

## MEDIUM TERM FINANCIAL STRATEGY 2020/21 to 2022/23

	2020/21	2021/22	2022/23
	£000	£000	£000
<b>Budget Requirement Brought Forward</b>	167,081	174,762	173,392
Corporate & Technical	6,393	14,843	12,722
People	289	242	0
Community	1,286	-1,125	0
Resources & Commercial	383	-1,441	678
Corporate	-670	-2,475	-2,222
<b>Total</b>	<b>7,681</b>	<b>10,044</b>	<b>11,178</b>
<b>FUNDING GAP</b>	<b>0</b>	<b>-11,414</b>	<b>-11,178</b>
<b>Total Change in Budget Requirement</b>	<b>7,681</b>	<b>-1,370</b>	<b>0</b>
<b>Revised Budget Requirement</b>	<b>174,762</b>	<b>173,392</b>	<b>173,392</b>
Collection Fund Deficit/-surplus	-2,120		
Revenue Support Grant	-1585	-1585	-1585
Top Up	-22,623	-22,623	-22,623
Retained Non Domestic Rates	-14,942	-14,942	-14,942
<b>Amount to be raised from Council Tax</b>	<b>133,492</b>	<b>134,242</b>	<b>134,242</b>
<b>Council Tax at Band D</b>	<b>£1,522.72</b>	<b>£1,522.72</b>	<b>£1,522.72</b>
<b>Increase in Council Tax (%)</b>	<b>3.99%</b>	<b>0.00%</b>	<b>0.00%</b>
Tax Base	87,667	88,160	88,160
Collection rate	98.00%	98.00%	98.00%
Gross Tax Base	89,456	89,959	89,959

**MTFS 2020/21 to 2022/23 – Proposed investments / savings**

<b>TECHNICAL BUDGET CHANGES</b>			
	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Capital and Investment</b>			
25%reduction	-45	0	
Capital Investment reversed	500	0	
Capital Financing costs increasing 2020/21 for depot	681	0	
2018/19 implications in 2021/22		1900	
Use of Regen MRP Provision 2019/20	1000		
Use of Regen MRP Provision 2020/21	-1000	1000	
MRP on Community projects and Property investment		1454	
Interest on Community projects and Property investment		967	
<b>Capital Financing included as part of 2020/21 budget setting process</b>			
Capital Financing costs from additional Capital Programme			1250
Reduced costs of borrowing (from £100m taken between April and July 2019)	-£500		
Application of capital receipt to reduce borrowing costs	-£550		
Additional planned saving on borrowing costs	-£500		
General reduction in Minimum Revenue Provision costs	-£500		
<b>Other Adjustments</b>			
Adj. for Housing General Fund 100 Home (£675k in 2022/23 and 2023/24) respectively			-1350
MRP and Financing Cost			1350
<b>Total Capital and Investment Changes</b>	<b>-914</b>	<b>5,321</b>	<b>1,250</b>
<b>Grant Changes</b>			
New Homes Bonus Estimated Grant changes	940	0	
New Homes Bonus 2018	300		
Additional 2019 New Homes Bonus after settlement	176	535	
Additional New Homes Bonus for 2020/21	-787	787	
Assumption that New Homes Bonus reduces in 2022/23			728
Better Care Fund Estimated additional grant announced Dec 2017	33	0	
Improved Better Care Fund 2019/20 one off grant assumed	5467	0	
Assumed Better Care Fund continues beyond 2019/20 on permanent basis	-5467		
One-off Education Service Grant	902		
Reduction to New NNDR Multiplier Inflation compensation grant	582		
Multiplier Cap Funding - continuation for 2020/21	-1590		
Section 31 Grant 2018/19	779		
Section 31 Grant 2019/20	2170		
Section 31 Grant 2020/21	-2033		
Use of 2019/20 Business Rates Pool Budget in 2020/21	-1800	1800	
Reversal Business Rates Pool Income use in 2018/19	3500		
Continuation of the 2019/20 Adults Social Care funding as permanent funding	-2625		
Allocation of Adult Social Care funding to adults	2625		
Additional Social Care Funding in 2020/21 assumed as permanent funding	-3482	0	
<b>Total Grant Changes</b>	<b>-310</b>	<b>3,122</b>	<b>728</b>
<b>Other Technical Changes</b>			
<b>Corporate Budgets</b>			
Freedom Pass Levy increase. Cost of Freedom passes charged to Harrow by Transport for London	500	0	
Reduction in existing Freedom Pass budget	-500		
Reduction in Inflation provision based on previous allocation	-500		
Reduction in Litigation Reserve budget	-125		
Reduction in levies, grants and subscriptions budget	-70		

**MTFS 2020/21 to 2022/23 – Proposed investments / savings**

<b>TECHNICAL BUDGET CHANGES</b>			
	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Use of Reserves</b>			
Budget planning contingency - Reversal of 2019/20 one-off use	2,000		
Budget planning contingency - Reversal of 2019/20 one-off use	2,200		
Full use of the Budget Planning Reserve in 2020-21	-2629	2629	
Use of Business Risk Reserve smoothed over 2 years	-1176	1176	0
Use of Business Risk Reserve for one off investment of £1m pa for 3 years	-1000	-1000	-1000
One off Investment into front line priorities	1000	1000	1000
Use of Business Risk Reserve smoothed over 2 years		-3350	3350
<b>Total Other Technical Changes</b>	<b>-300</b>	<b>455</b>	<b>3,350</b>
<b>Pay and Inflation</b>			
Pay Award @ 2% pa	2000	2000	
Pay Inflation			2000
Inflation on goods and services @ 1.3% p.a.	500	1100	
Non Pay Inflation/budget pressures			2750
<b>Total Pay and Price Inflation</b>	<b>2,500</b>	<b>3,100</b>	<b>4,750</b>
<b>OTHER</b>			
Gayton Road Income - Reversal of 72 units transferred to HRA	0	500	
Capital Receipts Flexibility - Reversal for one-off impact	800	0	
Additional Capital Flexibility - Reversal for one-off impact	2300		
Adults Growth / Pressure	2317	2344	2644
<b>Total Corporate &amp; Technical</b>	<b>6,393</b>	<b>14,843</b>	<b>12,722</b>

**MTFS 2020/21 to 2022/23 – Proposed investments / savings**

<b>PEOPLE DIRECTORATE</b>			
	<b>2020/21</b>	<b>2021/22</b>	<b>2021/23</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Children &amp; Families</b>			
Proposed Savings - see appendix 1a	-410	-410	0
Proposed Growth - see appendix 1a	789	0	0
<b>Sub total Children &amp; Families</b>	<b>379</b>	<b>-410</b>	<b>0</b>
<b>Adults</b>			
Proposed Growth - see appendix 1a	-971	0	0
Proposed Growth - see appendix 1b	881	652	0
<b>Sub total Adults</b>	<b>-90</b>	<b>652</b>	<b>0</b>
<b>Total People Directorate</b>	<b>289</b>	<b>242</b>	<b>0</b>

**MTFS 2019/20 to 2021/22 – Proposed investments / savings**

<b>COMMUNITY</b>			
	<b>2019/20</b>	<b>2020/21</b>	<b>2021/22</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Community and Culture</b>			
Proposed Savings - see appendix 1a	-137	23	0
Proposed Growth - see appendix 1a	2,946	0	0
Proposed Savings - see appendix 1b	-1,530	-1,046	0
Proposed Growth - see appendix 1b	25	0	0
<b>Sub total Environmental Services</b>	<b>1,304</b>	<b>-1,023</b>	<b>0</b>
<b>Housing - General Fund</b>			
Proposed Savings - see appendix 1a	-18	-102	0
<b>Sub total Housing General Fund</b>	<b>-18</b>	<b>-102</b>	<b>0</b>
<b>Total Community</b>	<b>1,286</b>	<b>-1,125</b>	<b>0</b>

**MTFS 2020/21 to 2022/23 – Proposed investments / savings**

<b>RESOURCES &amp; COMMERCIAL</b>			
	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Resources &amp; Commercial</b>			
Proposed Savings - see appendix 1a	-123	-33	0
Proposed Growth - see appendix 1a	1,006	353	678
Proposed Savings - see appendix 1b	-595	-1,901	0
Proposed Growth - see appendix 1b	95	140	
<b>Total Resources &amp; Commercial</b>	<b>383</b>	<b>-1,441</b>	<b>678</b>

**MTFS 2020/21 to 2022/23 – Proposed investments / savings**

<b>CORPORATE</b>			
	<b>2020/21</b>	<b>2021/22</b>	<b>2022/23</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>CORPORATE</b>			
Proposed Savings - see appendix 1a	-1,000	-2,719	-2,222
Proposed Growth - see appendix 1b	330	244	0
<b>Total Resources &amp; Commercial</b>	<b>-670</b>	<b>-2,475</b>	<b>-2,222</b>