

**REPORT FOR: CABINET**

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<b>Date of Meeting:</b>	13 September 2012
<b>Subject:</b>	Commissioning and Integrated Planning 2013-14 to 2016-17
<b>Key Decision:</b>	No
<b>Responsible Officer:</b>	Julie Alderson, Corporate Director of Resources Tom Whiting, Assistant Chief Executive
<b>Portfolio Holders:</b>	Councillor Bill Stephenson, Leader and Portfolio Holder for Business Transformation Councillor Sachin Shah, Portfolio Holder for Finance Councillor Graham Henson, Portfolio Holder for Performance, Customer Services and Corporate Services
<b>Exempt:</b>	No
<b>Decision subject to Call-in:</b>	Yes
<b>Enclosures:</b>	Appendix 1 – Timetable Appendix 2 – Strategy for closing funding gaps Appendix 3 – Stakeholder Meetings

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

This report sets out the framework for the development of the new corporate plan and medium term financial strategy for 2013-14 to 2016-17, in line with the Council's strategy to utilise a greater commissioning approach in making future service decisions.

### **RECOMMENDATIONS:**

That Cabinet

- Notes the timetable (Appendix 1)
- Approves the strategy for closing future funding gaps (Appendix 2)

### **REASON (For Recommendations):**

To promote effective medium to long term planning.

## **Section 2 – Report**

### **Introductory paragraph**

1. This report sets out the broad framework for the development of the new corporate plan and medium term financial strategy (MTFS) for the four years 2013-14 to 2016-17.

### **National Context**

2. Local government (along with welfare) received the most challenging funding settlement from the Government in the 2010 Comprehensive Spending Review. After accounting for inflationary and demographic pressures, this has resulted in a 30% cut to the Council's controllable costs, some £62m from 2010/11 levels of expenditure. This therefore creates a very challenging environment for the very real role that local government plays in the local community and the positive impact that the Council can have on people's quality of life.
3. To date the Council has identified £51m of the £62m which we have had to find over 4 years to 2014/15. This has led to a number of innovative and creative service solutions, such as reablement (which has so far delivered a saving to the Council of £2.0m), a re-commissioning of our childrens centres (which will deliver £1.2m in savings without having to permanently close any Centres), self-service in libraries through improved technology

(enabling a saving of £1.1m), GPS technology in waste and public realm (saving the Council £1.0m) and all customer contact being located in Access Harrow (which has enabled the Council to save £1.1m whilst also delivering consistency in customer service). Not only have these initiatives saved money and protected frontline services but in many cases they have also improved services. Further efficiencies have been sought to reduce management and staffing costs through the commitment to reduce the number of senior managers from 30 to 20 and the staff terms and conditions project.

4. However, the Medium Term Financial Strategy agreed at February's Cabinet and Council still showed a budget gap of £11m to find over the next two years on top of the savings and efficiencies found to date. On the face of it this means the Council needs to find further savings of at least 6%. However, the external environment is driving up both costs and demands on Council services so it is highly likely that this budget gap will continue to rise in the medium term. It is therefore prudent for the Council to consider a larger set of savings proposals when considering its strategy for the medium term in order to take account of the level of uncertainty being created by these increasing external pressures.
5. Whereas the track record of the Council to date to find savings through innovative and creative means is good, there remain a number of significant risks, pressures and uncertainties surrounding all council budgets. All councils, not just Harrow are experiencing severe budget pressures as a consequence of the state of the economy, the significant national policy reforms being implemented by the coalition government and the increasing pressures from demographic changes, which the Council has limited or no influence over. The LGA set out recently at their Annual Conference that: 'All this uncertainty is making it very difficult for councils to plan medium term financial strategies and many councils that are in a position to do so are considering adding to reserves or contingencies at levels beyond what has previously been assumed in order to safeguard against future volatility.' Examples of where some of the pressures are coming from include:
  - The recently launched 2011 **Census** population figures shows how there has been a 15% increase in population in the last 10 years with the biggest growth being in the birth rate with a 33% increase in 0-4-year olds and an estimated 1000 more people aged over 80 increasing the demand for both school and nursery places and adult social care for example. To date adults demography growth has funded transitions and continuing care and increases in number of mental health, learning disabled and older people have been absorbed largely due to the strategy of community care and enabling people to live at home rather than in residential care.
  - The Council is also taking on new responsibilities for Public Health which are far from fully funded due to the historic low spend by Harrow PCT on Public Health. Although there are opportunities in taking on Public Health, such as better join up of commissioned services for residents and communities, and the Council welcomes this, the level of funding the Council will receive against the increasing population demands creates risks

in meeting this demand, especially in the light of further budget pressures.

- The responsibility for the **Council Tax Reduction Scheme** with a 10% cut in budget will become the Council's responsibility from April 1<sup>st</sup> 2013. The Council is currently consulting with residents on the type of scheme we should introduce, but the pressures created by the reduction in funding is likely to impact by asking those in receipt of benefits and therefore already struggling, to pay more towards their council tax, as well as being impacted more widely by the overall Welfare Reform agenda. There may also be additional pressures through the localisation of this scheme in council tax collection rates which to date have been estimated as being in the region of over £1m. There is also uncertainty on the overall funding the Government provides for Council Tax administration. A reduction in these resources will also adversely impact on the Council's resources.
  - The **Welfare reform** agenda will have a double impact on those residents who are on benefits because as well as possibly paying more council tax, it also caps the amount of benefit families receive each week. Welfare reform changes are predicted to affect around 3500 households in the borough, with around 800 affected by the benefits cap. (The effect could be as little as £1 a week to as much as £500 per week.) This year alone we have seen 50 families come to us for help as a result of the changes to housing benefit, but if this number increases as a result of the changes then the financial pressure on the Council will rise significantly. Harrow to date has managed the pressures of homelessness very well, with innovative initiatives to help families either to remain in the borough or find suitable accommodation out of the borough. To date the numbers of families in bed and breakfast accommodation have been some of the better rates across the whole of London. However, with an over-heating private rental market and the supply of suitable homes behind the market demand across London as a whole, the impact of the welfare changes and the general economic conditions could lead to an unprecedented increase in homeless families, which could create further budget pressures in the millions of pounds.
  - Government is also intending to localise **business rates** next April. The challenge will be to grow business rates at a rate that keeps pace with spending pressures. But business rates can go up as well as down (Harrow's business rates have fallen by 17% over the last 10 years and the trend is continuing downwards) and we will have to manage the impacts of any changes within our own budgets.
6. There are also further national policy changes that the Government are making which will significantly affect local government. Although there will be opportunities within these changes to innovate and think about the services residents and communities receive in a different way they could also increase pressures on already strained council budgets. The policy changes include:

- The Localism Act, is the main vehicle for providing new freedoms and flexibilities for local government, strengthening the capacity of communities and individuals by providing them with new rights and powers and for planning reform;
- The Localism Act also introduced flexibilities to make best use of existing social housing opportunities by introducing fixed term tenancy options for new tenants, enabling the homelessness duty to be ended through the offer of a suitable private rented home and by allowing broader allocation criteria. In addition funding for new social housing has been changed by reducing up front capital grant subsidy which has been replaced by revenue subsidy generated through increased rents of up to 80% market rents and the HRA has been made self-financing from 1<sup>st</sup> April 2012.
- The Open Public Services white paper sets out the Government's vision for modernising public services and moving away from the presumption that the state will deliver public services, towards allowing charities, businesses and voluntary and community groups to bid to run public services;
- The Health and Social Care Act will fundamentally restructure health care, public health and social care. It will abolish Primary Care Trusts and instead set up Clinical Commissioning Groups comprising GPs and clinical professionals. Councils will be required to set up Health and Wellbeing Boards. Harrow has already set up a shadow health and wellbeing board to ensure a smooth transition.
- In July 2012 the government published a White Paper that sets out a vision for reform of the care and support system and the draft Care and Support Bill which proposes new legislation for adult care and support. Described by the Department of Health as 'the most comprehensive reform of social care legislation for more than 60 years' the proposals, due to come into force from 2015 onwards aim to:
  - Introduce national eligibility rules to govern the way people access health and social care services and enable joint working
  - Provide new entitlements for support for carers
  - Help enable people to prevent or postpone the need for care and support
  - Make improvements to information and advice and the quality of care services
- The current Education Act, along with the Academies and Free Schools programme is promoting increasingly autonomous schools. This legislation is already impacting on Harrow with seven out of the twelve High Schools (including Special schools) in the borough opting to become Academies. It is also bringing

about a new relationship with the local authority, with the Council's responsibilities being to challenge and support failing schools and finding school places for all children.

- There are also substantial policy changes in Children's Services with the Munro Review shifting the child protection system from being over-bureaucratized and concerned with compliance to one that keeps a focus on whether children are being effectively helped and protected. Ofsted have also very recently introduced a tougher inspection framework for children's social care services, specifically in safeguarding and looked after children.
  - The Special Educational Needs and Disabilities Green Paper indicates a new approach to encouraging better partnership working to ensure more integrated health, care and education support for children with SEN and disabilities; and the Allen Review of Early Intervention recommends that children, young people and families are supported earlier to prevent escalation of problems to statutory services. These changes have been key factors in the re-organisation of Children's Services in Harrow Council.
7. However, even with the size of the challenges that exist there are still opportunities, and as a Council we need to ensure that we put the right response in place so that Harrow remains a place where people want to live, work and visit. The £1bn regeneration programme for Harrow is a once in a generation opportunity to make a real difference to Harrow and people's quality of life. Regeneration is part of the solution to managing demand and off-setting some of the risks and volatilities we face in our financial outlook. For example, encouraging growth in the local economy provides jobs for local people that help take them off benefits and reduce demand for council services. Building new houses help us to meet our residents' needs and alleviate the pressures on housing waiting lists and homelessness while providing receipts from the new homes bonus, business rate retention scheme and raising money for the Community Infrastructure Levy to invest in social infrastructure for the people of Harrow to be proud of.

### **National Financial Outlook**

8. From a financial perspective, a key policy of the Government is deficit reduction. The implications for Local Government were set out in the Government's Comprehensive Spending Review (CSR) in October 2010 which set out average grant reductions for local government of 29% over four years. In the Chancellor's Autumn Statement on the budget in November 2011 it was revealed that Government expenditure would reduce by a further 0.9% in each of the two years of the next parliament 2015/16 and 2016/17.
9. The return to recession in 2012, and the Bank of England's reduced growth expectations for the British economy to 0% published in August are

all adding to an already challenging position. With further macro-economic shocks possible through for example the troubles evident in the Eurozone, the Treasury and Government are being clear that it is tough and will get even tougher and local government can expect to face 6% cuts a year for possibly the rest of the decade.

10. According to recent analysis by the Local Government Association, what all this could mean is that if we continue to fund just adult and child social care and waste out of all our statutory responsibilities, all other services face cuts of more than 66%, which is an unprecedented position for local government. On top of this, the Council won't know the exact funding settlement from Government until November or December this year. This therefore means that not only are we facing known increases in pressures, but that there are a significant number of unknown events which could have a further adverse impact on our funding position and the nature of demand for our services.

### **The Local Financial Context**

11. When the Government announced the CSR in 2010, the four year position for the Council to 2014/15 was a funding gap of some £62m. To date £51m of this has been either delivered or identified. When the current MTFs was approved in February the estimated funding gaps were £6.7m and £4.3m, over the two years commencing 2013/14. However, with the significant changes in government policy and the impact of the recession, the funding gap is increasing, due to these external pressures.
12. The funding gap for 2013/14 and beyond will also be affected by the Local Government Settlement which is due to be announced in November or December 2012. Again, it is important that the Council is prudent in its assumptions on the settlement, as there is currently no guarantee as to what this sum could be.
13. The key risks and opportunities affecting the funding gaps in future years are set out below:
  - Pressures on Adults Services in relation to demographic pressures and potential pressures arising from NHS reforms
  - Increase in homelessness costs resulting from welfare reform changes
  - Inflation assumptions
  - Technical assumptions relating to interest rates, collection performance, and capitalisation
  - The outlook for the next pension fund valuation and the likely impact on employer contributions
  - Adequacy of reserves and provisions
  - The local government provisional finance settlement to be announced in the autumn and specific grant changes.
  - The Local Government Finance Bill which looks to introduce the business rates retention scheme and the localisation council tax support
  - The ongoing impact of the economic climate

- The growth in demand for and cost/complexity of social care
- Changes in the Council's responsibilities, such as academy status for schools and the transfer of public health
- New developments at national level, for instance in relation to waste management and carbon trading
- The need for investment in technology and transformation, to drive out savings in the medium to long term
- Opportunities for efficiencies and savings

14. The position will be changing continually as new issues arise or existing issues are resolved.

### **The Council Direction of Travel**

15. The extent of the cuts to public sector spending and the Government's agenda for public service reform mean that the Council is thinking about its future shape and size; how we deliver services in collaboration more with partners and residents and bring about a new relationship that has the potential to unlock major savings. In response to these challenges, we have developed a second Transformation Programme, which has six key themes:

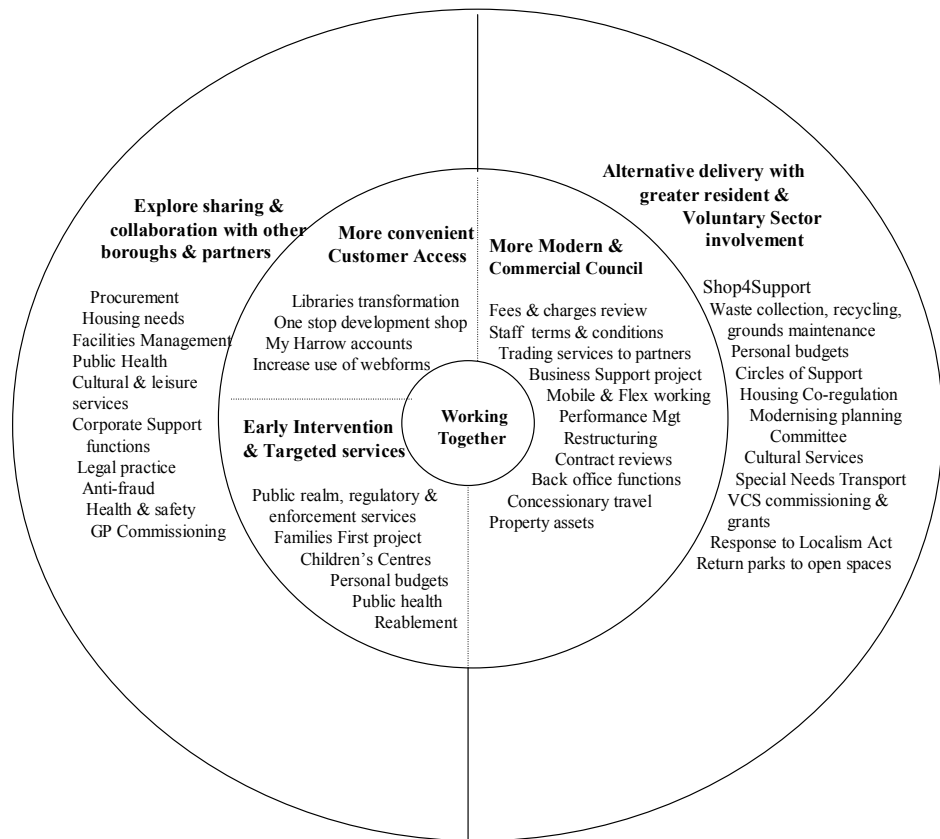
- I. Sharing and collaborating with other boroughs, partners, the community and the third sector on service delivery;
- II. Exploring alternative ways to deliver services, considering greater involvement and engagement of residents and the third sector, in line with our desire to build a community where people can have their say on the issues that matter to them most. This could see the creation of social enterprises, trusts, mutuals or community groups;
- III. Designing services so that they are more targeted, with earlier interventions where appropriate;
- IV. Continuing to make access to services more convenient for customers by striving to locate our services in the places most convenient for residents; increasing the use of web-forms and the 'My Harrow Account' for people wishing to access services outside normal office hours;
- V. Adopting a more commercial approach to Council business to continue to modernise the Council and its services by using the latest technology, business practices and processes. This will mean better contract management; driving down costs from our suppliers; seeking to trade services with other boroughs, partners or organisations; raising income; continuing to make the Council more efficient and innovative by automating business processes; adopting new technology; reducing bureaucracy; improving productivity.
- VI. Harnessing the opportunities for future investment and regeneration in the borough. As a key landowner, and the planning authority, we



will aim to manage growth in housing and employment uses to; retain the unique character of the borough; support regeneration; and invest in better infrastructure, particularly within the Heart of Harrow to bring lasting, long term benefits for the community.

16. As a result of all these changes we will aim to reduce the size of back office support functions, the number of senior managers and our property portfolio. Only as a last resort or where there is a compelling business case, will we consider reducing a service, although with the current financial outlook and growth pressures the Council will almost certainly have to take some of these very difficult decisions.
17. For this programme to succeed, we aim to be a more commercially minded organisation which will provide high quality support functions to drive organisational development, improvement and compliance. Strong, but light touch, governance will also be required to protect the Council and its residents from risk in an effective way.
18. Harrow Council will continue its journey towards becoming more of an enabling Council than a direct service provider: supporting and encouraging community engagement; working collaboratively with partners; signposting service users; ensuring relevant information is available to residents; commissioning services based on need and outcomes; providing quality assurance and ensuring fair and equal access to services.
19. The full programme of projects that will deliver the Transformation Programme over the next three years is subject to the development of business cases and, where real choices are available, public consultation.
20. Our transformation model is set out below:

# Harrow Council Mixed Economy Model



## The Council's Commissioning and Planning Framework

21. The Council has successfully set balanced budgets in previous years whilst still improving its services to residents. However, the size of both the financial and policy challenges which the Council faces means that the way it sets out its discussions for future service provision is critical. The timetable for producing the new corporate plan and MTFs for 2013/14 to 2016-17 is attached at Appendix 1. Improvements have been made to the commissioning and integrated planning process this year so that it enables good decision-making (through the better alignment of financial resources to prioritised Core Outcomes), enables senior Members to give a steer throughout the process, has a longer term perspective (by improving the financial information in the MTFs for years 2 onwards), allows more quality time for cross-Directorate strategic debate on the way forward, improves the corporate and service planning process, and allows for a robust detailed budget to be prepared for the year ahead.

22. Members are asked to note the timetable.

## **Vision and Priorities**

23. The key driver of the Council's planning framework are its vision and priorities. The Council agreed its new vision and corporate priorities in February 2011, following the Let's Talk campaign in 2010, which gathered the views of residents against each of these. The vision and priorities are:

### **24. Vision**

Working together: our Harrow, our community

#### **Priorities:**

- Keeping neighbourhoods clean, green and safe
- Supporting and protecting people who are most in need
- United and involved communities
- Supporting our town centre, our local shopping centres and businesses

25. Further to this the Council has started to develop a set of core outcomes which give greater articulation to the vision and priorities above and what we aim to achieve for our residents. These core outcomes will provide the context for the Council to make resource allocation decisions in developing the next Corporate Plan and Medium Term Financial Strategy and will be formally agreed through the Corporate Plan in February 2013.

## **The Commissioning and Integrated Planning Process**

26. The objective of the Commissioning and Integrated Planning process is to utilise the Council's resources to deliver outcomes in the most efficient, effective, equitable and sustainable way for our residents and communities. The process will offer the opportunity to present a compelling picture of how each Directorate and the Council can deliver against the core outcomes within the current financial and policy environment.

27. Although the MTFs covers four financial years, the most important and urgent challenge is to agree a balanced financial position for 2013/14 and 2014/15. However, as the MTFs period does cover four years there is a need to start considering what shape the Council should take from 2015/16 onwards, and what outcomes we can afford to deliver given the expectation that the current financial challenges will continue towards the end of the decade.

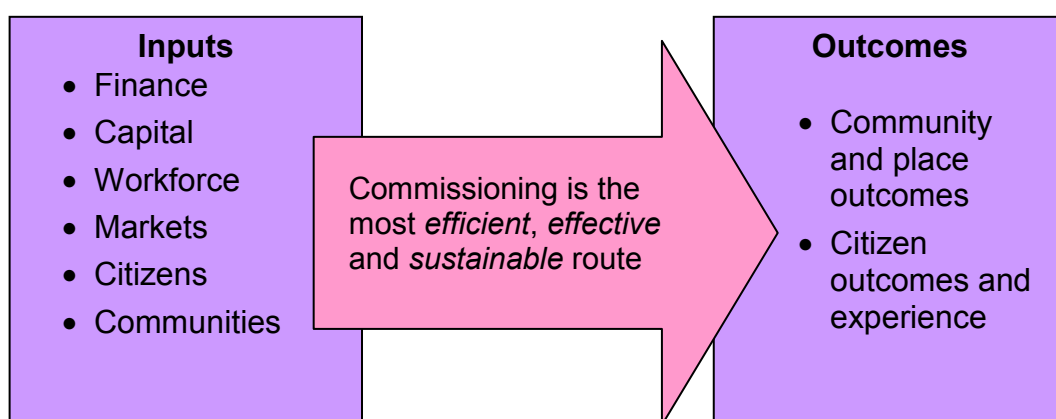
28. The Council's Directorates will prepare for a set of Commissioning Panels in October where they will set out how they propose to deliver the Council's vision, priorities and core outcomes within the national and local policy context, as well as the wider financial constraints which we must operate within. These proposals will then be shaped into detailed service plans within each Directorate which will set out key projects, performance levels and the specific workforce development requirements. Through the Commissioning Panels a set of Priority Actions for 2013/14 will also be identified, which will be published in the Council's Corporate Plan. Priority Actions are the major activities the Council will undertake in 2013/14 which

set out in practical terms how the Corporate Priorities will be delivered and how residents will be able to judge the Council.

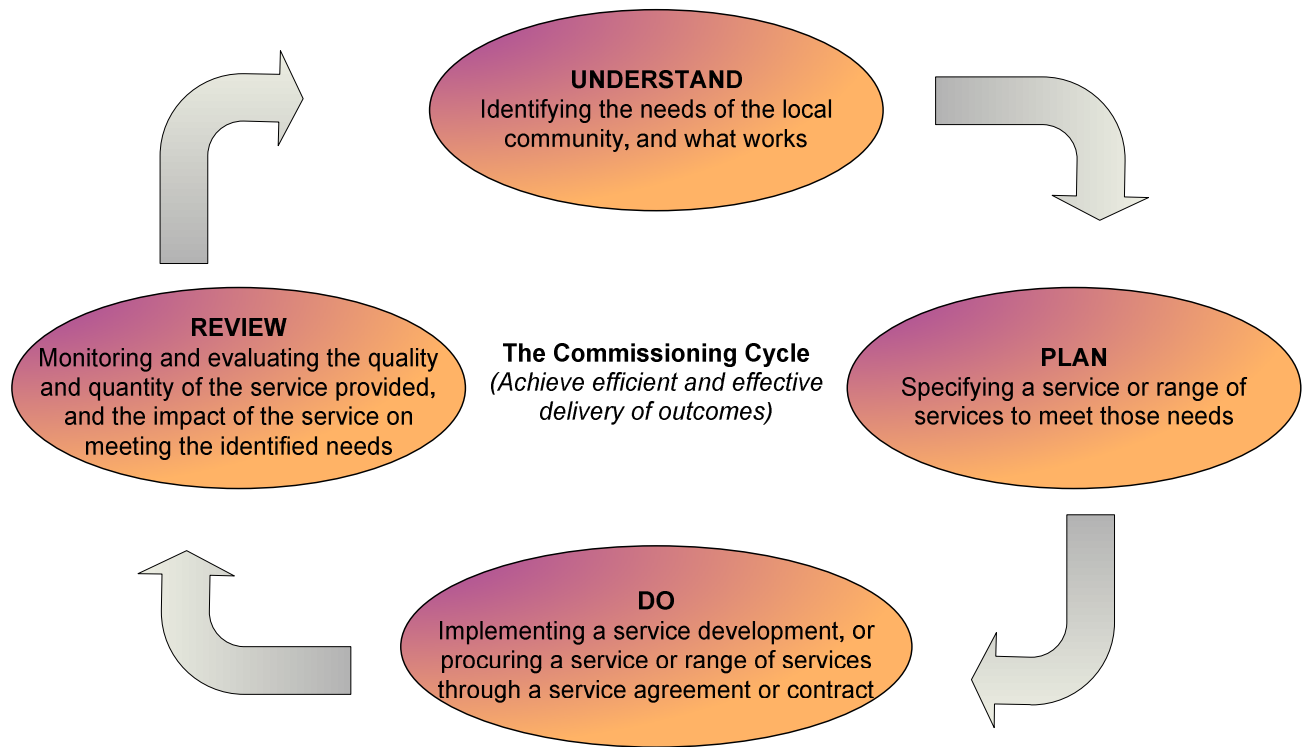
29. Given the financial pressures which the Council faces, a key output from the Commissioning Panels will also be some of the ‘tough choices’ the Council will face over the coming years on which services it should provide and to what level. These ‘tough choices’ will start to be tested through the Let’s Talk campaign which will commence in November. This is covered in more detail in the section on consultation.

### **THE COUNCIL’S COMMISSIONING MODEL**

31. The Council’s Commissioning model considers the total resources available within an area (including statutory, third, private and communities themselves) in order to improve outcomes for citizens in the most efficient, effective and sustainable way, as shown below:



32. The specific elements that are relevant to the commissioning and integrated planning process are the ‘understand’ element, which will have aspects of ‘review’ feeding in, and the ‘plan’. The early part of the commissioning and integrated planning process has been developed in order to drive a strategic view of what the Council is trying to achieve, by agreeing a set of core outcomes to drive the planning process and getting a greater understanding of the inputs the Council has at its disposal in delivering these outcomes.



## Strategy for closing the funding gaps

33. The Strategy for closing future funding gaps has been developed alongside a review of the Council's approach to Business Transformation. The Council has had the opportunity to spend some time reviewing the lessons learned from the Better Deal for Residents Programme in developing its proposals for taking this agenda forward. The development of Business Transformation and medium term budgeting must be treated as a combined activity.
34. Phase 1 of delivering Business Transformation was launched at Cabinet in July 2010 with a paper 'Better Deal for Residents: Shaping Harrow for the Future'. Phase 2 of Business Transformation started in July 2012.
35. The strategy going forward will encompass three key objectives:
- a. Delivering improved outcomes and performance in priority areas for people in Harrow
  - b. Managing the expectations of Residents as the Council delivers changes
  - c. Closing the remaining funding gap up to 2014/15.
36. Commissioning Panels will lead the development of proposals in each major service area. As an input to the panels the funding gaps have been modelled across each service area to give an indication of the scale of savings that will need to be delivered. This is in advance of alignment to political priorities or the review of current benchmark spend and performance. As set out in the section on Planning Framework, the Commissioning Panels will set out the proposals for taking Services

forward over the next 3-4 years within the financial constraints being faced.

37. To support this, Directorates have been allocated budget savings scenarios based on an allocation of the funding gap, pro rata to controllable expenditure on top of existing Medium Term Financial Strategy commitments. It is acknowledged that this type of target is a blunt tool and that Members will decide on which proposals from directorates will be adopted and therefore the targets exceed the amount of actual savings anticipated to be required, to enable Members to make these choices.

### **Capital Strategy and Capital Programme**

38. A draft capital strategy to complement the council's Asset Management Plan is being developed and will be consulted on in September. It is anticipated that following consultation this will be approved by Cabinet in December. It is intended that the capital programme is considered at commissioning panels which will be developed using the capital strategy methodology. The strategy will include the linkage between Capital and revenue.

### **Consultation**

41. One of the principle ambitions of the Council is to engage and involve residents more than ever before. 2011 was the year of community debate with many consultations and engagements taking place which fed into the decisions taken about service delivery set out in the Corporate Plan and Medium Term Financial Strategy in February 2011. Examples include the major Adult Services consultation, Childrens Centres, Housing Services options and our Let's Talk consultation on Libraries, parks, leisure and cultural facilities. Through the Council's commitment to engaging and involving residents, there is a genuine wish to hear resident views and, in return, the Council will listen, act and feedback ensuring that residents become involved in the decisions that will affect them.
42. Specific consultations on service/policy issues are being carried out throughout the year, for example the current consultation on localisation of Council Tax benefit. A principle of this consultation activity is that any statutory consultation must be completed before any assumptions about the financial implications of the proposal are made in the budget.
43. A further set of stakeholder meetings will take place after draft budget has been published in December. These meetings are attached at Appendix 3.

### **Financial Implications**

44. This report is about the development of the new MTFs and therefore financial issues are integral to the report.

## **Performance Issues**

45. Detailed performance information, which will include the setting of draft targets for future years, will form part of the Commissioning Panels, which will have their first consideration during the autumn. The output of these meetings will be developed into the draft budget for December Cabinet and subsequently the Corporate Plan.

## **Environmental Impact**

46. There are no direct environmental implications associated with this proposal. The review of the vision and the Council's planning arrangements will allow consideration to be given on how the use of natural resources (energy and water) could be more sustainably used. In particular the need to address the carbon reduction agenda will need to be fully integrated into the revised documents

The implications of individual proposals will identify the impacts as relevant.

## **Risk Management Implications**

47. As part of the budget process, a separate risk register will be developed to support the decision on the reserves policy.

## **Equalities implications**

48. The Council's commitment to equalities means that how equalities impacts are considered in a timely and robust way. To ensure this, an equalities impact assessment will be carried out in relation to all proposals within its transformation programme, and also any other budget proposals that fall outside this programme but are service developments and changes which may have adverse impact. The importance of this is heightened when we know that the financial challenges the Council faces will mean that difficult choices will need to be made across service levels and provision. This is why equalities is a key strand of the next phase of Transformation.

49. Equality Impact Assessments will follow the updated corporate guidance to fit with the new Public Sector Equality Duty will ensure that the final decisions for all proposals has due regard for equalities issues.

## **Corporate Priorities**

50. Integrated planning is designed to show how the Council will deliver its priorities and how they will be resourced.

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

Name: Julie Alderson  Chief Financial Officer

Date: 23 August

Name: George Curran  on behalf of the  
Monitoring Officer

Date: 23 August

### **Section 4 – Performance Officer Clearance**

Name: Alex Dewsnap  Divisional Director  
Partnership,  
Development and  
Performance

Date: 16 August 2012

### **Section 5 – Environmental Impact Officer Clearance**

Name: John Edwards  Divisional Director  
(Environmental  
Services)

Date: 22 August

### **Section 6 - Contact Details and Background Papers**

**Contact: Alex Dewsnap – Divisional Director Partnership  
Development & Performance ext. 8250**

**Background Papers: None**



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

**NOT APPLICABLE**

*[Call in applies]*

## Timetable for Planning Process

Activity	Meeting	Date
Commissioning and Integrated Planning Report	Cabinet	September 2012
Consultation on specific policy/service decisions (if required)		September/October
Review of draft commissioning plans	Commissioning Panels	October 2012
Scrutiny consideration of the direction of travel for the Council	Overview and Scrutiny	January
Draft MTFS approved	Cabinet	13 <sup>th</sup> December 2012
Information meetings with Stakeholders	See Appendix 3	January 2013
Corporate Plan and Final MTFS approved	Cabinet Council	14 <sup>th</sup> February 2013 21 <sup>st</sup> February 2013

## Strategy for Closing the Funding Gaps

Strand	Objectives
Priorities and resources	<ul style="list-style-type: none"> <li>• Ensure resources are aligned to the new corporate priorities</li> <li>• Decide what is not a priority</li> <li>• Evaluate the scope for investment in priority areas</li> </ul>
VFM	<ul style="list-style-type: none"> <li>• Consider whether the Council can reduce spending in areas where it does not provide either good value for money or is expensive relative to what the Council can afford</li> <li>• Consider whether the Council should conduct market testing in areas that have not been subject to any competitive or benchmarking process for some time</li> <li>• Challenge services which are provided on an internal trading basis</li> </ul>
Transformation Programme	Make realistic assumptions about outcome of the transformation programme in the medium term in financial terms
Capital Programme	Review the capital programme to ensure that where relevant projects are delivering efficiency savings. Consider the impact of capital investment on the funding gap going forward.
Directorate Plans	Each Directorate to develop medium term plans for service transformation/improvement and identify scope for efficiencies.
Technical Review	<p>The technical review will cover the following issues:</p> <ul style="list-style-type: none"> <li>• Risk, reserves and provisions</li> <li>• Capitalisation strategy</li> <li>• Collection fund target</li> <li>• Grant changes</li> <li>• Levies</li> <li>• Capital financing costs</li> <li>• Investment income</li> <li>• Concessionary fares</li> </ul>

## Stakeholder Meetings

There will be a series of meetings with key stakeholders to share information in December, January and February which will be either under the Let's Talk programme of activity or as discreet consultations. The stakeholders, together with the meetings suggested to pick up their comments, are listed below:

Stakeholder	Meeting	Date
Voluntary Sector	Community Cohesion Reference Group	December 2012
	Voluntary and Community Sector Forum	December 2012
Tenants and Leaseholders	Tenants', Leaseholders and Residents' Consultative Forum	January 2013
Statutory partners	Harrow Partnership Board	January 2013
Local Businesses	Harrow Business Consultative Forum	January 2013
Unions	Employees' Consultative Forum	January 2013
Older People	Older People's Reference Group	January 2013
Schools	Education Strategy Consultative Forum	January 2013
Statutory partners	HSP Summit	January 2013
Overview and Scrutiny	Special meeting of O&S, drawing on standing scrutiny review of the budget and Finance and Performance sub-committee work	January 2013
Public	Cabinet	February 2013