

Cabinet SUPPLEMENTAL AGENDA

DATE: Thursday 19 February 2015

AGENDA - PART I

RESOURCES

9. BUDGET

- (a) Final Revenue Budget 2015/16 and Medium Term Financial Strategy 2015/16 to 2018/19: (Pages 3 - 112)

Report of the Director of Finance and Assurance.

AGENDA - PART II - Nil

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Date of Meeting:

19 February 2015

Subject:

Final Revenue Budget 2015/16 and Medium Term Financial Strategy 2015/16 to 2018/19

Key Decision:

Yes

Responsible Officer:

Simon George, Director of Finance and Assurance

Portfolio Holder:

Councillor Sachin Shah, Portfolio Holder for Finance and Major Contracts

Exempt:

No

Decision subject to Call-in:

No, as the decision is reserved to Council

Wards affected:

All

Enclosures:

Appendices listed below:

| | |
|---------|--|
| App. 1 | Proposed Savings & Growth 2015/16 to 2018/19 for member approval |
| App. 2 | Medium Term Financial Plan 2015/16 to 2018/19 |
| App. 3 | 2015/16 Budget Book detail |
| App. 4 | Levies, contributions and subscriptions |
| App. 5 | Policy on use of contingency |
| App. 6 | Schools Budget 2015/16 |
| App. 7 | Public Health Budget 2015/16 |
| App. 8 | Risk Assessment |
| App. 9 | Reserves Policy |
| App. 10 | Reserves and Provisions forecast |
| App. 11 | Report of the Chief Finance Officer |
| App. 12 | Model Council Tax Resolution |
| App. 13 | Members Allowance Scheme |
| App. 14 | Annual Pay Policy Statement for 2015/16 |
| App. 15 | Stakeholder Consultation – minutes of meetings |

Section 1 – Summary and Recommendations

This report sets out the final revenue budget for 2015/16 and Medium Term Financial Strategy (MTFS) for 2015/16 to 2018/19. In December 2014 Cabinet approved draft versions of the revenue budget and MTFS for general consultation.

Recommendations:

Cabinet is requested to:

- 1) Note the increase in the estimated budget gap for the four year period 2015/16 to 2018/19 from £75m to £83m following the final 2015/16 Local Government Financial Settlement and revised projections of Revenue Support Grant from London Councils (paragraph 1.5)
- 2) Recommend the 2015/16 budget to Council for approval, being mindful of the results of the various consultations and equality impact assessments, to enable the Council Tax for 2015/16 to be set (Appendix 2)
- 3) Approve the Medium Term Financial Strategy (MTFS) at Appendix 2 for referral to Council.
- 4) Note the current remaining budget gaps of £23.2m, £15.3m and £13.9m for 2016/17, 2017/18 and 2018/19 respectively (table 3)
- 5) Note the intention to increase Council Tax by 1.99% in 2015/16 (paragraph 1.13).
- 6) Recommend to Council the 2015/16 Schools Budget as set out in Appendix 6.
- 7) Note the 2015/16 Public Health Budget as set out in Appendix 7.
- 8) Agrees the risk assessment (Appendix 8) and refers it to the Governance, Audit and Risk Management and Standards Committee for consideration and monitoring.
- 9) Note the sum of Better Care Funding to be received by the Council in 2015/16 (£6.601m) (paragraph 1.29)
- 10) Recommends the 2015/16 Members Allowance Scheme to Council for approval (Appendix 13)
- 11) Recommends the 2015/16 Annual Pay Policy Statement to Council for approval (Appendix 14)

Reason: (For recommendations)

To ensure that the Council sets a balanced budget for 2015/16.

Section 2 – Report

INTRODUCTORY PARAGRAPH

- 1.0 This is the final report in a series of budget reports for the MTFS covering the period 2015/16 to 2018/19.
- 1.1 This report shows that the 2015/16 Revenue Budget is balanced and the MTFS has estimated budget gaps of £23.2m, £15.3m and £13.9m for 2016/17, 2017/18 and 2018/19 respectively. The MTFS has been updated to reflect the final 2015/16 Local Government Financial Settlement announced on 3 February and the revised projections of Revenue Support Grant (RSG) from London Councils for 2016/17 to 2018/19. The three year impact is an estimated further reduction in RSG of £6.7m which, along with funding additional pressures for homelessness and the impact of welfare reform, takes the overall four year indicative savings target from £75m to £83m.

CURRENT FINANCIAL CONTEXT

- 1.2 The budget process is designed to ensure that it is priority led so that resources are aligned with council priorities and statutory responsibilities. A new vision and set of Council priorities were agreed at Council in June 2014 and the draft budget for 2015/16 has been prepared in line with these.
- 1.3 The MTFS agreed by Cabinet and Council in February 2014 showed a balanced budget position for 2014/15 and an estimated budget gap of £24.74m for 2015/16 and £20.765m for 2016/17. This budget gap was based on an indicative central government grant settlement for 2015/16 alongside a number of assumptions on council tax, inflation and movements on government grants.
- 1.4 In July 2014 Cabinet received a budget planning process update report which looked forward to 2017/18 and 2018/19 and estimated an additional budget gap of £15m for each year taking the total estimated budget gap for the four year period 2015/16 to 2018/19 to £75m. This is an indicative amount which is subject to change based on announcements in the annual central government grant settlement and local factors. The July Cabinet report identified an indicative savings target of £30m for 2015/16. This is slightly higher than the reported MTFS budget gap position of £24.74m to provide an element of slippage for those saving proposals that may require a long lead in time. To ensure the target for 2015/16 is achieved Cabinet, in July and November 2014, agreed to savings of £1.732m being taken in-year (2014/15) which contribute towards the £30m.
- 1.5 The final 2015/16 Local Government Financial Settlement was announced on 3 February 2015. The MTFS has been updated to reflect:
- The impact of the settlement

- The revised projections of Revenue Support Grant (RSG) from London Councils for 2016/17 to 2018/19.
- Additional demand pressures

1.6 The financial impact is an increase in the estimated budget gap for 2015/16 to 2018/19 to £83m, an increase of £8m of which £6.7m is attributable to the estimated reduction in RSG and £1.2m to an increase in homelessness. Welfare Reform pressures of £740k have been mitigated by application of the Welfare Reform Contingency.

EXTERNAL FUNDING POSITION

1.7 Harrow is one of the lowest funded councils in London. A focused piece of work was recently commissioned from LG Futures to investigate Harrow's funding settlement and the reasons behind the variances from other London Boroughs and across England. The review identified that in 2015/16 Harrow's revenue spending power per head is projected to be £159 (or 17.3%) lower than the London average which ranks Harrow 26th out of 32. A similar comparison with the England average shows Harrow's revenue spending power per head is £127 (or 14.3%) below average and ranks Harrow 105th out of 120.

DELIVERY OF THE 2014/15 BUDGET

1.8 Delivery of the 2014/15 budget is critical to maintaining the Council's financial standing. The 2014/15 revenue budget includes a challenging savings target of £12.9m and investment of £7.712m. The Quarter 3 position (as at 31 December) is subject to a separate report on the agenda. Overall the Council is forecasting a balanced budget. This is the net effect of a forecast overspend of £1m within the directorates off set by a forecast underspend £860k against corporate budgets and a draw down on the central contingency for unforeseen items of £140k:

Table 1: 2014/15 Financial Performance at Quarter 3 (forecast)

| | Revised Budget | Forecast Outturn | Quarter 3 Variance | Variance | Quarter 2 Variance |
|----------------------------------|----------------|------------------|--------------------|-------------|--------------------|
| | £000 | £000 | £000 | % | £000 |
| Resources | 26,638 | 26,400 | (238) | -0.9% | (530) |
| Environment and Enterprise | 41,111 | 40,602 | (509) | -1.2% | (481) |
| Community, Health and Wellbeing | 75,873 | 76,967 | 1,094 | 1.4% | 462 |
| Children and Families | 47,171 | 47,830 | 659 | 1.4% | 811 |
| Total Directorate Budgets | 190,793 | 191,799 | 1,006 | 0.5% | 262 |
| Corporate Items | (16,367) | (17,373) | (1,006) | 6.1% | (350) |
| Total Budget Requirement | 174,426 | 174,426 | 0 | 0.0% | (88) |
| HRA | (905) | (821) | 84 | | 268 |

1.9 Managers continue to try and manage down the pressures within their directorates to prevent any calls on contingency

BUDGET PLANNING PROCESS

1.10 Through the budget process there has been a very clear steer that officers must come forward with a range of saving proposals to give Members options to meet the original estimated budget gap of £75m for the four year period 2015/16 to 2018/19, as reported to Cabinet in July 2014.

DEVELOPMENTS IMPACTING UPON THE COUNCIL'S MEDIUM TERM FINANCIAL STRATEGY

1.11 The 2014/15 MTFs, covering the three year period 2014/15 to 2016/17, was approved by Council in February 2014. Though the MTFs is approved annually, it is reviewed on a continual basis as the Council's financial position is dynamic and could be affected by a number of financial uncertainties and adjustments that could affect its financial position over the medium term.

1.12 In preparing the draft budget for 2015/16 there were a number of adjustments to the MTFs which were reported to December Cabinet and are detailed in table 2 below:

Table 2: Adjustments to Year MTFs (2015/16 to 2018/19) (PRIOR to the Local Government Financial Settlement)

| | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
|--|---------------|---------------|---------------|---------------|
| | £'000 | £'000 | £'000 | £'000 |
| Estimated budget gap February 2014 | 24,740 | 20,765 | 0 (*) | 0 (*) |
| Adjustments: | | | | |
| Revenue Support Grant | 0 | (4,195) | 8,560 | 3570 |
| Retained Business Rates | 1,022 | 150 | 0 | 0 |
| Council Tax Increase of 1.99% (net) | (854) | 0 | 0 | 0 |
| Council Tax base | (1,407) | (1) | (104) | (102) |
| Collection Fund Surplus | (1,900) | 1,900 | 0 | 0 |
| Technical Adjustments | (2,420) | 2,290 | 10,037 | 12,979 |
| Additional directorate saving proposals (net): | | | | |
| Children and Families | (1,882) | 0 | 0 | 0 |
| Environment & Enterprise | (4,403) | (2,870) | (775) | (264) |
| Community, Health and Wellbeing | (7,152) | (834) | (100) | 0 |
| Resources | (3,515) | (1,500) | (1,652) | (1,345) |
| Pan Organisation | (1,500) | (220) | (350) | (2,000) |
| Business Support Services | (730) | 0 | 0 | 0 |
| Estimated budget gap – December 2014 | 0 | 15,484 | 15,616 | 12,838 |

(*) The current MTFs runs to 2016/17. It has been extended by two years hence a starting point of £0.

1.13 On 3 December 2014 Chancellor George Osborne delivered his 5th annual Autumn Statement followed by the provisional Local Government Finance Settlement on 18 December and the final settlement on 3 February. The announcements, along with other changes, have resulted in a number of adjustments to the MTFS which are summarised in table 3 and supported by explanatory text. The 2015/16 budget still includes a Council Tax increase of 1.99%. To raise the council tax by more than 2% would trigger a referendum which the Council would need to pay for.

Table 3: Adjustments to MTFS 2015/16 to 2018/19 (AFTER the Local Government Financial Settlement)

| | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
|--|----------|---------------|---------------|---------------|
| | £'000 | £'000 | £'000 | £'000 |
| Estimated budget gap December 2014 | 0 | 15,484 | 15,616 | 12,838 |
| Adjustments: | | | | |
| Impact of Financial Settlement: | | | | |
| Revenue Support Grant | (142) | 5,986 | (330) | 1,061 |
| New Homes Bonus | (478) | 0 | 0 | 0 |
| Education Support Grant | (171) | 0 | 0 | 0 |
| Freedom Passes | (89) | 0 | 0 | 0 |
| Technical Adjustments: | | | | |
| E&E 34 Food / Garden waste | (430) | 430 | 0 | 0 |
| Revised Treasury Management estimate | (1,163) | 1,163 | 0 | 0 |
| Additional Pressures: | | | | |
| Homelessness | 1,000 | 200 | 0 | 0 |
| Welfare Reform | 740 | (215) | 0 | 0 |
| Better Care Fund | 1,349 | 0 | 0 | 0 |
| Other: | | | | |
| Use of Welfare Reform Contingency | (1,036) | 0 | 0 | 0 |
| Increase in Contingency to reflect Welfare reform risks | 248 | | | |
| Deletion of Trade Union Facilities saving (RES 11) | 27 | | | |
| Rephasing of Access Harrow / HR savings | 145 | 150 | 0 | 0 |
| E&E 03 School crossing patrol. Rephase all saving to 2016/17 | 32 | -32 | | |
| E&E 08 Highways Maintenance. Rephase saving | -32 | 32 | | |
| CHW 17 Community festivals, reduction of subsidy | 10 | | | |
| Capital financing costs reduction | -10 | | | |
| Estimated budget gap – February 2015 | 0 | 23,198 | 15,286 | 13,899 |

1.14 **Impact of Financial Settlement.** The overall impact of the grants announced as part of the Financial Settlement on 2015/16 is an increase in grant of £791k compared to the position reported to December Cabinet:

- The combined total of **Revenue Support Grant, Top-up grant and Council Tax Freeze Grant** shows an increase of £142k compared to what was assumed in the December Cabinet report. There has been a reduction of £93k of grant to reflect the ending of the Carbon Reduction Commitment Charge. There has also been an addition as part of the final settlement of £248k to reflect the costs of welfare reform and social care faced by councils. This has been added to the general contingency for unforeseen items, increasing it from £1m to £1.248m.
- The **New Homes Bonus** is £478k higher than estimated following an exercise to review the classification of properties previously shown as empty within the Council Tax system.
- The estimate of the **Education Services Grant** receivable is £171k higher than previously expected. This reflects the most up to date received from the DfE on rates and academy conversions. The grant allocation will be revised in-year to reflect any conversions that take place.
- London Council's update their forward looking RSG projections annually after the announcement of the local government financial settlement. Harrow uses these projections in its MTFs and London Councils are forecasting Harrow's RSG will reduce by a further £6.7m:
 - 2016/17 – Further reduction of £5.986m
 - 2017/18 – Additional grant of £330k
 - 2018/19 – Further reduction of £1.061m

It is accepted that these projections are an estimate, and will be subject to change, but it is considered prudent to include the grant reductions in the MTFs. This, along with other adjustments, increases the overall 4 year indicative savings target from £75m to £83m.

- In terms of **Freedom Passes**, the London Council's Transport and Environment Committee on 11 December agreed the final levy for 2015/16 at £9.838m which is £89k lower than previously provided for.

1.15 **Technical Adjustments:**

- **Food / Garden Waste saving proposal.** The Environment and Enterprise directorate are proposing a saving of £2.681m against food and garden waste collection (ref E&E 34). The year 1 saving value of £540k was net of one off revenue implementation costs of £430k. These one off costs will be funded from the MTFs

Implementation Reserve, the impact of which will be additional revenue in the financial model of £430k in 2015/16 which will be reversed out in 2016/17. The total value of the food and garden waste proposal remains the same at £2.681m but the saving has been re-profiled to £970k in 2015/16 and £1.711m in 2016/17. £430k will be drawn down from the MTFS Implementation Fund and transferred to E & E on 01/04/15.

- The Quarter 3 review of the 2014/15 Capital Programme has been completed and, due to additional slippage, a non recurrent saving on capital financing costs of £1.163m is achievable in 2015/16 and this is reflected in the MTFS.

1.16 Additional Pressures:

- **Homelessness.** One of the significant consequences of welfare reform is that homelessness pressures are continuing to grow as the gap between actual rents in the market and what is payable through housing benefit grows, with the result that many more families who would otherwise have been able to find their own housing solution are now priced out of accommodation in West London, and have to approach the Council for help to secure accommodation. The other main welfare reform pressure is the overall benefit cap that has resulted in about 200 families needing on-going financial support, mainly through the Discretionary Housing Payments fund (DHP), to sustain tenancies and avoid homelessness. This has depleted the DHP provision available to help other groups avoid homelessness by agreeing higher (realistic) rents with their landlords or be assisted to move into the private rented sector. The main homelessness budget has had to meet this additional cost, as it is still cheaper to do this than take even more families into bed and breakfast.

Despite interventions that have been implemented, the combined impact of these has been to give rise to a significant overspend in respect of Homelessness in 2014-15. Based on current projections, the trends are unlikely to change in 15-16 as there is no likelihood Housing Benefit will meet even bottom quartile rents locally, and legislation restricts us on where else we can accommodate most homeless households. The amount of DHP Harrow will receive in 2015-16 has been reduced by 40%, which further reduces the ability to meet these anticipated additional costs. It has therefore been necessary to include growth in the Homelessness budget to help meet the increased demand for the service. The saving of £200k included in the draft budget has therefore been removed, and a further £800k growth included in respect of homelessness, giving an overall increase of £1m.

The prospects remain uncertain for future years, and from the detailed modelling work carried out, it is possible that actual demand for the service may result in costs in excess of the budgeted amount in 2015-16, though it should be noted that officers continue to work to try to mitigate this growth, both through

the continuation of existing initiatives and the development of new ones.

Welfare Reform. A Welfare Reform Contingency of £1.036m was set aside which was funded from a reduction in the Council Tax Support Scheme spends. This has now been brought into the MTFS and applied as follows:

- £296k contribution to Homelessness pressures
- £275k contribution to the Emergency Relief Scheme (ERS). In 2014/15 the scheme is funded from a separate grant for Local Welfare Provision (Social Fund Growth). From 2015/16 this will be subsumed into the RSG and the £275k is allocated to partly off set the loss of the separate grant.
- £215k to fund 6 additional staff, experienced in Revenues and Benefits, to address concerns from members of the public at not being able to make contact with Access Harrow and experiencing long wait times. This funding is allocated for 2015/16 only, after which it will be applied to the homelessness pressures.
- £250k contribution to the Council Tax summons costs budget to reduce the income expectation. This will allow for flexibility in cost withdrawal / write off therefore removing the financial burden from those tax payers on council tax support and with limited financial means who can least afford to pay additional charges.

1.17 The saving proposal to reduce the **Trade Union facilities time** (RES 11) for £27k has been deleted.

1.18 **Rephasing of Access Harrow / HR Savings.** 4 saving's, already approved by Cabinet for 2015/16, within Access Harrow and HR are being re-phased within the MTFS:

- RES029 Channel shift through roll out of My Harrow account (£60k)
- RES030 Close face to face and telephony channels for public realm enquiries (£70k)
- RES031 Reconfigure one stop shop (£190k)
- RES042 Reduction in HR Development posts (£75k)

The growth allocated to address a change in legislation for local land charges (RES 14) has been reduced by £250k in 2015/16 to partly off set the impact of the re-phased savings.

1.19 The saving for **School Crossing Patrols** (E&E_03) has been rephased to 16/17. A consultation with all 12 schools affected by the proposal commenced at the beginning of 2015 with a view that SLAs will be put in place with the schools which choose to continue the service. This will give sufficient time for schools to consider the proposal are/or seek their own alternative arrangements beyond 2015/16. There is a compensating saving of £32K in 15/16 from rephasing the saving on the highways maintenance budget (E&E_08).

This is considered feasible as a result of additional capital investment made in highways infrastructure during the last quarter of 14/15.

- 1.20 **Community festivals.** It is proposed to reduce the subsidy to festivals by £10k rather than cease it.

ANALYSIS OF DIRECTORATE SAVINGS

- 1.21 The proposed 2015/16 budget includes savings totalling £30.9m. The MTFs process was guided by work under the themes of regeneration, commercialisation and procurement, public service integration, efficiency and management savings. Table 4 below analyses the savings between management savings, additional income, contractual savings, efficiency savings and service changes (MICES):

Table 4: Saving Proposals 2015/16 to 2018/19 MICES Analysis

| | Management | Income | Contractual | Efficiency | Service Changes | Total |
|-------------------------------|--------------|--------------|--------------|---------------|-----------------|---------------|
| Directorate | £000 | £000 | £000 | £000 | £000 | £000 |
| Resources | 150 | 410 | 1,798 | 4,672 | 1,205 | 8,234 |
| Community, Health & Wellbeing | 308 | 2,235 | 313 | 2,124 | 1,892 | 6,872 |
| Environment & Enterprise | 367 | 3,871 | 830 | 1,684 | 1,560 | 8,312 |
| Children & Families | 205 | 541 | 50 | 586 | 1,215 | 2,597 |
| Pan Organisation | 0 | 0 | 0 | 1,720 | 2,350 | 4,070 |
| Business Support | 0 | 0 | 0 | 730 | 0 | 730 |
| Total | 1,030 | 7,057 | 2,991 | 11,516 | 8,222 | 30,815 |

Table 4 does not account for the following four growth items which were not categorised:

- Children and Families – Social Worker growth of £715k
- Community, Health and Wellbeing – Care Act funding from the Better Care Fund of £545k
- Homelessness growth £800k
- Resources savings rephasing £395k

- 1.22 The saving proposals, as detailed in appendix 1, currently approximate to a reduction of 145 fte in 2015/16.

FEES AND CHARGES 2015/16

- 1.23 The proposed fees and charges for 2015/16 were agreed by January Cabinet. The estimated effect of the changes proposed has been accounted for in the MTFs.

SCHOOLS BUDGET 2015/16

- 1.24 The funding arrangements for the Dedicated Schools Grant and the Schools Budget for 2015/16 are detailed in Appendix 6. Cabinet are asked to recommend to Council the Schools Budget for 2015/16 which was presented to Schools Forum on 20 January 2015.

PUBLIC HEALTH FUNDING 2015/16

- 1.25 The Department of Health announced in September 2014 that local authorities would receive a £2.79 billion ring fenced public health grant for their public health duties, the same level as in 2014/15. The allocation for Harrow totals £9.146m for 2015/16. There will be further ring-fenced funding for 0-5 years public health services (health visiting) announced in due course in relation to the services that will transfer from NHS England to local authorities in October 2015.
- 1.26 During 2014/15 further contract efficiencies have been identified enabling wider determinants of public health to be charged to the grant. A programme of procurement will continue in 2015/16 and beyond and in particular, a collaborative approach to the commissioning of sexual health services across London, is expected to deliver further efficiencies (or as a minimum contain growth) from April 2018.
- 1.27 The commissioning intentions (detailed in Appendix 7) were presented, as part of the overall Council budget, to the Health and Wellbeing Board at its meeting on 08 January 2015.

BETTER CARE FUND

- 1.28 From April 2015 the NHS Funding Transfer will become the Better Care Fund (BCF) with funding of £3.8bn nationally. The allocation for Harrow, across the Health and Social Care economy is £14.373m. This represents a re-allocation of existing resources and includes £1.190m for capital expenditure (including Disabled Facilities Grants) together with the funding associated with a range of duties from the Care Act that comes into effect in April 2015.
- 1.29 Following extensive joint work and negotiations, the Health & Wellbeing Board on 8th January agreed the allocation of the BCF funding for 2015/16. The proposed budget now reflects a transfer to the Council of £6.601m comprising revenue funding of £5.411m to protect social care services (including resources for the Care Act) together with the full capital allocation of £1.190m.
- 1.30 A series of further conversations, outside of the BCF, were agreed on a number of other issues:
- To consider financial support for the Council for winter pressures
 - To consider the funding associated with the enhanced discharge scheme
 - A review process to ensure that the protection of social care is considered as part of the allocation of any health care resource available to the economy
- 1.31 The transfer now agreed, whilst greater than the existing NHS Funding Transfer amount, is less than was anticipated in the 2015/16 draft budget reported to Cabinet in December. Should additional funding to protect social care services be identified during 2015/16, this will be held corporately to offset the shortfall.

- 1.32 It is assumed that the BCF will, subject to national political decision, be ongoing. As a result, discussions will be necessary with the Harrow Clinical Commissioning Group (CCG) to agree the funding required for the protection of social care services in 2016/17 and will be included as appropriate in future draft budgets. The Council expectation is that discussions for 2016/17 will start at £6.5m, the anticipated transfer value for 2015/16.

DEMOGRAPHY

Adult Services

- 1.33 Adults demography, based on statistical information, has been required in the region of £2.5m to £2.8m in recent years and reflects largely the cost of supporting older service users in the community (106 additional placements at an average cost of £8,250 pa) and children transitioning to adult hood (£1m). The balance represents additional residential placements (17 additional placements at an average cost of £30kpa) and cases no longer meeting continuing care criteria. These demographic pressures are expected to continue into 2017/18 and beyond, at least at the level of the existing MTFS. It is possible that these demographic costs may need to be increased further to reflect the ongoing costs arising from the introduction of the Care Act. Whilst it is not yet possible to quantify with any certainty the likely costs in this respect, estimates indicate that this could be anywhere between £3.7m and £5m pa over the term of the MTFS.
- 1.34 The Care Act is expected to be funded in 2015/16 by a new burdens grant (£1.2m) and the BCF (£0.545m), a shortfall on the estimated costs. These costs will be closely monitored with any evidenced variations being reported at the earliest opportunity. Whilst the BCF funding is expected to be ongoing, it is not yet clear whether the new burdens grant will continue after April 2016, although the Council will be required to continue to support service users and their carers once assessed under the eligibility criteria.
- 1.35 The current MTFS assumes demographic growth of £2.8m in 2015/16 and £2.5m in 2016/17. For the final two years of the MTFS assumes that any demographic pressures will be offset by compensatory savings hence no growth is included. Given the pressures this will need to be kept under review.

Children and Families

- 1.36 Children's Services has received annual demographic growth totalling £413k. Of this, £260k funds client costs in relation to children with disabilities and accommodation costs for looked after children and care leavers. The remaining £153k supports the social care work force. Children's Services has seen a growth in demand for services, an example of which are shown as follows:
- 41% increase in the number of 0-4 year olds since 2001
 - 31% increase in Children in Need (CiN) from 2013 to 2014
 - 50% increase in Child Protection Plans (CPP) from 2013 to 2014

- 51% increase in referrals from 2013 to 2014
- 1.37 The current MTFs assumes demographic growth of £413k in 2015/16 but nothing beyond this. The MTFs assumes that any demographic pressures will be offset by compensatory savings hence no growth is included. Given the pressures this will need to be kept under review.
- 1.38 The MTFs includes a budget planning contingency of £3m for 2016/17, 2017/18 and 2018/19 which is intended to address budget pressures.

REGENERATION

- 1.39 Indicative net income is estimated to be realised from a long term regeneration strategy for the borough (saving proposal PO 03). The Harrow Regeneration Strategy and Action Plan was presented to December Cabinet.

RESERVES AND CONTINGENCIES

- 1.40 Reserves and contingencies need to be considered in the context of their need to protect the Council's good financial standing and in the context of the overall risks that the Council faces during a continuing period of economic uncertainty. The MTFs reflects the Council's need to ensure an adequate level of reserves and contingencies which will enable it to manage the risks associated with delivery of the budget and unforeseen events. As at the time of writing this report general non earmarked balances stand at £10m and those for specific purposes are detailed:
- Unforeseen contingency (including mitigation should decision makers want to make alternative decisions for equalities reasons) £777k
 - Pay and Energy Inflation contingency £1.400m with an anticipated draw down of £950k once the current year pay award is finalised
 - Transformation and Priorities Initiatives Fund £3.891m
 - Carry forwards £195k
 - Business Risk Reserve £2.859m
 - MTFs Implementation £5.112m
- 1.41 The report of the Director of Finance and Assurance which includes the adequacy of reserves is detailed in Appendix 11.

PROPOSALS FOR GENERAL RESERVES / BUDGET RISK ASSESSMENT

- 1.42 The detailed risk assessment of the budget has been updated and included in this report at Appendix 8. Cabinet agreed the following reserves policy in February 2014:

The risk assessment of the budget dictates the minimum level of general balances required.

One of the calls on any under spend at the end of the year will be a contribution to general balances. The value of the contribution will be determined with regard to the size of the underspend, the underlying strength of the balance sheet, the need to support the transformation programme and other priorities.

At the current time no amendments are required to the reserves policy which is detailed in Appendix 9.

COUNCIL TAX MODEL RESOLUTION

1.43 The draft Council Tax Model Resolution is attached at Appendix 12. This is still subject to confirmation of the GLA precept which is expected to be confirmed on 23 February. Any changes will be made for approval at Council on February 26.

MEMBERS ALLOWANCE

1.44 The proposed Members' Allowances scheme for 2015/16 is attached at Appendix 13. This has been prepared having regard to the report of the Independent Panel that considered the Remuneration of Councillors in London. It is proposed that the basic allowance and the different bands of Special Responsibility Allowance (SRA) and Mayoral Allowances, which have been in place since 2009/2010, be uprated in line with the Local Government Pay Settlement (2.2%) from those agreed in 2014/15. It is also proposed that the SRA banding for a number of roles be reduced and that the current Band 2 be deleted.

1.45 Cabinet is requested to recommend the scheme to Council for approval.

ANNUAL PAY POLICY STATEMENT

1.46 Under the Localism Act all public authorities must publish annual pay policy statements. The statement must set out the Authorities policies for the financial year relating to:

- Remuneration of its Chief Officers
- Remuneration of its lowest paid employees
- The relationship between the remuneration of its Chief Officers and the remuneration of those employees who are not Chief Officers

1.47 The proposed statement is attached at Appendix 14 and Cabinet is requested to recommend it to Council for agreement.

CONSULTATION

1.48 As a matter of public law the duty to consult with regards to proposals to vary, reduce or withdraw services will arise in 3 circumstances:

- Where there is a statutory requirement in the relevant legislative framework
- Where the practice has been to consult or where a policy document states the Council will consult then the Council must comply with its own practice or policy

Where consultation is required to inform and equality impact assessment.

- 1.49 Regardless of whether the Council has a duty to consult, if it chooses to consult, such consultation must be carried out fairly. In developing saving proposals consultation has or is being undertaken with a significant number of stakeholder groups to inform proposals.
- 1.50 'Take Part' was the start of a conversation with residents about changes the council needs to make over the next four years to meet the significant budget gap. The consultation was carried out over an eight week period from 11 September to 8 November 2014 and the feedback and equality impact assessment (process) were fully reported to December Cabinet.
- 1.51 The Environment and Enterprise directorate has undertaken a public consultation on five key proposals over December and January:
E&E 23 Environmental Health out of hour's noise nuisance response service
E&E 25 Shopping Areas Street cleaning
E&E 26 Reduce Parks service to statutory minimum
E&E 27 Highways verge grass cutting
E&E 34 Garden waste

The results of the public consultation and the high level implementation plans for the 5 key proposals are detailed in the report 'Environment and Enterprise Medium Term Financial Strategy Implementation Plan' which is a separate item on this agenda.

- 1.52 The Children & Families directorate has undertaken a public consultation on proposed changes to the Children's Centres services (ref C&F12). The consultation was carried out over the period 11 November 2014 through to 4 January 2015. The results of the consultation and proposals for the future model of Children's Centres are detailed in the report 'Children's and Families – Children's Centres' which is a separate item on the agenda.
- 1.53 The Community, Health and Wellbeing directorate has undertaken two public consultations:
- Review of the Library Service (ref CHW16).** The consultation ran from November through to January and the results will be reported to March Cabinet as part of the 'Library Strategy 2015 – 2018' report.
- Review of Voluntary Sector Funding (ref CHW 11).** The consultation is currently running until 13 February and the results will be reported to March Cabinet as part of the 'Voluntary & Community Sector: Outcome of consultation on funding' report.
- 1.54 A number of specific stakeholder groups were held which are detailed in table 5 below and the minutes are detailed in appendix 15:

Table 5: Stakeholder Consultation in addition to the ‘Take Part’ consultation

| Stakeholder | Meeting | Date |
|----------------------------------|--|------------------|
| Trade Unions | Special Finance CJC – Trade Union consultation on budget | 09 December 2014 |
| Elected members and Trade Unions | Employee Consultative Forum | 13 January 2015 |
| Overview and Scrutiny | Special meeting of Overview and Scrutiny to review the budget. | 20 January 2015 |
| Local businesses | Harrow Business Consultative Panel | 27 January 2015 |

- 1.55 The Council is currently holding a 4 week consultation so provide residents with the opportunity to comment on the draft revenue budget for 2015/16, the MTFS for 2015/16 to 2018/19 and the draft capital programme 2015/16 to 2018/19. The consultation closes on Sunday 15 February and interested parties can participate online. The results of the consultation will be considered by Cabinet.
- 1.56 Should the consultation and equalities process highlight any outcomes that the council will be unable to accept or demonstrates an adverse impact which cannot be justified, the Council’s balances allow for such proposals not to be proceeded with.

LEGAL IMPLICATIONS

- 1.57 Section 31A of the Local Government Finance Act 1992 requires billing authorities to calculate their council tax requirements in accordance with the prescribed requirements of that section. This requires consideration of the authority’s estimated revenue expenditure for the year in order to perform its functions, allowances for contingencies in accordance with proper practices, financial reserves and amounts required to be transferred from general fund to collection fund.
- 1.58 Local authorities owe a fiduciary duty to council tax payers, which means it must consider the prudent use of resources, including control of expenditure, financial prudence in the short and long term, the need to strike a fair balance between the interests of council tax payers and ratepayers and the community’s interest in adequate and efficient services and the need to act in good faith in relation to compliance with statutory duties and exercising statutory powers.
- 1.59 When approving its budget, the Council must take into account all relevant material, including its fiduciary duty, consultation responses to the general budget consultation and potential equality implications in order to reach a decision. This report presents the 2015/16 revenue budget, following consultation on specific proposals and the budget overall. Cabinet must consider the results of the various consultations

and the equality impact assessment results, when deciding whether to approve the budget.

- 1.60 As an alternative to agreeing any of the proposals, the Council also has the option to maintaining the current level of services; however this will impact on the proposed budget. If savings are not made, the Council will have to consider what alternatives are available to meet its anticipated budgetary shortfall. Alternatives could include cutting services elsewhere, use of reserves and increasing council tax.

FINANCIAL IMPLICATIONS

- 1.61 Financial Implications are integral to this report.
- 1.62 Under the Local Government Act 2003 the Director of Finance and Assurance (in their capacity as the Chief Finance Officer under S151 of the Local Government Act 1972) is required to comment on the robustness of the budget and the adequacy of reserves. The overall view is that the budget is robust, the Council has suitable specific reserves and general balances are adequate. The Directors Report is set out in Appendix 11 and details the factors taken into consideration when forming the overall view.

PERFORMANCE IMPLICATIONS

- 1.63 The in-year measurement of the Council is reported in the Strategic Performance Report. The Corporate Plan, which will be developed alongside the Budget Report, will have measures within it which will set out how Council delivery in 2014/15 will be measured and this again will be reported through the Strategic Performance Report.

EQUALITIES IMPLICATIONS / PUBLIC SECTOR EQUALITY DUTY

- 1.64 Decision makers should have due regard to the public sector equality duty in making their decisions. The equalities duties are continuing duties they are not duties to secure a particular outcome. The equalities impact will be revisited on each of the proposals as they are developed. Consideration of the duties should precede the decision. It is important that Cabinet has regard to the statutory grounds in the light of all available material such as consultation responses. The statutory grounds of the public sector equality duty are found at section 149 of the Equality Act 2010 and are as follows:

A public authority must, in the exercise of its functions, have due regard to the need to:

- (a) *eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;*
- (b) *advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;*
- (c) *foster good relations between persons who share a relevant protected characteristic and persons who do not share it.*

Having due regard to the need to advance equality of opportunity between persons who share a relevant protected characteristic and

persons who do not share it involves having due regard, in particular, to the need to:

- (a) *remove or minimise disadvantages suffered by persons who share a relevant protected characteristic that are connected to that characteristic;*
- (b) *take steps to meet the needs of persons who share a relevant protected characteristic that are different from the needs of persons who do not share it;*
- (c) *encourage persons who share a relevant protected characteristic to participate in public life or in any other activity in which participation by such persons is disproportionately low.*

The steps involved in meeting the needs of disabled persons that are different from the needs of persons who are not disabled include, in particular, steps to take account of disabled persons' disabilities.

Having due regard to the need to foster good relations between persons who share a relevant protected characteristic and persons who do not share it involves having due regard, in particular, to the need to:

- (a) *Tackle prejudice, and*
- (b) *Promote understanding.*

Compliance with the duties in this section may involve treating some persons more favourably than others; but that is not to be taken as permitting conduct that would otherwise be prohibited by or under this Act. The relevant protected characteristics are:

- *Age*
- *Disability*
- *Gender reassignment*
- *Pregnancy and maternity*
- *Race,*
- *Religion or belief*
- *Sex*
- *Sexual orientation*
- *Marriage and Civil partnership*

1.65 All new directorate proposals have been subject to an initial equalities impact assessment followed by a full assessment where appropriate.

1.66 An assessment has been carried out on the whole budget, when all proposals have been identified, to ensure that decision makers are aware of any overall impact on any particular protected group.

1.67 Officers have indicated ways that these impacts can be mitigated. The individual equalities impacts will be kept under review as the projects are initiated and throughout the life time of the projects. Officers will put in place appropriate mitigation where this is possible.

1.68 If deemed appropriate, a project may be subject to future individual Cabinet decisions once the budget envelope has been set by Council. The equality impacts will be updated for these decisions. As an alternative to agreeing any of the proposals, the Cabinet would have

the option of maintaining the current level of services; however this will impact on the proposed budget.

RISK MANAGEMENT IMPLICATIONS

1.69 As part of the budget process the detailed budget risk register has been reviewed and updated. This helps to test the robustness of the budget and support the reserves policy. It is summarised below in table 6 and is attached in Appendix 8:

Table 6: Risk Assessment – Summary

| | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
|--------------------------|----------------|----------------|----------------|----------------|
| | £m | £m | £m | £m |
| Net Risk | 10.718 | 14.252 | 14.037 | 14.372 |
| Contingencies: | | | | |
| Unforeseen events | (1.248) | (1.248) | (1.248) | (1.248) |
| Budget Planning | | (3) | (3) | (3) |
| Remaining risk | 9.470 | 10 | 9.789 | 10.124 |

1.70 As at March 2014 the level of General Reserves was £10m, which is within the recommended minimum level and is sufficient to cover the remaining risk as highlighted in table 6.

COUNCIL PRIORITIES

1.71 The Council's vision is **Working Together to Make a Difference for Harrow**. This is supported by the administration's priorities of:

- Making a difference for the vulnerable
- Making a difference for communities
- Making a difference for local businesses
- Making a difference for families

1.72 The budget for 2015/16 supports delivery of the Council's vision, the administrations priorities and is consistent with the Corporate Plan.

Section 3 - Statutory Officer Clearance

| | | |
|----------------------|-------------------------------------|---|
| Name: Dawn Calvert | <input checked="" type="checkbox"/> | on behalf of the Chief Financial Officer |
| Date: 10/02/15 | | |
| Name: Jessica Farmer | <input checked="" type="checkbox"/> | on behalf of the Monitoring Officer |
| Date: 10/02/15 | | |

| | |
|-----------------------------------|--|
| Ward Councillors notified: | NO* , as it impacts on all Wards <i>* Delete as appropriate.</i> |
| EqIA carried out: | To follow |
| EqIA cleared by: | |

Section 4 - Contact Details and Background Papers

Contact: Dawn Calvert, Head of Strategic Finance and Business (Deputy S151), tel: 0208 424 1393, dawn.calvert@harrow.gov.uk

Background Papers:

[Report to Council 27 February 2014 - Final Revenue Budget 2014/15 and Medium Term Financial Strategy \(MTFS\) 2014/15 to 2016/17](#)

[Report to Cabinet 17 July 2014 – Budget Planning Process Update](#)

[Report to Cabinet 20 November 2014 – Budget Planning Process Update](#)

[Report to Cabinet 11 December 2014- Draft Revenue Budget 2015/16 and Medium Term Financial Strategy 2015/16 to 2018/19](#)

| | |
|--|---|
| Call-In Waived by the Chairman of Overview and Scrutiny Committee | NOT APPLICABLE <i>[Call-in does not apply as the decision is reserved to Council]</i> |
|--|---|

| Resources | | | Savings - 4 Years | | | | | | | Type Analysis | |
|----------------|-----------------------|---|------------------------|-----------------|---------|---------|---------|---------|-------|---|--|
| Ref | Service Area | Headline Description re: saving / reduction | 2014/15 Service Budget | 2014/15 Ongoing | 2015/16 | 2016/17 | 2017/18 | 2018/19 | Total | M - Management Savings I - Additional Income C - Contractual Savings E - Efficiency Savings S - Service Changes | Consultation Done General Specific |
| | | | £000 | £000 | £000 | £000 | £000 | £000 | £000 | | |
| Savings | | | | | | | | | | | |
| RES01 | Finance and Assurance | Staff savings | 2,636 | 30 | 304 | | | | 334 | E | Done |
| RES02 | Finance and Assurance | Additional Charge to the Pension Fund to reflect time spent by the Director of Finance and other Finance and Assurance staff on Pension Fund matters. | 2,636 | | 80 | | | | 80 | I | N/A |
| RES03 | Finance and Assurance | On going review of the Finance and Assurance structure for which proposals will need to be developed. | 2,636 | | - | 250 | 500 | 500 | 1,250 | E | Specific |
| RES04 | Finance and Assurance | Reduction in annual contribution to the Insurance Fund to reflect improved claims performance (lower level of claims paid out) | 1,810 | | 200 | | | | 200 | E | N/A |
| RES05 | Finance and Assurance | Additional Treasury returns via lending to WLWA (Incinerator project - Loan approved by Council 4th July 2013) | 2,636 | 50 | 350 | | | | 400 | I | N/A |
| RES06 | Finance and Assurance | Business Continuity Additional Income | 146 | | 30 | | | | 30 | I | N/A |
| RES07 | HR & Shared Services | Re-organisation of the HR, Development and Shared Service function which will result in the deletion of approximately 18 fte | 2,644 | | 495 | | | | 495 | E | Specific |
| RES08 | HR & Shared Services | Further HR, Development and Shared Service savings for which detailed proposals will need to be developed | 2,644 | | | | 550 | 250 | 800 | E | Specific |
| RES09 | HR & Shared Services | Additional savings in delivery including efficiencies through the transfer of the Health & Safety function to Environment & Enterprise and the re-charging of relevant payroll expenditure to the Pension Fund (no estimated reduction in FTE). | 2,644 | | 270 | | | | 270 | E | N/A |
| RES10 | HR & Shared Services | Reduce Occupational Health support | 211 | | 100 | | | | 100 | E | N/A |
| RES11 | HR & Shared Services | Reduce Corporate Learning & Development for staff | 292 | | 100 | | | | 100 | E | N/A |
| RES12 | Legal & Dem Services | Reduction in Legal cost, in the initial instance by growing the business | | - | 144 | 144 | 144 | 144 | 576 | S | Specific |
| RES13 | Legal & Dem Services | Amalgamation of two teams to become Democratic and Electoral Services and and staff reduction - Mayor Office | 639 | | 86 | | | | 86 | E | Staff Consultation |

| Resources | | | Savings - 4 Years | | | | | | | Type Analysis | |
|-----------|-------------------------|---|------------------------|-----------------|---------|---------|---------|---------|-------|---|--|
| Ref | Service Area | Headline Description re: saving / reduction | 2014/15 Service Budget | 2014/15 Ongoing | 2015/16 | 2016/17 | 2017/18 | 2018/19 | Total | M - Management Savings I - Additional Income C - Contractual Savings E - Efficiency Savings S - Service Changes | Consultation Done General Specific |
| | | | £000 | £000 | £000 | £000 | £000 | £000 | £000 | | |
| RES14 | Legal & Dem Services | Local land charges growth pressure. An element of the land charge function (including chargeable services) is expected to move to the Land Registry during 2015 | -614 | | (250) | (100) | | | (350) | I | N/A |
| RES15 | Procurement | Restructuring of the Commercial, Contracts and Procurement Division's function. | 934 | | 50 | | 201 | 151 | 402 | E | Specific |
| RES16 | Strategic Commissioning | Retender of the Communications Service to take account of reductions in spend phased in the following way: 2015/16 - 20% reduction, 2016/17 - 10% reduction, 2017/18 - 10% reduction. | 452 | | 114 | 57 | 57 | | 228 | C | Specific |
| RES17 | Strategic Commissioning | Retendering of the Healthwatch service, reducing the core spend by this amount. | 185 | | 80 | | | | 80 | C | Specific |
| RES18 | Strategic Commissioning | Stop funding Harrow Senior Residents Assembly / Decommissioning of Scrutiny Projects Budget | 21 | | 21 | | | | 21 | S | Specific in progress |
| RES19 | Strategic Commissioning | Stop the Objective Portal Contribution from the Division, used for online consultations. | 8 | | 8 | | | | 8 | S | N/A |
| RES20 | Strategic Commissioning | Staff restructure of existing posts and making greater use of apprentices and graduate placements | 2,452 | | 129.5 | | | | 129.5 | E | Specific |
| RES21 | Resources Wide | Management Savings | | | | 150 | | | 150 | M | N/A |
| RES22 | Customer Services & IT | Efficiency Savings – Staff reductions due to the implementation of more automation and self service forms in Revenues and Benefits | 1,123 | | 459 | | | | 459 | E | Done |
| RES23 | Customer Services & IT | Increased Income from Harrow Helpline and reduction in staffing costs | 467 | | 200 | 50 | | | 250 | I | Specific |
| RES24 | Customer Services & IT | Project Management Office - staff savings. Deletion of 1 fte PMO (currently vacant) in 2014/15 to achieve a saving of £24k in 2014/15 and £22k in 2015/16. | 259 | 24 | 22 | | | | 46 | E | N/A |
| RES25 | Customer Services & IT | Procurement savings across the contracts managed within the division. | 8,134 | | 541 | 949 | | | 1,490 | C | Specific |

| Resources | | | Savings - 4 Years | | | | | | | Type Analysis | |
|----------------------|------------------------|---|------------------------|-----------------|--------------|--------------|--------------|--------------|--------------|---|------------------------------------|
| Ref | Service Area | Headline Description re: saving / reduction | 2014/15 Service Budget | 2014/15 Ongoing | 2015/16 | 2016/17 | 2017/18 | 2018/19 | Total | M - Management Savings I - Additional Income C - Contractual Savings E - Efficiency Savings S - Service Changes | Consultation Done General Specific |
| | | | £000 | £000 | £000 | £000 | £000 | £000 | £000 | | |
| RES26 | Customer Services & IT | Reduce the cost of Access Harrow by migrating customers to more efficient channels. This will be delivered through improved self-service availability in the One Stop Shop, greater use of IVR over the telephone and enhanced functionality via the website and MyHarrow account. Resources will be aligned to the subsequent drop in demand and as channels are closed. | 3,258 | | 100 | | 200 | 300 | 600 | S | Specific |
| Total Savings | | | | 104 | 3,634 | 1,500 | 1,652 | 1,345 | 8,234 | | |
| Growth | | | | | | | | | | | |
| RESG01 | Customer Services & IT | Welfare Reform contingency utilisation- ERS scheme £275k, 6FTE Revenues and benefits £215k, Council Tax summons costs £250k | | | 740 | (215) | | | 525 | | |
| RESG02 | Resources | Rephasing of Resources savings agreed Feb 2014 | | | 395 | 150 | | | 545 | | |
| Total Growth | | | | - | 1,135 | (65) | - | - | 1,070 | | |
| | | | | | | | | | - | | |
| Net Savings | | | | 104 | 2,499 | 1,565 | 1,652 | 1,345 | 7,164 | | |

| Community, Health & Wellbeing | | | Savings - 4 Years | | | | | | | Type Analysis | |
|-------------------------------|---------------------|--|------------------------|-----------------|---------|---------|---------|---------|-------|---|--|
| Ref | Service Area | Headline Description re: saving / reduction | 2014/15 Service Budget | 2014/15 Ongoing | 2015/16 | 2016/17 | 2017/18 | 2018/19 | Total | M - Management Savings I - Additional Income C - Contractual Savings E - Efficiency Savings S - Service Changes | Consultation Done General Specific |
| | | | £000 | £000 | £000 | £000 | £000 | £000 | £000 | | |
| Savings | | | | | | | | | | | |
| CHW01 | CHW | Consolidate Transformation Team with other Council services | 227 | | 227 | | | | 227 | E | Done |
| CHW02 | CHW | Delete two Adults management posts and fund one by the Better Care Fund | 2,047 | | 170 | | | | 170 | M | Done |
| CHW03 | CHW | Review of Business Support Services | 1,667 | | 90 | | | | 90 | E | To complete |
| CHW04 | CHW | Reversal of late growth items at February 2014 Council | 240 | 230 | | | | | 230 | E | N/A |
| CHW05 | Adults | Protection of Social Care Services through the Department of Health Better Care Fund allocation | 33,352 | | 1,788 | | | | 1,788 | I | N/A |
| CHW06 | Adults | Supporting People contract negotiation efficiency | 2,530 | 99 | 300 | | | | 399 | S | To complete |
| CHW07 | Adults | Recommissioning of inhouse transport provision to support the most vulnerable service users. | 1,414 | | 500 | | | | 500 | E | To complete |
| CHW08 | Adults | Additional income to be generated though MyCEP Commercialisation | | | 100 | | | | 100 | I | N/A |
| CHW09 | Adults | Reduced funding following review of WLA programme | 70 | | | 50 | | | 50 | E | N/A |
| CHW10 | Adults | Review of Inhouse Residential Provision | 3,026 | | 250 | | | | 250 | E | To complete |
| CHW11 | Adults | Review of voluntary sector funding | 1,755 | | 550 | | | | 550 | S | Done |
| CHW12 | Community & Culture | Redevelopment Harrow Leisure Centre Site | -609 | | | | 100 | | 100 | I | N/A |
| CHW13 | Community & Culture | School Music Service to fully recover costs | 72 | | 72 | | | | 72 | I | N/A |
| CHW14 | Community & Culture | Strategic reorganisation of Sports Development team. Review to reduce by 1fte (remaining post funded from within Community & Culture budgets). Cease delivery of london Youth Games and further review sports development delivery in 2016/17. | 87 | 47 | 30 | 10 | | | 87 | E | Specific?? |

| Community, Health & Wellbeing | | | Savings - 4 Years | | | | | | | Type Analysis | |
|-------------------------------|---------------------|--|------------------------|-----------------|---------|---------|---------|---------|-------|---|--|
| Ref | Service Area | Headline Description re: saving / reduction | 2014/15 Service Budget | 2014/15 Ongoing | 2015/16 | 2016/17 | 2017/18 | 2018/19 | Total | M - Management Savings I - Additional Income C - Contractual Savings E - Efficiency Savings S - Service Changes | Consultation Done General Specific |
| | | | £000 | £000 | £000 | £000 | £000 | £000 | £000 | | |
| CHW15 | Community & Culture | Reduce council subsidy to the Harrow Arts Centre & Museum, whilst developing business plan to eliminate subsidy in the longer term. In 2015/16 saving achieved by additional income and staff re-structure in 2014/15 (resulting in 2 redundancies) | 615 | | 100 | 515 | | | 615 | E | Done??? |
| CHW16 | Community & Culture | In 2014-15 reduction in library book stock fund to spend consistent with previous years In 2015-16 to develop a library strategy which reduces the number of libraries from 10 to 6, and implement a range of improvements to the remaining libraries in the medium to longer term. | 2,834 | 100 | 500 | | | | 600 | S | Done |
| CHW17 | Community & Culture | Reduction of subsidy for community festivals | 40 | | 30 | | | | 30 | S | Done |
| CHW18 | Community & Culture | CHW Management savings - 1 fte in Community & Culture 2015/16 and 1 fte in Housing 2016/17 | 2,047 | | 79 | 59 | | | 138 | M | To complete |
| CHW19 | Public Health | Reduction in discretionary Health Checks | 335 | | 187 | | | | 187 | S | N/A |
| CHW20 | Public Health | Efficiencies within Sexual Health & Family Planning Services | 1,011 | | 45 | | | | 45 | C | N/A |
| CHW21 | Public Health | Efficiencies within School Nursing Service | 725 | | 18 | | | | 18 | C | N/A |
| CHW22 | Public Health | Efficiencies within Harrow Drug & Alcohol (Young People & Adults) Services | 2,712 | | 250 | | | | 250 | C | N/A |
| CHW23 | Public Health | Efficiencies within Smoking Cessation & Tobacco Control services | 228 | | 41 | | | | 41 | S | N/A |
| CHW24 | Public Health | Reduce funding in Physical Activity Services (back - office change) | 136 | | 60 | | | | 60 | S | N/A |
| CHW25 | Public Health | Reduce Sexual Planning & Family Planning Out of Borough Contingency Fund | 151 | | 25 | | | | 25 | S | N/A |
| CHW26 | Housing | Reduction in training & other minor budgets following review of current usage and assessment of future budget requirements | 46 | | 34 | | | | 34 | E | N/A |
| CHW27 | Housing | Additional salary recharges to the HRA to reflect work patterns | 2,034 | | 41 | | | | 41 | E | N/A |

| Community, Health & Wellbeing | | | Savings - 4 Years | | | | | | | Type Analysis | |
|-------------------------------|--------------|---|------------------------|-----------------|--------------|------------|------------|----------|--------------|---|--|
| Ref | Service Area | Headline Description re: saving / reduction | 2014/15 Service Budget | 2014/15 Ongoing | 2015/16 | 2016/17 | 2017/18 | 2018/19 | Total | M - Management Savings I - Additional Income C - Contractual Savings E - Efficiency Savings S - Service Changes | Consultation Done General Specific |
| | | | £000 | £000 | £000 | £000 | £000 | £000 | £000 | | |
| CHW28 | Housing | Income from increased Charges for Bed & Breakfast / Private Sector Leasing accommodation. This is the 2015-16 estimated effect of an increase being implemented in 2014-15. | 4,813 | | 175 | | | | 175 | I | N/A |
| Total Savings | | | | 476 | 5,662 | 634 | 100 | - | 6,872 | | |
| Growth | | | | | | | | | | | |
| CHWG01 | Adults | Care Act funding from the Better Care Fund | | | 545 | | | | 545 | | |
| CHWG02 | Housing | Homelessness - Growth in homelessness | | | 800 | | | | 800 | | |
| Net Savings | | | | 476 | 4,317 | 634 | 100 | - | 5,527 | | |

| Environment & Enterprise | | | Savings - 4 Years | | | | | | | Type Analysis | |
|--------------------------|--|--|------------------------|-----------------|---------|---------|---------|---------|-------|---|--|
| Ref | Service Area | Headline Description re: saving / reduction | 2014/15 Service Budget | 2014/15 Ongoing | 2015/16 | 2016/17 | 2017/18 | 2018/19 | Total | M - Management Savings I - Additional Income C - Contractual Savings E - Efficiency Savings S - Service Changes | Consultation Done General Specific |
| | | | £000 | £000 | £000 | £000 | £000 | £000 | £000 | | |
| Savings | | | | | | | | | | | |
| E&E_01 | Commissioning Services | Trading Standards - Further cost reduction in Trading Standards service by re-negotiating the Service Level Agreement with London Borough of Brent | 358 | | | 40 | 40 | | 80 | C | N/A |
| E&E_02 | Commissioning Services - Community Engagement | Full reversal of the Neighbourhood Champions growth item | 150 | 100 | | | | | 100 | S | N/A |
| E&E_03 | Commissioning Services - Community Engagement | School Crossing Patrols - service to be funded directly by schools via Service Level Agreement (SLA). If any school chooses not to enter into a SLA, the service for that school will cease. | 64 | | - | 64 | | | 64 | S | Specific consultation with schools in progress |
| E&E_04 | Commissioning Services - Contract Mgt | Staff Efficiencies across the Division - Deletion of contract manager post (currently vacant) | 529 | | 73 | | | | 73 | M | Done |
| E&E_05 | Commissioning Services - Contract Mgt & Policy | Staff Efficiencies across the Division - Deletion of 3 posts | 529 | | 48 | | 86 | | 134 | E | Done |
| E&E_06 | Commissioning Services - Facilities Mgt | Reduction in Facilities Management costs - reduce the controllable budget by 20% in the first 2 years through re-structuring and changing ways of service delivery and a further 5% over Years 3 & 4 through additional efficiencies post re-structuring. Consultation with staff already underway and it is proposed to delete 8 posts, 3 of these are currently vacant. | 2,000 | 100 | 300 | 44 | 44 | 22 | 510 | E | Done |
| E&E_07 | Commissioning Services - Facilities Mgt | Introduction of staff car parking charges | 0 | | 20 | 30 | - | - | 50 | I | Specific consultation with staff TBC |
| E&E_08 | Commissioning Services - Highway Services | Reduce highways maintenance budget - Changes to the response times on non urgent works i.e. respond to these in 48 hours instead of existing 24 hours. | 1,186 | 60 | 127 | 84 | 45 | | 316 | E | Done |
| E&E_09 | Commissioning Services - Highways | Highways Contract - Extend the scope of the Highways Contract to include scheme design and / or inspection services when the contract is re-procured (current contract will expire in 16/17). | 639 | | | | 120 | 120 | 240 | E | NA |
| E&E_10 | Commissioning Services - Highways | Review salary capitalisation of highway programme & TfL funded projects | -600 | | | 100 | 50 | 50 | 200 | I | NA |

| Environment & Enterprise | | Savings - 4 Years | | | | | | | | Type Analysis | |
|--------------------------|---|---|------------------------|-----------------|---------|---------|---------|---------|-------|---|--|
| Ref | Service Area | Headline Description re: saving / reduction | 2014/15 Service Budget | 2014/15 Ongoing | 2015/16 | 2016/17 | 2017/18 | 2018/19 | Total | M - Management Savings I - Additional Income C - Contractual Savings E - Efficiency Savings S - Service Changes | Consultation Done General Specific |
| E&E_11 | Commissioning Services - Network Mgt | Additional income - from permitting scheme | -644 | 40 | 60 | 20 | 10 | | 130 | I | N/A |
| E&E_12 | Commissioning Services - Street Lighting | Changes in Street Lighting Policy to include variable lighting solutions. | 652 | | 30 | 68 | 10 | 12 | 120 | S | Done |
| E&E_13 | Commissioning Services - Street Lighting and Drainage | Street lighting and Drainage budgets - capital investment allows for lower maintenance costs | 786 | 25 | 60 | 25 | 40 | | 150 | E | N/A |
| E&E_14 | Commissioning Services - Winter Gritting | Reduction in winter gritting budgets - renegotiation of winter gritting contract - adopt a risk sharing approach and move away from the current fixed pricing for the service | 213 | | 10 | 20 | | 10 | 40 | C | N/A |
| E&E_15 | Directorate wide | Staff Efficiencies following the merger of the Business & Service Development and Commissioning Services Divisions. | 1,098 | 40 | 124 | | | | 164 | M | Done |
| E&E_16 | Directorate wide | Management Efficiencies - Reduce staff budget in Directorate Management by £130K. | 1,100 | 77 | 53 | | | | 130 | M | Done |
| E&E_17 | Directorate wide | Reversal of late growth items at February 2014 Council | 110 | 110 | | | | | 110 | S | N/A |
| E&E_18 | Directorate wide | Staff Efficiencies following the merger of the Business & Service Development and Commissioning Services Divisions - Delete one performance management officer post and a cemetery superintendent post as of 31 March 2015. In addition, further efficiencies to be achieved in Environmental Services Delivery and Commissioning Divisions in 17/18. | 1,098 | | 72 | | 30 | 50 | 152 | E | Done |
| E&E_19 | Directorate wide | Increase Fees & Charges - harmonise our cemetery charges with London Borough of Brent for the shared site at Carpenders Park, and increase the minimum charge for residual waste disposal by trade customers at CA site to cover the cost of disposal. | | | 50 | | | | 50 | I | N/A |
| E&E_20 | Directorate-wide | Contractual/commissioned/SLA savings - To seek maximum value in savings from existing contracts, Service Level Agreements and all services commissioned, from third parties by re-negotiating terms that will yield cashable savings. To secure on-going cashable benefits from gain share and third party income arrangements. | | | 300 | 200 | 200 | | 700 | C | N/A |

| Environment & Enterprise | | | Savings - 4 Years | | | | | | | Type Analysis | |
|--------------------------|---------------------------------------|---|------------------------|-----------------|---------|---------|---------|---------|-------|---|------------------------------------|
| Ref | Service Area | Headline Description re: saving / reduction | 2014/15 Service Budget | 2014/15 Ongoing | 2015/16 | 2016/17 | 2017/18 | 2018/19 | Total | M - Management Savings I - Additional Income C - Contractual Savings E - Efficiency Savings S - Service Changes | Consultation Done General Specific |
| E&E_21 | Directorate-wide | Efficiencies saving –Remove Supplies & Services budget in Directorate Management. | 500 | | 170 | | | | 170 | E | N/A |
| E&E_22 | Environmental Services - Env Health | Environmental Health Staffing: Reduce professional staffing by 2 Environmental Health Officer posts and 2 Technical Officer posts reducing service levels to residents and businesses proportionately | 1,610 | | 175 | | | | 175 | S | N/A |
| E&E_23 | Environmental Services - Env Health | Environmental Health out of hours noise nuisance response service. Delete this service. | 50 | | 50 | | | | 50 | S | Done |
| E&E_24 | Environmental Services - Harrow Pride | Responsive zonal street cleaning for residential streets: Move to a more targeted approach of responsive street cleaning service away from the current rota of every four weeks. Reduction of 6 posts. One-off vehicle early termination costs (1 dropside tipper and 1 tipper) is estimated at £41K. | 2,932 | - | 172 | | | | 172 | S | Done |
| E&E_25 | Environmental Services - Harrow Pride | Beat sweepers: Remove dedicated beat sweepers from secondary shopping areas, remove weekend and late afternoon street cleansing from 1st April 2015. | 2,932 | | 150 | | | | 150 | S | Done |
| E&E_26 | Environmental Services - Harrow Pride | Reduce Parks service to statutory minimum: Delete parks locking service, naturalise parks (except paid for fine turf), no green flag parks, litter picking reduced to once per week from 1st April 2015. Reduction of 4 Driver posts, 2 Operative posts and 5 Grounds Maintenance Specialist posts Parks Management. Through implementation of the previous savings proposal of reducing parks maintenance standards to the statutory minimum, there can be a further reduction in management and supervisory posts from the existing parks structure of 1 team leader and 2 charge-hands from 1st April 2015. | 2,323 | | 304 | 23 | | | 327 | S | Done |
| E&E_27 | Environmental Services - Harrow Pride | Highways verge grass cutting, moving from a three weekly to a six weekly cycle. Reduce quality of service from 1st April 2015. One-off vehicle de-hire cost (1 tipper) is estimated at £11K. | 753 | | 71 | 11 | | | 82 | S | Done |
| E&E_28 | Environmental Services - Parking | Parking Enforcement - Increase efficiency in civil enforcement team. | -6,564 | 100 | 100 | | | | 200 | I | N/A |

| Environment & Enterprise | | Savings - 4 Years | | | | | | | | Type Analysis | |
|--------------------------|--|---|------------------------|-----------------|---------|---------|---------|---------|-------|---|---------------------------------------|
| Ref | Service Area | Headline Description re: saving / reduction | 2014/15 Service Budget | 2014/15 Ongoing | 2015/16 | 2016/17 | 2017/18 | 2018/19 | Total | M - Management Savings I - Additional Income C - Contractual Savings E - Efficiency Savings S - Service Changes | Consultation Done General Specific |
| E&E_29 | Environmental Services - Parking | Review Parking charges to deal with capacity issues | -1,941 | | 375 | | | | 375 | I | Specific Consultation TBC |
| E&E_30 | Environmental Services - Public Protection | Licensing: Budget realignment to reflect forecast income from licensing activities. | -358 | 15 | 15 | | | | 30 | I | N/A |
| E&E_31 | Environmental Services - Public Protection | Removal of late growth budget at February 2014 Council - On the spot fine for spitting, graffiti, littering and anti-social behaviour | 50 | | 50 | | | | 50 | S | N/A |
| E&E_32 | Environmental Services - Waste Services | Clinical waste: Review of current waste composition to identify genuine clinical waste which will be collected by a specialist service | 87 | 10 | 50 | | | | 60 | S | Done |
| E&E_33 | Environmental Services - Waste Services | CA Site: Reduce assistance to public upper level at Civic Amenity site from 1st January 15. Reduction of 2 Waste Recycling Assistant posts (currently vacant). | 590 | 12 | 38 | | | | 50 | S | Done |
| E&E_34 | Environmental Services - Waste Services | <p>Change mixed organic waste collection system with separate collection of food waste and introduce charges for garden waste from 1st October 2015.</p> <p>Food Waste - Each household on 3 wheeled bin system will be provided with a new 23L food waste bin and a kitchen caddy which will be emptied weekly.</p> <p>Garden Waste - Garden waste will be collected fortnightly on a chargeable basis. Households that subscribe to the service will receive 25 lifts per year at a price of £75. Concessions will be provided to residents on means tested benefits.</p> <p>Introductory offer - £75 to cover the period between 1st oct 15 and 31st Mar 17. The saving figure assumes 40% of households will take up the chargeable service.</p> <p>One-off implementation costs are estimated as follows: Revenue costs of approx £430K, and Capital costs for new food waste bins and kitchen caddies (£720K); the construction of a bulking facility for food waste at the depot (£250K).</p> | | | 970 | 1,711 | | | 2,681 | I | Done |

| Environment & Enterprise | | | Savings - 4 Years | | | | | | | Type Analysis | |
|--------------------------|----------------------------|---|------------------------|-----------------|--------------|--------------|------------|------------|--------------|---|--|
| Ref | Service Area | Headline Description re: saving / reduction | 2014/15 Service Budget | 2014/15 Ongoing | 2015/16 | 2016/17 | 2017/18 | 2018/19 | Total | M - Management Savings I - Additional Income C - Contractual Savings E - Efficiency Savings S - Service Changes | Consultation Done General Specific |
| E&E_35 | Planning - Development Mgt | Provision of Highways advice: seek advice directly from Transport team rather than via a transport planning liaison, removing potential for duplication | 50 | 12 | | | | | 12 | E | Done |
| E&E_36 | Planning - Development Mgt | Planning Fees: following an increase in 2013, the government may increase the statutory planning fees at some point over the next four years | -1,032 | | | | 100 | | 100 | I | N/A |
| E&E_37 | Planning Policy | Non-renewal of Limehouse UCREATE module: The majority of Local Plan documents are adopted limiting the need for this publication and online interactive consultation tool. | 10 | 10 | | | | | 10 | C | N/A |
| E&E_38 | Planning Policy | S106: increase the draw down on the s106 admin fee account balance to cover the costs of administration | -24 | 30 | | | | | 30 | I | N/A |
| E&E_39 | Planning Policy | CIL: increase the draw down on the CIL admin fee account balance to cover the costs of administration and monitoring. | -15 | 5 | | | | | 5 | I | N/A |
| E&E_40 | Planning Policy | Green Grid: seek true cost recovery on officers' time for delivery of the annual Green Grid capital programme | -30 | 20 | | | | | 20 | I | N/A |
| E&E_41 | Planning - Development Mgt | 'Free-go' planning applications following refusals: significantly reduce 'free-go' applications through amendment of current 'no negotiation' policy on new planning applications. | | | 50 | | | | 50 | S | N/A |
| | | Total Savings | | 766 | 4,067 | 2,440 | 775 | 264 | 8,312 | | |

| Children & Families | | | Savings - 4 Years | | | | | | | Type Analysis | |
|---------------------|-------------------------|--|------------------------|-----------------|---------|---------|---------|---------|-------|---|--|
| Ref | Service Area | Headline Description re: saving / reduction | 2014/15 Service Budget | 2014/15 Ongoing | 2015/16 | 2016/17 | 2017/18 | 2018/19 | Total | M - Management Savings I - Additional Income C - Contractual Savings E - Efficiency Savings S - Service Changes | Consultation Done General Specific |
| | | | £000 | £000 | £000 | £000 | £000 | £000 | £000 | | |
| Savings | | | | | | | | | | | |
| C&F-01 | Commissioning & Schools | Harrow Teacher's Centre Centre closed July 2014 as part of site vacation to enable school expansion of Whitefriars Community School (funded by Targeted Basic Needs Programme) to proceed in Autumn 2014. Staff have already left or been redeployed and redundancy costs funded | 231 | | 231 | | | | 231 | S | Done |
| C&F-02 | Commissioning & Schools | Contracts Review Morning Lane contract by approx 16% | 322 | | 50 | | | | 50 | C | Specific |
| C&F-03 | Commissioning & Schools | Governor Services Reduction in printing costs | 71 | 10 | | | | | 10 | E | N/A |
| C&F-04 | Commissioning & Schools | Enhancing Achievement including Travellers Service Seek further grant income for non-statutory support for key Narrowing the Gap pupil groups and vulnerable Traveller community. This service has generated approx £75k in external funding in 2013-14 | 96 | | 30 | | | | 30 | I | N/A |
| C&F-05 | Commissioning & Schools | Capitalisation Capitalise salary Education Professional Lead | 334 | | 90 | | | | 90 | I | N/A |
| C&F-06 | Cross Service | Review of management Reduce number of Service Managers & Divisional Directors. This would reduce the service one divisional director and one service manager. Redundancy costs not included | 36,100 | | 205 | | | | 205 | M | Specific |
| C&F-07 | Cross Service | Reversal of Growth Reversal of late growth items at February 2014 Council | 300 | 300 | | | | | 300 | E | N/A |
| C&F-08 | Cross Service | Private Finance Initiative Transfer the funding of the Schools PFI "affordability gap" to Dedicated Schools Grant. This is subject to consultation with Schools Forum and Harrow Schools and subject to approval by the Department for Education as it involves adding an additional factor into the Harrow Schools Funding Formula. | 421 | | 421 | | | | 421 | I | Specific consultation complete |

| Children & Families | | | Savings - 4 Years | | | | | | | Type Analysis | |
|----------------------|----------------------------|--|------------------------|-----------------|--------------|---------|---------|---------|--------------|---|--|
| Ref | Service Area | Headline Description re: saving / reduction | 2014/15 Service Budget | 2014/15 Ongoing | 2015/16 | 2016/17 | 2017/18 | 2018/19 | Total | M - Management Savings I - Additional Income C - Contractual Savings E - Efficiency Savings S - Service Changes | Consultation Done General Specific |
| | | | £000 | £000 | £000 | £000 | £000 | £000 | £000 | | |
| C&F-09 | Targeted Services | In-house Fostering & Adoption Team restructuring - budget aligned to current practice. | 799 | 55 | | | | | 55 | E | Done |
| C&F-10 | Targeted Services | Recruitment of Foster Carers Recruitment of an additional 13 in-house foster carers to reduce demand for external fostering agencies. | 1,881 | | 200 | | | | 200 | E | N/A |
| C&F-11 | Early Intervention Service | Finance Post Delete 0.5FTE post. | 21 | 21 | | | | | 21 | E | N/A |
| C&F-12 | Early Intervention Service | Early Years & Early Intervention Services Review of all services resulting in three proposed models: Option 1 - retain 3 children's centres & 4 delivery sites Option 2 - retain 3 children's centres & 6 delivery sites Option 3 - retain 2 children's centres & 10 delivery sites | 4,735 | | 984 | | | | 984 | S | Consultation in progress |
| Total Savings | | | | 386 | 2,211 | - | - | - | 2,597 | | |
| Growth | | | | | | | | | | | |
| C&FG01 | | Social Workers | | | 715 | | | | 715 | | |
| Net Savings | | | | 386 | 1,496 | - | - | - | 1,882 | | |

| Pan Organisation | | Savings - 4 Years | | | | | | | | Type Analysis | |
|----------------------|------------------|--|------------------------|-----------------|---------|---------|---------|---------|-------|---|--|
| Ref | Service Area | Headline Description re: saving / reduction | 2014/15 Service Budget | 2014/15 Ongoing | 2015/16 | 2016/17 | 2017/18 | 2018/19 | Total | M - Management Savings I - Additional Income C - Contractual Savings E - Efficiency Savings S - Service Changes | Consultation Done General Specific |
| | | | £000 | £000 | £000 | £000 | £000 | £000 | £000 | | |
| Savings | | | | | | | | | | | |
| PO 01 | Pan Organisation | Using the Market - A package of saving proposals around total facilities management, supplier negotiations, revenue generation and consultancy have been identified which will provide better VFM to residents and reduce costs to the Council. | | | | 220 | | | 220 | E | N/A |
| PO 02 | Pan Organisation | Service Levels / Capital Programme - Proposed savings on capital financing costs. | | | 1,500 | | | | 1,500 | E | N/A |
| PO 03 | Pan Organisation | Regeneration - Indicative net income realised from a long term regeneration strategy for the borough, to be formalised following consultation launched in early 2015. | | - | - | - | 350 | 2,000 | 2,350 | S | Specific - on going |
| Total savings | | | | - | 1,500 | 220 | 350 | 2,000 | 4,070 | | |

| Business Support Services | | Savings - 4 Years | | | | | | | | Type Analysis | |
|---------------------------|------------------|---|------------------------|-----------------|---------|---------|---------|---------|-------|---|--|
| Ref | Service Area | Headline Description re: saving / reduction | 2014/15 Service Budget | 2014/15 Ongoing | 2015/16 | 2016/17 | 2017/18 | 2018/19 | Total | M - Management Savings I - Additional Income C - Contractual Savings E - Efficiency Savings S - Service Changes | Consultation Done General Specific |
| | | | £000 | £000 | £000 | £000 | £000 | £000 | £000 | | |
| Savings | | | | | | | | | | | |
| BSS01 | Business Support | Review of Business Support Services | | | 730 | | | | 730 | E | Done |
| Total | | | | - | 730 | - | - | - | 730 | | |

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MEDIUM TERM FINANCIAL STRATEGY 2015/16 to 2018/19

| | 2014/15 | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
|---|-------------------|-------------------|------------------|------------------|------------------|
| | £000 | £000 | £000 | £000 | £000 |
| Budget Requirement Brought Forward | | 174,426 | 167,381 | 154,373 | 146,247 |
| Corporate & Technical | | 5,887 | 10,867 | 10,037 | 12,979 |
| Community Health and Wellbeing | | -2,021 | 1,866 | -100 | 0 |
| Children and Families | | -1,469 | 413 | 0 | 0 |
| Environment and Enterprise | | -4,500 | -1,676 | -775 | -264 |
| Resources | | -2,713 | -1,060 | -1,652 | -1,345 |
| Pan Organisation & Business Support Service | | -2,230 | -220 | -350 | -2,000 |
| Total | | -7,046 | 10,190 | 7,160 | 9,370 |
| FUNDING GAP | | 0 | -23,198 | -15,286 | -13,899 |
| Total Change in Budget Requirement | | -7,046 | -13,008 | -8,126 | -4,529 |
| Revised Budget Requirement | 174,426 | 167,381 | 154,373 | 146,247 | 141,718 |
| Collection Fund Deficit/-surplus | -1,676 | -1,900 | 0 | 0 | 0 |
| Revenue Support Grant | -42,628 | -32,034 | -20,388 | -11,548 | -6,174 |
| Top Up | -20,546 | -20,939 | -21,375 | -21,986 | -22,727 |
| Retained Non Domestic Rates | -14,509 | -14,012 | -14,012 | -14,012 | -14,012 |
| Amount to be raised from Council Tax | 95,067 | 98,496 | 98,598 | 98,702 | 98,804 |
| Council Tax at Band D | £ 1,210.28 | £ 1,234.36 | £1,234.36 | £1,234.36 | £1,234.36 |
| Increase in Council Tax (%) | 0.00% | 1.99% | 0.00% | 0.00% | 0.00% |
| Tax Base | 78,550 | 79,795 | 79,878 | 79,962 | 80,045 |
| Collection rate | 97.50% | 97.50% | 97.50% | 97.50% | 97.50% |
| Gross Tax Base | 80,565 | 81,841 | 81,927 | 82,012 | 82,098 |

MTFS 2015/16 to 2018/19 – Proposed investments / savings

| TECHNICAL BUDGET CHANGES | | Proposed | | | |
|---|--|--------------|--------------|--------------|--------------|
| Item No | | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
| | | £000 | £000 | £000 | £000 |
| MTFS Proposals Agreed in February 2014 | | | | | |
| Capital and Investment | | | | | |
| Tech 001 | Capital financing costs and investment income. Increased Minimum Revenue Provision costs of the capital programme and interest on balances changes | 310 | 841 | 0 | 0 |
| Total Capital and Investment Changes | | 310 | 841 | 0 | 0 |
| Grant Changes | | | | | |
| Tech 002 | New homes bonus - Top slice of New Homes Bonus to fund the London Local Enterprise Partnership (LEP) announced in Comprehensive Spending Review (CSR) 2013 | 1,200 | -345 | 0 | 0 |
| Tech 004 | Education Support Grant. New grant in relation to Local Education Authority (LEA) functions, previously included in formula Grant | 1,500 | 200 | 0 | 0 |
| Tech 005 | Council Tax Freeze Grant. Payable for setting 0% Council Tax increase 2015-16 | -1,068 | 0 | 0 | 0 |
| | S 31 Grant to replace Business Rates lost as a result of temporary reliefs to ratepayers Assumed end to scheme | 375 | 0 | 0 | 0 |
| Total Grant Changes | | 2,007 | -145 | 0 | 0 |
| Other Technical Changes | | | | | |
| Tech 012 | Freedom Pass Levy increase. Cost of Freedom passes charged to Harrow by Transport for London | 360 | 370 | 0 | 0 |
| Tech 018 | Budget planning contingency. | 3,000 | 3,000 | 0 | 0 |
| Tech 020 | Saving from formula change on freedom passes - agreed at London Councils Transport and Environment Committee in December 2012 Reallocation of costs between London boroughs giving Harrow a reduction in costs | -81 | -81 | 0 | 0 |
| Total Other Technical Changes | | 3,279 | 3,289 | 0 | 0 |
| Pay and Inflation | | | | | |
| Tech 023 | Pay Award @ 1% 2014-15, then 2% pa | 1,850 | 1,850 | 0 | 0 |
| Tech 024 | Employer's Pension Contributions. Increase in employer contribution rate to meet pension fund deficit | 400 | 400 | 0 | 0 |
| Tech 025 | Inflation on goods and services @ 1.3% p.a. | 1,210 | 1,210 | 0 | 0 |
| Total Pay and Price Inflation | | 3,460 | 3,460 | 0 | 0 |
| CROSS CUTTING TRANSFORMATION PROGRAMME | | | | | |
| Tech 029 | Staff Terms and Conditions. Phasing out of protection on terms and conditions changes agreed with Staff from January 2013. | -187 | -31 | 0 | 0 |
| Total Transformation | | -187 | -31 | 0 | 0 |
| Net Proposals Agreed in February 2014 | | 8,869 | 7,414 | 0 | 0 |
| Additional Changes now Proposed | | | | | |
| Capital and Investment | | | | | |
| | Capital financing costs and investment income Increased Minimum Revenue Provision costs of the capital programme and interest on balances changes | 164 | 1,621 | 2,095 | 4,731 |
| | Neighbourhood Investment Scheme | 210 | 0 | 0 | 0 |
| Total Capital and Investment Changes | | 374 | 1,621 | 2,095 | 4,731 |
| Grant Changes | | | | | |
| | New Homes Bonus - Reduction in the top slice of New Homes Bonus to fund the London LEP per latest estimates and increase in number of new homes | -944 | 195 | 325 | 579 |
| | Education Support Grant. Delay in the reduction in grant utilising latest projected pupil numbers and projected conversions to academies. | -1,120 | 345 | 545 | 545 |
| | Council Tax Freeze Grant 2014-15 Grant ended as now consolidated into RSG | 1,068 | | | |

MTFS 2015/16 to 2018/19 – Proposed investments / savings

| TECHNICAL BUDGET CHANGES | | Proposed | | | |
|--------------------------|---|---------------|---------------|---------------|---------------|
| | | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
| Item No | | £000 | £000 | £000 | £000 |
| | Council Tax Freeze Grant 2015-16 Grant will not be received as Council Tax is increasing | 1,068 | 0 | 0 | 0 |
| | S 31 Grant Anticipated Grant to replace Business Rates lost as a result of temporary reliefs to ratepayers | -600 | 0 | 0 | 0 |
| | Total Grant Changes | -528 | 540 | 870 | 1,124 |
| | Other Technical Changes | | | | |
| | Freedom Pass Levy increase. Cost of Freedom passes charged to Harrow by TfL - revised 2015-16 figure and extension to additional years of MTFS | -89 | 0 | 380 | 390 |
| | Chief Executive post Cost of reinstating post | 182 | 0 | 0 | 0 |
| | Budget planning contingency Removal of budget in 2015-16 as budget proposals are now known. Extension to last 2 years of the MTFS | -3,000 | 0 | 3,000 | 3,000 |
| | Contingency increase Increase of general contingency from £921k to £1.248m to reflect the additional risks around welfare reform | 327 | 0 | 0 | 0 |
| | Welfare Reform contingency from savings on Council Tax Support scheme | 0 | | | |
| | Total Other Technical Changes | -2,580 | 0 | 3,380 | 3,390 |
| | Pay and Inflation | | | | |
| | Pay Award @ 1% 2014-15, then 2% pa Recalculation of base and extension to 2 additional years MTFS | -50 | -50 | 1,800 | 1,800 |
| | Saving on pay award Jan 15 2.23% Estimated saving on the cost of the 2014-15 and 2015-16 pay awards compared to the previously budgeted amounts | -700 | 0 | 0 | 0 |
| | Employer's Pension Contributions lump sum increases agreed with actuary Required to reduce the pension deficit | 442 | 182 | 622 | 664 |
| | Inflation on goods and services @ 1.3% p.a. Rebasing inflation and extension to 2 additional years of MTFS | 60 | 60 | 1,270 | 1,270 |
| | Increase in cost of NI for contracted out employees Ending of contracted out rebate - 3.4% on applicable salary range | 0 | 1,100 | 0 | 0 |
| | Total Pay and Price Inflation | -248 | 1,292 | 3,692 | 3,734 |
| | Total Changes now Proposed | -2,982 | 3,453 | 10,037 | 12,979 |
| | Total Corporate & Technical | 5,887 | 10,867 | 10,037 | 12,979 |

MTFS 2015/16 to 2018/19 – Proposed investments / savings

| CHILDREN'S SERVICES | | Proposed | | | |
|----------------------------|--|-----------------|----------------|----------------|----------------|
| Item No | | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
| | | £000 | £000 | £000 | £000 |
| | MTFS Proposals Agreed in February 2014 | | | | |
| | Investment in Services | | | | |
| CF 001 | Increase in Children Looked After (CLA) placement budgets reflecting growth in child population and changing demographic | 178 | 178 | 0 | 0 |
| CF 002 | Increase in Children with Disabilities (CWD) client costs reflecting growth in child population | 82 | 82 | 0 | 0 |
| CF 003 | Increase in staffing costs reflecting growth in child population and changing demographic | 153 | 153 | 0 | 0 |
| | Total Investment in Services | 413 | 413 | 0 | 0 |
| | Net Proposals Agreed in February 2014 | 413 | 413 | 0 | 0 |
| | Additional Savings and Growth now Proposed | | | | |
| | See Detail in Appendix 2 | -1,882 | 0 | 0 | 0 |
| | Net Children & Families | -1,469 | 413 | 0 | 0 |

MTFS 2015/16 to 2018/19 – Proposed investments / savings

| ENVIRONMENT & ENTERPRISE | | Proposed | | | |
|---|--|---------------|---------------|-------------|-------------|
| Item No | | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
| | | £000 | £000 | £000 | £000 |
| MTFS Proposals Agreed in February 2014 | | | | | |
| Investment in Services | | | | | |
| E&E011 14/15 | Parking review - New proposal for 20 minute free parking | 100 | 0 | 0 | 0 |
| E&E005 | CCTV camera income decline | 70 | 56 | 0 | 0 |
| E&E008 | West London Waste Authority (WLWA) Levy / Dry Recyclables Income | 677 | 708 | 0 | 0 |
| Total Investment in Services | | 847 | 764 | 0 | 0 |
| Savings | | | | | |
| E&E011 | Public Realm Integrated Service Model (PRISM) efficiencies. Towards Excellence Programme efficiencies | -375 | 0 | 0 | 0 |
| E&E023 | Consolidation of Civic Centre accommodation to secure utility cost savings. Transformation Project | -58 | 0 | 0 | 0 |
| E&E043 | Grounds maintenance: Annualised hours | -81 | 0 | 0 | 0 |
| Total Environment & Enterprise Savings | | -514 | 0 | 0 | 0 |
| Net Proposals Agreed in February 2014 | | 333 | 764 | 0 | 0 |
| Additional Savings and Growth now Proposed | | | | | |
| See Detail in Appendix 2 | | -4,833 | -2,440 | -775 | -264 |
| Net Environment & Enterprise | | -4,500 | -1,676 | -775 | -264 |

MTFS 2015/16 to 2018/19 – Proposed investments / savings

| COMMUNITY, HEALTH AND WELLBEING | | Proposed | | | |
|---|--|---------------|--------------|-------------|----------|
| | | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
| Item No | | £000 | £000 | £000 | £000 |
| MTFS Proposals Agreed in February 2014 | | | | | |
| Investment in Services | | | | | |
| Adults | | | | | |
| CHW001 | Demographic Growth. Costs associated with increased demand for eligible users | 2,800 | 2,500 | 0 | 0 |
| Community & Culture | | | | | |
| CHW010 14/15 | Under One Sky, celebrating with the 60th anniversary theme – one-off extra £10k | -10 | 0 | 0 | 0 |
| Total Investment in Services | | 2,790 | 2,500 | 0 | 0 |
| Savings | | | | | |
| Community and Culture | | | | | |
| CHW050 | Libraries Transformation 2 Impact of final contract negotiations around profit share and short term use of Civic Centre by contractor | -18 | 0 | 0 | 0 |
| Total CHW Savings | | -18 | 0 | 0 | 0 |
| Net Proposals Agreed in February 2014 | | 2,772 | 2,500 | 0 | 0 |
| Additional Savings and Growth now Proposed | | | | | |
| See Detail in Appendix 2 | | -4,793 | -634 | -100 | |
| Net Community, Health & Wellbeing | | -2,021 | 1,866 | -100 | 0 |

MTFS 2015/16 to 2018/19 – Proposed investments / savings

| RESOURCES | | Proposed | | | |
|---|--|---------------|---------------|---------------|---------------|
| Item No | | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
| | | £000 | £000 | £000 | £000 |
| MTFS Proposals Agreed in February 2014 | | | | | |
| Investment in Services | | | | | |
| Strategic Commissioning | | | | | |
| RES009 | Experian & LIS. Addition of new census data into LIS system and update of Experian profiles. Reversal of 1 off growth | -25 | 0 | 0 | 0 |
| Collections and Benefits | | | | | |
| RES019 | Department for Work and Pensions (DWP) Housing Benefit Reduction in Administration Grant. Following the introduction of Universal Credit administered by central government. | 250 | 500 | 0 | 0 |
| RES020 | Loss of Housing Benefits Overpayments Income Stream. To reflect lower surplus currently being achieved and loss of the income stream following the introduction of Universal Credit administered by central government. | 200 | 320 | 0 | 0 |
| Total Investment in Services | | 425 | 820 | 0 | 0 |
| Savings | | | | | |
| Customer Services | | | | | |
| RES029 | Further channel shift through roll out of My Harrow account. Reduction in Access Harrow staffing resulting from self serve via MHA, website and IVR | -60 | 0 | 0 | 0 |
| RES030 | Close Face to Face (F2F) and Telephony Channels for Public Realm Enquiries. Over a 3 year period close face to face contact in Access Harrow for Public Realm queries and migrate to Internet contact. | -70 | -50 | 0 | 0 |
| RES031 | Reconfigure One Stop Shop to self-serve area and close F2F (face to face) advice | -190 | -100 | 0 | 0 |
| HRD | | | | | |
| RES042 | Reduction in HRD posts. Deletion of 2 posts. | -75 | 0 | 0 | 0 |
| Collections and Benefits | | | | | |
| RES078 | Deletion of 4 FTE posts in Housing Benefits | -140 | 0 | 0 | 0 |
| RES082 | Revenues Staffing Reductions | 0 | -40 | 0 | 0 |
| RES083 | Housing Benefits Staffing Reductions as Benefits moves to DWP. Reduced staffing required as Housing Benefits transfers to Universal Credit and is no longer administered by Harrow. | 0 | -125 | 0 | 0 |
| Total Resources Savings | | -535 | -315 | 0 | 0 |
| Net Proposals Agreed in February 2014 | | -110 | 505 | 0 | 0 |
| Additional Savings and Growth now Proposed | | | | | |
| See Detail in Appendix 2 | | -2,603 | -1,565 | -1,652 | -1,345 |
| Net Resources | | -2,713 | -1,060 | -1,652 | -1,345 |

MTFS 2015/16 to 2018/19 – Proposed investments / savings

| Pan Organisation & Business Support Service | | Proposed | | | |
|--|--|-----------------|----------------|----------------|----------------|
| Item No | | 2015/16 | 2016/17 | 2017/18 | 2018/19 |
| | | £000 | £000 | £000 | £000 |
| | Additional Savings and Growth now Proposed | | | | |
| | Pan Organisation -See Detail in Appendix 2 | -1,500 | -220 | -350 | -2,000 |
| | Business Support Service - See Detail in Appendix 2 | -730 | | | |
| | Net Pan Organisation & BSS | -2,230 | -220 | -350 | -2,000 |

REVENUE BUDGET SUMMARY 2015-2016

| | 2014-15 | 2015-16 | | | | |
|--|-----------------|--------------------------------|-----------------|------------------------------|----------------------------|-----------------|
| | Net Budget | Gross Controllable Expenditure | Gross Income | Net Controllable Expenditure | Uncontrollable Expenditure | Net Budget |
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Local Demand - Borough Services | | | | | | |
| Environment and Enterprise | 39,897 | 39,543 | -21,036 | 18,507 | 14,550 | 33,057 |
| Community, Health and Wellbeing | 75,204 | 114,531 | -51,827 | 62,704 | 13,410 | 76,114 |
| Children and Families | 46,258 | 166,450 | -135,070 | 31,380 | 10,996 | 42,376 |
| Resources | 24,866 | 202,033 | -160,321 | 41,712 | -17,741 | 23,971 |
| Total Directorate Budgets | 186,225 | 522,557 | -368,254 | 154,303 | 21,215 | 175,518 |
| Inflation and Corporate Items | 1,521 | | | | | 1,044 |
| Contingency - General | 921 | | | | | 1,248 |
| Capital Financing adjustments | -6,678 | | | | | -4,155 |
| Provisions for debt/litigation | 375 | | | | | 375 |
| Interest on Balances | -1,052 | | | | | -1,588 |
| Council Tax Freeze Grant | -1,068 | | | | | 0 |
| Education Services Grant | -2,751 | | | | | -2,371 |
| New Homes Bonus | -3,067 | | | | | -2,690 |
| Total Budget Requirement | 174,426 | | | | | 167,381 |
| BUDGET REQUIREMENT FUNDED BY | | | | | | |
| Contribution re Collection Fund | | | | | | |
| Deficit/Surplus(-) b/f | -1,676 | | | | | -1,900 |
| Revenue support Grant | -42,628 | | | | | -32,034 |
| Top-up | -20,546 | | | | | -20,939 |
| Retained Business Rates | -14,509 | | | | | -14,012 |
| Council Tax Income | -95,067 | | | | | -98,496 |
| Total Funding | -174,426 | | | | | -167,381 |
| Council Tax for Band D Equivalent | | | | | | |
| Harrow (£) | 1,210.28 | | | | | 1,234.36 |
| GLA (£) | 299.00 | | | | | 295.00 |
| | 1,509.28 | | | | | 1,529.36 |
| <u>Increase</u> | | | | | | |
| Harrow (%) | 0.00% | | | | | 1.99% |
| GLA (%) | -1.32% | | | | | -1.34% |
| Total (%) | -0.26% | | | | | 1.33% |
| Taxbase | 78,550 | | | | | 79,795 |
| Collection Rate | 97.50% | | | | | 97.50% |
| Funds / Balances | | | | | | |
| Balances Brought Forward | 8,646 | | | | | 10,000 |
| Adjustment to Balances | 0 | | | | | 0 |
| Balances Carried Forward | 8,646 | | | | | 10,000 |

Objective Analysis 2015-2016

| | Director of Environment & Enterprise | Enterprise | Commissioning Services | Environmental Service Delivery | Corporate Estate | Planning | Property & Infrastructure | Total |
|---|--|------------|---------------------------|--------------------------------------|---------------------|---------------|------------------------------|----------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Employees | 191 | 558 | 4,251 | 11,199 | 416 | 2,058 | | 18,673 |
| Premises related expenditure | 0 | 0 | 2,967 | 1,041 | 77 | 3 | | 4,088 |
| Transport related expenditure | 1 | 2 | 32 | 3,033 | 1 | 26 | | 3,095 |
| Supplies and services | 312 | 48 | 1,008 | 9,439 | 31 | 289 | | 11,127 |
| Third Party Payments | 47 | 0 | 2,206 | 303 | 0 | 4 | | 2,560 |
| Transfer payments | | | | | | | | |
| Total Controllable Expenditure | 551 | 608 | 10,464 | 25,015 | 525 | 2,380 | 0 | 39,543 |
| Government grants | 0 | 0 | -51 | 0 | 0 | 0 | | -51 |
| Other grants, reimbursements and contributions | | | | | | | | 0 |
| External Fees, Charges and Receipts | 0 | 0 | -3,113 | -14,677 | -964 | -2,055 | | -20,809 |
| Internal Recharges (Income) | -89 | -8 | -13 | -21 | -9 | -36 | | -176 |
| Total Income | -89 | -8 | -3,177 | -14,698 | -973 | -2,091 | 0 | -21,036 |
| Net Controllable Expenditure | 462 | 600 | 7,287 | 10,317 | -448 | 289 | 0 | 18,507 |
| Capital financing | 0 | 28 | 8,750 | 2,770 | 18 | 42 | | 11,608 |
| Support services | 29 | 182 | -2,296 | 4,386 | -208 | 849 | | 2,942 |
| Total Uncontrollable | 29 | 210 | 6,454 | 7,156 | -190 | 891 | 0 | 14,550 |
| Net Budget | 491 | 810 | 13,741 | 17,473 | -638 | 1,180 | 0 | 33,057 |

Movements from 2014-15 to 2015-16

| | Director of Environment & Enterprise | Enterprise | Commissioning Services | Environmental Service Delivery | Corporate Estate | Planning | Property & Infrastructure | Total |
|------------------------------|--|------------|---------------------------|--------------------------------------|---------------------|--------------|------------------------------|---------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| 2014-15 Net budget | 862 | 753 | 16,350 | 20,483 | -603 | 1,517 | 535 | 39,897 |
| Virement/restructuring | -266 | 11 | 97 | -101 | 4 | -120 | -535 | -910 |
| Inflation | 183 | 17 | 121 | 312 | 10 | 60 | 0 | 703 |
| Investment | 0 | 0 | 0 | 847 | 0 | 0 | 0 | 847 |
| Efficiencies | -223 | 0 | -1,246 | -3,163 | 0 | -50 | 0 | -4,682 |
| Terms and Conditions Savings | 0 | 0 | -11 | -33 | 0 | 0 | 0 | -44 |
| Other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| SSCs | -65 | 33 | 240 | -700 | -49 | -33 | 0 | -574 |
| Capital financing | 0 | -4 | -1,810 | -172 | 0 | -194 | 0 | -2,180 |
| 2015-16 Net budget | 491 | 810 | 13,741 | 17,473 | -638 | 1,180 | 0 | 33,057 |

Objective Analysis 2015-2016

| | Adults Social Care | Provider Services | Quality Assurance | Strategic Management | Adults Sub Total | Adults & Housing Transformation | Public Health | Business Support | Total |
|--|--------------------|-------------------|-------------------|----------------------|------------------|---------------------------------|----------------|------------------|----------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Employees | 5,586 | 5,312 | 2,166 | 932 | 13,996 | | 2,977 | 2,756 | 19,729 |
| Premises | 249 | 329 | 0 | 0 | 578 | | | | 578 |
| Transport | 61 | 843 | 6 | 1 | 911 | | | 1 | 912 |
| Supplies & Services | 7,453 | 4,354 | 1,185 | 859 | 13,851 | | 4,521 | 341 | 18,713 |
| third party payments | 28,377 | 1,338 | 2,552 | 0 | 32,267 | | 15,168 | 144 | 47,579 |
| Transfer Payments | 10,141 | 176 | 6 | 0 | 10,323 | | | | 10,323 |
| Total Controllable expenditure | 51,867 | 12,352 | 5,915 | 1,792 | 71,926 | 0 | 22,666 | 3,242 | 97,834 |
| Government Grants | -367 | -966 | -1,223 | 0 | -2,556 | | -23,626 | | -26,182 |
| Other Grants, Reimbursements & Contributions | -6,789 | -121 | -1 | 0 | -6,911 | | | | -6,911 |
| Customer & Client Receipts | -5,376 | -884 | -173 | 0 | -6,433 | | | | -6,433 |
| Inernal Recharges | -1,921 | -49 | 0 | -140 | -2,110 | | -44 | -283 | -2,437 |
| Total Income | -14,453 | -2,020 | -1,397 | -140 | -18,010 | 0 | -23,670 | -283 | -41,963 |
| Net Controllable Expenditure | 37,414 | 10,332 | 4,518 | 1,652 | 53,916 | 0 | | 2,959 | 56,875 |
| Capital Charges | 42 | 128 | 359 | 20 | 549 | | | 322 | 871 |
| Support Services | 4,516 | 1,889 | 566 | 143 | 7,114 | | 1,379 | -1,189 | 7,304 |
| Total Uncontrollable | 4,558 | 2,017 | 925 | 163 | 7,663 | 0 | 1,379 | -867 | 8,175 |
| Net Budget | 41,972 | 12,349 | 5,443 | 1,815 | 61,579 | 0 | 375 | 2,092 | 65,050 |

Movements from 2014-15 to 2015-16

| | Adults Social Care | Provider Services | Quality Assurance | Strategic Management | Adults Sub Total | Adults & Housing Transformation | Public Health | Business Support | Total |
|----------------------------|--------------------|-------------------|-------------------|----------------------|------------------|---------------------------------|---------------|------------------|---------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| 2014-15 Net budget | 40,094 | 13,245 | 6,738 | 1,923 | 62,000 | 286 | 1,004 | 0 | 63,290 |
| Inflation | 165 | 219 | 44 | 91 | 519 | | | 107 | 519 |
| Terms & Conditions Savings | 0 | -93 | 0 | 0 | -93 | | | | -93 |
| Virement/restructuring | 364 | 540 | -1,105 | -840 | -1,041 | 7 | 41 | 2,347 | -993 |
| Investment | 2,838 | 0 | 507 | 0 | 3,345 | | | | 3,345 |
| Efficiencies | -1,701 | -950 | -722 | 0 | -3,373 | -226 | -627 | -820 | -4,226 |
| Inflation | 0 | 42 | 0 | 500 | 542 | | | | 542 |
| Other | -63 | -38 | 0 | 101 | 0 | | | 31 | 0 |
| SSC's | 293 | -447 | -81 | 40 | -195 | -67 | -43 | 427 | -305 |
| Capital financing | -18 | -169 | 62 | 0 | -125 | | | | -125 |
| 2015-16 Net budget | 41,972 | 12,349 | 5,443 | 1,815 | 61,579 | 0 | 375 | 2,092 | 61,954 |

Objective Analysis 2015-2016

| | Arts & Heritage | Community & Culture Strategic Management | Community Learning | Community Sector Support | Libraries, sports & leisure | Total |
|--|-----------------|--|--------------------|--------------------------|-----------------------------|---------------|
| | £000 | £000 | £000 | £000 | £000 | £000 |
| Employees | 2,074 | 141 | 304 | 222 | 141 | 2,882 |
| Premises related expenditure | 258 | | 22 | 68 | 142 | 490 |
| Transport related expenditure | | | 1 | | | 1 |
| Supplies and services | 402 | 47 | 423 | 353 | 12 | 1,237 |
| Third Party Payments | 0 | | | | 2,151 | 2,151 |
| Transfer payments | | | | | | |
| Total Controllable expenditure | 2,734 | 188 | 750 | 643 | 2,446 | 6,761 |
| Government grants | -237 | | -688 | | | -925 |
| Other grants, reimbursements and contributions | -73 | | | | | -73 |
| External Fees, Charges and Receipts | -1,820 | | -61 | -134 | -59 | -2,074 |
| Internal Recharges (Income) | | -30 | | -9 | -750 | -789 |
| Total income | -2,130 | -30 | -749 | -143 | -809 | -3,861 |
| Net Controllable Expenditure | 604 | 158 | 1 | 500 | 1,637 | 2,900 |
| Capital financing | 208 | | | 1 | 1,000 | 1,209 |
| Support services | 422 | 16 | 59 | 64 | 247 | 808 |
| Total Uncontrollable | 630 | 16 | 59 | 65 | 1,247 | 2,017 |
| Net Budget | 1,234 | 174 | 60 | 565 | 2,884 | 4,917 |

Movements from 2014-15 to 2015-16

| | Arts & Heritage | Community & Culture Strategic Management | Community Learning | Community Sector Support | Libraries, sports & leisure | Total |
|------------------------------|-----------------|--|--------------------|--------------------------|-----------------------------|--------------|
| | £000 | £000 | £000 | £000 | £000 | £000 |
| 2014-15 Net budget | 1,532 | 54 | 112 | 952 | 3,979 | 6,629 |
| Virement/restructuring | 54 | | | 19 | -207 | -134 |
| Inflation | 67 | 47 | 7 | 2 | 5 | 128 |
| Investment | | | | | | 0 |
| Efficiencies | -222 | | | -350 | -547 | -1,119 |
| Terms and Conditions Savings | | | | | | |
| Other | 28 | 71 | -37 | -37 | -25 | 0 |
| SSCs | -221 | 2 | -22 | -19 | -75 | -335 |
| Capital financing | -4 | | | -2 | -246 | -252 |
| 2015-16 Net budget | 1,234 | 174 | 60 | 565 | 2,884 | 4,917 |

Objective Analysis 2015-2016

| | Housing Needs | Housing Partnerships | Other Services | Watkins House | Travellers' site | Supporting People | Staying Put | Total |
|--|---------------|----------------------|----------------|---------------|------------------|-------------------|-------------|---------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Employees | 2,104 | 370 | 224 | 364 | | | 554 | 3,616 |
| Premises related expenditure | 17 | | 5 | 2 | 9 | | 1 | 34 |
| Transport related expenditure | | | | | | | | 0 |
| Supplies and services | 5,684 | 7 | 35 | 63 | 3 | 440 | 54 | 6,286 |
| Third Party Payments | | | | | | | | 0 |
| Transfer payments | | | | | | | | 0 |
| Total Controllable expenditure | 7,805 | 377 | 264 | 429 | 12 | 440 | 609 | 9,936 |
| Government grants | | | | | | | | 0 |
| Other grants, reimbursements and contributions | | | | | | | -50 | -50 |
| External Fees, Charges and Receipts | -5,018 | -5 | | -27 | | | -181 | -5,231 |
| Internal Recharges (Income) | -586 | -195 | 55 | 2 | 2 | | | -722 |
| Total Income | -5,604 | -200 | 55 | -25 | 2 | 0 | -231 | -6,003 |
| Net Controllable Expenditure | 2,201 | 177 | 319 | 404 | 14 | 440 | 378 | 3,933 |
| Capital financing | 50 | 375 | 1,500 | | | | 82 | 2,007 |
| Support services | 848 | 85 | 77 | 35 | 1 | 20 | 145 | 1,211 |
| Total Uncontrollable | 898 | 460 | 1,577 | 35 | 1 | 20 | 227 | 3,218 |
| Net Budget | 3,099 | 637 | 1,896 | 439 | 15 | 460 | 605 | 7,151 |

Movements from 2014-15 to 2015-16

| | Housing Needs | Housing Partnerships | Other Services | Watkins House | Travellers' site | Supporting People | Staying Put | Total |
|------------------------------|---------------|----------------------|----------------|---------------|------------------|-------------------|-------------|--------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| 2014-15 Net budget | 2,365 | 469 | 1,999 | 440 | 15 | | | 5,288 |
| Virement/restructuring | 22 | -24 | | 2 | | 464 | 523 | 987 |
| Inflation | 104 | 5 | 11 | 9 | | 6 | 15 | 150 |
| Investment | 800 | | | | | | | 800 |
| Efficiencies | -202 | -6 | -38 | -1 | | -10 | -3 | -260 |
| Terms and Conditions Savings | | | | | | | | 0 |
| Other | 1 | 2 | -3 | | | | | 0 |
| SSCs | 145 | 21 | -3 | -11 | | | 119 | 271 |
| Capital financing | -136 | 170 | -70 | | | | -49 | -85 |
| 2015-16 Net budget | 3,099 | 637 | 1,896 | 439 | 15 | 460 | 605 | 7,151 |

Objective Analysis 2015-2016

| | Business Support | Management | Early Intervention Services | Commissioning & Schools | Schools | Special Needs | Targeted Services | Total |
|--|------------------|------------|-----------------------------|-------------------------|-----------------|----------------|-------------------|-----------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Employees | | 224 | 2,653 | 2,939 | 118 | 5,946 | 9,830 | 21,710 |
| Premises related expenditure | | | 38 | 50 | 9 | 5 | 370 | 472 |
| Transport related expenditure | | 3 | 20 | 35 | | 1,639 | 112 | 1,809 |
| Supplies and services | | 412 | 348 | 149 | | 658 | 825 | 2,392 |
| Third Party Payments | | | 698 | 12,351 | | 16,872 | 6,095 | 36,016 |
| Transfer payments | | | 88 | 288 | 100,865 | 1,178 | 1,632 | 104,051 |
| Total Controllable expenditure | 0 | 639 | 3,845 | 15,812 | 100,992 | 26,298 | 18,864 | 166,450 |
| Government grants | | | -383 | -12,448 | -100,969 | -16,312 | -620 | -130,732 |
| Other grants, reimbursements and contributions | | | | -1,239 | | -306 | -53 | -1,598 |
| External Fees, Charges and Receipts | | | | -166 | -8 | -98 | -192 | -464 |
| Internal Recharges (Income) | | | | -465 | -23 | -1,788 | | -2,276 |
| Total income | 0 | 0 | -383 | -14,318 | -101,000 | -18,504 | -865 | -135,070 |
| Net Controllable Expenditure | 0 | 639 | 3,462 | 1,494 | -8 | 7,794 | 17,999 | 31,380 |
| Capital financing | | | 75 | 74 | 4,029 | 55 | 23 | 4,256 |
| Support services | | -20 | 884 | 958 | 445 | 2,131 | 2,342 | 6,740 |
| Total Uncontrollable Expenditure | 0 | -20 | 959 | 1,032 | 4,474 | 2,186 | 2,365 | 10,996 |
| Net Budget | 0 | 619 | 4,421 | 2,526 | 4,466 | 9,980 | 20,364 | 42,376 |

Movements from 2014-15 to 2015-16

| | Business Support | Management | Early Intervention Services | Commissioning & Schools | Schools | Special Needs | Targeted Services | Total |
|------------------------------|------------------|--------------|-----------------------------|-------------------------|--------------|---------------|-------------------|---------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| 2014-15 Net budget | 2,347 | 2,658 | 5,982 | 3,524 | 4,645 | 10,065 | 19,384 | 48,605 |
| Virement/restructuring | -2,347 | -1,927 | -85 | 87 | 36 | 27 | -274 | -4,483 |
| Inflation | | 247 | 103 | 37 | | 117 | 258 | 762 |
| Investment | | | | | | 82 | 1,046 | 1,128 |
| Efficiencies | | -15 | -1,186 | -810 | | | -200 | -2,211 |
| Terms and Conditions Savings | | | | | | | -24 | -24 |
| Other | | -280 | | -51 | | 100 | 200 | -31 |
| SSCs | | -64 | -388 | -252 | -188 | -214 | -19 | -1,125 |
| Capital financing | | | -5 | -9 | -27 | -197 | -7 | -245 |
| 2015-16 Net budget | 0 | 619 | 4,421 | 2,526 | 4,466 | 9,980 | 20,364 | 42,376 |

Objective Analysis 2015-2016

| Sum of total | division | | | | | | | | | |
|--|-----------------------|---------------------|-----------------------|--------------------|--------------|-------------------------|---------------|---------------|--------------------|-----------------|
| | Director of Resources | Finance & Assurance | HRD & Shared Services | Legal & Governance | Procurement | Strategic Commissioning | IT & BTP | Access Harrow | Revenue & Benefits | Grand Total |
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| Employee | 517 | 6,081 | 2,485 | 4,548 | 860 | 1,748 | 716 | 4,049 | 3,091 | 24,095 |
| Premises | 0 | 0 | 1 | 16 | 0 | 0 | 0 | 38 | 31 | 86 |
| Transport | 2 | 25 | 2 | 13 | 4 | 3 | 0 | 11 | 3 | 63 |
| Supplies & Services | 516 | 4,231 | 348 | 1,478 | 629 | 948 | 818 | 414 | 11,401 | 20,783 |
| third party payments | 0 | 20 | 147 | 4 | 0 | 3 | 6,753 | 85 | 30 | 7,042 |
| Transfer Payments | 0 | 0 | 32 | 0 | 0 | 0 | 0 | 0 | 149,932 | 149,964 |
| Total Controllable expenditure | 1,035 | 10,357 | 3,015 | 6,059 | 1,493 | 2,702 | 8,287 | 4,597 | 164,488 | 202,033 |
| Government Grants | 0 | -5 | 0 | -1 | 0 | 0 | 0 | 0 | -152,751 | -152,757 |
| Other Grants, Reimbursements & Contributions | 0 | -127 | 0 | 0 | 0 | 0 | 0 | -59 | -500 | -686 |
| Customer & Client Receipts | 0 | -96 | -10 | -909 | 0 | -192 | 0 | -479 | -40 | -1,726 |
| Recharges | 0 | -694 | -1,223 | -1,981 | -601 | -442 | -211 | 0 | 0 | -5,152 |
| Total Income | 0 | -922 | -1,233 | -2,891 | -601 | -634 | -211 | -538 | -153,291 | -160,321 |
| Expenditure | 1,035 | 9,435 | 1,782 | 3,168 | 892 | 2,068 | 8,076 | 4,059 | 11,197 | 41,712 |
| Capital Charges | 0 | 31 | 210 | 11 | 83 | 11 | 3,342 | 754 | 180 | 4,622 |
| Support services | 401 | -4,018 | -2,084 | -666 | -975 | -1,770 | -11,418 | -4,257 | 2,424 | -22,363 |
| Total Uncontrollable | 401 | -3,987 | -1,874 | -655 | -892 | -1,759 | -8,076 | -3,503 | 2,604 | -17,741 |
| Net Budget | 1,436 | 5,448 | -92 | 2,513 | 0 | 309 | 0 | 556 | 13,801 | 23,971 |

Movements from 2014-15 to 2015-16

| | Director of Resources | Finance & Assurance | HRD & Shared Services | Legal & Governance | Procurement | Strategic Commissioning | IT & BTP | Access Harrow | Revenue & Benefits | Grand Total |
|----------------------------|-----------------------|---------------------|-----------------------|--------------------|-------------|-------------------------|----------|---------------|--------------------|---------------|
| | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 | £000 |
| 2014-15 Net budget | 744 | 5,802 | 2 | 2,615 | 35 | 1,653 | 50 | 705 | 13,261 | 24,867 |
| Inflation | 10 | 94 | 76 | 165 | 28 | 54 | 22 | 124 | 102 | 675 |
| Virement/restructuring | 2 | -176 | -45 | -29 | -55 | -10 | -371 | 70 | 32 | -582 |
| Terms & Conditions Savings | 0 | 0 | 0 | -4 | 0 | 0 | 0 | -22 | 0 | -26 |
| Investment | 500 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 450 | 950 |
| Efficiencies | -251 | -500 | -864 | -230 | -50 | -377 | -563 | -300 | -599 | -3,734 |
| Inflation | 216 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 216 |
| Other | 182 | 0 | 0 | 4 | 0 | 7 | 0 | 0 | 705 | 898 |
| Capital financing | 0 | -10 | -447 | 6 | 0 | -50 | 165 | -99 | -345 | -780 |
| SSCs | 33 | 238 | 1,186 | -14 | 42 | -968 | 697 | 78 | 195 | 1,487 |
| 2015-16 Net budget | 1,436 | 5,448 | -92 | 2,513 | 0 | 309 | 0 | 556 | 13,801 | 23,971 |

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Levies, Contribution and Subscriptions

The table below shows the main levies, contributions to other bodies, and subscriptions that the Council will pay in 2015-16. These sums are set by other bodies and are outside the Council's control. With the exception of the subscriptions to London Councils and the Local Government Association, the payments are compulsory.

| | £000 | £000 | £000 | % | |
|---|-------|-------|------|-------|-------------|
| West London Waste Authority Levy | 1,858 | 1,721 | -137 | -7.4% | Final |
| Lee Valley Levy | 264 | 269 | 5 | 1.9% | Estimated |
| London Councils subscription | 172 | 167 | -5 | -2.9% | Final |
| London Boroughs Grants Scheme | 239 | 260 | 21 | 8.8% | Provisional |
| Freedom Pass Levy | 9,648 | 9,838 | 190 | 2.0% | Final |
| Environment Agency Levy | 182 | 183 | 1 | 0.5% | Provisional |
| Coroners Court Levy | 200 | 202 | 2 | 1.0% | Estimated |
| Traffic Control Levy | 348 | 355 | 7 | 2.0% | Estimated |
| Local Government Association subscription | 38 | 38 | 0 | 0.0% | Final |
| London Pension Fund Authority Levy | 307 | 303 | -4 | -1.3% | Final |

Note. The fixed cost levy for West London West Authority is reducing as costs are transferred to pay as you throw charges.

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Policy on Use of Contingency

General Principles

1. As a general principle, directorate budgets should be structured to cover business as usual, investment and efficiency programmes that have been agreed as part of the budget and service planning round and administration priorities.
2. Budgets which are “demand led” should be set to deal with the forecast level of activity. For example; the predicted client numbers and needs in Adults and Children’s social care; the usual level of activity for planning appeals; winter gritting average weather conditions
3. Income budgets should be set to take into account likely activity levels and any changes in fees and charges.
4. The contingency is there to deal with unforeseen/exceptional items and one-off projects that are approved during the year.

Appropriate uses

5. It is recommended that the contingency is used for the following purposes:
 - To deal with demographic risk, where the number of clients or cost per client varies from the estimate in Children’s or Adults services
 - To deal with unexpected increases in demand for services due to policy changes, for instance an increase in homelessness due to the housing benefit changes beyond what has been budgeted
 - To deal with seasonal risks, such as exceptionally bad weather or a flu pandemic
 - To deal with tonnage risk, where the number of tonnes disposed of via West Waste varies from the estimate in Environment and Enterprise
 - To deal with the consequences of a recession
 - To deal with major planning appeals and litigation
 - Cost pressures in relation to the services delivered jointly with Health partners
 - To deal with uncertainty due to consultation and equality impact on proposals
 - To deal with unexpected income shortfalls due to changes in the external environment or changes in the law/regulations
 - To fund small one-off projects which are high priority and have the portfolio holder for Finance’s approval
 - Any other unforeseen items / pressures

Criteria

6. Clear evidence will be required to support variations from estimated demand agreed as part of the budget review process.
7. Contingency funds will not be used where there has been a failure to deliver planned savings (except where this is due to the outcome of consultation) or properly manage spending.

Approval Process

8. Use of the contingency will be reported to Cabinet as part of the quarterly budget monitoring report by the s151 officer. The s151 officer will liaise with the Finance portfolio holder and make proposals to Cabinet for virements from Contingency as appropriate. .

Unspent balances

9. If there is an under spend at the end of the year a contribution to general balances will be considered with regard to the size of the under spend, the underlying strength of the balance sheet and the need to support other priorities.

Schools Budget 2015-16

1. Introduction

The Dedicated Schools Grant (DSG) is a ring fenced grant of which the majority is used to fund individual school budgets. It also funds certain central services provided by the local authority such as Early Years (private and voluntary sector nurseries) and fees for out of borough pupils at independent special schools.

In March 2012 the DfE announced their intention to introduce a new school funding methodology with effect from April 2013.

In 2015-16 the DSG will continue to be split into the following three blocks:

- Schools Block
- High Needs Block
- Early Years Block

The DfE issued the “Schools Revenue Funding 2015 to 2016: Operational guide” in July 2014 to enable local authorities and their Schools Forums in setting the 2015-16 DSG budgets.

2. DSG settlement 2015-16

The 2015-16 DSG is based on the number of pupils on the October 2014 school census. The total DSG for 2015-16 is £187,224,915. The High Needs Block has been updated to include the outcome of the High Needs Exceptional Cases review carried out in December 2014.

Table 1 below shows the breakdown of the 2015-16 DSG across the three blocks. The sections following the table provide a detailed explanation for each funding block and the adjustments made by the DfE. As previously advised, the DSG is not ringfenced to the specific blocks.

Table 1 – 2015-16 Dedicated Schools Grant allocation

| Area | Per Pupil Funding (GUF) £ | Pupil Numbers | Total £ |
|-------------------|------------------------------------|------------------|---------------------|
| Schools Block | £4,919.97 | 30,090 | £148,041,897 |
| Early Years Block | £4,320.96 | 2,303 | £9,951,171 |
| High Needs Block | | | £26,145,492 |
| Sub Total | | | £179,439,647 |

| | |
|--|---------------------|
| Additional Amounts | |
| Induction for NQT | £45,130 |
| Early Years Pupil Premium Grant | £180,969 |
| Cash Transfer for Avanti House | £2,860,255 |
| 2015-16 DSG as at 17th December 2014 | £187,224,915 |

The 2015-16 schools budget was presented to Schools Forum on 20th January 2015. The anticipated 2015-16 funding for each block is detailed in Table 2.

Table 2 – 2015-16 DSG Blocks

| Category | 2015-16 Budget |
|------------------------------------|-----------------------|
| Schools Block – delegated | £146,291,693 |
| Schools Block - centrally retained | £2,373,866 |
| Early Years Block | £10,611,400 |
| High Needs Block | £27,947,956 |
| Total DSG | £187,224,915 |

3. Schools Block – Allocated to Schools

The 2015-16 school budgets are being prepared using the updated funding formula which has been consulted with Schools Forum in the autumn 2014 and approved by Cabinet in December 2014.

Schools are protected by the Minimum Funding Guarantee (MFG) which ensures that no school experiences a reduction in their school budget greater than 1.5% per pupil. In order to fund the MFG, a cap to schools whose budgets gain through the formula must be applied. This will be set at 0.8%.

The Schools Block currently includes the funding in respect of academies. Under the regulations the Council continues to calculate academy budgets. The DfE then recoup the DSG in respect of academy budgets and pass this funding on to the academies in their General Annual Grant.

4. Schools Block - Centrally Retained

Services currently funded from centrally retained DSG are included in either the High Needs block or Early Years block where appropriate, with the remaining falling into the Schools Block. All the funding in the schools block has to be passed to schools apart from the following named exceptions which can still be retained but are frozen at 2012-13 levels:

- Co-ordinated Admissions
- Servicing of Schools Forum

In addition, the following services will be delegated to schools:

- Behaviour Support Services
- Support to underperforming ethnic minority groups and bilingual learners
- Trade Union Facilities Time

Schools Forum has agreed to continue to de-delegate funding in respect of Trade Union Facilities Time.

At its meeting in November 2014 Schools Forum agreed to a ring fenced Growth Fund from the DSG in order to provide revenue funding for pupil growth including the planned expansion programme and temporary bulge classes running from September 2015. This provides for growth in both maintained and academy schools but not free schools. In addition, the growth fund will include pre- and post-opening grants in respect of schools extending the age range. In order to fund the overall cost of the formula and the growth fund for expansion approximately £1.5m will need to be funded from brought forward DSG balances.

5. High Needs Block

The high needs funding system has been designed to support a continuum of provision for pupils and students with special educational needs (SEN), learning difficulties and disabilities, from their early years to age 25.

In December 2014 the Local Authority submitted an Exceptional Case return to the EFA on the basis of an anticipated increase in the number of commissioned places for pre & post 16 from 2015-16.

The bid included a request for increase in places as follows:

- Special schools expansion
- New SEN ARMs units
- Expansion of sixth form provision at Harrow College
- Increase in provision by Choices 4 All

On 19th December 2014 the EFA announced the outcome of this review. The EFA state that a large number of exceptional cases were received and applied the following principles

- Generally, elements of a case which were based on actual occupancy in the academic year 2014-15 **have been** supported
- Generally, elements of a case which were based on predictions of occupancy levels in the academic year 2015-16 **have not been** supported
- Where a case has been supported it has only been funded at the element of growth above the levels considered exceptional so as not to disadvantage those who have seen growth below those levels and decided not to make a case.

As a result of this review, Harrow have only been allocated approximately an increase of £225k as the majority of growth will start from September 2015 and therefore does not meet the EFA criteria for only funding existing growth. At the time of writing, the EFA has not published the detail behind the additional funding and therefore it is not clear which cases have been successful and which have not.

As a result, growth in budget required to meet the demand from September 2015 will need to be transferred from the Schools Block.

6. Early Years Block

The 2015-16 Early Years Block allocation is a provisional figure based on January 2014 census data. These allocations will be updated and finally be based on 5/12ths of the January 2015 census and 7/12ths of the January 2016 census.

Until the Early Years DSG funding is confirmed in the summer, there remains uncertainty around the funding available for 2015-16.

The Early Years Single Funding Formula (EYSFF) has been revised and approved by Cabinet on 15th January 2015 for implementation from 1st April 2015. The anticipated total cost of the new formula is affordable within the existing Early Years Block allocations and assumes that growth in funding through growth in pupil numbers will be also allocated to Early Years.

Included in the Early Years Block is funding of £617k for centrally provided Early Years services. This budget has been frozen for 3 years from 2013-14. This provides the following:

- Funding for Early Year SEN places and full time places
- Support and training to PVI sector including externally commissioned support

In addition, £181k has been transferred to local authorities to fund the Early Years Pupil Premium Grant. The grant will be paid to providers at a rate of £0.53 per hour per child upon evidencing that children in their settings meet the eligibility criteria.

From 2013-14 Early Years funding for 2 year old nursery places has been based on an estimated number of participating 2 year olds. From 2015-16 the funding will be based on participation. As with 3 & 4 year old nursery funding, the calculation will be based on 5/12ths of the January 2015 census and 7/12ths of the January 2016 census. As this data has not yet been collected, the DfE has been unable to provide an indicative sum, except to confirm the current continuing hourly rate of £5.53. Therefore this has been excluded for this paper and assumed that whatever funding is received for 2 year olds will be ring fenced to Early Years.

7. Pupil Premium Grant 2015-16

Schools also receive the Pupil Premium in respect of pupils who have ever been eligible for Free School Meals (FSM) in the last 6 years plus Children Looked After continuously for more than 6 months. Table 3 shows the Pupil Premium rates for 2015-16 and the comparative rates for 2014-15.

Table 3 - Pupil Premium rates agreed for 2015-16, per pupil

| Area | 2014-15 | 2015-16 |
|-------------------------------|----------------|----------------|
| FSM - Primary School Pupils | £1,300 | £1,320 |
| FSM - Secondary School Pupils | £935 | £935 |
| Service children | £300 | £300 |
| Children Looked After | £1,900 | £1,900 |
| Adopted children | £1,900 | £1,900 |

Allocations per school will be available once the data from the January 2015 census has been collated.

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Public Health Funding 2015/16

| | £ | | £ | £ | |
|---|------------|-----------|------------|-----------------|---|
| Madatory Services | Feb | | Dec | Movement | Comment |
| Sexual Health (incl Family Planning) | 2,762,875 | | 2,762,875 | 0 | |
| Health Checks | 147,250 | | 147,250 | 0 | |
| Supporting Child Health | 706,387 | | 706,387 | 0 | |
| | | 3,616,512 | | | |
| Discretionary Services | | | | | |
| Tobacco Control | 186,814 | | 186,814 | 0 | |
| Drug & Alcohol Misuse | 2,479,625 | | 2,462,153 | 17,472 | Identification & Brief Advice Pharmacies (funded by reduction in health improvement) |
| Physical Activity | 76,073 | | 76,073 | 0 | |
| | | 2,742,512 | | | |
| Staffing & Support Costs | | | | | |
| Staffing | 1,111,496 | | 1,111,496 | 0 | |
| Non-Staffing | 244,000 | | 219,000 | 25,000 | Procurement (£44k down from £84k), Health visiting commissioner (£80k), training deleted £15k |
| Overheads | 245,525 | | 270,525 | -25,000 | Overheads to Barnet Previously assumed at £52,260 now £27,260 |
| | | 1,601,021 | | | |
| Wider Determinants of Health (*) | | | | | |
| - Adults Prevention | 151,880 | | | | |
| - Children's Prevention | 150,000 | | | | |
| - Housing/Homelessness | 250,000 | | | | |
| - Welfare to Work | 75,000 | | | | |
| | | 626,880 | | | |
| Health Improvement | 386,389 | | 535,509 | -149,120 | £131k now shown below - balance to D&A advice above |
| Young People's Public Health | 131,000 | | 0 | 131,000 | Previously shown under health improvement (schools programme £100k, oral health £31k) |
| Contingency | 41,686 | | 41,000 | 686 | |
| | | 559,075 | | | |
| Total Expenditure | | 9,146,000 | | 38 | |
| Funded by | | | | | |
| Department of Health Grant | 9,146,000 | | | | |
| MOPAC Funding | 0 | | | | |
| Total Income | | 9,146,000 | | | |

(*) Preventative work across service directorates that lead to better health outcomes for residents.

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Budget Risk Assessment

| | | Likelihood | | | | |
|--------------------------------|-------------------------|--------------------------------|-----------------------|---------------------------|--------|--|
| A Very High | Green | Orange | Red | Red | Red | |
| B High | Green 11,23 | Orange 21 | Red | Red | Red | |
| C Significant | Green 1 | Orange 8,9,10 12,27,29 | Red 18,20,22,26 | Red | Red | |
| D Low | Green 2,4 | Green 3,7,14,16 19,25,30 | Orange 31 | Orange | Orange | |
| E Very Low | Green 15 | Green 13,17,24 | Green | Green | Orange | |
| F Almost Impossible | Green 6 | Green 5 | Green | Green | Green | |
| | 4 Negligible | 3 Marginal | 2 Critical | 1 Catastrophic | | |
| | Impact | | | | | |

1. By-election
2. Inflation – pay
3. Inflation - prices
4. Inflation – utilities
5. Treasury Management
6. Asset management
7. Income collection
8. Welfare Reform
9. Income from parking services
10. Changes to grant regime
11. Economic risk – demand for services
12. Litigation against the Council
13. Major Fraud
14. Increased Pension fund contributions
15. Levies, Precepts and Subscriptions
16. Financial control environment
17. Insurance claims
18. Demographic changes: additional demand for social care
19. System failure
20. Disaster recovery
21. New policy/legislation
22. Adult Social Care reform
23. Safeguarding
24. Natural disaster /accident/terrorist incident
25. Adverse weather conditions
26. Non achievement of savings
27. Workforce –loss of permanent staff
28. Budget Savings Programme
29. Breakdown of relationships - Strategic partnerships
30. Shared Services not meeting partner aspirations
31. Commercial partnerships

Risk Register 2015-16 to 2018-19

| Ref | Risks | Risk rating | 2015-16 | | | Risk rating | 2016-17 | | | Risk rating | 2017-18 | | | Risk rating | 2018-19 | | | Mitigation/Comments |
|-----------------------------------|-----------------------|-------------|--------------------|-----------------------|---------------------|-------------|--------------------|-----------------------|---------------------|-------------|--------------------|-----------------------|---------------------|-------------|--------------------|-----------------------|---------------------|---|
| | | | Worst case £000 | Like - lihood % | Net risk £000 | | Worst case £000 | Like - lihood % | Net risk £000 | | Worst case £000 | Like - lihood % | Net risk £000 | | Worst case £000 | Like - lihood % | Net risk £000 | |
| POLITICAL RISKS | | | | | | | | | | | | | | | | | | |
| 1 | By-Election | C 4 | 105 | 50% | 53 | C 4 | 105 | 50% | 53 | C 4 | 105 | 50% | 53 | C 4 | 105 | 50% | 53 | There is provision in the budget for the scheduled elections but not by-elections. Worst case is based on three by-elections in one year. |
| ECONOMIC / FINANCIAL RISKS | | | | | | | | | | | | | | | | | | |
| 2 | Inflation - Pay | D 4 | 100 | 17% | 17 | D 3 | 1,000 | 30% | 300 | D 3 | 1,200 | 30% | 360 | D 3 | 1,500 | 40% | 600 | The 2015-16 budget reflects the 2.2% award agreed from Jan 2015 to Mar 2016. From 2016-17 2% p.a. is assumed. There is some risk as general inflation is running at a higher level and there is pressure from the Trade Unions for higher increases. Given the current pressures on spending in the public sector and that the government has signalled the continuation of public sector pay restraint, there is likely to continue to be downwards pressure on public sector pay in particular. The longer pay restraint continues the more likely there will be a rebound when pay levels generally start to increase again. |
| 3 | Inflation - Prices | D 3 | 1,500 | 17% | 255 | D 3 | 1,500 | 17% | 255 | D 3 | 1,500 | 17% | 255 | D 3 | 1,500 | 17% | 255 | The budget assumes 1.3% for prices each year with an expectation that directorates will manage suppliers to keep within that. Inflation has been falling and at December 2014 CPI was 0.5%. There is still some risk as the items that the Council spends on are not necessarily the same as those covered by the index and prices and prices for services have been rising somewhat faster. It is however anticipated that given the general constraint on public spending that significant elements of the Council's spend can through negotiation be held below the general level of inflation. There are potential risks around fuel costs and major contracts with indexation terms. At this stage the medium term outlook for inflation is unclear. |
| 4 | Inflation - utilities | D 4 | 200 | 17% | 34 | D 4 | 200 | 17% | 34 | D 4 | 200 | 17% | 34 | D 4 | 200 | 17% | 34 | The 2015-16 budget reflects an allowance for an increase of 10% in energy prices. While energy costs have been reducing recently, the market is volatile and dependent on international events. |

| Ref | Risks | Risk rating | 2015-16 | | | Risk rating | 2016-17 | | | Risk rating | 2017-18 | | | Risk rating | 2018-19 | | | Mitigation/Comments |
|-----|---|-------------|--------------------|-----------------------|---------------------|-------------|--------------------|-----------------------|---------------------|-------------|--------------------|-----------------------|---------------------|-------------|--------------------|-----------------------|---------------------|---|
| | | | Worst case £000 | Like - lihood % | Net risk £000 | | Worst case £000 | Like - lihood % | Net risk £000 | | Worst case £000 | Like - lihood % | Net risk £000 | | Worst case £000 | Like - lihood % | Net risk £000 | |
| 5 | Treasury Management - investments and borrowing | F 2 | 10,000 | 2% | 200 | F 2 | 10,000 | 2% | 200 | F 2 | 10,000 | 2% | 200 | F 2 | 10,000 | 2% | 200 | The risk of losing a deposit is low given the use of a prudent lending list. The budget reflects the current base rate and anticipated borrowing costs. Note that Treasury Management decisions also affect the HRA and have the potential to impact the 30 year business plan. This in turn could impact homelessness. |
| 6 | Asset management. | F 3 | 1,500 | 10% | 150 | F 3 | 1,500 | 10% | 150 | F 3 | 1,500 | 10% | 150 | F 3 | 1,500 | 10% | 150 | Backlog maintenance is significant and the capital programme funds the highest priority work only. The creation of Academies has reduced the risk as these are no longer a Council responsibility. The School expansion programme will also reduce the backlog |
| 7 | Income collection: council tax, business rates, housing benefit overpayments, sundry debtors, rents and service charges | D 3 | 1,000 | 30% | 300 | D 3 | 1,250 | 30% | 375 | D 3 | 1,500 | 30% | 450 | D 3 | 1,750 | 30% | 525 | Collection performance has held up well since the introduction of Council Tax Support, and the bad debt provision is reviewed quarterly. There is an increased risk to the council as a result of Business Rate Retention if rateable value. Losses on Collection Fund items would impact the General Fund in the year after they were incurred |
| 8 | Welfare Reform | C 3 | 4,000 | 30% | 1,200 | C 3 | 4,000 | 30% | 1,200 | C 3 | 4,000 | 30% | 1,200 | C 3 | 4,000 | 30% | 1,200 | There are a number of areas of potential risk. Council Tax Collection has held up relatively well so far but might possibly worsen as further Welfare reforms impact low income households in the borough. Homelessness has started to increase and further increases are possible. Financially stressed clients may have increased Social Care interactions etc. Collection methods are being adapted to mitigate impacts and the Harrow HELP fund does mitigate this but there is a potential for increased costs and loss of income. |
| 9 | Income from parking services and parking enforcement | C 3 | 1,500 | 50% | 750 | C 3 | 1,500 | 50% | 750 | C 3 | 1,500 | 50% | 750 | C 3 | 1,500 | 50% | 750 | The Government's proposal to prohibit the use of CCTV cameras for parking enforcement and to introduce 'Grace' periods to allow motorists to return to their vehicles late and not immediately incur a penalty, will have an adverse impact on parking income. It is uncertain at this stage when this will come into effect. Mitigating actions are being formulated to prepare for the change. In addition, there is some ongoing risk given the historic volatility of the income. |

| Ref | Risks | Risk rating | 2015-16 | | | Risk rating | 2016-17 | | | Risk rating | 2017-18 | | | Risk rating | 2018-19 | | | Mitigation/Comments |
|-----|--------------------------------------|-------------|--------------------|-----------------------|---------------------|-------------|--------------------|-----------------------|---------------------|-------------|--------------------|-----------------------|---------------------|-------------|--------------------|-----------------------|---------------------|---|
| | | | Worst case £000 | Like - lihood % | Net risk £000 | | Worst case £000 | Like - lihood % | Net risk £000 | | Worst case £000 | Like - lihood % | Net risk £000 | | Worst case £000 | Like - lihood % | Net risk £000 | |
| 10 | Waste Disposal costs | C3 | 150 | 30% | 45 | Significant pricing fluctuation on dry recycling waste disposal has been experienced in the last couple of years (it changed from an income of circa £40 per tonne to a cost of £2 per tonne). It is anticipated the market condition for materials will remain sluggish and therefore the council may incur additional costs. A small fluctuation on residual waste tonnage could lead to significant cost increase. A 2% increase in tonnage would result in £100K additional costs. The tonnage forecast has taken into account the waste growth, however there is a risk the growth exceeds the forecast. |
| 11 | Economic risk - demand for services | B 3 | 750 | 65% | 488 | B 3 | 750 | 65% | 488 | B 3 | 750 | 65% | 488 | B 3 | 750 | 65% | 488 | There may be additional demands on services such as housing due to the recession. There are also risks to income earning services such as planning and building control from lower volumes. This is in addition to the risks specifically linked to Welfare Reform and identified separately. |
| 12 | Litigation against the Council | C 3 | 2,600 | 38% | 988 | C 3 | 2,000 | 38% | 760 | C 3 | 2,000 | 38% | 760 | C 3 | 2,000 | 38% | 760 | The MTFS includes an annual contribution to a provision for litigation including employment and planning related matters. Some of this risk will be covered by insurance, but individual cases can have significant cost. There is a heightened risk of a procurement challenge due to the EU remedies directive. There is also the potential for risk around the costs of Health and a possible risk of judicial review across a wide range of services, particularly Adult and Children's Social Care |
| 13 | Major fraud | E 3 | 500 | 6% | 30 | E 3 | 500 | 6% | 30 | E 3 | 500 | 6% | 30 | E 3 | 500 | 6% | 30 | No major cases in recent years. |
| 14 | Increased Pension Fund contributions | D3 | 400 | 20% | 80 | D 3 | 600 | 20% | 120 | D 3 | 700 | 20% | 140 | D 3 | 800 | 20% | 160 | The MTFS provides for increase in employers contributions as agreed with the actuary. There is some risk that higher contributions will be required because of fund performance although it is anticipated that any further increases will still be in stages. If numbers of fund members decrease then this will also increase the percentage contribution required to fund the deficit on the fund. There will also a requirement to fund any pension fund strain on non ill health early retirements. |

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| Ref | Risks | Risk rating | 2015-16 | | | 2016-17 | | | 2017-18 | | | 2018-19 | | | Mitigation/Comments | | | |
|-----|---|-------------|--------------------|-----------------------|---------------------|----------------|-----------------------|-----------------------|---------------------|----------------|-----------------------|-----------------------|---------------------|----------------|---------------------|-----------------------|-----------------------|---|
| | | | Worst case £000 | Like - lihood % | Net risk £000 | Risk rating | Worst case £000 | Like - lihood % | Net risk £000 | Risk rating | Worst case £000 | Like - lihood % | Net risk £000 | Risk rating | | Worst case £000 | Like - lihood % | Net risk £000 |
| 15 | Levies, Precepts and Subscriptions | E4 | 600 | 6% | 36 | E4 | 1,000 | 30% | 300 | E4 | 1,000 | 30% | 300 | E4 | 1,000 | 30% | 300 | The Council pays a range of levies, precepts and subscriptions. These are set by other bodies and usually known before the budget is approved. It is however possible for some of them to have in year financial problems requiring a supplementary levy. |
| 16 | Financial control environment | D 3 | 1,000 | 17% | 170 | D 3 | 1,000 | 17% | 170 | D 3 | 1,000 | 17% | 170 | D 3 | 1,000 | 17% | 170 | Risk mitigated by budget monitoring arrangements, refresher training, improvement boards. It is anticipated that the improvements being made currently to financial processes will further mitigate risks. |
| 17 | Insurance claims | E 3 | 500 | 6% | 30 | E 3 | 500 | 6% | 30 | E 3 | 500 | 6% | 30 | E 3 | 500 | 6% | 30 | An actuarial review is carried out at regular intervals, the annual contribution has been increased in recent years and the balance in the provision reflects the claims liability. MMI has gone into administration, however this has largely been provided for already. |
| | <u>SOCIAL RISKS</u> | | | | | | | | | | | | | | | | | |
| 18 | Demographic changes: additional demand for social care. | C 2 | 2,000 | 40% | 800 | C 2 | 2,000 | 40% | 800 | C 2 | 2,000 | 40% | 800 | C 2 | 2,000 | 40% | 800 | The MTFS reflects anticipated demand for social care for both Children and Adults. However, small fluctuations can generate considerable cost. There continues to be the potential for Health funded continuing care cases to become Harrow's responsibility. |
| | <u>TECHNOLOGICAL RISKS</u> | | | | | | | | | | | | | | | | | |
| 19 | System failure | D 3 | 200 | 38% | 76 | D 3 | 200 | 38% | 76 | D 3 | 200 | 38% | 76 | D 3 | 200 | 38% | 76 | Environment is being moved onto more stable infrastructure. Performance issues have occurred during transition; however, the migration is reducing the risk of catastrophic failure |
| 20 | Disaster recovery | C 2 | 600 | 1% | 6 | C 2 | 600 | 1% | 6 | C 2 | 600 | 1% | 6 | C 2 | 600 | 1% | 6 | The IT contract with the council's partner includes a comprehensive DR solution. The worst case represents the loss after allowing for insurance cover. |
| | <u>POLICY/LEGISLATIVE / REGULATORY</u> | | | | | | | | | | | | | | | | | |

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| Ref | Risks | Risk rating | 2015-16 | | | 2016-17 | | | 2017-18 | | | 2018-19 | | | Mitigation/Comments | | | |
|-----------------------------|---|-------------|--------------------|-----------------------|---------------------|----------------|-----------------------|-----------------------|---------------------|----------------|-----------------------|-----------------------|---------------------|----------------|---------------------|-----------------------|-----------------------|--|
| | | | Worst case £000 | Like - lihood % | Net risk £000 | Risk rating | Worst case £000 | Like - lihood % | Net risk £000 | Risk rating | Worst case £000 | Like - lihood % | Net risk £000 | Risk rating | | Worst case £000 | Like - lihood % | Net risk £000 |
| 21 | New policy/legislation | B 2 | 1,000 | 10% | 100 | B 2 | 6,000 | 30% | 1,800 | B 2 | 6,000 | 30% | 1,800 | B 2 | 6,000 | 30% | 1,800 | Generally changes have a long lead in time, but there are risks due to the extensive policy agenda of the new government and the speed of implementation of changes in some areas. A particular area of concern is welfare reform. |
| 22 | Adult Social Care Reform | C2 | 1,000 | 25% | 250 | C2 | 3,000 | 25% | 750 | C2 | 2,000 | 25% | 500 | C2 | 2,000 | 25% | 500 | The Care Act became law in May 2014 and will come into force in April 2015. The Act creates a single route to establishing entitlement to care and support for all adults with needs for care and support. For the first time carers will be recognised in the law in the same way as those they care for. The Act sets out a clearer approach to charging and financial assessment and requires the Council to have a Deferred Payments Policy so that service users are not forced to sell their home to pay for their care. New burdens funding has been provided for 2015/16 however, it is not yet clear if this will be sufficient to fund the additional responsibilities placed on the Council. Further reforms are expected, subject to legislation, from April 2016 making the Council responsible for care costs once a cap has been reached. |
| <u>SERVICE RISKS</u> | | | | | | | | | | | | | | | | | | |
| 23 | Safeguarding - recent high profile cases have resulted in a significant increase in referrals | B 3 | 1,000 | 65% | 650 | B 3 | 1,000 | 65% | 650 | B 3 | 1,000 | 65% | 650 | B 3 | 1,000 | 65% | 650 | Detailed plans put in place in Children's services including case reviews. There is a potential for significant costs in both Adults and Children particularly in relation to Deprivation of Liberty Standards |
| <u>EMERGENCIES</u> | | | | | | | | | | | | | | | | | | |
| 24 | Natural disaster, accident or terrorist incident costing £4m in total. | E3 | 3,000 | 15% | 450 | E3 | 3,000 | 15% | 450 | E3 | 3,000 | 15% | 450 | E3 | 3,000 | 15% | 450 | The government has a scheme (the Bellwin scheme) that covers authorities for 85% of eligible costs of a major disaster over a threshold (£620k in 2014-15). This is due to increase to 100% above the threshold in 2015-16. The risk to the Council is currently 100% of costs below the threshold together with any costs that are not eligible. |

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| Ref | Risks | Risk rating | 2015-16 | | | 2016-17 | | | 2017-18 | | | 2018-19 | | | Mitigation/Comments | | | |
|-----|--|-------------|--------------------|-----------------------|---------------------|----------------|-----------------------|-----------------------|---------------------|----------------|-----------------------|-----------------------|---------------------|----------------|---------------------|-----------------------|-----------------------|---|
| | | | Worst case £000 | Like - lihood % | Net risk £000 | Risk rating | Worst case £000 | Like - lihood % | Net risk £000 | Risk rating | Worst case £000 | Like - lihood % | Net risk £000 | Risk rating | | Worst case £000 | Like - lihood % | Net risk £000 |
| 25 | Adverse weather conditions | D 3 | 400 | 20% | 80 | D 3 | 400 | 20% | 80 | D 3 | 400 | 20% | 80 | D 3 | 400 | 20% | 80 | There is some provision in the budget for seasonal work. This risk relates to exceptionally bad weather, which tends to be more frequent than previously. |
| | <u>EFFICIENCY RISKS</u> | | | | | | | | | | | | | | | | | |
| 26 | Non-achievement of allocated savings included in the budget | C 2 | 3,000 | 40% | 1,200 | C 2 | 500 | 40% | 200 | C 2 | 200 | 40% | 80 | C 2 | 200 | 40% | 80 | The MTFS includes efficiency savings totalling £17m in 2015-16. Progress will be carefully monitored. |
| 27 | Workforce risk of loss of permanent staff requiring more expensive interims due to adverse reaction to terms and conditions changes, public sector pay restraint and increasing stress as workforce reduces but demands increase | C 3 | 1,000 | 30% | 300 | C3 | 1,000 | 30% | 300 | C3 | 1,000 | 30% | 300 | C3 | 1,000 | 30% | 300 | The impact of any problems is likely to be uneven given the different labour markets that apply within the Council. Problems being mitigated by the council's workforce strategy. |
| 28 | Budget savings programme fails to deliver substantial contribution to the funding gap in years 2 and 3 of the MTFS | | | | | C 2 | 5,000 | 38% | 1,900 | C 2 | 5,000 | 38% | 1,900 | C 2 | 5,000 | 38% | 1,900 | There will clearly need to be a fundamental transformation of public sector services, including those provided by the Council over the next few years. |
| | <u>PARTNERSHIP / CONTRACTUAL RISKS</u> | | | | | | | | | | | | | | | | | |
| 29 | Breakdown of relationships with strategic partners (Health, Police, businesses, voluntary sector) | C 2 | 4,000 | 38% | 1,520 | C 2 | 4,000 | 38% | 1,520 | C 2 | 4,000 | 38% | 1,520 | C 2 | 4,000 | 38% | 1,520 | The HSP governance arrangements have been revised. Good working relationships exist between partners. There are ongoing concerns about the CCG's financial position, particularly given the level of savings that they are expected to deliver together with the pressures in the acute sector and wider integration agenda. |
| 30 | Shared Services not meeting each of partner's aspirations | D 3 | 300 | 20% | 60 | D 3 | 300 | 20% | 60 | D 3 | 300 | 20% | 60 | D 3 | 300 | 20% | 60 | Harrow is developing partnerships with other boroughs for shared services such as Public Health and Legal Services. Governance arrangements exist to identify and resolve any issues should these arise, however these as these arrangements are fairly new there is the potential that they may not work as effectively as planned causing cost to the partners. |

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| Ref | Risks | Risk rating | 2015-16 | | | Risk rating | 2016-17 | | | Risk rating | 2017-18 | | | Risk rating | 2018-19 | | | Mitigation/Comments |
|-----|--------------------------------|-------------|--------------------|-----------------------|------------------|-------------|--------------------|-----------------------|------------------|-------------|--------------------|-----------------------|------------------|-------------|--------------------|-----------------------|------------------|--|
| | | | Worst case £000 | Like - lihood % | Net risk £000 | | Worst case £000 | Like - lihood % | Net risk £000 | | Worst case £000 | Like - lihood % | Net risk £000 | | Worst case £000 | Like - lihood % | Net risk £000 | |
| 31 | Commercial Partnership failure | D 2 | 2,000 | 20% | 400 | D 2 | 2,000 | 20% | 400 | D 2 | 2,000 | 20% | 400 | D 2 | 2,000 | 20% | 400 | There is a potential for either contractual problems with partners or failure of commercial partners to cause the council to incur additional costs. |
| | TOTAL | | 45,905 | | 10,718 | | 56,555 | | 14,252 | | 55,805 | | 14,037 | | 56,455 | | 14,372 | |
| | Contingencies | | | | -1,248 | | | | -4,248 | | | | -4,248 | | | | -4,248 | |
| | Remaining risk | | | | 9,470 | | | | 10,004 | | | | 9,789 | | | | 10,124 | |

Reserves Policy

The recommended reserves policy is as follows:

The risk assessment of the budget dictates the minimum level of general balances required.

The first call on any under spend at the end of the year will be to fund the one off cost to transition. A contribution to general balances will then be considered with regard to the size of the under spend, the underlying strength of the balance sheet and the need to support other priorities.

The rationale for this policy is set out below.

Councils need balances so that they can deal with unforeseen calls on resources without disrupting service delivery. It is the responsibility of each authority to set its level of reserves based on local conditions, but taking into account national factors. Although advice can be sought from the external auditor, it is not their responsibility to prescribe the appropriate level.

It is good practice for a risk assessment to be carried out to determine the level of reserves and the External Auditor expects the Council to review its reserves on an annual basis.

The risk assessment above shows that the total risk identified has been quantified at £9.478m for 2015-16 after allowing for the contingency. However, the appropriate level of reserves for a council to hold is extremely subjective. It is important to find a balance between being at risk of wiping out all reserves in a single bad year and having excessive reserves and thereby wasting taxpayer's money.

The Council should at least be able to cope with a modest overspend in any one year and still be in a stable financial position.

The target level of reserves depends on:

- The degree of risk contained in the budget
- The effectiveness of budget monitoring during the year
- The effectiveness of balance sheet management during the year
- The extent to which the Council has earmarked reserves and provisions to deal with specific items

The Council is continually working to improve financial management and the emphasis in 2015-16 will be on the accuracy of capital budget management and forecasting. In addition more emphasis will be placed on delivery of in-year savings and the delivery of new savings proposals.

The Council has built up more appropriate annual contributions to provisions for debt, litigation and insurance in the last few years, and strengthened its balance sheet, but still has few earmarked reserves.

There is greater risk arising from the continuing recession and the ongoing requirement for large savings targets over a prolonged period.

Taking all this together, the target level for reserves should be £10 - £12.5m.

As at 31 March 2014 the level of General Fund Reserves was £10m, which is within the recommended minimum level.

A decision will be made at year end on the best use of any available capacity.

Forecast reserves and provisions

| Earmarked Reserves | Estimated Reserves at start of year 1 April 2015 | Planned Contributions included in MTFS | Estimated Use of reserves in-year | Estimated Reserves at year end 31 March 2016 |
|--|--|--|-----------------------------------|--|
| | £000 | £000 | £000 | £000 |
| Transformation & Priority Initiatives Fund | 3,800 | 0 | 1,000 | 2,800 |
| Business Risk Reserve | 2,100 | 0 | 1,700 | 400 |
| MTFS Implementation Reserve | 4,000 | 0 | 2,000 | 2,000 |

| Provisions | Estimated Provision at start of year 1 April 2015 | Planned Contributions included in MTFS | Estimated Use of provisions in-year | Forecast Balances at year end 31 March 2016 |
|--|---|--|-------------------------------------|---|
| | £000 | £000 | £000 | £000 |
| Insurance provision | 6,500 | 1,660 | 1,660 | 6,500 |
| Employee & Litigation Provision | 800 | 375 (base) | 575 | 600 |
| Bad Debt Provision (Sundry debts and Housing Benefit Overpayments) | 6,500 | 1,100 | 1,250 | 6,350 |

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Report of the Chief Finance Officer

Under the Local Government Act 2003 the Director of Finance and Assurance (in his capacity as the Chief Finance Officer under S151 of the Local Government Act 1972) is required to comment on the robustness of the budget and the adequacy of reserves. The Directors report is set out below.

Robustness of the Budget

Clearly the economic climate and the Local Government Settlement make this budget round particularly challenging and there is considerable uncertainty about inflation, interest rates, the property market, employment levels and the impact of the economic climate. All these issues affect the Council's own finances and every effort has been made to ensure that the technical assumptions underpinning the budget are robust. The economic climate also has major implications for Harrow's residents and businesses and may therefore create additional demand on services.

In my view the budget is robust.

I have taken a number of factors into account in arriving at my opinion:

- Reasonable assumptions have been made in relation to inflation
- Service managers have made reasonable assumptions about demand led pressures and taken a prudent view of volatile areas
- Savings proposals have been explored and scrutinised in some detail by varied forums and Directorates have confirmed that they are achievable. The MTFs has been extended to cover the four period 2015/16 to 2018/19 in line with the Capital Programme.
- The final 2015/16 Local Government Financial Settlement was announced on 3 February (with some grants still to be announced)
- Prudent assumptions have been made about capital financing costs and investment income
- The recommended increases in fees and charges are in line with the assumptions in the budget
- A risk assessment has been conducted
- The budget for 2015/16 includes a general contingency of £1.248m

A sensitivity analysis for the key assumptions is attached.

Adequacy of Reserves

The Council has suitable provisions and some earmarked reserves to deal with particular issues such as insurance claims, bad debts, litigation and employment matters.

General balances are adequate and, dependent upon the outturn position, consideration will be given to making a contribution to general balances in view of the significant financial challenges ahead.

Budget Monitoring

The Local Government Act 2003 also introduced requirements in relation to budget monitoring and management action. Budget monitoring arrangements are in place in Harrow. These arrangements are continually being developed, and the risk areas identified in the assessment will be kept under review. The financial position can change relatively quickly and any adverse variations must be identified and addressed promptly by service managers to avoid further calls on reserves.

2015/16 Budget Sensitivities

Steve to update

| Budget area | Assumption in 2015/16budget | Change | Impact |
|-------------------------------|--|-----------|-----------|
| Pay | Increase of 1% | + 0.5% | + £475k |
| General Prices Inflation | Increase of 1.3% | +/- 0.5% | +/- £465k |
| Energy Inflation | Increases in gas and electricity prices of 10% | +/- 1% | +/- £22k |
| Investment Income | Base rate is 0.5% for the year | +/- 0.5% | +/- £250k |
| Council Tax Collection Rate | Collection rate of 97.5% | +/- 0.25% | +/- £243k |
| Business Rate Collection Rate | Collection rate of 98% | +/- 0.25% | +/- £36k |
| Homelessness | Cost per year for family | +/- 1 | +/-£2k |

Note that a variation in the collection rates for council Tax and Business Rates would be managed within the collection fund in-year and have an impact on the revenue budget the following year

Model Council Tax Resolution

Harrow Council

Council Tax Resolution 2015-2016

To approve as part of the Summons for Council, the model budget and Council Tax resolutions reflecting the recommendations of Cabinet and the GLA precept.

Council is requested to determine the level of the Council Tax for 2015-2016 in the light of the information on the precept and make the calculations set out in the resolution shown below.

- (1) To note that at its meeting on 11 December 2014 the Council calculated the amount of 79,795 as its Council Tax Base for the year 2015-2016 in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 2012 made under Section 31B(3) of the Local Government Finance Act 1992 (The Act).
- (2) That the following amounts be now calculated by the Council for the year 2015-2016, in accordance with Sections 31A, 31B and 34 to 36 of the Local Government Finance Act 1992:
 - (i) Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) [(a) to (f)] of the Act. **(Gross expenditure)** £588,500,000
 - (ii) Being the aggregate of the amounts which the Council estimates for the items set out in Section 31A (3)[(a) to (d)] of the Act. **(Gross income including use of reserves)** £435,131,532
 - (iii) Being the amount by which the aggregate at (i) above exceeds the aggregate at (ii) above, calculated by the Council, in accordance with Section 31A(4) of the Act, **as its Budget requirement for the year.** £153,368,468
 - (iv) Being the aggregate of the sums which the Council estimates will be payable for the year into its General Fund in respect of Revenue Support Grant and Business Rates Top-up grant, increased by the amount of the sums which the Council estimates will be transferred in the year from its Collection Fund in accordance with Section 97(4) of the Local Government Finance Act 1988 (Collection Fund Surplus) £54,872,712

(v) Being **the amount to be raised from Council Taxes** Calculated as the amount at 2 (iii) above less the amount at 2 (iv.) above.

£98,495,756

(vi) Being the amount at (v) divided by the Council Tax Base, calculated by the Council at its meeting on 11 December 2014 in accordance with Section 31B(1) of the Local Government Finance Act 1992, as the basic amount of its Council tax for the year. (**The average Band D Council Tax**)

£1,234.36

(vii) Valuation Bands

| | A | B | C | D | E | F | G | H |
|---|--------|--------|----------|----------|----------|----------|----------|----------|
| £ | 822.90 | 960.06 | 1,097.21 | 1,234.36 | 1,508.66 | 1,782.97 | 2,057.26 | 2,468.72 |

Being the amounts given by multiplying the amount at (vi.) above by the number which, in the proportion set out in Section 5(1) of the Local Government Finance Act 1992, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Local Government Finance Act 1992, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

(3) That it be noted that for 2015-2016 the Greater London Authority stated the following amount in precept issued to the Council, in accordance with section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below

Valuation Bands

| | A | B | C | D | E | F | G | H |
|---|--------|--------|--------|--------|--------|--------|--------|--------|
| £ | 196.67 | 229.44 | 262.22 | 295.00 | 360.56 | 426.11 | 491.67 | 590.00 |

(4)

That, having calculated the aggregate in each case of the amounts at (2)(vii) and (3) above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2015-2016 for each of the categories of dwellings shown below

Valuation Bands

| | A | B | C | D | E | F | G | H |
|---|----------|----------|----------|----------|----------|----------|----------|----------|
| £ | 1,019.57 | 1,189.50 | 1,359.43 | 1,529.36 | 1,869.22 | 2,209.08 | 2,548.93 | 3,058.72 |

(5)

Determine for the purposes of 52ZB and Section 52ZC of the Local Government Finance Act that the Council's basic amount of Council Tax for 2015-16 is not excessive in accordance with the principles approved under Section 52ZB and 52ZC of the Local Government Finance Act 1992 and the Referendums Relating to Council Tax Increases (Principles) Report (England) 2015/2016.

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Appendix 13

Members' Allowances Scheme

1. This scheme shall have effect until 31st March 2016. It replaces all former schemes.

Basic Allowance

2. A basic allowance of £8,340 per annum shall be paid to each Councillor.

Special Responsibility Allowances and Mayoral Allowances

3. (1) A special responsibility allowance shall be paid to those Councillors who have the special responsibilities in relation to the posts specified in Schedule 1 to this scheme. The amount of each such allowance shall be the amount specified against that special responsibility in that schedule.
(2) An allowance of £10,475 per annum shall be paid to the Mayor and an allowance of £2,085 per annum shall be paid to the Deputy Mayor.
(3) No Member may receive special responsibility allowances in respect of more than one post. For the purposes of this paragraph, the mayoral allowances referred to in 3(2) above are considered to be special responsibility allowances.

Uprating the Basic and Special Responsibility Allowances

4. The basic allowance and special responsibility allowances may be uprated annually in line with an index approved by the London Councils Independent Panel. The index to be used will be the level of the Local Government Pay Settlement. When making the scheme for 2016/17, the indexing arrangements will be reviewed.

Travel and Subsistence Allowances

5. The reimbursement of travel and subsistence expenses incurred in respect of **approved duties** (as set out in Schedule 2) **undertaken outside the Borough boundaries** can be claimed by Members, co-optees to formal Council committees and Independent Members of the Standards Committee at the rates paid and on the conditions specified in the officer scheme for travel and subsistence allowances.

Carers' Allowance

6.
 - (1) The allowance shall only be paid for attendance at approved duties as listed in Appendix A.
 - (2) The maximum basic rate of pay is £2.90 per half hour for the duration of the meeting together with the Member's travel time between home and the place of the meeting and the carer's reasonable travelling time.
 - (3) The allowance is claimable in respect of children aged 15 or under or where a professional carer is required to meet a specialist need (eg a nurse for an elderly person).
 - (4) Actual costs will be paid **on production of an invoice or receipt**.
 - (5) Where the length of the meeting cannot be predicted and payment to the carer is necessarily contractually committed then a payment of up to 4 hours will be made. (For day time quasi-judicial meetings, payment of up to 8 hours may be made if the estimated length of the meeting is for the whole day).
 - (6) In addition, the reasonable travelling expenses of the person taking care of the dependent shall be reimbursed either at the appropriate public transport rate, or in cases of urgency or where no public transport is available, the amount of any taxi fare actually paid.
 - (7) The allowance is not to be paid where the carer is a member of the Member's household.
 - (8) Any dispute as to the entitlement and any allegation of abuse should be referred to the Governance, Audit, Risk Management and Standards Committee for adjudication.

Co-optees' Allowance

7. A basic allowance of £445 per annum shall be paid to co-optees to formal Council Committees and Independent Members of the Governance, Audit, Risk Management and Standards Committee.

Claims and Payments

8. (1) A claim for allowances or expenses under this scheme shall be made in writing within two months of the date of undertaking the duty in respect of which the entitlement to the allowance or expense relates.
- (2) Payment shall be made
 - (a) in respect of basic and special responsibility allowances, in instalments of one-twelfth of the amount specified in this scheme each month;
 - (b) in respect of out-borough travel and subsistence expenses and Carers' Allowance, each month in respect of claims received up to one month before that date.

Backdating

9. Any changes made to this scheme during the year may be backdated to 1st April 2015 by resolution of the Council when approving the amendment.

Pensions

10. Allowances paid under the Harrow Members' Allowances Scheme will **not** be pensionable for the purposes of the Superannuation Act.

Renunciation

11. A person may, by notice in writing given to the Director of Legal and Governance Services, elect to forgo any part of his/her entitlement to an allowance under this scheme.

Approved duties for Carers' Allowance

- ◆ A meeting of the Executive.
- ◆ A meeting of a committee of the Executive.
- ◆ A meeting of the Authority.
- ◆ A meeting of a Committee or Sub-Committee of the Authority.
- ◆ A meeting of some other body to which the Authority make appointments or nominations.
- ◆ A meeting of a committee or sub-committee of a body to which the Authority make appointments or nominations.
- ◆ A meeting which has both been authorised by the Authority, a committee, or sub-committee of the Authority or a joint committee of the Authority and one or more other authorities, or a sub-committee of a joint committee and to which representatives of more than one political group have been invited (if the Authority is divided into several political groups) or to which two or more councillors have been invited (if the authority is not divided into political groups).
- ◆ A meeting of a Local Authority association of which the Authority is a member.
- ◆ Duties undertaken on behalf of the Authority in pursuance of any Procedural Rule of the Constitution requiring a member or members to be present while tender documents are opened.
- ◆ Duties undertaken on behalf of the Authority in connection with the discharge of any function of the Authority conferred by or under any enactment and empowering or requiring the Authority to inspect or authorise the inspection of premises.
- ◆ Duties undertaken on behalf of the Authority in connection with arrangements made by the authority for the attendance of pupils at a school approved for the purposes of section 342 of the Education Act 1996.

Schedule 1

Special Responsibility Allowances (SRAs)

There are 6 bands of SRAs:

| Band | Post | SRA - £/annum |
|-------------|---|----------------------|
| 1 | Chief Whips of the two largest Groups Performance Lead Members for Scrutiny Policy Lead Members for Scrutiny Chairman of Licensing and General Purposes Committee Portfolio Holder Assistants | £2,100 |
| 2 | Nominated Member of the party not holding the Chair of the Planning Committee Chairman of the Traffic Advisory Panel Chairman of Governance, Audit, Risk Management and Standards Committee Chairman of the Pension Fund Committee Chairman of the Performance and Finance Scrutiny Sub Chairman of the Health and Social Care Scrutiny Sub Nominated Member of the largest party not holding the Chair of the Performance and Finance Scrutiny Sub | £4,700 |
| 3 | Nominated Member of the largest party not holding the Chair of the Overview and Scrutiny Committee Non Executive Members of Cabinet | £6,780 |
| 4 | Chairman of the Overview and Scrutiny Committee Leader of the Second Largest Group | £8,860 |
| 5 | Cabinet Members | £20,100 |
| 6 | Leader of the Council | £31,400 |

NOTE

The Groups are as follows:-

Largest Group = Labour Group

Minority Group = Conservative Group

Schedule 2

Claims for Out-Of-Borough Travel and Subsistence Expenses

Duties Undertaken Out-of-Borough

Claims for travel and subsistence expenses incurred can normally only be paid in respect of approved duties undertaken at venues out of the Borough. Expenses will be reimbursed at the rates paid and on the conditions specified in the officer scheme for travel and subsistence allowances.

1. Members may claim travel and subsistence expenses in respect of the following **out-of-Borough** duties:-
 - (a) Attendance at any meeting which may be convened by the Authority provided that Members of at least two groups are invited and the meeting is not convened by officers.
 - (b) Attendance at a meeting of an outside body to which the Member has been appointed or nominated as a representative of the Council, where the Outside Body does not itself operate a scheme to reimburse travel and subsistence expenses.
 - (c)
 - (i) attendance at an appropriate out-of-Borough conference, seminar, meeting or other appropriate non-political event as a representative of an Outside Body to which that Member has been either nominated or appointed by Council to serve in a role with a specific pan-Authority remit;
 - (ii) attendance at meetings in the capacity of a direct appointee of a Local Authority Association, joint or statutory body or other London-wide or national body subject to the following proviso:

that the Member serves on the appointing body by virtue of an appointment made by Council to an authorised Outside Body;

subject in either case to the Outside Body/Bodies concerned themselves not making provision for any travel and subsistence expenses necessarily incurred.
 - (d) Attendance at a meeting of any association of local authorities of which the Authority is a member and to which the Member has been appointed as a representative.

- (e) Attendance at a training session, conference, seminar or other non-political event, the attendance fees for which are being funded by the Council through a Departmental or a corporate budget.
 - (f) Attendance at any training session, conference, seminar or other non-political event for which there is either no attendance fee or any attendance fee is being met by the Member him/herself (or from the relevant political group secretariat budget) subject to the relevant Director confirming that the content of the training, conference, seminar or event is relevant to the Member's responsibilities in respect of the services provided by the Authority or to the management of the Authority.
2. Duties for which out-of-Borough travel and subsistence expenses may not be claimed include:-
- (a) Political meetings or events.
 - (b) Any meetings of 'Outside Bodies' to which the Member has not been appointed or nominated by the Council as its representative.
 - (c) Meetings of the Governing Bodies of Schools.

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HARROW COUNCIL PAY POLICY STATEMENT 2015/16

Harrow Council supports openness and accountability and is pleased to publish its Pay Policy Statement for 2015/16. In compliance with the Localism Act 2011 this statement outlines the Council's policy on pay and benefits for Council employees (excluding Schools)¹ and specifically for its senior management for 2015/16.

Context

The Council's vision is: 'Working Together to Make a Difference for Harrow' and the Workforce Strategy is focused on supporting delivery of the Council's vision and priorities by ensuring an efficient and effective organisation; continuing to build the people maturity of the Council and developing the organisational capability to meet our changing future needs.

We want to be a modern and efficient Council, able to meet the challenges ahead. In order to help protect frontline services we will continue to deliver support functions in the most cost effective way, improving the working between services within the Council and continuing to collaborate with regional bodies and other boroughs on shared services and procurement opportunities. We will protect people and Council assets from risks and retain our customer services in Harrow where possible, modernising and simplifying the access channels to the Council, making more services available online and therefore accessible on a more 24/7 basis.

Our Workforce Strategy reflects that the Council of the future may be very different and having the right people *engaged* with the Council will be vital for our future success. We already compete for people across London and this will increase as the needs of the organisation change and the search for talent in local government increases.

We will establish the people we want, the skills they need and the performance we require and develop recruitment and retention packages that maximise our employment offer. Our Pay Policy supports this by ensuring that fair and transparent processes are in place to determine the grading and pay for all jobs and that remuneration packages enable the attraction and retention of people with the skills we need. We will also look to create opportunities for staff to benefit through organisational change.

As a Council we are committed to ensuring equality and diversity is integral to everything we do so our Pay Policy seeks to reduce income inequality and ensure that the pay, terms and conditions of Council employees comply with the Council's duties under the Equality Act. The Council recognises that a significant proportion of our workforce lives locally² and that therefore our Pay Policy helps support a strong local economy.

Modernising Terms & Conditions Review 2011/12

In 2011/12 the Council undertook a review of pay and terms and conditions for employees. The objectives of the review, which were agreed by Cabinet, were to:

- Modernise: to support the future needs of the Council

¹ The Pay Accountability provisions of the Localism Act 2011 do not apply to staff employed in Schools

² Circa 60% of employees have a permanent address with a Harrow (HA) postcode

- Simplify: wherever possible, to make terms and conditions easier to understand and reduce administration
- Reduce cost: to reduce the costs of terms and conditions of employment as part of its plan to make savings over the next 3 years
- Give greater choice: to continue to have core terms and conditions but to provide each individual with an element of choice beyond that.

The modernising review was completed in 2012 and the Council reached a collective agreement with the relevant recognised trade unions, which established new pay and terms and conditions for all employees covered by this Pay Policy, including those of senior management, from January 2013.

The collective agreement is published at:

http://www.harrow.gov.uk/downloads/file/5879/collective_agreement

The changes introduced through the collective agreement were in accordance with the Council's Pay Policy Statement 2012/13 and include the following key provisions:

- 2.5% pay cut for the Chief Executive and Corporate Directors
- 1% pay cut for staff earning £21,375 and above
- Revised grading structure so that the Council's lowest paid employees are paid not less than the London Living Wage.³
- A scheme making incremental pay progression subject to satisfactory performance
- No enhancements for overtime or weekend working except for Bank Holidays and night work
- Reduced redundancy compensation payments
- Improved salary sacrifice schemes and other employee benefits

Council Pay Rates / Scales

The Council considers it important to be able to locally determine pay rates. This enables it to respond to regional and local labour market conditions. The Council benchmarks its pay rates with other London Boroughs to ensure that it is able to recruit and retain qualified and competent employees.

The following Council pay scales were revised by the Council in January 2013 as a result of the modernising review:

- Harrow pay scale
- Senior Professional & Managerial pay scale
- Chief Officer pay scales⁴

³ London Living Wage is set periodically by the Mayor of London and is implemented from 1 April. The rate rose to £9.15 per hour in November 2013, which will be implemented from 1 April 2015.

⁴ In April 2013 the Council took over specific public health functions from the NHS and was required to appoint a statutory Chief Officer post of Director of Public Health. The current post holder is paid on NHS pay scales.

- Chief Executive pay scale

The Council also revised the pay scales for employees who are Education Psychologists (Soulbury), and Youth & Community Workers.

The Council's pay scales are subject to any pay awards agreed through the relevant national and regional negotiating bodies. The current pay scales are published at:

http://www.harrow.gov.uk/downloads/file/5882/jan_15_salaries

Remuneration of Senior Management (Chief Officers)

The Council defines its senior management as the top 3 tiers in the management structure commencing with the Chief Executive (Tier 1), Corporate Directors (Tier 2) and Directors (Tier 3), this includes all statutory and non-statutory Chief Officer and Deputy Chief Officer posts.

The senior management structure is published at:

http://www.harrow.gov.uk/downloads/file/5880/org_chart_feb_2015

Senior management pay is published at: [Senior manager salaries - Further info | Harrow Council](#)

The Council's policy is to optimise the senior management pay bill. The pay rates and numbers of senior managers reduced in 2012/13 and following the Council's decision to reinstate the post of Chief Executive in 2014, an appointment has been made on a salary less than the previous Chief Executive received. The new Chief Executive will be undertaking a review of the Council's senior management structure and pay.

The Council may, in exceptional circumstances, employ senior managers under contracts for services. The Council publishes details of all payments made under contracts for services in excess of £500 at:

http://www.harrow.gov.uk/info/100004/council_and_democracy/555/council_spending

Remuneration of Lowest Paid Employees

The Council defines its lowest paid employees as those paid at the lowest pay spine column point on the lowest Harrow pay grade, excluding trainees and apprentices. The Council's lowest paid employees are paid not less than the London Living Wage.

Pay Multiple

The 'pay multiple' is the ratio between the highest paid employee's pay and the median average pay of the Council's workforce. The Council's highest paid post is the Chief Executive and the current pay multiple is published at:

[Senior manager salaries - Further info | Harrow Council](#)

Pay Grading

In 2004 the Council entered into a single status agreement with its recognised trade union, introducing common job evaluation schemes⁵ and pay scales for the Council's former manual workers, administrative, professional, technical and clerical employees with the exception of

⁵ The Greater London Provincial Council (GLPC) Scheme is used for all Harrow grade jobs and the Hay Scheme for senior professional and managerial jobs.

Education Psychologists, Nursery Nurses, Youth & Community Workers, Chief Officers and the Chief Executive.

In 2007 job evaluation was extended to include Chief Officers.

From April 2013 the Council took over specific public health functions from the NHS and staff who transferred from the NHS to the Council remain on NHS grades and pay scales. New posts are being recruited to on the local government grades and pay scales.

Pay on Appointment

All employees, including Chief Officers are normally appointed on the lowest pay spine column point for their job evaluated grade. In exceptional circumstances employees may be appointed at a higher point within the evaluated grade.

The Council delegates authority to the Chief Officers' Employment Panel to make recommendations to Council on the appointment of the Head of Paid Service and make appointments of Chief Officers in accordance with the Council's Pay Policy.

The Council's delegations to the Chief Officers' Employment Panel also include, determination of any remuneration package of £100,000 or greater

Remuneration packages of £100,000 or greater are also reported to full Council

Pay Progression

All employees are able to incrementally progress through the pay spine column points for their job evaluated grade.

Progression will normally be one increment (pay spine column point) on the 1st of April each year until they reach the top of their grade.

Progression for Chief Officers is subject to the following qualifications:

- i. increments may be accelerated within a Chief Officer's scale at the discretion of the council on the grounds of special merit or ability.
- ii. an increment may be withheld following an adverse report on a Chief Officer (subject to that Chief Officer's right of appeal). Any increment withheld may be paid subsequently if the Chief Officer's services become satisfactory.

The criteria for pay progression for other staff were changed as a result of the modernising review so that progression for all staff is now subject to satisfactory performance.

Performance Related Pay

Council employees including the Chief Executive and Chief Officers do not currently receive performance related payments or bonuses.

The Council operates a Reward and Recognition Scheme for employees who, subject to meeting the criteria of the scheme, may receive payments of £250 or £500. Details of Reward and Recognition payments to senior management are published at:

[Senior manager salaries - Further info | Harrow Council](#)

National / Regional Pay Agreements

The Council supports the national (JNC/NJC⁶ and Soulbury) and regional (GLPC) collective bargaining arrangements for pay and conditions of service and the pay scales for all employees, including the Chief Executive and Chief Officers, are increased in line with national and regional pay agreements. Some conditions of service are negotiated locally.

The last pay agreement increasing pay scales for the Chief Executive and Chief Officers was implemented in 2008/9. Since then there have been no increases for this group.

The most recent pay agreement increasing pay scales for other non-teaching employees was implemented in 2014/15.

Market Supplements

The Council may apply market supplement payments to jobs with recruitment or retention difficulties. Details of market supplement payments to senior management are published at: [Senior manager salaries - Further info | Harrow Council](#)

Fees for Election Duties

The Council's policy for payment of fees for election duties is published at: http://www.harrow.gov.uk/info/687/election_information/689/election_fees_and_charges

Details of fees for election duties paid to senior management are published at: [Senior manager salaries - Further info | Harrow Council](#)

Other Payments

The Head of Paid Service may authorise other payments as necessary, in accordance with the Council's delegations.

Details of any other payments to senior management are published at: [Senior manager salaries - Further info | Harrow Council](#)

Pension

All employees are auto enrolled into the Local Government Pension Scheme and employees who remain in the Scheme receive benefits in accordance with the provisions of that Scheme as applied by the Council. Details of the Council's policy and decisions in respect of discretionary elements of the Scheme are published at:

http://www.harrow.gov.uk/download/downloads/id/5338/discretionary_policy_statement-pensions_2014

http://www.harrow.gov.uk/download/downloads/id/2545/pension_fund_accounts_2012-2013

From April 2013 the Council took over specific public health functions from the NHS and staff who transferred from the NHS to the Council and were members of the NHS Pension Scheme continue to be members of that Scheme and receive benefits in accordance with the provisions of that Scheme.

⁶ Joint Negotiating Committee / National Joint Council

Other Terms and Conditions of Employment

The pay, terms and conditions of council employees are set out in employee handbooks. Handbooks are produced for all employees, including managers and senior professionals, Chief Officers and the Chief Executive and the latest editions are published at:
http://www.harrow.gov.uk/downloads/download/1016/employee_handbooks

Payments on Termination of Employment

In the event that the Council terminates the employment of an employee, including a Chief Officer, on the grounds of redundancy or efficiency of the service they will be entitled to receive compensation and benefits in accordance with the Council's Redundancy and Early Retirement schemes, which are published at:
http://www.harrow.gov.uk/downloads/download/1016/employee_handbooks and
http://www.harrow.gov.uk/download/downloads/id/5338/discretionary_policy_statement-pensions_2014

The Council's Redundancy scheme was changed as a result of the modernising review and compensation payments to employees reduced in 2014 and will be reduced again from April 2015.

The Council delegates authority to the Chief Officers' Employment Panel, determination of any payments on termination of £100,000 or greater.

Details of compensation payments paid to senior management are published at:
[Senior manager salaries - Further info | Harrow Council](#)
http://www.harrow.gov.uk/downloads/file/5881/red_payments_agreed

Severance payments of £100,000 or greater are also reported to full Council

Re-employment of Employees

Section 7 of the Local Government and Housing Act 1989 requires that every appointment to paid office or employment in a local authority shall be made on merit.

Further Information

For further information on the Council's pay policy please contact the Council's Human Resources & Development Service email StaffBenefits@harrow.gov.uk DD 0208 424 1110

EMPLOYEES' CONSULTATIVE FORUM MINUTES

13 JANUARY 2015

| | | |
|-----------------------------------|------------------------|------------------|
| Chair: | * Mr G Martin | |
| Councillors: | * Jeff Anderson | * Ms Mina Parmar |
| | * Mrs Camilla Bath (2) | * Pritesh Patel |
| | * Graham Henson | * David Perry |
| | * Barry Kendler | |
| Representatives of HTCC: | Ms L Snowdon | |
| Representatives of UNISON: | * Mr D Butterfield | * Mr J Royle |
| | * Mr S Compton | * Mr D Searles |
| Representatives of GMB: | * Ms P Belgrave | |

* Denotes Member present
(2) Denotes category of Reserve Member

RESOLVED ITEMS

7. INFORMATION REPORT - Draft Revenue Budget 2015/16, Medium Term Financial Strategy 2015/16 to 2018/19 and Capital Programme 2015/16 to 2018/19

The Forum received a report of the Director of Finance and Assurance which set out the Council's proposals for the draft Revenue Budget and Medium Term Financial Strategy 2015/16 to 2018/19 and the Draft Capital Programme 2015/16 to 2018/19.

Following a question from a Representative regarding the Council Tax Freeze Grant of £1.068m, an officer advised that the current Medium Term Financial

Strategy was based on the implementation of a Council Tax increase of 1.99% in 2015/16 which would generate an estimated income of £1.922m and therefore the Freeze Grant would no longer be applicable.

A Representative commented that charging residents for the disposal of organic waste would deter residents from recycling, which would impact on the landfill charges the Council paid. He added that the new 23 litre caddies supplied to households had caused injuries to staff and would lead to increased sickness absence and personal injury claims. He suggested that households should be charged for additional residual bins. Another Representative asked whether residents had been consulted about the charge and stated that those residents who chose not to pay for this service would still need to dispose of their waste. The Portfolio Holder for Finance and Major Contracts stated that the introduction of a charge for organic waste had been a difficult decision, made only after extensive discussions and was part of the overall savings the Council was required to make over coming years. It was anticipated that the scheme would require a 40% take up rate to make it viable and those residents who did not pay the charge had the alternative of composting or taking their waste to the Civic Amenity Site (CAS). Savings could be made by separating organic waste from dry waste and disposing of them separately and officers would continue to monitor the situation. He added that he would welcome further discussions with the Representative regarding the supply of a second bin to all households.

The Director of Finance and Assurance stated that comparable London boroughs had a similar 40% target and that, in his view, this was achievable and would deliver savings. A Representative added that the CAS saw a high volume of use by residents at weekends, often with long queues building up.

The Chair asked what plans were in place to reduce the funding gap and how this fitted into the Council's overall commercialisation agenda. The Director of Finance and Assurance stated that he anticipated that savings planned for future years would help reduce the funding gap and he would be working closely with the Portfolio for Finance and Major Contracts on this issue.

The Chair asked about the Council's contribution to West London Waste (WLW). Harrow residents were actively engaged in recycling and 50% of all waste was recyclable. However, this had not led to a reduction in the £7m figure. The Portfolio Holder advised that there was a 'pay as you throw' element to the charge which meant lower charges for less waste.

A Representative queried whether there was any data regarding the gradings of the posts which would be lost as part of the efficiency and managements savings. The Director of Finance and Assurance advised that the 'management savings' would be made through a reduction in the number of posts. However, not all the 'efficiency savings' related to loss of posts and not all of these posts were lower grade posts. Some proposals were still at the consultation stage and therefore data relating to the grading of posts identified for deletion was not available.

The Chair asked how many of the identified FTEs (full time equivalent) were senior posts and how many were agency staff. The Director of Finance and

Assurance advised that the posts were a mixture of permanent, agency-filled and vacant posts.

A Representative asked why the £10m reserve was not being used to save jobs under threat. The Portfolio Holder advised that Harrow was in the lowest quartile in London in terms of its reserves and using this to save jobs would not be a permanent solution as the savings would still need to be made in subsequent years.

The Chair asked whether there was a contingency fund for the commercialisation agenda and how far it was reliant on government funding. The Portfolio Holder advised that the sum of £3m per annum had been allocated for this from the Transformation Fund. He added that the aim of the Council's commercialisation agenda was to make it less reliant on government funding.

The Chair queried whether there were robust procurement and management procedures in place for the Council's procurement contracts to ensure these were value for money and cited the recent example of issues with the timely sign-off for the dry recyclables contract. The Portfolio Holder advised that the procurement team was highly skilled in contract management and that delivering value for money was central to its function.

A Representative expressed his concern regarding the impact of reduced staff and resources on frontline services and asked how the commercialisation agenda would help mitigate against this. The Portfolio Holder advised that the Council would need to make £75m worth of savings over coming years. With this in mind, the administration had identified areas of efficiency, such as loss of posts and areas of priority, such as supporting the borough's vulnerable residents, employing more social workers and tackling homelessness.

A Representative queried the £100k savings to be made from Occupational Health Service (OHS), the review of the time and facilities afforded to the Unions and the re-tendering of the Communications contract. The Director of HRD and Shared Services advised that the OHS assessment of pre-employment health questionnaires would be replaced by a declaration of fitness by applicants and management referrals would be more tightly controlled. Staff and their family members would continue to have access to the Employee Assistance Programme (EAP). The amount of administration time and facilities afforded to the Unions would be reviewed. The Director of Finance and Assurance added that the Communications contract was being re-tendered following a full review of the service area.

The Leader advised that the Communications section were responsible for producing the Harrow People and Homing In magazines, disseminated internal council communiqués, and had facilitated a number of recent consultations, for example, the Take Part initiative, the School Expansion Programme and had encouraged resident participation and engagement with these. He added that £30k had already been invested in sports and the Council, local sports organisations, health providers and other stakeholders were working collaboratively in this area.

He further added that the council depended on its Reserves to deal with un-anticipated expenses, for example, homelessness. With regard to commercialisation, he was in close communication with the new Chief Executive regarding the Council's future challenges and priorities.

The Chair asked about the non-renewal of the Council's contract with Wiseworks printing. The Director of Finance and Assurance advised that the Council was committed to reducing its printing costs and all Councillors had been issued with IPADs as part of this drive. The Council followed a strict procurement process that was designed to be open and transparent and the bidding process was open to all.

A Representative stated that the establishment of Business Support services was a fairly recent initiative that had received a considerable start-up investment. He advised that a very large proportion of the BS workforce was female and asked about the anticipated savings from this service area the likely impact of job losses. The Director of Finance and Assurance stated that the savings in BS equated to the loss of 12 posts, and that there were changes planned to the service provided by the print unit and the mail room.

RESOLVED: That the report be noted.

LONDON BOROUGH OF HARROW

CABINET – 19 FEBRUARY 2015

REFERENCE FROM OVERVIEW AND SCRUTINY COMMITTEE (SPECIAL) – 20 JANUARY 2015

QUESTION AND ANSWER SESSION WITH THE LEADER OF THE COUNCIL AND HEAD OF PAID SERVICE ON BUDGET 2015/16

The Chair welcomed the Leader of the Council, Portfolio Holder for Finance, the Head of Paid Service and the Director of Finance and Assurance to the meeting and explained that any questions which could not be answered at the meeting would receive a written response.

The Leader of the Council gave a brief introduction and confirmed that, whilst agreeing the budget had been a very difficult process, particularly in view of a £25m deficit, his Group had achieved a balanced budget. Staff and residents had been engaged with through a range of initiatives, including the 'Take Part' programme and public consultations on Harrow Libraries and Harrow Museum. The budget was still a work in progress, and all petitions and suggestions received would be noted before the February Cabinet meeting. He had been open about the difficult decisions now faced by the Council, and he believed the reductions in services were not as severe as they could have been. He stressed the importance of consultation with the public in order to ensure that their views were heard and to be mindful that councillors were here to serve the residents of Harrow.

The Head of Paid Service was pleased that a balanced budget had been achieved, despite the scale of reductions, and noted that steps had been taken towards achieving savings in future years. There was scope for income generation and increasing work with partners. He was pleased that the 'Take Part' programme had given a voice to the community.

The Portfolio Holder for Finance reiterated that the budget process had been difficult this year, given the need to find savings of £75m over 4 years. Recent revised figures suggested that the total figure could be closer to £82m, which would pose an even greater challenge.

Members asked a series of questions and received responses as follows:

Can you provide a fully costed budget for waste collection, including information on the separate charge for garden waste? Does the budget fully reflect possible costs in respect of vehicles and operational equipment?

The Portfolio Holder stated that the budget included both savings and income generation. The income assumed a 40% take up of the garden waste scheme, which was a prudent estimate when benchmarked against other authorities, and he was consulting on discounts for residents on means tested benefits. The Leader stated that a written answer would be provided to give greater detail on the operational costings.

A number of savings are predicated on increased use of IT for engagement with the Council and services, eg via Access Harrow. Currently residents can use libraries to avail of IT facilities, but if they close then this option will be lost.

The Portfolio Holder agreed that this was an important point and it was intended to use the welfare contingency fund to provide more staff on telephone services. The Leader added that some investment in more response resources was already taking place, eg there were 5 extra staff in the Revenues and Benefits team.

Some libraries earmarked for closure were in areas of deprivation, why had these been chosen, and had the knock-on effect been considered, particularly in respect of residents' ability to interact with the Council?

The Leader responded that those libraries with the lowest attendance, and reducing year on year, had been identified. There would inevitably be adverse impacts, but any possible mitigating measures would be considered. The Chief Executive advised that there would be an Equality Impact Assessment on the budget in its entirety which would consider such issues.

The loss of school crossing patrols would achieve a very small saving but could have a very significant impact on those affected – what was the feedback on this proposal?

The Leader agreed that there were a number of proposals which affected schools, and Members were working with schools to consider if they could take over the cost.

On what basis was the assumption made of a 40% take up of the garden waste scheme, and how would the charge be collected?

The Leader explained that models in other boroughs had been looked at, and the figure was a conservative estimate of what the minimum take-up might be. Residents could opt-in to the scheme at any time.

How was the charge of £75 decided? Residents would often clear leaves outside their properties themselves in the autumn, but a charge for disposing of the waste was a disincentive. If there was a reduction in street cleaning and maintenance in parks, other costs could arise as a result. Had these factors been considered in a risk register?

The Leader noted that there was a £172k saving from the cut in street cleansing, which might not seem significant when set against the total figure, but was more about a shift in priorities as the council could not continue with existing commitments. Similarly, maintenance in parks was not a priority against other identified needs, although it was hoped to increase community activity in these areas. The Council would need to communicate effectively about its straitened financial circumstances and difficult choices. The Portfolio Holder stated that cuts had been imposed by government and that the Council's priorities were important in deciding which services to protect, for instance, there would be more social workers and more adult social care provided for in the budget.

The Leader stated that all proposals had been assessed for risk, and he believed risk assessment was something local authorities did very well. The £75 charge for garden waste collection was not yet final, but compared sensibly with charges by other boroughs.

Had the teenage perspective been taken into account when proposing the closure of libraries and loss of security in parks, as this group would be particularly affected?

Proposals in the budget would affect all age groups. While libraries were heavily used at certain times, attendances were declining, probably as a result of greater internet use. All parts of the community had been encouraged to give their views. The Portfolio Holder stated that libraries were not closing because they were not valued, but because the Council had lost half its budget and cuts had to be made. He believed it was right to maintain services for the most vulnerable, but was aware that other proposals would also have an impact. The Head of Paid Service said that there were initiatives, such as the 'Community Clicks' scheme and the housebound library service, to address issues of isolation, which were covered in other budget areas.

Would the Council have sufficient funds to fully implement the requirements of the Care Act from April 2015, and what was the impact of government funding cuts?

The Leader replied that the funding formula had been disappointing and insufficient, with an ageing population and more people eligible for care packages. The Portfolio Holder added that the impact was devastating and would affect the most vulnerable.

Had the capital programme been completed within the financial year? It was difficult to find the £75m savings, how would the £82 be achieved?

The Director of Finance and Assurance explained that each February Members agreed a capital programme and the current programme now spanned 4 years. There had been a history of slippage, and it was not always possible or desirable to spend according to a timetable, as Members' priorities could change, or planning obstacles could arise. Slippage was acceptable if it arose from operational issues. The current programme stood at 60-70% achieved in the third quarter. The Portfolio Holder said the extra £7m of savings would be extremely difficult to achieve; there was no contingency for this, and it would have to be looked at going forward.

What had been the impact of welfare reforms on the Council in the last year, and would this continue going forward? Had the high level of interest in the 'Take Part' programme contributed to a 'participatory' budget?

The Portfolio Holder stated that welfare reforms had had a massive impact on the budget and increased the burden on the Council. Residents could not avoid incurring penalties as a result of the 'bedroom tax' as they had nowhere to move to, and only the bottom 5% of housing stock had entitlement to benefit. The Leader said it was right to be honest with residents and involve them in budget decisions. He hoped discussions with the voluntary sector would lead to new ways of working, and co-designing services.

What provision was there for people with autism arising from the Autism Act 2010?

The Head of Paid Service replied that while there were no specific proposals, the department was undertaking an 'autism self-assessment' and the budget had built in growth for young people with disabilities and transition to adult provision. There were plans to develop 'personalisation' with a range of services, and he could provide further information on this outside the meeting.

Can you rule out council tax rises over the next 3 years?

The Leader replied that this could only be considered on a year by year basis

Given that a prospective Labour administration has said that there would need to be £500m of cuts, funding will be reduced regardless of who wins the general election – what options are there for savings if contracts are better managed?

The Leader stated that it was clear where 'back office' savings could be made. The Portfolio Holder added that a procurement team had been created with a view to secure savings in contracts, and that these skills should become mainstream throughout the organisation.

The charge for garden waste could impact on other areas, eg more leaves on the ground could result in a greater flood risk if drains became blocked. If a policy had the potential to impact on another area, had this been fully costed? Would it be possible to have a full business case for street cleansing and waste services, including gritting?

The Leader replied that costings on waste collection would be provided, if possible by Friday as requested. All budget lines had been considered; if a particular pressure point arose, then a one-off investment could be made.

What is the statutory minimum provision for the Parks Service? Would reductions in service at Canons Park breach the terms of the agreement for receipt of lottery funding?

The Leader explained that maintenance of parks could not continue as before, and that a programme of 'naturalisation' would replace tree pruning and other tasks. He was not familiar with the details of statutory obligation, but this could be provided. The proposals for Canons Park had been given legal clearance and must therefore be lawful.

If Community Champions, whose role is to empower the community, report problems to the Council but no action is taken, this will demotivate them.

The Leader agreed that a nil response could demotivate Community Champions and that if this occurred it would be looked into.

Had the police been consulted on proposals such as non-closure of parks at night, which could lead to a rise in crime?

The Leader confirmed that regular consultation took place with the police, who were statutory partners in a number of areas.

Would the budget be cut for consultancy and agency staff?

The Leader stated that while they would like to reduce the use of agency staff where possible, it would continue if necessary.

Are there plans to generate income? Would the Council involve more young people in community work, and consider greater use of social media to interact with them?

The Leader stated that income generation was a priority for the Council. The Council would use its relationship with the youth parliament and the voluntary sector to promote greater involvement and co-design services.

Cabinet has already moved to paperless meetings, would other committee meetings follow?

The Portfolio Holder stated he hoped that committees would be paperless by the end of the year, but noted that opposition members were not committed to this.

The Chair thanked the Leader, Portfolio Holder and Head of Paid Service for their attendance and responses, and all present for their contribution

RESOLVED: That the Committee's comments be forwarded to Cabinet for consideration.

FOR CONSIDERATION

Background Documents:

Minutes of the Overview and Scrutiny Committee (Special) – 20 January 2015

Contact Officer:

Una Sullivan, Democratic and Electoral Services Officer

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HARROW BUSINESS CONSULTATIVE PANEL MINUTES

27 JANUARY 2015

Chair: * Councillor Keith Ferry

Councillors: * Jeff Anderson * Bharat Thakker
* Pritesh Patel (1)

* Denotes Member present
(1) Denote category of Reserve Members

RESOLVED ITEMS

6. INFORMATION REPORT - Draft Revenue Budget 2015/16, Medium Term Financial Strategy 2015/16 to 2017/18 and Capital Programme 2015/16 to 2018/19

The Panel received a report of the Director of Finance and Assurance which set out the Council's proposals for the draft Revenue Budget and Medium Term Financial Strategy 2015-16 to 2017-18 and the Draft Capital Programme 2015-16 to 2018-19 for consultation.

The Chair welcomed local business representatives to the meeting and explained that it was a statutory requirement that the Council consulted with the business community before setting the budget and Council Tax for the forthcoming year.

In response to an enquiry, the Director of Finance and Assurance confirmed that small businesses could be entitled to discounts and exemptions in respect of business rates, and described the criteria governing these.

The Chair advised that bills for business rates would be issued at the end of February, and that the funds were passed directly to government, apart from 20% which the Council was now entitled to retain, following a change in the rules introduced a year ago. Discounts and exemptions for businesses were determined by government in a national scheme.

He further advised that the Council's controllable budget would be reduced by £25m over each of the coming three years, resulting in revenue being reduced by half, despite increasing burdens on the Council's statutory and discretionary budgets. He stated that the Council had opted to retain the Economic Development Team as it was considered important to support and promote local businesses for the benefit of residents and the wider community. Councillors had moved from choosing where to direct funds and prioritising services, to identifying which services could be cut or reduced with the least negative impact.

In response to a query, he said that he did not think the result of the forthcoming general election would necessarily change the economic situation for the Council. In the light of this, he believed it was important to change attitudes about what Council's could and should do, and the public could no longer assume a particular function was the Council's responsibility. Statutory obligations would have to be discharged, and monies were often ring-fenced for this, but discretionary services would need to be looked at carefully and prioritised.

In response to a question, the Director of Finance and Assurance explained that the funding formula was highly complex, and that Harrow received less in funding grants than many of its neighbours. There was a range of reasons for this, from the deprivation index to the amount of green space within the borough. When deciding where to introduce charges for certain services, it was helpful to benchmark among other authorities.

He informed those present that the draft budget would go to cabinet for consideration on 19 February, and to Council for decision on 26 February. He reminded business representatives that the public could attend meetings and hear the debate.

Business representatives commented that it was easier to understand the need for cuts once the financial situation was explained, and the Council's priorities were outlined. The Chair added that sometimes the scale of reduction required in a service resulted in a closure, as there would come a point when the service was unsustainable and resources were better directed elsewhere or rationalised. A Member used the Library Service to illustrate this point, describing the range of criteria that might be used in deciding which to close and which to keep open, including: attendance and usage, the demographic profile of users, transport links, accessibility issues, the viability and fitness for purpose of the premises, and the proximity of other libraries and alternative resources.

In conclusion, the Chair stated that the consultation on the budget was still open and all suggestions and ideas would be welcome and noted. He thanked those present for their contribution.

RESOLVED: That the report be noted.

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