

Meeting:	Cabinet
Date:	18 December 2008
Subject:	Draft Revenue Budget 2009-10 to 2011-12
Key Decision:	Yes
Responsible Officer:	Myfanwy Barrett Corporate Director of Finance
Portfolio Holder:	David Ashton Leader and Portfolio Holder for Strategy, Partnership and Finance
Exempt:	No
Enclosures:	Appendix 1 – Consultation on Priorities Appendix 2 – Budget Summary Appendix 3 – Budget Detail Appendix 4 – Commentary Appendix 5 – Schools Budget Appendix 6 – Housing Revenue Account Appendix 7 – Stakeholder meetings

Section 1 – Summary and Recommendations

This report sets out the draft revenue medium term financial strategy (MTFS) for 2009-10 to 2011-12.

RECOMMENDATIONS:

The Cabinet is requested to:

1. Note the results of the consultation carried out on the draft corporate priorities set out in Appendix 1.
2. Agree the draft revenue budget of £168.599m for 2009-10 and the draft MTFS.
3. Approve the reserves policy set out in paragraph 46.
4. Approve the draft Housing Revenue Account (HRA) for 2009-10 to 2011-12 set out in Appendix 6, and refer the draft HRA to the Tenants and Leaseholders Consultative Forum in January.

REASON: To publish the draft budget.

Section 2 – Report

Introductory paragraph

1. The Council has adopted an integrated planning framework to ensure that the corporate plan and medium term financial strategy (MTFS) are developed in tandem.
2. Cabinet approved the Year Ahead Statement in September, including draft corporate priorities as follows:
 - Better streets
 - Improve support for vulnerable people
 - Build stronger communities
3. Consultation has been carried out on these priorities via the residents' panel and via a campaign entitled "Have Your Say", supported by the Harrow Times. The consultation activity produced consistent results and generally the three proposed priorities were supported. The detailed results of the consultation are attached at Appendix 1.
4. Cabinet is therefore asked to note the results of the consultation carried out on the draft corporate priorities for 2009-10.
5. The corporate priorities provide the framework for the corporate plan which will come to Cabinet alongside the final budget in February.

Options considered

6. The development of the corporate plan and MTFS is an iterative process which takes place over 6-9 months every year. During this process, numerous options and factors are discussed at the Corporate Strategy Board and with Cabinet members. The remainder of this report deals with the latest position on the MTFS.

Financial Context

7. The development of the medium term financial plan is increasingly challenging because:
 - Harrow is already a relatively low spending council
 - Large parts of the budget are outside the Council's control
 - Considerable savings have been made in previous years (£35m in the last 3 years) and this makes it increasingly difficult to identify new areas for efficiencies and reductions
 - The demand for services and expectations from central government are growing all the time
 - The local government settlement is poor
 - There is considerable uncertainty in a number of areas
 - Reserves are still very low

Economic Outlook

8. This is not an ordinary budget round. There is very significant added pressure in the medium term due to the recession.
9. The economic situation has been very widely reported and debated. There is a slow down in economic growth this year and it is anticipated that the economy will contract in 2009 and possibly in 2010. Furthermore, the slow down is likely to have a disproportionate impact on London. The housing market has already slowed down considerably, largely as a result of the credit crunch rather than a lack of demand.
10. For the Council, the recession is likely to result in additional demands on services, eg due to an increase in the number of people presenting as homeless, and a reduction in income.
11. Inflation has been very high in the last year (RPI and CPI were 4.2% and 4.5% respectively in October), and whilst prices are expected to fall off in the coming months such that inflation falls back down to 2% or below in 2009, there is considerable residual pressure, particularly in relation to contracts. There have also been exceptionally high price increases in relation to energy.
12. Despite the likely fall in prices in the coming year, it is anticipated that the upward pressure on public sector pay will continue, due to both the legacy of high inflation and the impact of public sector spending on economic growth.
13. The recent unprecedented cuts in the base rate to 3% in November, and 2% in December, were designed to boost the economy, but the Council generally has fixed rate borrowing and variable rate investments and will

therefore be adversely affected by this measure – albeit that every effort will be made to capitalise on low rates available for borrowing this year and mitigate the impact of further rate cuts as far as possible. In addition the credit crunch will prompt a more reduced risk approach to investment which will affect returns.

14. The budget allows for additional costs or reduced income directly attributable to the economic position of £3.5m in 2009-10 as follows:
 - An additional 0.25% or £250k for pay increases
 - An additional £500k for energy costs
 - An additional £2m due to the inability to generate capital receipts (which means the council has to obtain additional borrowing and incur higher capital financing costs)
 - A reduction in land charges income of £165k
 - A reduction in investment income of £450k (before the impact of the most recent base rate cut to 2%)
15. In addition, Directorates are absorbing considerable cost pressures due to the economy, particularly in relation to general price inflation and contract costs. The budget includes a provision of 2% for general price inflation, but as noted above there is significant residual pressure on contracts.
16. Directorates are also absorbing the impact of other income reductions, for instance in building control, by cutting back their spending in affected areas to compensate.
17. Overall it is estimated that Directorates are absorbing pressures in the order of £1m between them.
18. The budget includes a small contingency of £150k to deal with the economic risk the council is facing such as increased demand for services. It is hoped that there will be some underspend or one-off windfalls in 2008-09 to top up this provision.
19. As there is a lack of consensus about how long the effects of the credit crunch and the economic slowdown will last, it is very difficult to predict the impact beyond 2009-10.

Central Government Funding

20. Last year the government announced a 3 year settlement for 2008-09 to 2010-11. The grant increase for Harrow was 2% this year and will be 1.75% in 2009-10 and 1.5% in 2010-11. Like the great majority of London councils, this settlement is the minimum it can be under the settlement, ie it is “on the floor”. Harrow’s settlements will remain on the floor for several years to come.
21. The government has suggested that it may seek to boost some aspects of public sector spending via major capital projects in order to try and mitigate the impact of recession – for instance through housing developments, schools programmes and infrastructure such as road building.

22. However, public expenditure is expected to rise to 45%+ of GDP and there is likely to be increasing pressure to control spending and/or increase taxes in the subsequent two spending reviews (2011-12 to 2016-17). If the emphasis on health and education continues, the outlook for the local government settlement is poor. Therefore the assumed grant increase for 2011-12 is zero.

Council Tax Strategy

23. It is worth bearing in mind that council tax accounts for only 5% of taxes paid by the public, but is much more visible than other taxes such as VAT.

24. The assumption at this stage for Harrow is that Council tax will rise by 3% each year. However this is a challenging strategy given all the additional pressures created by the economic climate.

25. The administration is committed to stabilising council tax in real terms over the medium term. The administration is also committed to producing prudent and achievable budgets and therefore must be mindful of the financial context outlined above, in particular the added pressure due to the economy.

26. The council is carrying out a range of activity to help residents and businesses through these difficult economic times, but also has to deliver a balanced budget.

Current position – funding gaps

27. The draft MTFS in summary form is attached at Appendix 2, with a detailed analysis attached at Appendix 3.

28. The current funding gaps are £4.2m in 2009-10, £8.2m in 2010-11, £7.3m in 2011-12. These figures include:

- Prudent amounts for technical issues
- Basic inflation plus provision for economic pressures across the 3 year period
- Provision for two PFI schemes
- Additional investment in services
- The efficiency programme

29. It has not been possible to produce a balanced budget for 2009-10 at this stage due to all the additional financial pressures the council is facing and the growing demand on services. However, there is a legal requirement to produce a balanced budget in February and the strategy for closing the remaining funding gap is set out later in the report.

30. The change in the budget requirement for 2009-10 can be summarised as follows:

	£m
Budget Requirement 2008-09	162.8
Base budget and technical changes	4.8
Inflation	5.3
Investment in services	4.6
Efficiency Programme	(4.7)
Remaining funding gap (assuming 3% council tax increase)	(4.2)
Budget Requirement 2009-10	168.6

Technical Changes and Inflation

31. All the assumptions behind the technical changes and inflation provisions are explained in Appendix 4 of the report.

Investment in Services

32. The draft MTFS includes investment in services of 4.6m in 2009-10, £4.6m in 2010-11 and £4.2m in 2011-12. These figures include £0.4m in 2009-10 and £2m in 2010-11 and 2011-12 to allocate to priorities.

33. The main areas of investment in 2009-10 are:

- Social care for Adults and Children
- Neighbourhood Resource Centres (a PFI scheme)
- Waste management and disposal

Efficiency Programme

34. For this budget round, much of the emphasis has been on developing a comprehensive efficiency programme drawing on:

- Business Transformation Partnership
- Service Reviews
- Service transformation in Adults
- Strategic Property Review
- Revenue Income Optimisation
- Directorate proposals
- West London and pan-London initiatives
- A range of small savings across all service areas

35. The efficiency programme totals £4.7m in 2009-10, £1.6m in 2010-11 and £2.0m in 2011-12. Further work is required to increase the value of the programme and extend it to cover a 5 year period.

Outturn for 2007-08 and budget monitoring for 2008-09

36. The Council underspent in 2007-08. The budget monitoring report for the second quarter shows that there are considerable pressures this year but all Directorates are working to deliver a net underspend.

37. The ongoing impact of underspends and pressures identified during 2007-08 and 2008-09 to date has been factored into the draft MTFs and the situation will be kept under review.

Strategy for Closing Funding Gaps

38. The council is legally required to set a balanced budget for next year. As outlined above, this budget round is particularly pressured due to the economic climate. Nevertheless, the funding gap must be closed by the time the final budget proposals are presented in February.

39. In order to close the remaining funding gap, officers will:

- Continue to review and refine the technical assumptions
- Continue to monitor the economic situation and refine the assumptions
- Review the capacity for investment and agree priorities for any funding that is available with cabinet members
- Further develop the efficiency programme with a view to significantly increasing the value of the programme across the three year period

Schools Budgets

40. The schools budget will be considered by the Schools Forum in January 2009. The total of Dedicated Schools Grant for 2009-10 and 2010-11 will depend on the January 2009 and January 2010 pupil counts respectively. The DCSF has confirmed the per pupil funding for 2009-10 as £4,669 (a 3.6% increase on 2008/09) and for 2010-11 as £4,862 (a 4.1% increase on 2009-10).

41. More information on the schools budget is attached at Appendix 5.

Housing Revenue Account

42. The draft Housing Revenue Account for 2009-10 to 2011-12 is attached at Appendix 6, along with detailed schedules showing rents and charges.

43. In line with Government policy, an average rent increase of 6.19% is recommended in 2009-10 (5.66% in 2008-09). This means an average rent charge of £86.17 per week per tenant (£81.59 in 2008-09) representing an average rent increase of £4.58 (£4.37 in 2008-09). This will achieve rent convergence for 83% of Council dwellings by the target date.

Reserves

44. The Council agreed the following reserves policy in February 2007:

The Council intends to add £1m to reserves and provisions each year until such time as general balances exceed £5m.

45. Assuming that the pressures identified in 2008-09 can be effectively managed, reserves are forecast to reach £4m by the end of the year. In February 2008 the risk assessment showed that the minimum level the Council should hold is £3.5m.

46. Given the huge pressure on the budget created by the economy, and the progress that has been made to improve the Council's financial position in the last few years, it is recommended that the reserves policy is amended as follows:

The Council intends to add £0.5m to reserves and provisions each year until such time as general balances exceed £5m.

47. The draft MTFS is based on the assumption that the contribution of £0.5m will continue in each of the 3 years. Subject to actual spending, this will result in general balances of £5.5m by the end of 2011-12.

GLA Precept

48. Appendix 1 excludes the GLA precept which is currently £309.82 for a band D property. It is anticipated that there will be a low or nil precept increase next year.

Capital Programme

49. The capital programme is the subject of a separate report on the agenda. The revenue budget reflects the anticipated cost of financing the programme.

Consultation and Information Sharing

50. As noted above, the priorities for 2009-10 have been the subject of consultation with residents and are supported.

51. The Overview and Scrutiny Committee has established a standing review of the budget and the review group includes three representatives of the Open Budget Panel.

52. A series of meetings will be held with stakeholders in January and February to share information on the Council's budget plans and seek comments. These are set out in Appendix 7.

Appendices

53. Appendices are attached as follows:

No	Appendix	Page
1	Consultation on priorities	11
2	Budget Summary	14
3	Budget Detail	15
4	Commentary	24
5	Schools Budget	27
6	Housing Revenue Account	29
7	Stakeholder Meetings	41

Financial Implications

54. Financial matters are integral to this report.

Performance Issues

55. There are no direct performance implications arising from this report. Clearly the Council's budget supports all of its functions and services throughout the year. Detailed performance measures for each service will be built into the Service Improvement Plans for 2009-10 to 2011-12 and progress will be monitored by Improvement Boards and reported to cabinet on a quarterly basis.

Risk Management Implications

56. As part of the budget process the budget risk register will be reviewed and updated, and included in the report to February cabinet. This helps to test the robustness of the budget and inform the reserves policy.

Section 3 - Statutory Officer Clearance

Name: Myfanwy Barrett



Chief Financial Officer

Date: 26 November 2008

Name: Hugh Peart



Monitoring Officer

Date: 26 November 2008

Section 4 – Performance Officer Clearance

Name: Tom Whiting



Assistant Chief
Executive

Date: 26 November 2008

Section 5 - Contact Details and Background Papers

Contact: Myfanwy Barrett, Corporate Director of Finance, 020 8420 9269

Background Papers: Integrated Planning Report, July Cabinet

Consultation on Draft Corporate Priorities

Part 1: Residents' Panel

In September this year, Cabinet agreed the following draft corporate priorities for 2009-10 for the purposes of consultation with the Residents' Panel:

- Better streets;
- To improve support for vulnerable people; and
- To build stronger communities.

The Residents' Panel currently comprises 1,113 members. The questionnaires were mailed on 18th September and the last reply entered into the database was received on 27th October. A total of 617 responses were received giving a response rate of 55%.

Panel Members were asked whether they strongly agreed, agreed, were in between, disagreed or strongly disagreed that the each of the draft corporate priorities was an important issue that the Council should regard as a priority.

The percentage responding to each proposition is set out in the table below.

	Strongly agree	Agree	In between	Disagree	Strongly disagree
Better Streets	53.26%	37.83%	6.41%	1.48%	0.66%
Vulnerable People	37.66%	42.60%	15.79%	3.13%	0.82%
Stronger Communities	21.95%	35.31%	29.70%	10.23%	1.47%

The approval ratings for the proposed corporate priorities range from 91.09% for better streets, through 80.26% for improve support for vulnerable people to 57.26% for building stronger communities. An alternative way of looking at these results is the percentage disagreeing or strongly disagreeing with the propositions which shows 2.14% against better streets being a priority; 3.95% against improving support for vulnerable people being a priority and 11.70% against building stronger communities being a priority.

It should be noted that the above are un-weighted results and include a sample bias that over represents white residents, over represents disabled people, over represents males and under-represents residents under 35 years of age. The geographical spread of respondents across the borough is not exactly in accord with the distribution of the population with low responses from Edgware, Kenton East, and Roxbourne.

Consultation on Draft Corporate Priorities

Part 2: “Have Your Say” Consultation

In October, residents had the chance to tell the council their views on where extra money should be spent in a consultation via the council website, Harrow People and the Harrow Times.

The following article appeared in the Harrow Times on Thursday 20 November 2008:

Residents speak out over council’s priorities

A three-strong judging panel has reviewed residents’ comments on Council priorities. Overall, the comments supported the Council’s three main priorities - better streets, building strong communities and supporting vulnerable people.

Over 70 residents told the council their views in the ‘have your say’ consultation, where people of Harrow had the opportunity to tell Harrow Council what they think next year’s priorities should be via the web, Harrow People and the Harrow Times.

Leader of the Council, Cllr David Ashton was joined by the Corporate Director for Finance, Myfanwy Barrett and Editor of the Harrow Times, Rachel Sharp to judge the comments received. The panel were impressed and interested with many of the points raised, many of which will be considered when drafting next year’s budget.

The three priorities – better streets, building strong communities and supporting vulnerable people – were all generally supported by respondents but the clear winner was better streets, with approx 90 per cent of people agreeing this was highly appropriate as a priority for funding next year.

Although Building Stronger Communities only received support from half the residents, their accompanying comments confirmed they were in fact in support of seeing more community events and providing residents with services that will cater for all the community. The Panel concluded that a better description might be useful.

Youth events were identified to be something that many residents in the borough would like to see more of. Harrow Council does provide young people with a wealth of opportunities, with events this year including the Summer Uni programme, Gig in the Park and Youth Question Time. Having said that, it is clear that more and better communication and information is needed.

Litter dropped near schools was noted as a problem and Cllr David Ashton is planning to take action on this by carrying out an experiment to see if more litter bins solve the problem around trouble areas.

Some residents suggested that more public toilets should be made available. Cllr Ashton has identified an interest in a programme that the Mayor of London, Boris Johnson is launching, whereby businesses open and run their toilets to the public, working with councils.

Cllr David Ashton, leader of the council, said: "Many thanks to all those that had their say about the budgets this year. We have taken a detailed look through the suggestions we have received and will utilise the feedback to give greater focus to our work as a council.

"We would like to make sure every one of your concerns is dealt with, but unfortunately our budget restricts us from achieving everything with the best results. But we are keen to listen to any residents' concerns and take action where we can."

All the results will be passed to the specific departments of the council to ensure they know the concerns of the residents. Councillor Ashton will respond directly to those residents with very specific comments on a particular road, where addresses are provided.

**MEDIUM TERM FINANCIAL STRATEGY
2009-10 to 2011-12**

	2008-09 Budget £m	2009-10 Budget £m	2010-11 Budget £m	2011-12 Budget £m
Budget Requirement Brought Forward		162.837	168.599	172.628
Technical changes		4.786	4.105	2.840
Inflation		5.300	5.200	5.750
Investment in priority areas - years 2 and 3		0.000	2.000	2.000
Adults and Housing		-0.598	0.743	0.250
Children's Services		0.098	-0.380	-0.076
Community and Environment		0.313	1.411	0.900
Corporate Directorates (Assistant Chief Executive, Legal, Finance)		0.049	-0.814	-0.958
FUNDING GAP		-4.186	-8.236	-7.286
Total Change in Budget Requirement		5.762	4.029	3.420
Revised Budget Requirement	162.837	168.599	172.628	176.048
Collection Fund Deficit	1.365	0.000	0.000	0
Government Grant	-65.698	-66.786	-67.764	-67.764
Amount to be raised from Council Tax	98.504	101.813	104.864	108.284
Council Tax at Band D	£ 1,152.55	£ 1,187.14	£ 1,222.78	£ 1,259.51
Increase in Council Tax (%)	2.95	3.00	3.00	3.00

Tax Base	85,466	85,763	85,759	85,973
Assumed collection rate	98.50%	98.25%	98.00%	98%

Detailed Budget Proposals – Technical Changes

	2009-10 £000	2010-11 £000	2011-12 £000
Income Changes			
Land Charges Income	165	50	
Fees and Charges Income (Revenue Income Optimisation Project)	285		
Grant Changes			
Area Based Grant	-554	225	
Housing Benefit administration grant	0	100	
Business Rates administration grant	5		
Local Area Agreement Reward Grant	-40		40
Concessionary Fares			
National funding and allocation scheme	-600	-450	-450
Levies and subscriptions			
Increases in payments to levying bodies over and above inflation	150	250	250
Provisions and Reserves			
Contribution to provisions for debt/litigation	100	100	100
Contribution to insurance provision	500	500	400
Contribution to general reserves	-500		
Capital and Investment			
Reduce reliance on capitalisation	675	515	500
Capital financing costs and investment income	4,350	2,750	2,000
Miscellaneous			
Supplementary business rate on council premises		65	
Pension costs	100		
Contingency for economic pressures	150		
Total	4,786	4,105	2,840

Detailed Budget Proposals – Inflation

	2009-10 £000	2010-11 £000	2011-12 £000
Pay Award @ 2.75%	2,850	2,950	3,050
National Insurance Contributions @ 0.5%			400
Employer's Pension Contributions	250	250	250
Inflation on goods and services @ 2%	1,700	1,750	1,800
Additional provision for electricity and gas price increases	500	250	250
Total Inflation	5,300	5,200	5,750

Detailed Budget Proposals – Future Investment

	2009-10 £000	2010-11 £000	2011-12 £000
Future Investment - to be focused on residents' needs and concerns		2,000	2,000
Total	0	2,000	2,000

Note that planned additional investment in 2009-10 is shown under the relevant service area

Detailed Budget Proposals – Adults and Housing

Proposal	2009-10 £000	2010-11 £000	2011-12 £000
Investment in Services			
Cost of and demand for social care placements & packages across all client groups	670	750	750
Byron Park residential facility		178	
Redevelopment of Vaughan Centre	75		
Preventative services	150		
Safeguarding services	120		
Catering and 14-19 grant no longer available		65	
Neighbourhood Resource Centres (PFI scheme)	267		
Sub Total	1,282	993	750
Efficiency Programme			
Efficiency projects in partnership with Capita	-140		
New technology in Housing (HARP project): system support	80		
New technology in Housing (HARP project): savings	-167		
Legal Services External Barristers	-200		
Per minute billing for home care (and reduced payments to providers)	-28		
Services provided in partnership with Support for Living	-135	-100	
Home care contracts	-50	-50	
Telecare	-250	250	
Support for clients after hospital stays	-50		
Catering review in partnership with Capita	-50		
West London Alliance joint procurement unit		-250	-500
Other purchasing efficiencies		-100	
Improved financial assessment process	-200		
Capacity in existing budget rolled forward (reflects outturn for 2007-08)	-690		
Total Efficiency Programme	-1,880	-250	-500
TOTAL	-598	743	250

Appendix 3(v)

Detailed Budget Proposals – Children’s Services

Proposal	2009-10 £000	2010-11 £000	2011-12 £000
Investment in Services			
Placement procurement	37	39	42
Child Protection Chair	24	25	26
School Improvement Partners	45	47	49
Services for 16-18 year olds	50	25	
Children With Disabilities	41	42	44
Duty and Assessment function	37	39	41
Extended Schools	248	-400	
Positive Activity for Young People	95	68	
Carer's Grant (Children and Adults)	67	66	
Child and Adolescent Mental Health Service (CAMHS)	28	27	
Child Death Review	1	2	
Sub Total	673	-20	202
Efficiency Programme			
Efficiency projects in partnership with Capita	-140		
Corporate Director's budget	-24		
Young People's service	-6	-5	-5
Integrated Early Years and Community Services	-203	-203	-196
Children's Placements	-150	-100	-75
Achievement and Inclusion	-2	-2	-2
Special Needs Services	-50	-50	
Total Efficiency Programme	-575	-360	-278
TOTAL	98	-380	-76

Appendix 3(vi)

Detailed Budget Proposals – Community and Environment

Proposal	2009-10 £000	2010-11 £000	2011-12 £000
Investment in Services			
Waste Management			
- West London Waste Authority Levy	800	750	750
- Section 52 (9) charges for waste disposal	21	168	84
- Collected Organic Waste Statutory Levy Offset Payment Scheme (COWSLOPS) Rebates	-139	-240	-120
- Recycling contract payments	360	100	
- Landfill Allowance Trading Scheme penalties		250	250
- Flats Recycling		180	-15
- Increased composting		-19	-19
- Growth in number of households		90	
Sub Total	1,042	1,279	930
Other Services			
Highways maintenance	200	200	200
Grant for Crime and Disorder Reduction Partnership	50		
Trading standards			
Town Centre policing	16		
Cost of CCTV	56		
Rubbish tip income	130		
Cemeteries income	100		
Business rates for Gayton Road Library site	30		
Business rates for Leisure Centre	34		
Maintenance at Arts Centre	37	38	
Leisure management contract procurement process		75	75
Commercial rents - loss of income due to disposals	80		
Planned additional investment in Community and Environment services	430		
Sub Total	2,205	1,592	1,205
Efficiency Programme			
Efficiency projects in partnership with Capita	-140		
New technology in Planning (HARP project): system support costs	111		
New technology in Planning (HARP project): savings	-160		
New technology in waste management: system support costs	60		
New technology in waste management: savings	-30	-58	-72

Proposal	2009-10	2010-11	2011-12
	£000	£000	£000
New technology in Community Safety (EDRMS project): system support costs	43	44	
New technology in Community Safety (EDRMS project): savings		-245	
New technology in Major and Minor works: system support costs	17	16	
New technology in Major and Minor works: savings		-88	
Street Lighting PFI - professional fees	-200	650	-750
Street Lighting PFI - affordability gap			1,017
Libraries service review (changes to opening hours)	-102		
Highways service review	-133		
Parking Service Review	-1,250	-500	-500
Licensing income	-10		
Community lettings function	-98		
Total Efficiency Programme	-1,892	-181	-305
TOTAL	313	1,411	900

Detailed Budget Proposals – Corporate Directorates

Proposal	2009-10 £000	2010-11 £000	2011-12 £000
Investment in Services			
Assistant Chief Executive's Department			
Access Harrow	70		
Business Transformation Partnership - contract costs	199		
Management Information Officer - full year effect	35		
Growth for performance management relating to 14-19 curriculum	42		
Education management system licences	15	12	
Finance Directorate			
Audit and Inspection Fees	30	30	
Health and Safety - reinstate one off savings in 2008-09	60		
Additional charges to West London Waste Authority not achieved in 2008-09	25		
Sub Total	476	42	0
Efficiency Programme			
Efficiency projects in partnership with Capita	-152		
New technology in Revenues and Assessments (HARP project): system support	104		
New technology in Revenues and Assessments (HARP project): savings	-345		
Learning and Development transformation: net saving on service delivery	-44	-2	
New technology in Legal, Shared Services, and HR (EDRMS project): system support costs	35	35	
New technology in Legal, Shared Services, and HR (EDRMS project): savings		-305	
New technology in Legal, Shared Services, and HR (EDRMS project): additional support required from IT and scanning and indexing team	43	44	

Proposal	2009-10	2010-11	2011-12
	£000	£000	£000
New technology in waste management: additional support required from IT	4		
Learning and Development transformation: additional support required from IT	4		
"London Borough of Harrow Anywhere" project (invest to save)	175	175	-70
IT Service Review - new strategy and delivery model	-50	-100	-100
Roll out of employee and manager self service on payroll system		-30	-30
Centralisation of income collection		-30	-30
Reduce manual post delivery to members	-13	-13	-13
Increase Registrars' income	-10	-15	-15
Reduce production and distribution of hard copy agendas for meetings	-3		
Reduce support to Local Area Agreement projects	-100		
Increase charges for services to Harrow Strategic Partnership	-15	-15	
Reduce support for service reviews, value for money work, and strategy development	-40		
Reduce support for scrutiny	-20		
Future BTP business cases		-600	-200
Freedom passes			-500
Total Efficiency Programme	-427	-856	-958
TOTAL	49	-814	-958

Commentary

1. This commentary explains the technical and inflationary assumptions which support the summary MTFS in Appendix 1.

Tax Base and Collection Fund

2. The tax base for 2009-10 is 85,763. There is a separate report on the agenda which sets out the tax base calculation in detail.
3. The draft MTFS is based on growth of 0.25% in the taxbase in 2010-11 and 2011-12.
4. The target collection rate is reducing from 98.5% in 2008-09, to 98.25% in 2009-10 and 98% in 2010-11.
5. All these assumptions are prudent, and a mid year review of the collection fund has been carried out. The collection fund forecast to March 2009 will be reported to Cabinet in January 2009. At this stage it is anticipated that there will be a small surplus.

General Grant

6. Harrow's grant increase is 1.75% for 2009-10 and 1.5% for 2010-11. This is the minimum or "floor" increase. It is assumed for planning purposes that there will be no increase at all in 2011-12.

Technical Changes

Income

7. It is anticipated that there will be further reductions in the income from land charges and the target will be reduced by £165k in 2009-10 and a further £50k in 2010-11.
8. The shortfall on the revenue income optimisation project of £285k has been included.

Specific Grants

9. Area Based Grant will increase by £554k in 2009-10 and reduce by £225k in 2010-11.
10. It is anticipated that housing benefit administration grant will reduce by £100k in 2010-11. NDR administration grant is due to reduce by £5k in 2009-10.
11. LAA reward grant of £40k has been included in 2009-10. The same amount is anticipated in 2010-11, and the grant will cease in 2011-12. Note that the majority of the reward grant will go to partnership organisations.

Concessionary Fares

12. An agreement has been reached by London Councils to amend the allocation system for concessionary fares to one of usage (rather than number of freedom passes issued). This change benefits outer London boroughs and in particular benefits Harrow by £1.5m over three years.

Levies and Subscriptions

13. An additional £150k in 2009-10 and £250k in 2010-11 and 2011-12 has been provided for levies and subscriptions over and above inflation. This is particularly to deal with an anticipated increase in the cost of the London Pension Fund Authority.

Provisions and Reserves

14. The sum of £100k a year has been included to increase the annual contributions to provisions for bad debts and litigation. This is an important element of the Council's drive to improve financial management.
15. A further £1.4m over three years has been included to increase the insurance provision to the level recommended by the actuary.
16. As explained in the body of the report, it is recommended that the reserves policy is amended to reduce the contribution to general reserves from £1m a year to £500k a year.

Capitalisation

17. The sum of £1.7m over three years has been provided to reduce the Council's reliance on capitalisation. This is part of a medium to long term strategy.

Capital Financing Costs and Investment Income

18. The budget includes a provision for the capital financing costs, consistent with the planned level of capital investment, and investment income. Both of these areas are significantly adversely affected by the economy in relation to the decline in forecast capital receipts and the cut in interest rates.
19. The position is compounded by the fact that a substantial proportion of education capital spend is funded through supported borrowing. In theory this means that the government provides revenue grant to support the cost of borrowing but in practice, as Harrow receives only the floor increase in revenue grant, this support is of no benefit to Harrow.
20. The combined impact of the growth in capital financing costs and the reduction in investment income is £4.4m in 2009-10, £2.8m in 2010-11 and £2m in 2011-12.

Supplementary Business Rates

21. The budget includes a provision of £65k in 2010-11 for supplementary business rates on council premises. This is on the assumption that the London Mayor will introduce an SBR to fund Crossrail.
22. A provision of £100k has been included for pension costs – the pensions in question are index linked and will increase by 5% next year.

Contingency

23. A provision of £150k has been included as a contingency to deal with additional economic pressures such as increases in homelessness costs or contract prices.

Inflation

24. The previous MTFS included a basic provision of 2.5% for the pay award each year. However, to reflect the economic climate an additional 0.25% has been provided.
25. A provision of 0.25% a year has been made for increases in pension contributions in 2009-10 and 2010-11 in line with the last triennial actuarial valuation of the Council's pension fund. The next valuation will be carried out during 2010-11 and take effect from 2011-12. For the MTFS it is assumed that the current rate of increase in contributions will continue, but, given the very significant fall in the value of equities in recent months, there could be much higher increases. It is not possible to predict the extent to which equity values will recover in the coming two years.
26. An additional £400k has been included in 2011-12 to reflect the increase in national insurance contributions which was announced by the Chancellor of the Exchequer as part of the pre-budget report.
27. A provision of 2% has been made for general inflation on supplies and services.
28. An additional provision of £500k has been made for gas and electricity costs next year. This reflects a detailed analysis of the Council's energy contracts and street lighting.

School Budget 2009-10

1. Introduction

2009-10 is the second year of a three year Government funding cycle for schools. The Government has announced Dedicated Schools Grant (DSG) funding allocations for the years 2008-09 (actual) and 2009-10 and 2010-11 (provisional).

DSG is used to fund both the individual schools budget (ISB) and centrally retained items. The former goes to schools, whilst the latter is held by the Local Authority to spend on specific items such as Early Years (private and voluntary sector nurseries) and fees for out of borough pupils at independent special schools.

2. 2008/09 to 2010-11 Settlement

Harrow received £133m DSG grant for 2008/09. The Government has announced an increase of 3.6% per pupil in 2009-10 and 4.1% in 2010-11. This amounts to an estimated grant of £138m, and £143m in the respective financial years if pupil numbers remain constant. Contained within these figures are amounts allocated for ministerial priorities, and Schools Forums and Local Authorities are expected to bear this in mind when setting the schools budget. For 2009-10 the settlement includes a provisional £1m for the ministerial priority of personalised learning in schools. This figure rises to £2.8m in 2010-11.

The minimum funding guarantee for 2009-10 is set at 2.1%, i.e. the minimum increase any school will receive is 2.1% per pupil.

3. Next Steps

Schools Forum has begun a process of considering the formula factors and data, which may need to be updated for 2009-10 and subsequent years. Final decisions will be made by Schools Forum in December/January. Issues facing Schools Forum are

- Increasing pressures on special educational needs including numbers of statemented pupils in mainstream schools, special school places, specialist provision for autistic pupils, and increasing demands for places in out-borough residential schools.
- Making provision for personalised learning as suggested by ministerial priorities.
- School improvement initiatives, including the coordination of the advanced skills teacher programme, leadership development in schools, and support for schools aspiring to move from good to outstanding.
- The need to make adequate contingency provision for in-year increases in pupil numbers and statements of special educational needs.

- Support for the new Krishna-Avanti school as it builds up its pupil numbers.
- Changes to the funding formula so as to better target protection funding for schools that suffer a reduction in budget as a result of unplanned changes in pupil numbers.

The January 2009 pupil count will differ from pupil projections used to estimate the grant, and this will result in a change in the final grant allocation. The final 2009-10 budget, based on the January pupil level annual school census (Plasc) numbers, will be given to schools before 31 March 2009 (although the grant is not expected to be finalised by DCSF until summer 2009).

Schools will also receive provisional 2010-11 budgets before 31 March 2009, and the 2010-11 budgets will take into account the outcome of Cabinet's deliberations in January on proposed changes to school organisation and the age of transfer. DCSF does not require budgets for 2011-12 to be issued at this stage, as it has not yet concluded a review of DSG for that year. This may result in a shift in resource allocation between Councils.

Schools Forum will need to give consideration to supporting primary schools should Cabinet decide to proceed with the Change of Age of Transfer. Individual schools will need to accrue some revenue over the next two years to offset reductions that will occur as pupils move from the primary to the secondary sector and to support the transition years in high schools.

HOUSING REVENUE ACCOUNT (HRA)

Draft Medium Term Financial Strategy (MTFS) 2008-09 to 2010-11

1. The Council's 30 year HRA business plan was updated and submitted to the Government Office for London (GOL) in July 2006. The plan sets out how the Council intends to manage and maintain its housing stock over the next 30 years. This financial strategy, as set out below, relies on the business plan assumptions, which have been updated where relevant to reflect changing operational needs and priorities.
2. The medium term financial strategy reflects the costs of delivering services at current levels and takes account of areas of identified pressures and savings. It builds on the HRA forecast outturn position at quarter 2 and is subject to changes that may be required to reflect government policy and housing priorities.
3. The draft housing revenue account for 2009-10 to 2011-12 is attached at Appendix 6a. The key assumptions that underpin the strategy and the three year revenue budget summary are set out below.

Balances

4. The strategy will deliver an in year deficit of £1.4m in 2009-10 and £0.8m in 2010-11, and a surplus of £0.1m in 2011-12. The accumulated balances are estimated to reduce from £6.2m at the end of 2007-08 to £3m at the end of 2011-12.
5. In line with the business plan, the HRA aims to maintain a minimum balance of £0.75m.

Income

Dwelling Rent

6. The Government intends that by 2016 similar properties in the same area will have similar rents even if owned by different social landlords. The aim is to deliver fairer rents, and greater transparency and choice for tenants. This is generally referred to as rent convergence.
7. In line with Government policy, an average rent increase of 6.19% is recommended in 2009-10 (5.66% in 2008-09). This means an average rent charge of £86.17 per week per tenant (£81.59 in 2008-09) representing an average rent increase of £4.58 (£4.37 in 2008-09). This will achieve rent convergence for 83% of Council dwellings by the target date.
8. Average formula rents and service charges by dwelling are set out in Appendix 6b. (The average rent for 2008-09 is the average as at November 2008, reflecting sales to date.)

9. The strategy assumes a stock level of 5,065 at the start of April 2009 reducing marginally by an estimated five right to buy sales each year thereafter. Rent loss resulting from voids is estimated at 1.44% of the rental income for dwellings and 0.58% for sheltered accommodation. These assumptions are reflected in the estimated rental incomes detailed in appendix 6a.

Service Charge – Tenant and Leaseholders

10. In line with Government guidance, the Council separated service charge from dwelling rent in April 2007. The costs of delivering estate based communal services are recovered directly from tenants through the service charge. The estimated total cost of depooled services in the current year is £1.9m. (£1.24m in 2007-08).
11. The service charge for tenants is recommended to increase by 5.50% in 2009-10 (3.5% in 2008-09) resulting in an average service charge of £4.39 (£4.13 in 2008-09), representing an average increase of £0.26 (£0.14 in 2008-09) per week per tenant.
12. As noted above, service charges by dwelling are shown in Appendix 6b.
13. The service charge for leaseholders is recommended to increase by 10.6% in 2009-10, reflecting additional repairs costs. Recovery of costs for administering the leasehold team is recommended to remain at 20% of the service charge costs. Recovery of the costs of repairs to leasehold blocks is estimated at £53 per leaseholder. Building insurance is to be recovered based on an average of £157 per year per leaseholder. It is estimated there will be 1,172 leaseholders as at 31st March 2009.

Other Rental Income

14. Other rent income from garages, car parking, commercial shops and facilities charges is recommended to increase by 2.5%.
15. Details of the proposed rents for garages and parking, facility charges and charges for community centres are set out in appendices 6c, 6d and 6e respectively.

Summary

16. The recommended rent increases will support the delivery of key services to tenants at their present level, to reflect increases to management and borrowing costs to support the delivery of decent homes. The recommended rental increases have been adjusted for voids and right to buy sales where relevant.

HRA subsidy

17. The draft budget includes uplifts to all the allowances and guideline rents in line with draft HRA Subsidy determination. Rental Constraint Allowance, as previously assumed, has not continued beyond 2007-08,

with the Government reverting to the Caps and Limits regime from 2008-09.

18. In March 2008 a review of Council Housing Finance was launched by the Communities and Local Government and HM Treasury Departments. The purpose of the review is to develop a sustainable, long term system for financing council housing, and one which is consistent with wider housing policy, including the establishment of a regulator of social housing. The review is due to report to Ministers mid 2009, setting out options for the subsidy system including proposals for changing to rent policy.
19. A formal consultation will follow the review and at this point it should be possible to advise on the impact of the changes on both the HRA and the Business Plan.

Expenditure

20. Five RTB sales are assumed in 2009-10. The marginal reduction in stock levels is reflected in the assumed level of maintenance expenditure. No reduction is assumed for management costs.

Employee Costs

21. The financial strategy is based on estimated outturn and reflects pay increases for staff of 2.75% each year and pension contribution increases of 0.25% each year. It also reflects the proposed changes to the housing structure where confirmed.

Responsive Repairs

22. The strategy assumes contributions to the responsive and cyclical repairs of £4.8m in each of the next three years. This area is subject to further review, with benchmarking being progressed to ensure that Harrow's repairs costs are reasonable. Discussions are progressing with Kier on a partnership basis to improve service delivery whilst containing and controlling costs.

Energy Costs

23. A 3% increase in energy costs is assumed. Whilst prices increases in the last year of so have been significant the budget for energy costs was increased substantially in 2008-09. These costs are recovered directly from charges to tenants/leaseholders through the service and facilities charges.

Charges for Capital

24. The strategy reflects the HRA share of the Council debt redemption premium across all 3 years. It also reflects discounts due to the HRA from the debt restructuring. In calculating the cost of borrowing to support the decent homes programme, detailed in paragraph 21 below, a consolidated rate of interest (CRI) of 5.45% is assumed.
25. Interest on the HRA balances is assumed at an average of 2.1% reflecting the anticipated reduction in interest rates.

Capital Investment and Prudential Borrowing

26. The strategy assumes capital expenditure to achieve the decent homes standard of £6.9m in 2009-10, £5.9m in 2010-11 and £6.1m in 2011-12 in line with the business plan. Capital expenditure is funded from Major Reserve Allowances (MRA) and capital receipts with the balance being financed through estimated borrowing of £1.9m in 2009-10, £817k in 2010-11 and £1m in 2011-12. This level of borrowing is within the supported borrowing figure of £2.7m included in the subsidy determination.
27. The forecast level of usable capital receipts has reduced from £0.5m to £0.25m. This reduction reflects the lower level of Right To Buy sales.
28. Significant investment has been made in IT services during 2008-09 and will assist in delivering business efficiency during 2009-10. Additional borrowing costs of £195k have been included within capital financing costs. These borrowing costs along with the ongoing system support costs are offset by efficiency savings arising from the new technology.

Revenue Contribution to Capital Outlay (RCCO)

29. A contribution from the HRA reserves of £1m for each of the 3 yrs is recommended to support housing capital investment on the decent homes programme.

General Contingency

30. The strategy sets aside £200k to cover unforeseen expenditure that may arise in the management and maintenance of the housing stock, with the balance representing the anticipated increases in employee costs as detailed in above.

Summary

31. The recommended HRA strategy is broadly consistent with the 30 year business plan and reflects current operational needs and priorities. It is expected that the strategy will support the continuing improvement to current service levels in order to meet expectations of tenants and comply with Government requirements.
32. The impact of the current economic climate has been estimated where possible within this three year budget position now being reported. The increase quantified within this budget totals approximately £0.5m and arises from the need to increase the bad debt provision for Council tenants, lower levels of rental income for non-dwelling HRA assets, and a reduction in the investment income earned.
33. The draft budget estimates a deficit until 2011-12, when the HRA anticipates a small surplus, resulting in a reduction of balances of £2.5m when compared with the business plan surplus of £5.5m at the end of 2011-12. The main reasons for this shift are additional repairs costs in 2008-09, changes to the subsidy regime and increased capital financing costs arising from the decent homes programme.

34. The impact of the lower level of balances will significantly shorten the period during which the Council has a viable HRA. If income and expenditure assumptions remain in line with the business plan, in year 7 [2013-2014] the balances will fall below the recommended level of £0.75m. By this point, the Council will have considered the options around the future of housing in this respect.

Draft Housing Revenue Account 2009-10 to 2011-12

	Budget 2009-10	Budget 2010-11	Budget 2011-12	Comments
Expenditure				
Employee Costs	1,915,245	1,865,245	1,865,245	Pay inflation assumed as 2.75% and held in contingency
Supplies & Services	465,360	485,360	465,360	
Utility cost (Water & Gas)	549,000	565,470	582,434	Inflation assumed at 3%
Estate & Sheltered Services	1,916,390	1,916,390	1,916,390	
Central Recharges	2,000,710	2,050,728	2,101,996	Inflation assumed at 2.5%
Operating Expenditure	6,846,705	6,883,193	6,931,425	
Contingency - general	285,220	372,220	461,220	Provision for unforeseen expenditure & pay inflation
Charges for Capital	6,989,420	7,176,600	7,044,140	Includes £195k HARP costs, CRI @ 5.45%, interest on balances @ average 2.1%
Contribution to Repairs Account	4,800,680	4,800,680	4,800,680	
RCCO	1,000,000	1,000,000	1,000,000	Annual contribution
Bad or Doubtful Debts	250,000	250,000	250,000	
Total Expenditure	20,172,025	20,482,693	20,487,465	
Income				
Rent Income – Dwellings	-22,566,752	-23,991,910	-25,488,070	Average rent increase 2009-10 6.19% in line with rent model
Rent Income – Non Dwellings	-869,840	-881,840	-893,840	Average increase of 2.5% for garages. Commercial premises reflect lease agreements
Service Charges - Tenants	-1,150,426	-1,201,045	-1,253,891	Average rent increase 2009-10 5.5% in line with rent model
Service Charges - Leaseholders	-426,037	-426,037	-426,037	Average rent increase 2009-10 10.6% reflecting leaseholder costs to be recovered

	Revised Budget 2009- 10	Budget 2010-11	Budget 2011- 12	Comments
Facility Charges (Water & Gas)	-487,480	-499,480	-511,480	Average increase of 2.5%
Interest	-17,000	-17,000	-17,000	
Other Income	-8,010	-8,010	-8,010	
Transfer from General Fund	-83,000	-83,000	-83,000	
HRA Subsidy	6,880,274	7,392,910	8,093,462	
Total Income	-18,728,271	-19,715,413	-20,587,866	Based on draft determination issued by CLG
In Year Deficit / (Surplus)	1,443,754	764,010	-103,671	
BALANCE carried forward	-3,626,531	-2,862,521	-2,966,192	
BALANCE Business Plan	-4,764,000	-5,319,000	-5,460,000	

Average Rents & Service Charges

Property Type	No of Beds	No of Properties	Current Average Rent 2008-09	Current Average Service Charge 2008-09	Total of Rent & Service Charge 2008-09	Proposed Average Rent 2009-10	Proposed Average Service Charge 2009-10	Total of Rent & Service Charge 2009-10	Proposed Average Rent Increase 2009-10	Proposed Average Service Charge Increase 2009-10
			£	£	£	£	£	£	£	£
Bedsit flat	0	102	62.26	2.95	65.21	66.06	3.11	69.17	3.80	0.16
Flat	1	1,246	69.74	3.11	72.85	74.02	3.28	77.30	4.29	0.17
Flat	2	827	76.47	3.33	79.79	81.42	3.51	84.93	4.95	0.18
Flat	3	45	80.12	3.50	83.62	85.72	3.69	89.41	5.60	0.19
Bedsit Bungalows	0	21	74.83	3.05	77.88	79.27	3.21	82.48	4.44	0.17
Bungalow	1	116	83.38	3.29	86.67	88.31	3.47	91.78	4.93	0.18
Bungalow	2	25	98.24	3.37	101.60	103.74	3.55	107.29	5.50	0.19
Non-Parlour Bungalows	2	1	95.83	3.37	99.20	100.95	3.55	104.50	5.12	0.19
Non-Parlour Bungalows	3	1	125.17	0.00	125.17	131.73	0.00	131.73	6.56	0.00
Non-Parlour Bungalows	7	1	165.76	3.79	169.55	173.03	4.00	177.03	7.27	0.21
Maisonette	1	6	68.83	3.37	72.20	72.92	3.55	76.47	4.09	0.19
Maisonette	2	96	76.28	3.37	79.66	81.17	3.56	84.74	4.89	0.19
Maisonette	3	61	80.30	3.58	83.88	85.92	3.78	89.70	5.62	0.20
Maisonette	4	1	88.90	0.00	88.90	95.74	0.00	95.74	6.84	0.00

Property Type	No of Beds	No of Properties	Current Average Rent 2008-09	Current Average Service Charge 2008-09	Total of Rent & Service Charge 2008-09	Proposed Average Rent 2009-10	Proposed Average Service Charge 2009-10	Total of Rent & Service Charge 2009-10	Proposed Average Rent Increase 2009-10	Proposed Average Service Charge Increase 2009-10
			£	£	£	£	£	£	£	£
Non-Parlour House	1	1	48.03	3.37	51.40	52.65	3.55	56.20	4.62	0.19
Non-Parlour House	2	526	88.42	3.52	91.93	93.71	3.71	97.43	5.30	0.19
Non-Parlour House	3	752	94.52	3.70	98.21	100.40	3.90	104.31	5.89	0.20
Non-Parlour House	4	28	105.42	3.49	108.90	111.96	3.68	115.64	6.54	0.19
Non-Parlour House	5	3	112.19	3.79	115.97	119.12	4.00	123.11	6.93	0.21
Parlour House	2	35	92.02	2.43	94.45	97.48	2.56	100.04	5.45	0.13
Parlour House	3	551	100.41	2.92	103.33	106.47	3.08	109.56	6.07	0.16
Parlour House	4	58	108.99	3.32	112.31	115.56	3.51	119.06	6.56	0.18
Parlour House	5	6	117.40	3.44	120.83	124.36	3.63	127.99	6.96	0.19
Parlour House	6	2	129.43	2.73	132.16	137.08	2.89	139.97	7.65	0.15
Sheltered	0	547	67.20	11.26	78.46	71.32	11.88	83.20	4.13	0.62
Sheltered other	1	9	80.60	11.56	92.15	86.22	12.19	98.41	5.62	0.64
		5067								

Appendix 6c

Garages & parking space charges

	Current Weekly Rental 2008/09	Proposed Weekly Rental 2009/10
	£	£
Garages	13.13	13.50
Car Spaces	8.62	8.80

Appendix 6d

Facility Charges

Sheltered Block	No of Properties	Current average facility charge (Heating) 2008-09 £	Proposed average facility charge (Heating) 2009-10 £
Cornell House	30	9.91	10.15
Meadfield	29	9.91	10.15
Harrow Weald Park	31	8.13	8.35
Watkins House	43	10.38	10.65
Boothman House	30	9.87	10.10
Durrant Court	28	10.03	10.30
Grahame White House	29	9.89	10.15
Harkett Court	31	10.02	10.30
Sinclair House	27	9.89	10.15
Tapley Court	26	9.86	10.10
Alma Court	30	9.89	10.15
Belmont Lodge	30	9.87	10.10
Edwin Ware Court	30	8.30	8.50
Goddard Court	31	10.03	10.30
Grange Court	31	8.46	8.65
John Lamb Court	32	10.38	10.65
Thomas Hewlett House	30	9.92	10.15
William Allen House	29	8.98	9.20
Resident Warden Accommodation	9	13.15	13.50
Other Non Sheltered	129	9.16	9.40

Community Centres

	Current 2008-09 Charges per 3 hour letting (additional hourly charge)		Proposed 2.5% uplift for 2009-10 Charges per 3 hour letting (additional hourly charge)	
	Evening Rate £	Daytime Rate £	Evening Rate £	Evening Rate £
Methuen Road Fully Let to Flash Musicals				
Augustine Road	72.01	36.27	73.80	37.20
Each Extra Hour	13.69	7.17	14.00	7.30
Marsh Road Hall	36.81	18.08	37.70	18.50
Each Extra Hour	9.31	4.92	9.50	5.00
Stonegrove Gardens Hall	80.78	40.13	82.80	41.10
Each Extra Hour	13.69	7.17	14.00	7.30
Churchill Place Hall	80.78	40.13	82.80	41.10
Each Extra Hour	13.69	7.17	14.00	7.30
Kenmore Park Hall	80.78	40.13	82.80	41.10
Each Extra Hour	13.69	7.17	14.00	7.30
Pinner Hill Hall	80.78	40.13	82.80	41.10
Each Extra Hour	13.69	7.17	14.00	7.30
Northolt Road Hall	80.78	40.13	82.80	41.10
Each Extra Hour	13.69	7.17	14.00	7.30
Brookside Hall	72.01	36.27	73.80	37.20
Each Extra Hour	13.69	7.17	14.00	7.30
Woodlands Hall	36.81	18.08	37.70	18.50
Each Extra Hour	9.31	4.92	9.50	5.00

Stakeholder Meetings

There will be a series of meetings with key stakeholders to share information in December, January and February. The stakeholders, together with the meetings suggested to pick up their comments, are listed below:

Stakeholder	Meeting	Date
Overview and Scrutiny	Standing scrutiny review of the budget	17 December 2008
Tenants and Leaseholders	Tenants and Leaseholders Consultative Forum	6 January 2009
Public	Open Cabinet	5 February 2009
Schools	Education Consultative Forum	27 January 2009
Unions	Employees Consultative Forum	28 January 2009
Local Businesses	Harrow Business Consultative Forum	29 January 2009
Statutory partners	HSP Board	To be confirmed
Older People	Older People's Reference Group	To be confirmed
Voluntary Sector	Community Cohesion Reference Group	To be confirmed