

## MEDIUM TERM FINANCIAL STRATEGY 2015/16 to 2018/19

	2014/15	2015/16	2016/17	2017/18	2018/19
	£000	£000	£000	£000	£000
<b>Budget Requirement Brought Forward</b>		174,426	167,381	154,373	146,247
Corporate & Technical		5,887	10,867	10,037	12,979
Community Health and Wellbeing		-2,021	1,866	-100	0
Children and Families		-1,469	413	0	0
Environment and Enterprise		-4,500	-1,676	-775	-264
Resources		-2,713	-1,060	-1,652	-1,345
Pan Organisation & Business Support Service		-2,230	-220	-350	-2,000
<b>Total</b>		<b>-7,046</b>	<b>10,190</b>	<b>7,160</b>	<b>9,370</b>
<b>FUNDING GAP</b>		<b>0</b>	<b>-23,198</b>	<b>-15,286</b>	<b>-13,899</b>
<b>Total Change in Budget Requirement</b>		<b>-7,046</b>	<b>-13,008</b>	<b>-8,126</b>	<b>-4,529</b>
<b>Revised Budget Requirement</b>	<b>174,426</b>	<b>167,381</b>	<b>154,373</b>	<b>146,247</b>	<b>141,718</b>
Collection Fund Deficit/-surplus	-1,676	-1,900	0	0	0
Revenue Support Grant	-42,628	-32,034	-20,388	-11,548	-6,174
Top Up	-20,546	-20,939	-21,375	-21,986	-22,727
Retained Non Domestic Rates	-14,509	-14,012	-14,012	-14,012	-14,012
<b>Amount to be raised from Council Tax</b>	<b>95,067</b>	<b>98,496</b>	<b>98,598</b>	<b>98,702</b>	<b>98,804</b>
<b>Council Tax at Band D</b>	<b>£ 1,210.28</b>	<b>£ 1,234.36</b>	<b>£1,234.36</b>	<b>£1,234.36</b>	<b>£1,234.36</b>
<b>Increase in Council Tax (%)</b>	<b>0.00%</b>	<b>1.99%</b>	<b>0.00%</b>	<b>0.00%</b>	<b>0.00%</b>
Tax Base	78,550	79,795	79,878	79,962	80,045
Collection rate	97.50%	97.50%	97.50%	97.50%	97.50%
Gross Tax Base	80,565	81,841	81,927	82,012	82,098

## MTFS 2015/16 to 2018/19 – Proposed investments / savings

TECHNICAL BUDGET CHANGES		Proposed			
		2015/16	2016/17	2017/18	2018/19
Item No		£000	£000	£000	£000
<b>MTFS Proposals Agreed in February 2014</b>					
<b>Capital and Investment</b>					
Tech 001	<b>Capital financing costs and investment income.</b> Increased Minimum Revenue Provision costs of the capital programme and interest on balances changes	310	841	0	0
<b>Total Capital and Investment Changes</b>		<b>310</b>	<b>841</b>	<b>0</b>	<b>0</b>
<b>Grant Changes</b>					
Tech 002	<b>New homes bonus</b> - Top slice of New Homes Bonus to fund the London Local Enterprise Partnership (LEP) announced in Comprehensive Spending Review (CSR) 2013	1,200	-345	0	0
Tech 004	<b>Education Support Grant.</b> New grant in relation to Local Education Authority (LEA) functions, previously included in formula Grant	1,500	200	0	0
Tech 005	<b>Council Tax Freeze Grant.</b> Payable for setting 0% Council Tax increase 2015-16	-1,068	0	0	0
	<b>S 31 Grant to replace Business Rates lost as a result of temporary reliefs to ratepayers</b> Assumed end to scheme	375	0	0	0
<b>Total Grant Changes</b>		<b>2,007</b>	<b>-145</b>	<b>0</b>	<b>0</b>
<b>Other Technical Changes</b>					
Tech 012	<b>Freedom Pass Levy increase.</b> Cost of Freedom passes charged to Harrow by Transport for London	360	370	0	0
Tech 018	<b>Budget planning contingency.</b>	3,000	3,000	0	0
Tech 020	<b>Saving from formula change on freedom passes - agreed at London Councils Transport and Environment Committee in December 2012</b> Reallocation of costs between London boroughs giving Harrow a reduction in costs	-81	-81	0	0
<b>Total Other Technical Changes</b>		<b>3,279</b>	<b>3,289</b>	<b>0</b>	<b>0</b>
<b>Pay and Inflation</b>					
Tech 023	<b>Pay Award @ 1% 2014-15, then 2% pa</b>	1,850	1,850	0	0
Tech 024	<b>Employer's Pension Contributions.</b> Increase in employer contribution rate to meet pension fund deficit	400	400	0	0
Tech 025	<b>Inflation on goods and services @ 1.3% p.a.</b>	1,210	1,210	0	0
<b>Total Pay and Price Inflation</b>		<b>3,460</b>	<b>3,460</b>	<b>0</b>	<b>0</b>
<b>CROSS CUTTING TRANSFORMATION PROGRAMME</b>					
Tech 029	<b>Staff Terms and Conditions.</b> Phasing out of protection on terms and conditions changes agreed with Staff from January 2013.	-187	-31	0	0
<b>Total Transformation</b>		<b>-187</b>	<b>-31</b>	<b>0</b>	<b>0</b>
<b>Net Proposals Agreed in February 2014</b>		<b>8,869</b>	<b>7,414</b>	<b>0</b>	<b>0</b>
<b>Additional Changes now Proposed</b>					
<b>Capital and Investment</b>					
	<b>Capital financing costs and investment income</b> Increased Minimum Revenue Provision costs of the capital programme and interest on balances changes	164	1,621	2,095	4,731
	<b>Neighbourhood Investment Scheme</b>	210	0	0	0
<b>Total Capital and Investment Changes</b>		<b>374</b>	<b>1,621</b>	<b>2,095</b>	<b>4,731</b>
<b>Grant Changes</b>					
	<b>New Homes Bonus</b> - Reduction in the top slice of New Homes Bonus to fund the London LEP per latest estimates and increase in number of new homes	-944	195	325	579
	<b>Education Support Grant.</b> Delay in the reduction in grant utilising latest projected pupil numbers and projected conversions to academies.	-1,120	345	545	545
	<b>Council Tax Freeze Grant 2014-15</b> Grant ended as now consolidated into RSG	1,068			

## MTFS 2015/16 to 2018/19 – Proposed investments / savings

TECHNICAL BUDGET CHANGES		Proposed			
		2015/16	2016/17	2017/18	2018/19
Item No		£000	£000	£000	£000
	<b>Council Tax Freeze Grant 2015-16</b> Grant will not be received as Council Tax is increasing	1,068	0	0	0
	<b>S 31 Grant</b> Anticipated Grant to replace Business Rates lost as a result of temporary reliefs to ratepayers	-600	0	0	0
	<b>Total Grant Changes</b>	<b>-528</b>	<b>540</b>	<b>870</b>	<b>1,124</b>
	<b>Other Technical Changes</b>				
	<b>Freedom Pass Levy increase.</b> Cost of Freedom passes charged to Harrow by TfL - revised 2015-16 figure and extension to additional years of MTFS	-89	0	380	390
	<b>Chief Executive post</b> Cost of reinstating post	182	0	0	0
	<b>Budget planning contingency</b> Removal of budget in 2015-16 as budget proposals are now known. Extension to last 2 years of the MTFS	-3,000	0	3,000	3,000
	<b>Contingency increase</b> Increase of general contingency from £921k to £1.248m to reflect the additional risks around welfare reform	327	0	0	0
	<b>Welfare Reform contingency from savings on Council Tax Support scheme</b>	0			
	<b>Total Other Technical Changes</b>	<b>-2,580</b>	<b>0</b>	<b>3,380</b>	<b>3,390</b>
	<b>Pay and Inflation</b>				
	<b>Pay Award @ 1% 2014-15, then 2% pa</b> Recalculation of base and extension to 2 additional years MTFS	-50	-50	1,800	1,800
	<b>Saving on pay award Jan 15 2.23%</b> Estimated saving on the cost of the 2014-15 and 2015-16 pay awards compared to the previously budgeted amounts	-700	0	0	0
	<b>Employer's Pension Contributions lump sum increases agreed with actuary</b> Required to reduce the pension deficit	442	182	622	664
	<b>Inflation on goods and services @ 1.3% p.a.</b> Rebasing inflation and extension to 2 additional years of MTFS	60	60	1,270	1,270
	<b>Increase in cost of NI for contracted out employees</b> Ending of contracted out rebate - 3.4% on applicable salary range	0	1,100	0	0
	<b>Total Pay and Price Inflation</b>	<b>-248</b>	<b>1,292</b>	<b>3,692</b>	<b>3,734</b>
	<b>Total Changes now Proposed</b>	<b>-2,982</b>	<b>3,453</b>	<b>10,037</b>	<b>12,979</b>
	<b>Total Corporate &amp; Technical</b>	<b>5,887</b>	<b>10,867</b>	<b>10,037</b>	<b>12,979</b>

## MTFS 2015/16 to 2018/19 – Proposed investments / savings

<b>CHILDREN'S SERVICES</b>		<b>Proposed</b>			
<b>Item No</b>		<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
	<b>MTFS Proposals Agreed in February 2014</b>				
	<b>Investment in Services</b>				
CF 001	Increase in Children Looked After (CLA) placement budgets reflecting growth in child population and changing demographic	178	178	0	0
CF 002	Increase in Children with Disabilities (CWD) client costs reflecting growth in child population	82	82	0	0
CF 003	Increase in staffing costs reflecting growth in child population and changing demographic	153	153	0	0
	<b>Total Investment in Services</b>	<b>413</b>	<b>413</b>	<b>0</b>	<b>0</b>
	<b>Net Proposals Agreed in February 2014</b>	<b>413</b>	<b>413</b>	<b>0</b>	<b>0</b>
	<b>Additional Savings and Growth now Proposed</b>				
	See Detail in Appendix 2	-1,882	0	0	0
	<b>Net Children &amp; Families</b>	<b>-1,469</b>	<b>413</b>	<b>0</b>	<b>0</b>

**MTFS 2015/16 to 2018/19 – Proposed investments / savings**

<b>ENVIRONMENT &amp; ENTERPRISE</b>		<b>Proposed</b>			
		<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
<b>Item No</b>		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>MTFS Proposals Agreed in February 2014</b>					
<b>Investment in Services</b>					
E&E011 14/15	<b>Parking review</b> - New proposal for 20 minute free parking	100	0	0	0
E&E005	<b>CCTV camera income decline</b>	70	56	0	0
E&E008	<b>West London Waste Authority (WLWA) Levy / Dry Recyclables Income</b>	677	708	0	0
<b>Total Investment in Services</b>		<b>847</b>	<b>764</b>	<b>0</b>	<b>0</b>
<b>Savings</b>					
E&E011	<b>Public Realm Integrated Service Model (PRISM) efficiencies.</b> Towards Excellence Programme efficiencies	-375	0	0	0
E&E023	<b>Consolidation of Civic Centre accommodation to secure utility cost savings.</b> Transformation Project	-58	0	0	0
E&E043	<b>Grounds maintenance: Annualised hours</b>	-81	0	0	0
<b>Total Environment &amp; Enterprise Savings</b>		<b>-514</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Proposals Agreed in February 2014</b>		<b>333</b>	<b>764</b>	<b>0</b>	<b>0</b>
<b>Additional Savings and Growth now Proposed</b>					
<b>See Detail in Appendix 2</b>		<b>-4,833</b>	<b>-2,440</b>	<b>-775</b>	<b>-264</b>
<b>Net Environment &amp; Enterprise</b>		<b>-4,500</b>	<b>-1,676</b>	<b>-775</b>	<b>-264</b>

## MTFS 2015/16 to 2018/19 – Proposed investments / savings

<b>COMMUNITY, HEALTH AND WELLBEING</b>		<b>Proposed</b>			
<b>Item No</b>		<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
	<b>MTFS Proposals Agreed in February 2014</b>				
	<b>Investment in Services</b>				
	<b>Adults</b>				
CHW001	<b>Demographic Growth.</b> Costs associated with increased demand for eligible users	2,800	2,500	0	0
	<b>Community &amp; Culture</b>				
CHW010 14/15	Under One Sky, celebrating with the 60th anniversary theme – one-off extra £10k	-10	0	0	0
	<b>Total Investment in Services</b>	<b>2,790</b>	<b>2,500</b>	<b>0</b>	<b>0</b>
	<b>Savings</b>				
	<b>Community and Culture</b>				
CHW050	<b>Libraries Transformation 2</b> Impact of final contract negotiations around profit share and short term use of Civic Centre by contractor	-18	0	0	0
	<b>Total CHW Savings</b>	<b>-18</b>	<b>0</b>	<b>0</b>	<b>0</b>
	<b>Net Proposals Agreed in February 2014</b>	<b>2,772</b>	<b>2,500</b>	<b>0</b>	<b>0</b>
	<b>Additional Savings and Growth now Proposed</b>				
	<b>See Detail in Appendix 2</b>	<b>-4,793</b>	<b>-634</b>	<b>-100</b>	
	<b>Net Community, Health &amp; Wellbeing</b>	<b>-2,021</b>	<b>1,866</b>	<b>-100</b>	<b>0</b>

## MTFS 2015/16 to 2018/19 – Proposed investments / savings

RESOURCES		Proposed			
Item No		2015/16	2016/17	2017/18	2018/19
		£000	£000	£000	£000
<b>MTFS Proposals Agreed in February 2014</b>					
<b>Investment in Services</b>					
<b>Strategic Commissioning</b>					
RES009	<b>Experian &amp; LIS.</b> Addition of new census data into LIS system and update of Experian profiles. Reversal of 1 off growth	-25	0	0	0
<b>Collections and Benefits</b>					
RES019	<b>Department for Work and Pensions (DWP) Housing Benefit Reduction in Administration Grant.</b> Following the introduction of Universal Credit administered by central government.	250	500	0	0
RES020	<b>Loss of Housing Benefits Overpayments Income Stream.</b> To reflect lower surplus currently being achieved and loss of the income stream following the introduction of Universal Credit administered by central government.	200	320	0	0
<b>Total Investment in Services</b>		<b>425</b>	<b>820</b>	<b>0</b>	<b>0</b>
<b>Savings</b>					
<b>Customer Services</b>					
RES029	<b>Further channel shift through roll out of My Harrow account.</b> Reduction in Access Harrow staffing resulting from self serve via MHA, website and IVR	-60	0	0	0
RES030	<b>Close Face to Face (F2F) and Telephony Channels for Public Realm Enquiries.</b> Over a 3 year period close face to face contact in Access Harrow for Public Realm queries and migrate to Internet contact.	-70	-50	0	0
RES031	<b>Reconfigure One Stop Shop</b> to self-serve area and close F2F (face to face) advice	-190	-100	0	0
<b>HRD</b>					
RES042	<b>Reduction in HRD posts.</b> Deletion of 2 posts.	-75	0	0	0
<b>Collections and Benefits</b>					
RES078	<b>Deletion of 4 FTE posts in Housing Benefits</b>	-140	0	0	0
RES082	<b>Revenues Staffing Reductions</b>	0	-40	0	0
RES083	<b>Housing Benefits Staffing Reductions as Benefits moves to DWP.</b> Reduced staffing required as Housing Benefits transfers to Universal Credit and is no longer administered by Harrow.	0	-125	0	0
<b>Total Resources Savings</b>		<b>-535</b>	<b>-315</b>	<b>0</b>	<b>0</b>
<b>Net Proposals Agreed in February 2014</b>		<b>-110</b>	<b>505</b>	<b>0</b>	<b>0</b>
<b>Additional Savings and Growth now Proposed</b>					
<b>See Detail in Appendix 2</b>		<b>-2,603</b>	<b>-1,565</b>	<b>-1,652</b>	<b>-1,345</b>
<b>Net Resources</b>		<b>-2,713</b>	<b>-1,060</b>	<b>-1,652</b>	<b>-1,345</b>

**MTFS 2015/16 to 2018/19 – Proposed investments / savings**

<b>Pan Organisation &amp; Business Support Service</b>		<b>Proposed</b>			
<b>Item No</b>		<b>2015/16</b>	<b>2016/17</b>	<b>2017/18</b>	<b>2018/19</b>
		<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
	<b>Additional Savings and Growth now Proposed</b>				
	<b>Pan Organisation -See Detail in Appendix 2</b>	<b>-1,500</b>	<b>-220</b>	<b>-350</b>	<b>-2,000</b>
	<b>Business Support Service - See Detail in Appendix 2</b>	<b>-730</b>			
	<b>Net Pan Organisation &amp; BSS</b>	<b>-2,230</b>	<b>-220</b>	<b>-350</b>	<b>-2,000</b>