, £5m and £3m respectively. Over the past few years, the pay awards have been agreed very late in the financial year and for both 2022/23 and 2023/24, the pay agreements have been reached around October time which makes it very difficult for budgeting purposes.
- Non pay inflation, which covers areas such as energy costs and contractual up lifts, is set at £1m pa in 2024/25 and 2025/26 and is increased by a further £1m for 2026/27.

Directorate Pressures/Savings

1.25 The rest of the figures in Table 1 relate to Directorate pressures in the main, with a small number of savings which are detailed in Appendix 1A. As can be seen from Table 3 and Appendix 1A, there is growth of £6.7m, £3.6m and £1.6m built into the MTFs across the 3 years 2024/25 to 2026/27, which total £11.9m. Growth in the Adult social care budget accounts for £9.8m of the net growth.

1.26 After all the adjustments, the result is an estimated gap across the MTFs of £19.198m as follows:

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

1.27 Between now and the Final Budget in February 2024, and further in 2024, the next steps are:

- Clarify the implications on the MTFs of the Indicative Financial Settlement when received in late December
- Continue to review/refine pressures, to reduce the impact of the gap in future years of 2025/26 and 2026/27.
 Focus on efficiencies to reduce the impact of the gap in future years of the MTFs.

Growth & Savings

- 1.28 Table 2 below summarises the savings and growth previously agreed as part of the 2023/24 budget process. This shows that there are net savings of £7.791m in 2024/25 and £1.209m in 2025/26. Therefore, total savings of £9.0m across the 2 years.

**Table 2: Savings and Growth from the 2023/24 Budget Process
(Detail in Appendix 1B)**

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

- 1.29 Table 3 summarises “new” growth and savings from the current 2024/25 budget setting process. This shows that there is net growth of £6.668m in 2024/25, £3.65m in 2025/26 and £1.623m in 2026/27. Therefore, this is net growth across the 3 years of £11.941m.

**Table 3: Savings and Growth from the 2024/25 Budget Process
(Detail is set out in Appendix 1A)**

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

The summary information in the tables is supported by the details in appendices 1A and 1B.

CAPITAL RECEIPTS FLEXIBILITY

- 1.30 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 transformation projects. The flexibility has been extended on numerous occasions and is currently in place until 31 March 2025 but is likely to be extended and will be confirmed in the 19 December Finance settlement.
- 1.31 As part of the 2023/24 Budget process, the use of capital flexibilities was in place for 2023/24 and 2024/25 and then being reversed out in 2025/26. Table 1 assumes a continuation for a further year into 2025/26 but then is discontinued and the budget is reinstated for 2026/27. The MTFS includes a budget of £1.250m to fund the Regeneration Team. The nature of this spend meets the capital flexibility criteria and the team will be funded under the capital flexibilities scheme. The £1.250m provision is re-instated in 2026/27.

PUBLIC HEALTH FUNDING 2024/25

- 1.32 In 2023/24 the total public health grant to local authorities totalled £3.529bn, with £12.007m being allocated to Harrow. The grant is ringfenced for use on public health functions exclusively for all ages of the population and must be spent in accordance with grant conditions on expenditure incurred by local authorities for the purposes of their public health functions, as specified in Section 73B (2) of the National Health Service Act 2006.
- 1.33 The draft Public Health commissioning intentions detailed in Appendix 3 are based on the indicative grant allocation for 2024-25 of £12.165m as advised by DHSC in March 2023 and indicate a 1.3% uplift, taking the total national funding for 2024-25 to £3.575bn. These commissioning intentions reflect alignment with the Health & Wellbeing Strategy, Borough Plan, and evidence of population priorities.
- 1.34 The Council consider that this level of funding enables the Council's overarching statutory duties (including equality duties) to be maintained, taking account of the joint strategic needs assessment. However, if additional duties are required by Councils, and if these were unfunded, the commissioning intentions would need to be reviewed in light of the allocated grant envelope.

SCHOOLS FUNDING FOR 2024/25

- 1.35 In 2018/19 the government introduced a new National Funding Formula (NFF) for Schools, High Needs and the Central Schools services Block. For the Schools Block this means 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.

- 1.36 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.
- 1.37 The NFF will therefore continue to be used to distributed school budgets for 2024/25. There are no proposed changes to the structure of the formula for 2024/25 as detailed in Appendix 4. The proposed final funding formula and final DSG allocations will be reported to Cabinet in February 2024 for approval.

BETTER CARE FUND (BCF) 2024/25

- 1.38 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.
- 1.39 The BCF continues to provide a mechanism for personalised, integrated approaches to health and care that support people to remain independent at home or to return to independence after a period in hospital. The continuation of the national conditions and requirements of the BCF provides opportunities for health and care partners to build on their plans to embed joint working and integrated care further, including how to work collaboratively to bring together funding streams to maximise the impact on outcomes for communities and sustaining vital community provision.
- 1.40 Following submission of the planning template covering the period 2023-2025 in August 2023, and assurance by NHS England, the 2024/25 Adults budget assumes that funding for the Protection of Social Care through the BCF will be £7.954m – an increase of 5.66% on the funding for 2023-24, reflecting the NHS funding commitments made within the spending review.
- 1.41 The total value of the Better Care Fund in Harrow for 2024-25 is £31.406m and includes a range of grants (including the Disabled Facilities and Adults Discharge Grants) and schemes across both Health and Social Care. The Better Care Fund Policy statement and Policy Framework and Planning Requirements will provide the detailed guidance when published in early 2024 (usually March). The requirements around integration and collaborative working are expected to continue.

RESERVES AND CONTINGENCIES

- 1.42 Reserves and contingencies need to be considered in the context of their role to protect the Council's financial standing and in the context of the overall risks that the Council faces during a continuing period of economic uncertainty. The MTFs reflects the Council's need to ensure an adequate level of reserves and contingencies which will enable it to manage the risks

associated with delivery of the budget including equalities impacts and unforeseen events.

- 1.43 The Council's overall reserves position is reported to Cabinet quarterly as part of the revenue monitoring update. At quarter 2 (end of September 2023), total reserves forecast for carry forward into 2024/25 are £58.4m, this includes a deficit reserve on the DSG of £2.6m, therefore the gross value of reserves is £61.0m (as reported in Table 10 of the Q2 revenue and capital monitoring report, elsewhere on the agenda).
- 1.44 If the forecast in year overspend position does not change and requires a draw down from reserves in the region of £1.4m, this would reduce reserves further to £59.6m. However, on the basis of the £61.0m gross position and after accounting for specific earmarked reserves of £25.1m, this leaves the Councils remaining reserves at £35.9m as summarised at high level below:

• Total reserves earmarked (non-specific)	£9.8m
• Budget Planning Reserve	£16.1m
• General Fund balances	£10.0m
Total	£35.9m

- 1.45 At the end of the financial year, all reserves are reviewed including a focus on ear marked reserves to ensure they are still required for the purpose to which they are designated. The Interim Director of Finance and Assurance will report on the adequacy of the Council's reserves as required in the budget setting report in February 2024.
- 1.46 In addition to reserves there is an annual budgeted Contingency for Unforeseen items of £1.248m which sits within the Corporate budgets. As part of the budget setting for 2024/25 a one off use has been factored into the budget which reduces the figure by £175k for 2024/25 but it is reinstated at £1.248m for 2025/26 onwards.

LONDON BOROUGH GRANTS SCHEME

- 1.47 Harrow's contribution to the London Borough Grant Scheme was £186,907 in 2023/24. At the time of writing this report, the Council has not been notified of the recommended contribution for 2024/25. To ensure that the Council can respond to London Councils when contribution rates are notified, it is recommended that Cabinet authorise the interim Director of Finance & Assurance to agree Harrow's 2024/25 contribution to the London Borough Grant Scheme, in consultation with the Portfolio Holder for Finance and Human Resources. The contribution for 2024/25 will be reported to Cabinet in February 2024 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 four 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 considered.

2.3 Public consultation on the overall budget for 2024/25 will commence on 20 December 2023 and will last for a period of 5 weeks ending 24 January 2024 before the final budget is approved by Cabinet on 15 February and then recommended to Full Council on the 22 February 2024. The public consultation will give residents an opportunity to comment on the 2024/25 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. Once the consultation has closed then the cumulative equality impact assessment on the budget can be completed.

2.4 In terms of service specific consultations, the council has a duty to consult with residents and service users in several 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. Council sets the budget envelope and Cabinet works within this.

Where appropriate, separate service specific consultations will take place for the 2024/25 savings and may be subject to a separate Cabinet report and Cabinet decisions as necessary.

- 2.5 Within Appendix 1A, there is a saving that is being reversed following separate consultation which concluded in October 2023. The saving of £6k per annum for each of the 3 years of the MTFS, was to be made by the cessation of Discretionary Freedom passes for new applicants. Having considered the feedback from the consultation, the Portfolio holder for Finance and Human Resources has decided not to implement the change and therefore the saving is reversed out of the budget.

3.0 PERFORMANCE ISSUES

- 3.1 In terms of financial performance, Cabinet is updated quarterly on 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"> • In-year Revenue & Capital monitoring reported to CLT monthly, as well as the Portfolio Holder for Finance and HR, and Cabinet on a quarterly basis. • Budget challenge sessions held to tackle in year pressures in August and Sept 2023. • Savings are tracked on a monthly basis via the MTFS savings tracker • Budget for 2024/25 is balanced so the focus for attention is the 2025/26 and 2026/27 budget gaps. 	RED

<p>The draft budget and MTFS is based on the 2023/24 Financial Settlement, which was received in December 2022. The 2024/25 Finance settlement will not be announced until 19 December 2023, so there is still uncertainty in many of the numbers.</p>	<ul style="list-style-type: none"> • Draft budget and MTFS based on most up to date information from London Councils and DHLUC based on prudent assumptions • The final budget will be prepared considering the Final Settlement. Any changes will have to comply with the legal requirement to set a balanced budget. • There is a contingency for unforeseen items (£1.248m) which is intended to support uncertainty 	<p>AMBER</p>
<p>Balanced budget for 2023/24 not achieved adversely impacting on the 2024/25 budget</p>	<ul style="list-style-type: none"> • The 'Q2 Revenue and Capital Report' forecasts a net overspend of £1.4m. It is anticipated that this should reduce by year end as forecasts build in anticipated spend which may not happen. • The estimated impact of 2023/24 pressures into 2024/25 are accounted for in the draft budget and MTFS • There is a contingency for unforeseen items (£1.248m) which has not been called upon. 	<p>AMBER</p>

5.0 LEGAL IMPLICATIONS

- 5.1 Section 31A of the Local Government Finance Act 1992 requires billing authorities to calculate their council tax requirements in accordance with the prescribed requirements of that section. This requires consideration of the authority's estimated revenue expenditure for the year 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 taxpayers, which means they 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 taxpayers 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.

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

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

6.0 FINANCIAL IMPLICATIONS

6.1 Financial Implications are integral to this report.

7.0 PROCUREMENT IMPLICATIONS

7.1 There are no procurement implications arising from this report.

8.0 EQUALITIES IMPLICATIONS / PUBLIC SECTOR EQUALITY DUTY

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

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

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

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

- (d) *remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;*
- (e) *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;*
- (f) *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 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 which will include any relevant information from the budget consultation, when all proposals have been identified, to ensure that decision makers are aware of any overall equalities impact on the protected characteristics listed above.

Council Priorities

The Council's draft budget and MTFS for 2024/25 has been prepared in line with the Council's priorities:

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

Section 3 - Statutory Officer Clearance

Statutory Officer: Sharon Daniels

Signed by the Chief Financial Officer

Date: 27/11/2023

Statutory Officer: Jessica Farmer

Signed by the Monitoring Officer

Date: 07/12/2023

Chief Officer: Sharon Daniels

Signed off on behalf of the Managing Director

Date: 27/11/2023

Head of Procurement: Nimesh Mehta

Signed by the Head of Procurement

Date: 27/11/2023

Head of Internal Audit:

Signed on behalf of the Head of Internal Audit

Date: 27/11/2023

Mandatory Checks

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

EqlA carried out: NO – to be reported as part of the February 2024 final budget report

Section 4 - Contact Details and Background

Papers

Contact: Sharon Daniels – Interim Director of Finance & Assurance.
Sharon.Daniels@harrow.gov.uk

Background Papers: NONE

Call-in waived by the Chair of Overview and Scrutiny Committee: No

Appendix 1A B1 Proposed savings/growth proposals - budget process 2024-25

ref	Specific Service Area	Headline Description re: saving / reduction INTERNAL	Proposals				EIA required Y/N?	Does this proposal impact on another directorate? Y/N	Further consultation with Key Stakeholders Yes/No/N/A
			2024-25	2025-26	2026-27	Total			
			£000	£000	£000	£000			
		Savings Proposals							
		PLACE							
PLACE 2024-25_S01	Community Engagement	Removal of Ward Priority Fund budget Ward Priority Fund (WPF) is an annual fund, allocated across the borough, available to support small-scale ward-level projects or initiatives that have community and councillor support. The fund is apportioned equally between Wards, with each Ward receiving £4,545, for Ward Members to apply. With the removal of WPF, ward members can still deliver projects using other funding such as Neighbourhood Community Infrastructure Levy (NCIL)	(100)			(100)	N	N	No
PLACE 2024-25_S02	Corporate Estates	Review of leases and rent for corporate property portfolio	(50)			(50)	N	N	No
PLACE 2024-25_S03	Planning Service	Introduction of new Fees and Charges for tree documents. To supply and charge for environmental information relating to Tree Preservation Orders (TPOs).	(10)			(10)	N	N	No
PLACE 2024-25_S04	Planning Service	Review of Technical Support resources and future requirements following the full implementation of the new planning software system	(38)	(76)		(114)	Y	N	Yes, staff consultation
PLACE 2024-25_S05	Directorate wide	Place Directorate Restructure 2023 Following the approval of the restructuring proposal, total saving is estimated to be in the region of £500k. £250k has already been included in 23/24 MTFs, therefore an additional saving of £250k can be generated.		(200)		(200)	Y	N	Yes, staff consultation
PLACE 2024-25_S06	Corporate Estates	Net reduction in Business Rates following the closure of Civic Centre and the opening of the Harrow Council Hub	(250)			(250)	N	N	No
		PLACE SAVINGS PROPOSALS	(448)	(276)	-	(724)			
		TOTAL SAVINGS PROPOSALS	(448)	(276)	-	(724)			

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Appendix 1A B1 Proposed savings/growth proposals - budget process 2024-25

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ref	Specific Service Area	Headline Description re: saving / reduction INTERNAL	Proposals				EIA required Y/N?	Does this proposal impact on another directorate? Y/N	Further consultation with Key Stakeholders Yes/No/N/A
			2024-25	2025-26	2026-27	Total			
			£000	£000	£000	£000			
		Growths Proposals							
		RESOURCES							
RES1	Access Harrow	Access Harrow - Reversal of a previous saving relating to the closure of phone lines as the second part of the programme to reduce capacity within Revenues & Benefits was not progressed.	180			180			
RES2	Payroll Services	Loss of income due to the cessation of schools payroll service. Staff previously working on schools payroll service are retained to support the wider service. A one-off growth for 24/25 whilst efficiencies are being identified through the procurement of the Payroll system.	230	(230)		-			
		RESOURCES GROWTH PROPOSALS	410	(230)	-	180			
		MANAGING DIRECTOR'S				-			
MD1	Finance & Assurance	Increase in External audit fees as a result of procurement exercise by Public Sector Audit Appointments	250			250			
MD2	Finance & Assurance	Rationalise the Discretionary Freedom Pass provision - reversal of savings included in 23/24 MTFS. Following public consultation of the proposal, it was decided not to go ahead with this.	12	6		18			
MD3	Finance & Assurance	Internal Audit & Corporate Anit Audit Fraud Team - Restructure to create sufficient capacity to delivery the service, following a review of current structure benchmarking exercise	260			260			
		MANAGING DIRECTOR'S GROWTH PROPOSALS	522	6	-	528			
		PLACE							
PLACE_2024-25_G01	Parking Services	Parking Review - Rephasing of the saving target in the MTFS (£1m) from 2024/25 to 2025/26	1,000	(1,000)		-			
PLACE_2024-25_G02	Parking Services	Paid for Parking Income - Income pressure for On Street and Car Park facilities across the borough	360			360			
PLACE_2024-25_G03	Planning Services	Planning and Building Control application fees Income pressures due to a reduction in application numbers	341			341			
PLACE_2024-25_G04	Clean & Green	Street Cleaning Additional investment to provide a more streamlined service and better ownership & accountability by the team.	250			250			

Appendix 1A B1 Proposed savings/growth proposals - budget process 2024-25

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ref	Specific Service Area	Headline Description re: saving / reduction INTERNAL	Proposals				EIA required Y/N?	Does this proposal impact on another directorate? Y/N	Further consultation with Key Stakeholders Yes/No/N/A
			2024-25	2025-26	2026-27	Total			
			£000	£000	£000	£000			
PLACE_2024-25_G05	Planning Services	Local Plan Review Additional support to the new Harrow Local Plan on Tall Buildings assessment, Views assessment, External Communications support an Kings Counsel representation at examination.	91	80	(171)	-			
PLACE_2024-25_G06	Planning Services	Local Plan Review Reversal of growth in 26/27 - budget provided in 2023/24 MTFS for 3 years only for additional staff resources required to complete Local Plan Review			(206)	(206)			
PLACE_2024-25_G07	Housing	Homelessness demand pressures - baseline pressure (assuming at current homelessness level) once the one-off grant reserve has been exhausted.		2,325		2,325			
PLACE_2024-25_G08	Housing	Housing - Additional staff resource to support additional work due to a considerable increase in the approaches and formal applications to the Housing Needs Services.	180	(180)		-			
PLACE_2024-25_G09	Waste Services	Behavioural change (residents) for reducing waste disposal cost - Original saving of £0.5m in 24/25. Rephasing of this over 2 years due to the delay in the recruitment of the recycling team. Communications plan and resident engagement to reduce waste and divert to recycling.	250	(250)		-			
		PLACE GROWTH TOTAL	2,472	975	(377)	3,070			
		PEOPLE - ADULTS							
ASC01	Placements	Older Adults - Increased budget for social care costs	1,955	2,000	2,000	5,955			
ASC02	Placements	All Age Disabilities - Increased budget for social care costs	2,920	-	-	2,920			
ASC03	Workforce	All Age Disabilities - Additional staffing requirements	77	-	-	77			
ASC04	Placements	Community Equipment - increased cost / volume for issues	115	-	-	115			
ASC05	Workforce	Social Work Realignment - to ensure consistency across Peoples in the grade costs for social work staff to support recruitment & retention	223	347	-	570			
ASC06	Workforce	DoLS & Safeguarding	150	-	-	150			
ASC07	Placements	Assumed additional Market Sustainability Improvement Fund (MSIF) 2024/25	(828)			(828)			
ASC07	Placements	Permanent MSIF grant added to Adults base budget		828		828			
		ADULTS GROWTH PROPOSALS	4,612	3,175	2,000	9,787			

Appendix 1A B1 Proposed savings/growth proposals - budget process 2024-25

ref	Specific Service Area	Headline Description re: saving / reduction INTERNAL	Proposals				EIA required Y/N?	Does this proposal impact on another directorate? Y/N	Further consultation with Key Stakeholders Yes/No/N/A
			2024-25	2025-26	2026-27	Total			
			£000	£000	£000	£000			
		PEOPLE - CHILDREN SERVICES							
PCG01	Education Services	Education Services Staffing Proposals	100			100			
PCG02	CYPS	Reduction of PC01 2023-24 Growth for Children's Placements & Accommodation	(1,000)			(1,000)			
		CHILDREN SERVICES GROWTH PROPOSALS	(900)	-	-	(900)			
		PEOPLE GROWTH TOTAL	3,712	3,175	2,000	8,887			
		TOTAL GROWTH	7,116	3,926	1,623	12,665			
		NET SAVINGS/GROWTH PROPOSALS	6,668	3,650	1,623	11,941			

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

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

Savings and growth proposals from the 2023-24 Budget Process

Appendix 1B

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

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

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

Item No	ref	Specific Service Area	Headline Description re: saving / reduction INTERNAL	Proposals			EIA required Y/N	Does this proposal impact on another directorate? Y/N	Further Consultation with Key Stakeholders Yes/No/N/A
				2024-25	2025-26	Total			
				(4)	(5)	(6)			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
				£000	£000	£000			
28		Education	Reduction in Special Needs Transport growth Growth was previously provided at £750k for 23/24 and £750k for 24/25 Appendix 1B. However following a review the full growth is not required. After these reductions of £550k and £250k this leaves £200k in 23/24 and £500k in 24/25 of the original growth.	(250)		(250)			
						-			
			PEOPLE GROWTH TOTAL	(250)	-	(250)			
			CORPORATE						
29	Corporate	Corporate	Inflationary Growth in relation to care provider inflation	250		250			
						-			
			TOTAL CORPORATE GROWTH PROPOSALS	250	-	250			
			TOTAL GROWTH	-	-	-			
			NET SAVINGS/GROWTH PROPOSALS	(8,541)	(1,209)	(9,750)			

Item No	ref	Specific Service Area	Headline Description re: saving / reduction INTERNAL	Proposals			EIA required Y/N	Does this proposal impact on another directorate? Y/N	Further Consultation with Key Stakeholders Yes/No/N/A
				2024-25	2025-26	Total			
	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
				£000	£000	£000			
<u>Savings and growth proposals from the 2022-23 Budget Process</u>									
			Growths Proposals						
			People-Childrens						
30		Education	Special Educational Needs Transport - . There are over 1,800 children and young people with Education Health & Care Plans (EHCPs) and approximately 40% of these are accessing SEN Transport. It is anticipated that the number of children and young people with EHCPs will increase to over 2,000 by 2023 which on the same ratio could mean a further 80 to 100 children requiring transport by 2023. It is estimated a further £750k pa will be required for each of the 3 years of the MTFS.	750		750			
			PEOPLE GROWTH TOTAL	750	-	750			
			TOTAL SAVINGS PROPOSALS	(8,541)	(1,209)	(9,750)			
			TOTAL GROWTH	750	-	750			
			NET SAVINGS/GROWTH PROPOSALS	(7,791)	(1,209)	(9,000)			

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MEDIUM TERM FINANCIAL STRATEGY
2024/25 to 2026/27

Appendix 2

	2024/25	2025/26	2026/27
	£000	£000	£000
Budget Requirement Brought Forward	196,354	203,416	207,476
Corporate & Technical	8,184	14,085	10,104
People	653	2,380	2,000
Place	-1,751	399	-377
Resources	-298	-338	0
Managing Director	23	0	0
Corporate	250	0	0
Total	7,062	16,526	11,727
FUNDING GAP	0	-12,466	-6,732
Total Change in Budget Requirement	7,062	4,060	4,995
Revised Budget Requirement	203,416	207,476	212,471
Collection Fund Deficit/-surplus	-790	0	0
Revenue Support Grant	-2,081	-2,081	-2,081
Top Up	-23,195	-23,195	-23,195
Retained Non Domestic Rates	-15,141	-15,141	-15,141
Amount to be raised from Council Tax	162,208	167,059	172,054
Council Tax at Band D	£1,814.92	£1,869.19	£1,925.08
Increase in Council Tax (%)	4.99%	2.99%	2.99%
Tax Base	89,375	89,375	89,375
	98.00%	98.00%	98.00%
Gross Tax Base	91,199	91,199	91,199

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

Appendix 2

Technical Adjustments	2024/25	2025/26	2026/27
	£000	£000	£000
Capital and Investment			
Implications of Capital Programme agreed for 2020/21 to 2023/24			
Implications of Capital Programme agreed for 2021/22 to 2023/24 budget process	225		
25/26 Capital Programme costs from 22/23 refresh		1,747	
26/27 Capital Programme costs from 23/24 refresh			1,500
Capital Programme saving from 23/24 Review (£2.1m capital saving)	-182	92	-196
One off saving on Capital Financing costs due to underspends on Capital Programme	3,000		
Applying capital receipts to fund the Capital Programme	-1,300	-1,300	
Assume temporary savings on capital financing cost from slippage (one off)	-3,000	3,000	
Capital Receipts Flexibilities		1,250	
Assume Capital Receipts Flexibilities extended but on one-off basis		-1,250	1,250
Total Capital and Investment Changes	-1,257	3,539	2,554
Grant Changes			
Increase - Core Spending Grant	-6,000		
Reverse out £6m core grant	6,000		
December assumed no Services grant, but settlement confirmed continuation of services grant but at a reduced level. Figures only provided for 2023/24, therefore assume it will be halved in 2024/25 and then removed in 2025/26	770	771	
Social Care Grant - £12.807m allocation for 2023/24, less £7.720m base in 2022/23 less £300k ILF grant rolled in to social care	-2,035		
Adult Social care market sustainability grant and Improvements	-1,144		
- Adults Social Care Market sustainability grant & improvements (spend of 25%)	286		
IBCF (50% of the national allocation of £600m in 2023/24, increasing to £1bn by 2024/25)	-616		
IBCF contribution to pool	616		
Cost of Living Grant funded by Council Tax Support Fund (external grant)	310		
Total Grant Changes	-1,813	771	0
Other Technical Changes			
Freedom Passes - estimated reduction in usage (2022/23 process)			
Freedom Passes - revision to usage figures from London Council update (2022/23 process)	1,000		
Growth 24/25	2,322		
Growth 25/26		1,000	
November update on Freedom passes - improvement for 2023/24 and 2024/25 but worse in 2025/26. 2023/24 is still to be finalised.	-732	1,050	
Use of Reserves			
West London Waste Authority income from electricity - assume one-off income in 23/24	1,000		
West London Waste Authority income from electricity - assume income to continue for 2 more years	-1,000		1,000
Total Other Technical Changes	2,590	2,050	1,000
Pay and Inflation			
Pay Award @ 2.75% pa for 2023/24 and 2024/25	2,750		
Non Pay Inflation	1,000		
Pay award 2023/24 & 2024/25 - 4% / 2025/26 - 3%	1,250	3,000	
Pay award - Budget gap for 23/24 pay award	800		
Reduction of council wide growth 2024/25 to fund pay award	-755		
Pay award 2026/27 @ 3%			3,000
Non Pay Inflation - Additional £1m 2024/25, 2025/26 and 2026/27	1,000	1,000	1,000
Total Pay and Price Inflation	6,045	4,000	4,000
OTHER			
Gayton Road Income - Reprofiting of income	-11		
Growth London Living Wage	1,000		
- No LLW provision in 23/24 and reduced by 50% for 2024/25	-500	1,000	
Directorate growth	3,788		
Reverse out Directorate growth	-3,788		
Reverse Council wide Mgt saving	650		
Increase TM savings to offset Mgt saving - additional investment income being achieved	-650		
Council Tax Base increase	-500		
Council Tax Base increase	500	-250	-250

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

Appendix 2

Technical Adjustments			
	2024/25	2025/26	2026/27
	£000	£000	£000
One off reduction of contingency budget	-175	175	
Directorate Adjustments:			
Adults care provider	1,550	1,800	1,800
General growth provision	1,000	1,000	1,000
Reduction in Council wide growth provision	-245		
Total Corporate & Technical	8,184	14,085	10,104

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

People			
	2024/25	2025/26	2026/27
	£000	£000	£000
Children & Families			
Proposed Savings - see appendix 1a	0	0	0
Proposed Growth - see appendix 1a	-900	0	0
Proposed Savings - see appendix 1b	-1,570	-500	
Proposed Growth - see appendix 1b	500	0	
Sub total Children & Families	-1,970	-500	0
Adults			
Proposed Savings - see appendix 1a	0	0	0
Proposed Growth - see appendix 1a	4,612	3,175	2,000
Proposed Savings - see appendix 1b	-1,989	-295	
Sub total Adults	2,623	2,880	2,000
Total People Directorate	653	2,380	2,000

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

Place			
	2024/25	2025/26	2026/27
	£000	£000	£000
Proposed Savings - see appendix 1a	-448	-276	0
Proposed Growth - see appendix 1a	2,472	975	-377
Proposed Savings - see appendix 1b	-3,775	-300	
Proposed Growth - see appendix 1b	0	0	
Total Place	-1,751	399	-377

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

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

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

Appendix 2

MANAGING DIRECTOR			
	2024/25	2025/26	2026/27
	£000	£000	£000
Proposed Savings - appendix 1a	0	0	0
Proposed Growth - appendix 1a	522	6	0
Proposed Savings - see appendix 1b	-499	-6	
Proposed Growth - see appendix 1b	0	0	
Total Chief Executives	23	0	0

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

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

Public Health Funding 2024-25**Appendix 3****Mandatory Services**

Sexual Health (incl Family Planning)	2,336	
0-19 Services	3,789	
Health Checks	185	
	<hr/>	6,310

Discretionary Services

Tobacco Control	104	
Drug & Alcohol Misuse	1,903	
Physical Activity	30	
	<hr/>	2,037

Staffing & Support Costs

Staffing	1,309	
Non-Staffing	28	
Overheads	163	
	<hr/>	1,500

Health Improvement	667	
Wider Determinants of Health	1,651	
	<hr/>	2,318
Total Expenditure		<hr/> 12,165 <hr/>

Funded by

Department of Health Grant	-12,165	
Contribution from Reserve		
Total Income		-12,165

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

Introduction

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

Schools Funding for 2024-25

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 five years have been set based on the NFF.
4. The NFF will therefore continue to be used to distributed school budgets for 2024-25.
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 2024-25 however there are a number of changes for schools to be aware of.

Changes in 2024-25

Increase in factor values

7. NFF Factor values have increased by:
 - 1.4% to basic entitlement, low prior attainment, FSM6, Income Deprivation Affecting Children Index (IDACI), English as an Additional Language (EAL) mobility and the lump sum.
 - 1.4% to the Minimum Per Pupil Levels (MPPL)

- 0.5% to the funding floor
- 1.6% to the Free School Meals (FSM) factor

8. The 2023-24 Mainstream Schools Additional Grant (MSAG) will be rolled into the NFF. Adjustments have been made to the NFF factor values to reflect this and are included in the figures below, as well as the factor value increases.

Table 1 – funding formula factor values

Factors	2023-24		2024-25		% Change	
	Pri	Sec	Pri	Sec	Pri	Sec
Pri AWPU	£3,740		£3,920		4.82%	
KS3 AWPU		£5,272		£5,527		5%
KS4 AWPU		£5,942		£6,230		5%
FSM	£529	£529	£539	£539	2%	2%
Ever6	£777	£1,135	£902	£1,321	16%	16%
IDACIF	£253	£369	£259	£374	2%	1%
IDACIE	£309	£490	£314	£495	2%	1%
IDACID	£485	£683	£490	£693	1%	1%
IDACIC	£529	£749	£534	£759	1%	1%
IDACIB	£562	£804	£567	£814	1%	1%
IDACIA	£738	£1,025	£748	£1,040	1%	1%
LPA	£1,273	£1,928	£1,288	£1,953	1%	1%
EAL	£639	£1,724	£649	£1,744	2%	1%
Mobility	£1,041	£1,499	£1,056	£1,519	1%	1%
Lump Sum	£141,039	£141,039	£147,902	£147,902	5%	5%

9. The Minimum Per-Pupil Funding Levels (MPPL) will be set at £4,610 for primary schools and £5,995 for secondary schools compared with £4,405 and £5,715 in 2023-24.
10. Teachers Pay Grant (TPG) and Teachers Pension Employers Contribution Grant (TPECG) are now fully rolled into the NFF.
11. 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.

Minimum Funding Guarantee (MFG)

12. The MFG will continue and the allowable range for 2024-25 is between 0% and +0.5% which is the same as 2023-24
13. This means that each school could gain up to +0.5% *per pupil* compared with the 2023-24 budget. The final value of MFG will be determined by overall affordability within the formula.
14. Where schools are protected by MFG this means that they are receiving funding over and above that which is calculated by the NFF 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.

Teacher's Pay Additional Grant (TPAG) 2023-24 and 2024-25

15. In July 2023 the government announced the TPAG to support schools with the September 2023 teachers' pay award. Funding will be allocated to mainstream schools (5-16 age range), special and Alternative Provision schools. Funding will also be provided for eligible early years provision and 16 to 19 provision in mainstream schools
16. In 2023-24 funding will be for the period September 2023 to March 2024. The TPAG will continue into 2023-25 as a separate grant.

Central School Services Block

17. The CSSB funds the following services:
 - School Admissions
 - Servicing of Schools Forum
 - LA retained duties for schools and academies.
18. The indicative funding for 2024-25 is £1.509m.

Growth Fund

19. 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 maintained and academy schools to create additional classes at the LA's request.

High Needs Funding

20. 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
 - 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
21. 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

22. 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. £970k). 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 top slice mainstream school budgets masks the extent of the problem.
23. There is anticipated to be an additional £1.3m added to the HNB for 2023-24 however there are already significant pressures on the HNB.
24. At the start of 2023-24 there is a cumulative overspend on the HNB of £2.623m and there is a further projected overspend in 2023-24 of £2.482m, taking the projected cumulative deficit on the HNB to £5.104m by March 2024.

DSG deficits

25. 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 cannot and should not fund any DSG deficit from its own reserves.

DSG Management Plans

26. A DSG management plan has been drafted however and discussed with Schools Forum. The SEND Strategy will also be brought to Cabinet for approval in Spring 2024 which will contain updated pupil and financial projections. However, the following points should be noted:
27. 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

28. 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.

29. 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.
30. In 2023-24 there has also been an increase to the published funding rates for 2-, 3- and 4-year-old nursery provision for September 2023 to March 2024. This will be provided through the new Early Years Supplementary Grant (EYSG). This has been used to increase the hourly rates to LAs which in turn must be passed on to providers.
31. From 2024-25 the EYSG funding will be rolled into the Early Years Block of the DSG.
32. Funding rates and allocations will be announced in December 2023.

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Report for: Cabinet

Date of Meeting:	19 December 2023
Subject:	Treasury Management Mid-Year Report 2023/24
Key Decision:	No
Responsible Officer:	Sharon Daniels – Interim Director of Finance and Assurance
Portfolio Holder:	Councillor David Ashton - Portfolio Holder for Finance and Human Resources
Exempt:	No
Decision subject to Call-in:	No, as it is for noting only
Wards affected:	All wards
Enclosures:	Appendix 1 – Reference from Governance, Audit, Risk Management and Standards Committee, 29 November 2023

Section 1 – Summary and Recommendations

This report provides a Mid-Year Update of the Council's Treasury Management activities in 2023/24 in compliance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Treasury Management Code of Practice.

Recommendations:

Cabinet is requested to:

1. Note the Treasury Management Mid-Year Position for 2023/24.

Reason: (for recommendations)

- a) To promote effective financial management and comply with regulations issued under the Local Government Act 2003, the CIPFA Code of Practice on Treasury Management, and the CIPFA Prudential Code for Capital Finance, along with meeting the requirements of the Council's Financial Regulations.
- b) To keep Members informed of Treasury Management activities and performance to date for 2023/24.

Section 2 – Report

1.0. Introduction

1.1. The purpose of this report is to update Members with the Council's Treasury Management activity in 2023/24, presenting performance to 30th September 2023 in accordance with the Council's Treasury Management Practices and in compliance with the CIPFA Treasury Management Code of Practice.

1.2. Treasury management comprises:

- Managing the Council's borrowing to ensure funding of the Council's current and future Capital Programme is at optimal cost;
- Investing surplus cash balances arising from the day-to-day operations of the Council to obtain an optimal return while ensuring security of capital and liquidity.

1.3. The annual revenue budget includes the revenue costs that flow from capital financing decisions. Under the CIPFA Treasury Management Code of Practice and the CIPFA Prudential Code, increases in capital expenditure should be limited to levels whereby increases in interest charges and running costs are affordable within the Council's revenue account.

- 1.4. The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation to ensure the security and liquidity of the Council's treasury investments.
- 1.5. The Council recognises that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving value for money in treasury management, and to employing suitable comprehensive performance measurement techniques, within the context of the CIPFA Treasury Management Code of Practice.

2.0. Reporting Requirements

- 2.1. The Council and/or Cabinet are required to receive and approve, as a minimum, three main reports each year, which incorporate a variety of policies, estimates and actuals.
- 2.2. **Treasury Management Strategy Statement Report** – The first, and most important report is presented to the Council in February and covers:
 - The Treasury Management Strategy Statement (TMSS), which details how the investments and borrowings for capital expenditure are to be organised, including Treasury Limits and Prudential Indicators.
 - The Annual Investment Strategy which forms part of the TMSS, (the parameters on how investments are to be managed).
 - the MRP Policy (how capital expenditure is charged to revenue over time).

The 2023/24 TMSS was presented to Council on 23 February 2023.

- 2.3. **Mid-Year Review Report** – This is presented to Cabinet in December/January and updates Members on the progress of the Capital Programme, reporting on Prudential Indicators to give assurance that the treasury management function is operating within the Treasury Limits and Prudential Indicators set out in the TMSS.

This report fulfills the requirements of the the Mid-Year Review for 2023/24.

- 2.4. **Treasury Management Outturn Report** – This is typically presented to Cabinet in June/July and provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the TMSS and Mid-Year Reports.

Scrutiny – The above reports are required to be adequately scrutinised, normally before being recommended to Cabinet/Council, with the role being undertaken by the Governance, Audit, Risk Management and Standards Committee (GARMS). The Council has complied with the CIPFA Treasury Management Code of Practice to the extent that all Treasury Management reports have been scrutinised.

- 2.5. The Council has delegated responsibility for the implementation and regular monitoring of its treasury management policies and practices to the Section 151 Officer. The Section 151 Officer chairs the Treasury Management Group (TMG), which monitors the treasury management activity and market conditions monthly.

3.0. Options considered

- 3.1. The report is in accordance with the reporting requirements of the CIPFA Treasury Management Code of Practice.

4.0. Treasury Management Strategy Statement and Annual Investment Strategy Update

- 4.1. The Treasury Management Strategy Statement, (TMSS), for 2023/24 was approved by Council on 23 February 2023.
- 4.2. There are no policy changes proposed to the TMSS approved for 2023/24; the details in this report update the position in the light of the updated economic environment, budgetary changes and revised capital programme outturn forecast contained in the 2023/24 Q2 Revenue and Capital Budget Monitoring Report also presented at this meeting.

5.0. Compliance with Prudential Indicators

- 5.1. It is a statutory duty for the Council to determine and keep under review its affordable borrowing limits. The Council has operated within the Treasury and Prudential Indicators set out in the Council's Treasury Management Strategy Statement for 2023/24 during the half year ended 30 September 2023 (and up to 21 November 2023 at the point this report was despatched).
- 5.2. All treasury management operations have been conducted in full compliance with the Council's Treasury Management Practices.

Prudential Indicator for Capital Expenditure

- 5.3. The Council's Capital Programme is a key driver of Treasury Management activity. The output of the Capital Programme is reflected in the statutory prudential indicators, which are designed to provide Member's with an overview of the impact of the capital expenditure plans and ensure that these remain prudent, affordable and sustainable.
- 5.4. Table 1 shows the revised budget and the forecast outturn for 2023/24. The original budget for 2023/24 was agreed at Council in February 2023. The revised budget reflects updates to the 2023/24 original budget to reflect slippage from the 2022/23 capital outturn which has been rolled forward into 2023/24. The forecast outturn reflects the estimated capital spend for the full year.

Table 1 - Capital Expenditure

Capital expenditure	2023/24 Revised Budget £'000	2023/24 Forecast Outturn £'000
General Fund		
Resources Directorate	11,026	7,253
People's Directorate	19,269	9,978
Place Directorate	75,729	50,581
General Fund	106,024	67,812
HRA	57,505	44,628
Total	163,529	112,440

- 5.5. The 2023/24 Q2 Capital Budget Monitoring Report provides further details of the updated forecast outturn position.

Changes to the Financing of the Capital Programme

- 5.6. Table 2 illustrates how the Council's capital expenditure plans (table 1) will be funded. The net financing need for the year increases the underlying indebtedness of the Council by way of the Capital Financing Requirement (CFR), although this will be reduced in part by revenue charges for the repayment of debt (the Minimum Revenue Provision). This direct borrowing need may also be supplemented by maturing debt and other treasury requirements.

Table 2 - Financing of Capital Expenditure

Financing of capital expenditure	2023/24 Revised Budget £'000	2023/24 Forecast Outturn £'000
General Fund		
Capital Receipts	0	0
Capital Grants	34,621	24,373
BCiL	5,408	3,992
NCiL	966	966
Section 106	1,091	741
Revenue	0	0
External Funding	42,086	30,072
General Fund Net financing need for year	63,938	37,740
Total General Fund	106,024	67,812
HRA		
Capital Receipts	5,282	5,282
Capital Grants	3,804	3,748
Section 106	1,835	1,835
Revenue	17,579	13,142
External Funding	28,500	24,007
Net financing need for year (HRA)	29,005	20,621
Total HRA	57,505	44,628
GF & HRA Net Financing need for year	92,943	58,361

Capital Financing Requirement (CFR)

- 5.7. The CFR is the total historic outstanding capital expenditure incurred by the Council, which has not yet been paid for from either revenue or capital resources such as grant or other external funding and it is essentially a measure of the Council's underlying borrowing need. Any new capital expenditure, which requires funding from borrowing, will increase the CFR. The Council makes an annual charge to the revenue budget for the repayment of its debt liability, the Minimum Revenue Provision, which acts to reduce the CFR and charge prudential borrowing to the General Fund over time.
- 5.8. The Original Capital Financing Requirement for 2023/24 as reported in the Treasury Management Strategy Statement report to Cabinet in February 2023 was £644m as follows:

Table 3 - Capital Financing Requirement

Capital Financing Requirement £'000	2023/24 Original Estimate
CFR – General Fund	457,932
CFR – HRA	186,183
Total CFR	644,115

- 5.9. Table 4 reflects the latest projections for the 2023/24 CFR based on the both the revised budget for 2032/24 and the forecast outturn from the 2023/24 Q2 Capital Budget Monitoring Report, (summarised in tables 1 and 2). The revised CFR figure for 2023/24 incorporates the impact of the slippage from 2022/23 which was approved to be carried forward into 2023/24 by cabinet in July 2023.
- 5.10. The starting point to arrive at the revised CFR is the actual CFR as at 31st March 2023. The actual CFR at 31.3.2023 was £579.708m (£418.900m GF & £160.808m HRA). The CFR based on the revised budget for 2023/24 of £649.934m in Table 4 is arrived at by increasing the actual CFR of £579.708m by £92.943m (for an increase in net financing need) but reducing it by £22.717m which is the Minimum Revenue Provision (MRP).

Table 4 – Capital Financing Requirement

Capital Financing Requirement	2023/24 CFR based on Revised Capital Budget	2023/24 CFR based on Forecast Outturn
£'000		
CFR – General Fund	460,121	433,972
CFR – HRA	189,813	181,429
Total CFR	649,934	615,401
Movement in CFR from 2022/23	70,226	35,693

Movement in CFR represented by		
Net financing need for the year (table 2)	92,943	58,361
Less MRP/VRP and other financing movements	-22,717	-22,668
Movement in CFR	70,226	35,693

Authorised Limit and Operational Boundary

- 5.11. No changes have been proposed to the Council's Operational Boundary and Authorised Limit which were approved as part of the 2023/24 TMSS on 23 February 2023.

Operational Boundary

- 5.12. This limit is based on the Council's programme for capital expenditure, Capital Financing Requirement and cash flow needs for the year. It is the limit beyond which external debt is not normally expected to exceed.

Table 5 – Operational Boundary

Operational boundary £'000	2023/24
Borrowing	644,115
Other long-term liabilities	13,471
Total	657,586

Authorised Limit

- 5.13. This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by full Council.
- 5.14. It is the statutory limit determined under section 3(1) of the Local Government Act 2003. Under the Act, the Government retains an option to control either the total of all councils' plans, or those of a specific council, although this power has not yet been exercised.

Table 6 – Authorised limit

Authorised limit £'000	2023/24
Borrowing	674,115
Other long-term liabilities	23,471
Total	697,586

6.0. Economic Update

- 6.1. The first half of 2023/24 saw Interest rates rise by a further 100bps, taking Bank Rate from 4.25% to 5.25% and, possibly, the peak in the tightening cycle. At the Bank of England's latest meeting on 2nd November, the rate remained unchanged at 5.25%.
- 6.2. CPI inflation fell from 8.7% in April to 6.7% in September, its lowest rate since February 2022.

Interest Rate Forecast

- 6.3. The PWLB rate forecasts below are based on the Certainty Rate (the standard rate minus 20 bps) which has been accessible to most authorities since 1st November 2012.
- 6.4. The latest forecast on 25th September sets out a view that short, medium and long-dated interest rates will be elevated for some little while, as the Bank of England seeks to squeeze inflation out of the economy.

Link Group Interest Rate View	25.09.23												
	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26
BANK RATE	5.25	5.25	5.25	5.00	4.50	4.00	3.50	3.00	2.75	2.75	2.75	2.75	2.75
3 month ave earnings	5.30	5.30	5.30	5.00	4.50	4.00	3.50	3.00	2.80	2.80	2.80	2.80	2.80
6 month ave earnings	5.60	5.50	5.40	5.10	4.60	4.10	3.60	3.10	2.90	2.90	2.90	2.90	2.90
12 month ave earnings	5.80	5.70	5.50	5.20	4.70	4.20	3.70	3.20	3.00	3.00	3.00	3.00	3.00
5 yr PWLB	5.10	5.00	4.90	4.70	4.40	4.20	4.00	3.90	3.70	3.70	3.60	3.60	3.50
10 yr PWLB	5.00	4.90	4.80	4.60	4.40	4.20	4.00	3.80	3.70	3.60	3.60	3.50	3.50
25 yr PWLB	5.40	5.20	5.10	4.90	4.70	4.40	4.30	4.10	4.00	3.90	3.80	3.80	3.80
50 yr PWLB	5.20	5.00	4.90	4.70	4.50	4.20	4.10	3.90	3.80	3.70	3.60	3.60	3.60

7.0. Treasury Position as at 30 September 2023

Investments

7.1. In accordance with the CIPFA Treasury Management Code of Practice and DLUHC (Previously MHCLG) Investment Guidance, the TMSS sets out the Council's investment priorities as being:

- Security of capital
- Liquidity
- Yield

7.2. The Council will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with the Council's risk appetite. In the current economic climate, it is considered appropriate to keep investments short term to cover cash flow needs, but also to seek out value available in periods up to 12 months with high credit rated financial institutions.

Table 7 - Investments & Returns

Investment Portfolio	31-Mar-23			30-Sep-23		
	Principal (£'000)	Average Rate (%)	Average Life (days)	Principal (£'000)	Average Rate (%)	Average Life (days)
- UK Government	29,000	3.99%	7	42,050	5.21%	8
- MMFs	1,651	4.11%	3	40,008	5.27%	2
- Banks	48,743	2.01%	3	31,090	4.17%	2
Total Investments	79,394	2.78%	4	113,148	4.94%	4

7.3. The Council held £113.1m of investments as at 30 September 2023 compared with £79m at 31 March 2023. The portfolio remains highly liquid with the yield reflecting the current market for liquid investments. The internal borrowing strategy of the Authority, focusing on minimising the net cost of borrowing, also prevents longer term investment with a consequential impact on investment return.

7.4. The Council's investment income budget for 2023/24 is £1.104m and the forecast outturn is £2.663m. This includes income from the £15m loan to the West London Waste Authority which the Council approved in July 2013 to finance the cost of a new energy waste plant. The term of the loan is 25 years at an interest rate of 7.604%. Loan balance when plant went live was £16.89m which included interest accrued from 2013 upto 2016. The loan balance at the 31 March 2023 was £14.91m.

7.5. During the period cash investments have been held with Royal London, DWS and Fidelity Money Market Funds, DMO, Lloyds, Royal Bank of Scotland PLC, and Handelsbanken. Counterparty use has been in accordance with the credit criteria set out in the TMSS. Officers can confirm that the approved limits within the Annual Investment Strategy have not been breached to the period of 21st November 2023.

7.6. There are no changes proposed to the Council's Investment Counterparty Criteria approved in the 2023/24 TMSS.

Borrowing

- 7.7. The Council continues to run an internal borrowing strategy with a borrowing portfolio of £417m (excluding £17.6m of PFI and Finance Lease Liabilities) which is below the actual CFR of £580m as at 31 March 2023 and the revised estimate of the CFR for 31 March 2024 of £615m, based on the forecast outturn for the period from the 2023/24 Q2 Capital Budget Monitoring Report.
- 7.8. The Authority's current borrowing portfolio has not changed since 31 March and no new borrowing has been undertaken in 2023/24 to date. It is very unlikely that any further borrowing will need to be taken out by 31st March 2024.
- 7.9. The forecast outturn on borrowing costs is £9.15m, a favourable variance of £1.13m on the budget of £10.28m, reflecting the continued internal borrowing strategy adopted by the Authority.

Table 8: Borrowing Portfolio

Borrowing Portfolio £'000	31-Mar-23			30-Sep-23		
	Principal	Average Rate (%)	Average Life (yrs)	Principal	Average Rate (%)	Average Life (yrs)
- PWLB	343,461	3.43%	34.56	343,461	3.43%	34.06
- Market	73,800	3.53%	39.72	73,800	3.53%	39.22
Total borrowing	417,261	3.45%	35.48	417,261	3.45%	34.97

- 7.10. The Director of Finance will continue to keep borrowing decisions under review.
- 7.11. The maturity structure of the debt portfolio remained within the Prudential Indicator limits set as part of the 2023/24 Treasury Management Strategy. The maturity structure table (9) below includes one Lenders Option Borrowers Option (LOBO) market loan for £20.8m at its next call date of 4th December 2023, which is the earliest date the lender can require repayment.

Table 9: Maturity Structure of Borrowing

Maturity structure of borrowing	Lower	Upper	Actual 31.03.23	Actual 30.09.23
Under 12 months	0%	40%	5%	5%
12 months to 2 years	0%	30%	0%	0%
2 years to 5 years	0%	30%	1%	2%
5 years to 10 years	0%	40%	6%	5%
10 years and above	30%	100%	88%	88%

8.0. Risk Management Implications

This report is for noting and Cabinet are not being asked to make any decisions. Hence there are no direct risk management implications to this report.

9.0. Procurement Implications

There are no procurement implications arising from this report.

10.0. Legal Implications

The Local Government Act 2003 requires the Council to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable. These are contained within this report.

The Act, accompanying statutory guidance and Codes of Practice referred to through capital financing regulations requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy. This sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments. This report assists the Council in fulfilling its statutory obligation under the Local Government Act 2003 to monitor its borrowing and investment activities.

11.0. Financial Implications

In addition to supporting the Council's revenue and capital programmes the Treasury Management interest budget is an important part of the revenue budget. Any savings achieved, or overspends incurred, have a direct impact on the financial performance of the budget.

12.0. Equalities implications / Public Sector Equality Duty

There is no direct equalities impact.

13.0. Council Priorities

This report deals with the Treasury Management Strategy which plays a significant part in supporting the delivery of all the Council's corporate priorities.

Section 3 - Statutory Officer Clearance

Statutory Officer: Sharon Daniels

Signed off by the Chief Financial Officer

Date: 19/11/2023

Statutory Officer: Caroline Eccles

Signed on behalf of the Monitoring Officer

Date: 21/11/2023

Chief Officer: Alex Dewsnap

Signed off by the Managing Director

Date: 22/11/2023

Head of Procurement: Nimesh Mehta

Signed off by the Head of Procurement

Date: 22/11/23

Head of Internal Audit: Neale Burns

Signed off on behalf of the Head of Internal Audit

Date: 22/11/23

Has the Portfolio Holder(s) been consulted? Yes

Mandatory Checks

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

EqIA carried out: NO – report is for information and not decision making.

EqIA cleared by: N/A

Section 4 - Contact Details and Background Papers

Contact: Sharon Daniels – Interim Director of Finance & Assurance, Sharon.Daniels@harrow.gov.uk,

Background Papers: None

Call-in waived by the Chair of Overview and Scrutiny Committee – N/A



Cabinet – 19 December 2023

Reference from Governance, Audit, Risk Management and Standards (GARMS) Committee 29th November 2023

105. Treasury Management Mid-Year Report 2023/24

RESOLVED: That

- 1) That the Mid Year Treasury Management position for 2023/24 be noted
- 2) The Treasury Management Mid-Year Report 2023/24 be referred to Cabinet for noting.

Reason for Decision:

1. To promote effective financial management and comply with regulations issued under the Local Government Act 2003, the CIPFA Code of Practice on Treasury Management, and the CIPFA Prudential Code for Capital Finance, along with meeting the requirements of the Council's Financial Regulations.
2. To keep Members informed of Treasury Management activities and performance for 2023/24.

For information

Background Documents:

[Agenda for Governance, Audit, Risk Management and Standards Committee on Wednesday 29 November 2023, 6.30 pm – London Borough of Harrow](#)

Contact Officer:

Arun Birah Democratic and Electoral Services
Tel: 07928513442
Arun.birah@harrow.gov.uk

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