

REPORT FOR: HEALTH AND WELLBEING BOARD

Date of Meeting: 10 January 2019

Subject: **INFORMATION REPORT –**
Draft Revenue Budget 2019/20 and Medium Term Financial Strategy 2019/20 to 2021/22

Responsible Officer: Paul Hewitt, Interim Corporate Director
People, Harrow Council

Exempt: No

Wards affected: All

Enclosures: December 2018 Cabinet Report and Appendices

Section 1 – Summary

The Board is requested to note the report detailing Harrow Council's Draft Revenue Budget 2019/20 and Medium Term Financial Strategy 2019/20 to 2021/22, as reported to the Council's Cabinet on 6 December 2018.

The budget and MTFS will return to Cabinet in February 2019 for final approval and recommendation to Council.

FOR INFORMATION

Section 2 – Report

The Government continues to reduce its funding to Local Government as part of its nationwide austerity programme. In their publication 'Local Government Funding – Moving the conversation' (June 2018) the Local Government Association shared a number of their key statistics including:

- New analysis indicates that local services face a funding gap of £7.8billion by 2025 of which £6.6 billion relates to Adults social care and Children's services.
- By 2020, local authorities will have faced a reduction to core funding from central Government of nearly £16 billion over the preceding decade.

The draft budget set out in the attached report shows an updated MTFS with a number of changes which Cabinet were asked to note. The changes achieve a balanced budget position for 2019/20 and budgets gaps of £13.5m and £9.3m for 2020/21 and 2021/22 respectively.

The MTFS will be subject to further adjustments following the provisional Finance Settlement which was due to be announced on 6 December 2018 but delayed pending further parliamentary debates. The final settlement is expected to be agreed no later than the end of January 2019.

Whilst it is intended that Members will approve the MTFS in February 2019, this is subject to a number of assumptions in relation to grant settlements, council tax income, legislation and demographics. The Council will still be required to review the Council's budget on a yearly basis; however approval of the MTFS will allow officers to progress a number of important projects.

Any adjustments will be reported to Cabinet and Council in February as part of the annual budget and council tax setting process.

Section 3 – Further Information

See attached report.

Section 4 – Financial Implications

Financial implications are integral to the attached report.

Section 5 - Equalities implications

See attached report.

Section 6 – Council Priorities

See attached report.

STATUTORY OFFICER CLEARANCE (Council and Joint Reports)

Name: Sharon Daniels on behalf of the
Chief Financial Officer

Date: 10th December 2018

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

Section 7 - Contact Details and Background Papers

Contact:

Sharon Daniels
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Background Papers:

None