

Appendix A – Financial Implications

	MTFS 2015/16	MTFS 2016/17	MTFS 2017/18	Total MTFS to 2017/18	Q1 Forecast 2017/18	Variance	MTFS 2018/19	MTFS 2019/20	Total	Commentary
Activity	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
1. Legal Service Expansion – HB Public Law has expanded to include Hounslow and Aylesbury Vale with further expansion opportunities continuing to be explored.	244	284	354	882	882	0	354	0	1,236	These savings are built into the budget up to 2017/18, with a further saving of £354k for 2018/19. As well as providing legal services for Harrow, HB Public Law now provides legal services for Barnet, Hounslow, Aylesbury Vale, Bucks CC and Slough.
2. HR Shared Service – a shared HR service hosted by Buckinghamshire Council.	-	-	140	140	140	0	110	0	250	These savings are built into the budget up to 2017/18, with a further saving of £110k for 2018/19. The saving for 2017/18 is being achieved.
3. Investment Portfolio – exploring opportunities to build a portfolio of commercial property.	-	-	350	350	114	236	350	0	700	A £20m Capital Programme budget exists for the Investment Property Initiative. To date, one investment property has been purchased in Manchester, for which the Council is receiving rental income. It is achieving a net income stream of £114k which is well within the expected return of the capital investment. Two further property acquisitions are in the pipeline to be acquired. An underspend in the Capital Budget will produce savings in Capital Financing costs.
4. Procurement Services – a shared service with Brent Council. Expansion opportunities with other authorities are being explored.	50	108	182	340	270	70	180	0	520	These savings are built into the budget up to 2017/18, with a further saving of £180k for 2018/19. This relates to the procurement shared service with Brent Council. The shortfall of £70k is as a result of agency staff costs whilst permanent recruitment to the posts takes place.

5. Project Infinity – three technology solutions providing a market place for care solutions and products	-	-	-	0	0	0	2,638	4,100	6,738	Project Infinity is a suite of bold technology solutions created by adult social services at Harrow Council. It aims to: empower citizens to improve their well-being; anticipate integrated health and social care services; and reduce costs by encouraging more competition among service providers.
6. Adults services - Wiseworks and Shared Lives – community services that support vulnerable adults and people with mental health problems	-	100	219	319	99	220	56	0	375	The £319k is split between £119k for Wiseworks and £200k for Shared Lives. The majority of the Wiseworks saving is on target to be achieved in 2017/18 (£99k out of the £119k), but the Shared Lives saving will not be achieved. It was based on Barnet identifying service users who would be suitable for the Shared Lives service however despite several meetings and training sessions to assist Barnet colleagues, there have been no referrals. The budget has been realigned so that the £220k shortfall will be managed within the Adults overall budget.
7. Private Rented Sector Housing – As part of the regeneration plans, the council is looking at building homes which could then be rented to private tenants.	-	-	350	350	0	350	2,000	0	2,350	This saving is based on the Regeneration project. In the interim and until there is a rental stream from private sector leased properties, the saving is covered from within the MRP capacity that was established to fund the Regeneration project until the cash flow is established.
8. Property Purchase Initiative - Purchasing properties to increase supply of good quality temporary accommodation and mitigate homelessness costs.	-	230	31	261	261	0	(2)	42	301	This saving relates to the purchase of 100 homes in Harrow and neighbouring areas, which will be used to temporary accommodation purposes with a saving to come through as a result of savings in Bed and Breakfast costs as well as private sector leasing costs. The first 100 properties have been identified and secured with vendors. As of July 2017, 74 properties have been purchased and 56 let.

9. Harrow School Improvement Partnership – full cost recovery of the service	-	130	-	130	0	130	0	0	130	Significant reductions to income in 2016/17 meant that this saving was not achieved. A new operating model for HSIP is being developed to ensure that the service is financially sustainable going forward.
10. Project Phoenix – a range of commercial initiatives led by the community directorate	-	115	520	635	647	(12)	1,525	0	2,160	The project covers a number of initiatives such as waste services, the training academy, gardening services, advertising on council assets, transport commercialisation and catering services.
12. Harrow Careline – a personal alarm service to help elderly and vulnerable people	-	15	80	95	53	42	100	100	295	The service has increased its client base with new business from the start of the financial year generating £53k on new income since Apr 17. The service does however need to continue generating further income in order to achieve its overall income budget target.
Total	294	982	2,226	3,502	2,466	1,036	7,311	4,242	15,055	
13. Pan Organisation Savings	-	220	0	220	220	0	0	0	220	The Procurement Service negotiated a new contract based on a master vendor model which gave one main provider exclusivity on all vacancies for a period of time in return for reduced mark-up.
14. Early re-procurement of Agency Staff Contract	-		150	150	150	0	0	0	150	This will be achieved through i) lower agency costs from Pertemps (through use of YPO contract which has lower rates)
Total	294	1,202	2,376	3,872	2,836	1,036	7,311	4,242	15,425	