

Harrow £159 Campaign – Council Motion (December 2015)

Council notes:

- That previous administrations, both Labour and Conservative, have both campaigned to get Harrow a fairer grant deal from Central Government.
- The report by LG Futures (Analysis of Funding Drivers, October 2014) was commissioned to understand Harrow's funding context in comparison with other London boroughs, and the rest of the UK. The report made a number of findings that have raised concerns about Harrow's spending power and how our Government grants are calculated.
- In respect of spending power, the analysis found that in Harrow our residents have £39.8m less spent on them than the London average – that is £159 less per person than the average Londoner.
- The formulas used by Government date back to 1978 and do not reflect Harrow's current needs, particularly given the pressures from homelessness and welfare changes.
- Harrow receives less funding than the London average on account of a range of factors including its lower population density, having less residents on welfare, amongst other technical points.
- Harrow also receives less funding than the national average on account of it being in London and "Damping", a process by which boroughs take additional reductions to buffer other boroughs, reallocates a lot of Harrow's funding elsewhere.
- ~~Harrow is also short-changed by the "freezing" of funding formulas (which may not be "unfrozen" until 2020/21) – which means Outer London's unprecedented demographic changes and population growth goes unacknowledged.~~
- This unfair funding from Central Government is a double blow on top of the £83m of cuts imposed on Harrow Council and our residents by central Government.
- The Chancellor's announcement at the Comprehensive Spending Review on Wednesday 25th November that over the course of this Parliament all Local Authorities Revenue Support Grant will be phased out, and instead Local Authorities will have full retention of their local business rates.
- The Council's commitment to being an efficient and well run organisation, including it's ambitious commercialisation programme that will create £5m of income by 2018/19, to help make up the shortfall caused by central Government cuts.

Council believes:

- The funding formulas need to be updated so that Harrow gets the money necessary to continue Building a Better Harrow, protecting frontline services and 'Making a Difference' to our community.
- We have not been given sufficient detail by Government about how they will administer and implement the change in Local Government finances to a new system

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whereby Council's will have the full retention of local business rates, whilst the Revenue Support Grant will be phased out entirely.

- In Harrow our falling business rates, in part due to the government's disastrous 'Office to Residential' scheme, means that this will amount to a further cut to local services.
- ~~An adjustment to the Settlement Funding Assessment so that the growing populations of Harrow is reflected now would be a fairer way to allocate funding out to local Council's, rather than waiting until when it is next up for assessment in 2020/21.~~
- Greater fairness in the funding system, so that:
 - "Damping" is reduced, and Harrow's resources are not pulled into an endless cycle of re-allocation to other boroughs.
- The weighting of resources and government grants is changed to reflect the changing nature of London. The future settlement needs to acknowledge the role of outer London authorities in maintaining the progress and status of the capital.
- A request that the Government provide an advantage to Harrow when making funding decisions for other grants in light of our shortfall.

Council resolves:

- To Support the Harrow '£159' campaign to get Harrow its missing millions.
- For the Chief Executive to write to local MPs and Assembly Members to ask them to support the Harrow '£159' campaign and lobby central government for a fairer grant to ensure that Harrow does not lose out when the Revenue Support Grant is phased out and replaced by full retention of local business rates.
- For the Leader of the Council to write to the Prime Minister explaining the Council's funding shortfall.

Proposer: Cllr David Perry

Seconder: Cllr Sachin Shah

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