

Performance and Finance Scrutiny Sub-Committee

SUPPLEMENTAL AGENDA

DATE: Wednesday 7 December 2016

AGENDA - PART I

7. **REVENUE AND CAPITAL MONITORING 2016/17 - QUARTER 2 AS OF 30 SEPTEMBER 2016** (Pages 3 - 54)

Report of the Director of Finance.

8. **DRAFT REVENUE BUDGET 2017/18 AND MEDIUM TERM FINANCIAL STATEMENT 2017/18 - 2019/20** (Pages 55 - 134)

Report of the Director of Finance.

11. Exclusion of the Public and Press:

To resolve that the press and public be excluded from the meeting for the following item of business, on the grounds that it involves the likely disclosure of confidential information in breach of an obligation of confidence, or of exempt information as defined in Part I of Schedule 12A to the Local Government Act 1972:

<u>Agenda Item No</u>	<u>Title</u>	<u>Description of Exempt Information</u>
7.	Appendix 5 to Revenue and Capital Monitoring 2016/17 – Quarter 2 as of 30 September 2016	Information under paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972, relating to the financial or business affairs of any particular person (including the authority holding that information).

AGENDA - PART II - NIL

12. **REVENUE AND CAPITAL MONITORING FOR QUARTER 2 AS AT 30 SEPTEMBER 2016** (Pages 135 - 136)

Appendix 5 to the report of the Director of Finance

Note: In accordance with the Local Government (Access to Information) Act 1985, the following agenda item has been admitted late to the agenda by virtue of the special circumstances and urgency detailed below:-

Agenda item

7. Revenue and Capital Monitoring 2016/17 – Quarter 2 as of 30 September 2016

Special Circumstances/Grounds for Urgency

This report was not available at the time the agenda was printed and circulated. Members are requested to consider this item, as a matter of urgency in order to consider the most up to date information.

8. Draft Revenue Budget 2017/18 and Medium Term Financial Statement 2017/18 – 2019/20

This report was not available at the time the agenda was printed and circulated. Members are requested to consider this item, as a matter of urgency in order to consider the most up to date information.

Date of Meeting: 7 December 2016

Subject: **INFORMATION REPORT**
2016/17 Revenue and Capital Monitoring
for Quarter 2 as at 30 September 2016

Responsible Officer: Dawn Calvert, Director of Finance

**Scrutiny Lead
Member area** Performance Lead Member – Councillor
Phillip O’Dell
Policy Lead Member – Councillor Stephen
Wright

Exempt: No, except for Appendix 5 of main report,
which is exempt on the grounds that it
contains “exempt information” under
paragraph 3 of Part I of Schedule 12A to
the Local Government Act 1972 (as
amended) in that it contains information
relating to the financial or business affairs
of any particular person (including the
authority holding that information).

Wards affected: All

Enclosures: Appendix 1 – 8 December 2016
Cabinet : 2016/17 Revenue and Capital
Monitoring for Quarter 2 as at 30
September 2016

Section 1 – Summary and Recommendations

This report includes as an appendix, the Revenue and Capital monitoring report to be considered at the 8 December 2016 Cabinet meeting is for consideration by this sub-committee.

Recommendations :

To note the report and to make any recommendations the sub-committee wishes for consideration by Cabinet or officers.

Section 2 – Report

Introductory paragraph

The Council undertakes monitoring of the Council's revenue and capital budgets on a monthly basis, with reports being presented to Cabinet on a quarterly basis with the year end outturn reported in June following the end of the financial year. The attached report shows the forecast position as at the end of quarter 2 (30 September 2016).

Financial Implications

These are contained within the December Cabinet report attached.

Performance Issues

These are contained within the December Cabinet report attached.

Environmental Impact

There are no direct impacts.

Risk Management Implications

There are contained within the December Cabinet report attached.

Equalities implications

Was an Equality Impact Assessment carried out ? No

The report is for noting and comment only

Council Priorities

The Council's vision :

Working Together to Make a Difference for Harrow

The Council's priorities are :

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

Good financial governance contributes to achieving them

Section 3 - Statutory Officer Clearance

Not required

Ward Councillors notified:

No

Section 4 - Contact Details and Background Papers

Contact: Sharon Daniels Head of Strategic Finance and Business (Deputy S151)
e-mail sharon.daniels@harrow.gov.uk

Tel: 020 8424 1332

Background Papers: None

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REPORT FOR: CABINET

Date of Meeting:	8 December 2016
Subject:	2016/17 Revenue and Capital Monitoring for Quarter 2 as at 30 September 2016
Key Decision:	Yes
Responsible Officer:	Dawn Calvert, Director of Finance
Portfolio Holder:	Councillor Adam Swersky, Portfolio Holder for Finance and Commercialisation
Exempt:	No, except for Appendix 5, which is exempt on the grounds that it contains “exempt information” under paragraph 3 of Part I of Schedule 12A to the Local Government Act 1972 (as amended) in that it contains information relating to the financial or business affairs of any particular person (including the authority holding that information).
Decision subject to Call-in:	Yes
Wards affected:	All
Enclosures:	Appendix 1 - Revenue Summary (Directorates) as at 30 September 2016. Appendix 2 – MTFS 2016/17 to 2019/20 Savings Tracker. Appendix 3- Debt Management 2016/17.

Section 1 – Summary and Recommendations

This report sets out the Council's revenue and capital monitoring position as at Quarter 2 2016/17 (30 September 2016).

Recommendations:

1. That Cabinet note the revenue and capital forecast positions detailed in this report as at Quarter 2 2016/17.
2. Note the latest quarter's performance report from Concilium Business Service as specified in Appendix 5 (Part II report).
3. Authorise the Corporate Director of Resources and Commercial, following consultation with the Portfolio Holder for Finance and Commercialisation, to approve the varying of Concilium Business Services shareholders agreement via an appropriate Deed of Variation in line with the details within this report.
4. That Cabinet note the proposed reduction to the 2016/17 Capital Programme as outlined in paragraph 3.10 to 3.13.
5. That Cabinet approve the addition to 2016/17 Capital Programme as outlined in Paragraph 3.20, 3.43 and 3.44.

Reason: (For recommendation)

To report the 2016/17 forecast financial position as at 30 September 2016 and to seek approval for budget adjustments which require Cabinet approval in accordance with Financial Regulations.

Section 2 – Report

1 INTRODUCTION

- 1.1 The net forecast position at Quarter 2 on revenue is an estimated pressure of £8.539m on directorate budgets, after mitigating actions of £2.551m have been allowed for. This reduces to £3.849m after the assumed use of the central contingency budget (£1.329m), the use of the Welfare reform and Homelessness reserves (£2m), containment of regeneration related expenditure within the regeneration model (£595k) and an underspend against Corporate budgets of (£766k).

The £3.849m position is broadly in line with the Quarter 1 forecast position.

- 1.2 The capital programme is reporting a forecast spend of £112.693m against a budget of £171.739m. This represents a total forecast spend of 66%. In terms of general fund capital, there is a forecast of spend £95.294m against a budget of £141.916m. Of the variance of £46.623m underspends, £41.698m is requested for slippage into 2017/18 and £4.925m represents capital budget that is no longer required. For the HRA, an underspend of £12.423m is forecast which is requested for slippage in full to 2017/18.

(Please note, all numbers in brackets relates to income/underspends)

2. REVENUE MONITORING

- 2.1 It is crucial to balance the 2016/17 budget whilst doing everything possible to protect frontline services. To achieve this, a plan is in place to be as lean and efficient as possible. Specifically, this includes the implementation of spending controls, reviews of non-essential spend, the improved use of assets, and a range of other efficiency and effectiveness initiatives.

- 2.2 A summary of the quarter 2 monitoring is shown in 1 table below:

Table 1: Revenue Monitoring – Quarter 2 2016/17

Directorate	Revised Budget	Forecast Outturn Before Mitigations	Quarter 2 Variance	One off income/ earmarked reserves	Quarter 2 Variance After Mitigations	Quarter 1 Variance	Movement between Q1 and Q2
	£000	£000	£000	£000	£000	£000	£000
Resources and Commercial	20,207	19,620	(587)	(65)	(652)	(241)	(411)
Business Support	1,373	2,250	877		877	691	186
Community	40,967	44,661	3,694	(418)	3,276	3,805	(529)
People	98,264	104,803	6,539	(1,846)	4,693	3,079	1,614
Regeneration	2,193	2,760	567	(222)	345	-	345
Total Directorates	163,004	174,094	11,090	(2,551)	8,539	7,334	1,205
Corporate Items	(1,346)	(2,707)	(1,361)		(1,361)	(1,212)	(149)
Corporate Contingency	3,329	2,000	(1,329)		(1,329)	(1,329)	-
Homelessness Reserve				(1,000)	(1,000)	(1,000)	-
LEP Topsliced Reserve				(1,000)	(1,000)		(1,000)
Total Budget Requirement	164,987	173,387	8,400	(4,551)	3,849	3,793	56

Resources & Commercial

Table 2 Resources & Commercial Variance

	Q2 Variance £'000	Q1 Variance £'000	Movement between Q1 and Q2
Resources	(652)	(241)	(411)
Business Support	877	691	186
Total	225	450	(225)

- 2.3 At quarter 2, Resources is forecasting to underspend by (£652k) compare to a forecast underspend of (£241k) at Quarter 1, which is a favourable movement of (£411k).
- 2.4 The movement between quarter one and two is mainly due to a **(£250k)** estimated Government subsidy and increased recovery of overpayments in the Benefits budget, the receipt of **(£208k)** from Central Government for the costs of European elections incurred in 2015-16 by Legal and Governance, off-set by the Legal and Governance Shared Services budget, previously forecast as **(£60k)** under spent, now being in line with the budget.
- 2.5 The underlying underspend, along with the above movements, is due to savings on indexation, printing and consultancy costs in the Business Transformation budget of **(£249k)**, Harrow Help budget forecast to underspend by **(£102k)**, Cashiers Services one off cost savings of **(£59k)**, and a **(£153k)** underspend in HRD & Shared Services from one off savings following the transitional arrangements which went live on the 1st August 2016.
- 2.6 The underspends fully offset pressures in Strategic Commissioning due to a shortfall against MTFS targets 'Commissioning Capacity in the Council' **£87k**, 'Income from Communications through Gain Share Model' **£25k**, advertising savings target **£25k** and prior year costs being paid this year. Finance is forecasting a **£107k** overspend due to in year staffing pressures. Procurement and Commercialisation is forecasting to overspend as a Pan Organisation savings target will be underachieved by **£100k** and a **£41k** over spend as a result of West London Alliance fees.

Business Support

- 2.7 Business Support is forecasting to overspend by £877k at Quarter 2 compared to £691k in Quarter 1. The movement is due to increased demand in the Children's Services team requiring additional Business Support staff. The MTFS savings target of £650k for 'Business Support Review' is resulting in a pressure.
- 2.8 A review of the Business Support budgets has been taking place with an analysis of the support required to the Children's front line service, in response to significant demand led pressures. This has included reviewing Business Support activity within Children's Services. The cost pressure associated with this review is reflected in the children's

forecast for 16/17 and will be transferred to Business support next financial year.

Community Directorate

- 2.9 At Quarter 2 the Community Directorate is forecasting an overspend of £3.276m an improvement from quarter 1 of £529k.

Table 3: Community Directorate's Variance

	Q2 Variance	Q1 Variance	Movement between Q1 and Q2
	£'000	£'000	£'000
Commissioning & Commercialisation	(410)	(500)	90
Environment & Culture	1,204	842	362
Directorate Management	(96)	(92)	(4)
Housing General Fund	2,996	3,555	(559)
One off in-year mitigations	(418)		(418)
Total	3,276	3,805	(529)

- 2.10 The favorable movements from Quarter 1 to Quarter 2 relate to an improvement in the homelessness pressures of **(£559k)**, which is partially offset by the net additional costs of arts & heritage services **£226k**, a reduction in waste services income forecast **£114k**, a reduction in the forecast income for Gayton Road car park **£70k** and a forecast shortfall on "Car wash" lettings income of **£20k** which are contained within the regeneration model. The Directorate has also identified one-off in year savings of **(£418k)** during Quarter 2.
- 2.11 A significant amount of the forecast pressure - **£2.8m** relates to homelessness. The combined impact of a shortage of affordable accommodation in London, rapidly increasing rents in the private rented sector and the Government's welfare reforms continue to place pressure on household incomes, which has driven extraordinary growth in the number of families becoming homeless across London. Homelessness prevention initiatives are, however, becoming increasingly successful, and as a result the forecast pressure has now started to reduce. Other pressures within Housing include the review of Watkins House to ensure compliance with applicable regulations.
- 2.12 Environment's overspend relates to an amber rated MTFs saving associated with the changes of garden and food waste collection system. There is a forecast pressure of **£1.3m** on this MTFs saving relating to an income shortfall of £0.5m against the original target for garden waste (which was set prior to the final agreed regime for

garden waste service), additional operational costs of £0.8m due to more crews deployed than anticipated as a result of on-going IT issues, and additional staff required in Access Harrow. Management actions are being undertaken to address this pressure, including route optimisation, the review of administrative support and recycling campaigns.

- 2.13 A pressure of **£0.66m** for the Arts and Heritage service following a decision in September to explore other options for delivering the service. This consists of the non-achievement of MTFS saving and one-off unfunded transition costs. An over spend on Libraries & Leisure of **£101k** is also reported mainly relating to £73k additional costs of the libraries contract due to indexation not included in base budget.
- 2.14 The over spends have been partially offset by a one-off saving of (£0.77m) identified on waste disposal costs and forecast overachievement of income of (£0.618m), consisting of one off income of £0.5m from Parking as a result of a change in accounting policy and £188k additional income from the HRA.
- 2.15 Of the £4.974m 16/17 MTFS targets, there is one red rated saving at Quarter 2 relating to Arts and Heritage service (£173k in 16/17 and £282k in 17/18), which was an amber rated saving at Quarter 1. The decision not to progress with the transfer to Cultura is the reason for the movement from amber to red.

Housing Revenue Account

- 2.16 Quarter 2 forecasts a pressure of £630k, a deterioration against Quarter 1 of £473k due mainly to unforeseen repairs expenditure required to meet legislative requirements and discharge mandatory health & safety obligations.
- 2.17 The pressure also reflects the costs of the compulsory upgrade of IT systems, and unbudgeted Depot bin hire and bulk waste disposal recharges, for which offsetting savings will have to be found.
- 2.18 Welfare reform and the extension of rent reduction to sheltered housing will impact on the HRA in 2017-18, though other initiatives such as Pay to Stay and Forced Sale of high value Council properties, which were anticipated to take effect next year, have either been shelved or postponed. The challenges facing the HRA are addressed in the HRA draft budget report elsewhere on this agenda.
- 2.19 A summary of the HRA position is provided below which includes estimated balances.

Table 4: HRA Variance

HRA revenue balances	Outturn 2015-16	Revised Budget	YTD Actual	Forecast outturn	Variance
	£000	£000	£000	£000	£000
Balance b/fwd	(4,584)	(5,296)		(6,736)	(1,440)
Net (surplus) deficit	(2,152)	(144)	546	486	630
Balance c/fwd	(6,736)	(5,440)		(6,250)	(810)

People's Directorate

2.20 The People's Directorate is forecasting an over spend of **£4.693m** at Quarter 2. This is after one off planned management actions and use of Children's Social Care Reserve of £1.846m.

Table 5: People's Directorate's Variance

	Q2 Variance £'000	Q1 Variance £'000	Movement between Q1 and Q2 £000
Adult	2,400	1,831	569
Children	2,821	1,599	1,222
Public Health	(528)	(351)	(177)
Total	4,693	3,079	1,641

Adult Services

2.21 At Quarter 2, the Adults Division is forecast to overspend by £2.4m. This represents an increase of £569k on the position at quarter 1.

2.22 The movement of £569k between Q1 and Q2 represents the full year shortfall on the delivery of the Kenmore Community Model savings-£132k, increase in bad debt provision £196k and increased challenges around Adult placement budget and wider mitigation plans.

2.23 The overspend of £2.4m represents the following key variations:

- A pressure of **£3.180m** in Adult Social Care (including ongoing pressures in relation to DoLs and Mental Health). These pressures are largely as a result of:
 - Reductions in underlying funding – the Care Act funding of £1.271m in 2016/17 could not be allocated to fund Adult Social Care pressures on an ongoing basis given the wider financial

position and the precept funding was not sufficient to cover the total growth required.

- Increases in the cost and complexity of placements (including demographic pressures), inflationary uplifts and reduced availability of placements within the weekly financial envelope, together with a financially challenged health economy which has a knock on effect on Adult social care ie; hospital discharges.
- The directorate is managing MTFs reductions of £3.592m, and a shortfall of approximately **£0.995m** (including the full year effect of Kenmore) is forecast from delays in implementing the approved savings.
- Unprecedented levels of mitigating action at (**£1.775m**), including spending controls and review of staffing to seek to manage the overall position where possible.

2.24 Managing the outturn at this level is proving extremely challenging, with minimal capacity and the competing pressures around supporting mitigation draws staff away from core business. It is difficult striking a balance between delivering savings and managing the demand, whilst continuing to discharge the statutory duty to support the most vulnerable in our community.

Children's Services

- 2.25 As at Quarter 2 the headline pressures totals £4.667m. This reduces to a net reported overspend for the division of £2.821m after the use of one off management and reserve actions totalling £1.846m.
- 2.26 The net increase in pressure of £1.222m from the position reported at Quarter1 is as follows:
- 2.27 **Children's Placements Increased Pressure £828k** – There has been an additional two high cost residential placements and six additional external fostering placements including one high cost mother and baby placement.
- 2.28 **Families with No Recourse to Public Funds Increased Pressure of £85k** – There has been an increase in volumes and costs of families with no recourse to public funds.
- 2.29 **Special Needs Transport Increased Pressure £76k** – Resulting from changes in the new academic year.
- 2.30 **Children and Young People's Staffing £152k Increased Pressure**
There is an increase in pressure of £152k due to two posts previously assumed to be funded by the Housing Revenue Account totalling £102k which have now been brought into the revenue forecast and £50k due to additional sickness and maternity cover.
- 2.31 Other increased pressures across the directorate of £81k.
- 2.32 The net overspend position of **£2.821m** is detailed as follows:

- 2.33 **Special Needs Transport £1.192m overspends** – Special Needs Transport underwent a significant review in 2014/15 with a view to achieving a £0.570m savings target. It was only possible to meet approximately half of this savings target due in main to contract prices being higher than anticipated. In addition savings of £257k in 2016-17 have also not been achieved which were largely due to a review of eligibility and a number of other actions which have been undertaken. However, it is not yet apparent that any significant savings can be achieved to drive down the existing pressure. These contribute to part of the overspends. There has also been an increase in demand, particularly for transport from home to school as the SEND reforms that extends special educational provision to age 25 years has led to an increased number of young adults with complex needs continuing in education.
- 2.26 **Children’s Placements £1.501m overspend** – The overspend mainly results from an increase in the number of children in high cost residential placements. A number of these placements have been needed in response to significant risks relating to child sexual exploitation and gangs involvement.
- 2.27 **Children and Young People’s staffing £1.314m overspend** – The volume of referrals from the police to the Multi Agency Safeguarding Hub have gone up by 37%, many of these referrals are about domestic abuse and risk. In addition the volume of referrals linked to homelessness has gone up significantly and means that children are particularly vulnerable in temporary housing. The number of children on child protection plans have gone up by 20% and this includes all forms of abuse especially neglect. A growth bid for additional social work posts in 2017/18 is to be submitted.
- 2.28 **Families with No Recourse to Public Funds £0.674m overspend** These families are being supported by the council because they have no recourse to public funds. 1.5 FTE bespoke workers have been recruited to focus specifically on these families to help reduce costs and mitigate the financial pressures on this budget. These workers are currently supporting a total of 17 cases. 9 cases have been successfully closed which has mitigated what would have been an even greater pressure.
- 2.29 **Business Support Staffing in Children’s Services £323k overspend** – The model of practice within Children’s Services is to integrate business support throughout the children’s pathway. These are specialist posts supporting social work pods, and the specialist panels e.g. Adoption Panel which supports the multiple statutory functions throughout Children’s Services. The rise in demand in Children’s Services which has resulted in additional social workers as set out above has also increased the requirement for additional business support staff.
- 2.30 These pressures are partially offset by use of one off children’s earmarked reserves and one off management actions totalling (£1.846m) together with on-going centrally held management actions totalling (£337k).

Dedicated School Grant

- The total notified DSG budget at Q2 is £130.757m. This is an increase from Q1 of £485k in respect of an increase for the number of participating children for Early Years from the census for January 2016. There is an anticipated pressure on the DSG in 2016-17 totalling £0.899m.
- **Early Years £32k overspend** – due to an increase in participating 2 year olds where the funding has lagged.
- **High Needs £1.088m overspend** – due to an increase in demand and complexity and the change in age range to 0-25 year olds in relation to the SEND reforms.
- **Central Fund £230k underspend** – due to a reduction in the number of bulge classes required in 2016-17.
- Any DSG overspend will be funded from an uncommitted brought forward schools contingency balance of £2.091m.

Public Health

- 2.32 Public Health's position at Quarter 2 is a (£528k) underspend, a favourable movement of £0.177m when compared to Quarter 1.
- 2.33 The 2016/17 budget process created capacity of **(£184k)** in the grant against which wider public health outcomes could be charged. Further capacity of **(£344k)** has been identified; largely from reducing spend on wider health improvement together with the funding allocated by members to fund specific projects in areas of cuts, to mitigate the wider Council financial position. The underspend shown represents this capacity and offsets wider outcomes for which expenditure has been incurred across the Council.
- 2.34 The demand led nature of sexual health services potentially reflects the greatest financial risk, however to date the activity is not indicating rising pressures which would lead to variations.

Regeneration, Enterprise and Planning Services

Table 6: Regeneration, Enterprise and Planning Variance

	Quarter2 Variance £000	Quarter1 Variance £000	Movement £000
Economic Development & Research	(6)	0	(6)
Planning	68	0	68
Regeneration	505	0	505
One-off in year mitigation	(222)	0	(222)

Total	345	0	345
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- 2.35 At Quarter 2, Regeneration, Enterprise & Planning are reporting an over spend of £0.345m [33.2%] over the total net controllable budget.
- 2.36 The over spend relates in the main to the revenue costs of regeneration activity. A review of estimated expenditure against the Council's Capitalisation Guidance indicates revenue expenditure not qualifying as capital to be **£505k** based on estimates at quarter 2. The pressure is made up of £385k staffing costs, £116k community engagement & communications, £43k planning policy implementation and £89k consultant and other costs. In addition, an estimated £128k New Homes Bonus will be drawn to offset this expenditure. These forecasts are based on assumptions being discussed with Council's external auditors. The £0.505m pressure above is contained within the regeneration model.
- 2.37 Planning are reporting an over spend of **£68k** at quarter 2, The increase relates to £26k forecast public inquiry costs in relation to a John Lyon's s106 application coupled with a forecast under recovery of building control income of £43k mainly as a result of the delayed introduction of increased building control fees.
- 2.38 (**£222k**) one off in year savings has been identified as part of the spending protocol. The directorate is currently on track of delivering these cost reductions / additional income.

CORPORATE BUDGETS

- 2.39 Corporate budgets are forecast to underspend by £1.361m. This has increased by £1.157m since quarter 2. The increase in the underspend is mainly as a result of:
- Reduction in the interest payable that is now been forecast due to slippage and underspend in the Capital Programme (£573k).
 - Unallocated Pay and utility inflation budget (£565k).

Contingencies and Reserves

Central Contingency

- 2.40 The Central Contingency for unforeseen items in 2016/17 is £1.329m. This will be used in full to mitigate directorate pressures.

Contingencies and Reserves

- 2.41 The contingencies are there to cover unavoidable spending pressures together with other unforeseen items, areas of risk and uncertainty and unmitigated equalities implications. There are also a number of specific reserves for a variety of purposes as identified in table 2 below.

2.42 The main changes to these reserves are the assumed drawdowns listed in the table below:

Table 7: Contingencies and Earmarked Reserves

	Unforeseen Contingency	Budget Planning	Rapid Response	Standing up for those in need	IT impl/ Transf	Welfare Reform / Homelessness	Children Social Care Reserve	Public health	Commercialisation	TPIF	Carry Fwd	Business Risk	MTFS Implementation cost
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
Balance at Start of Year	1,329	2,000	75	800	1,454	0	218	898	520	3,189	0	2,109	582
Addition at year end					400	1,000					-£1,794		2,954
To be added Quarter 2						1,000							
Earmarked Reserves balance at Qrt 2	1,329	2,000	75	800	1,854	2,000	218	898	520	3,189	-1,794	2,109	3,536
Potential draw Down as at Quarter 2	(1,329)	0	0	0	(1,190)	(2,000)	(218)	0	(90)	(665)	1,794	(80)	(1,275)
Available after commitment	0	2,000	75	800	664	0	0	898	430	2,524	0	2,029	2,261

MTFS SAVINGS TRACKER

2.44 The 2016/17 budget includes approved MTFS savings of **£17.553m**. The progress on implementation of these savings is summarised below in table 8 and shown in more detail in Appendix 2. As at the end of September, Quarter 2, 36% of savings have already been banked (blue savings), 56% of savings (green and amber) are on track or partially achieved, with 8% of savings being declared as red.

Table 8 MTFS Tracker

	Resources	Community	People	Regen	Pan Organisation	Total at Q2	Total at Q1	Movement
	£000	£000	£000	£000	£000	£000	£000	£000
Red	0	515	885	0	0	1,400	885	515
Amber	1,748	2,071	2,573	30	220	6,642	7,752	-1,110
Green	258	1,612	1,324	50	0	3,244	2,649	595
Blue	2,558	776	2,923	10	0	6,267	6,267	0
Purple	0	0	0	0	0	0	0	0
Total	4,564	4,974	7,705	90	220	17,553	17,553	0

The movement between Q1 and Q2 is detailed below:

2.45 The Red savings has increased by **£515k**, as a result of the decision to explore other options for delivering the arts & heritage service.

- 2.46 Amber savings have reduced by **£1.110m**. £515k of this relates to the Cultura savings explained above which is now rated as red.
- 2.47 Savings of £595k listed below have now moved to Green:
- Transport (£200k) – delivered through wider mitigation.
 - Southdown (£139k) – delivered but slight delay in transitioning to new settings to be mitigated through ASC budget.
 - Welldon (£106k) – delivered but slight delay in transitioning to new settings to be mitigated through ASC budget.
- 2.48 Bedford House (£150k) now green but delays in building redesign may require mitigation through ASC budget.
- 2.49 Green Savings has increased by £595k as explained above.

Concilium Business Services

- 2.49 A report titled "Trading Company Structures" was taken to Cabinet in July 2015.
- 2.50 Two trading companies and a Limited Liability Partnership have been set up.
- 2.51 Of the recommendations in that report, recommendation 16 was stated and approved as follows:
“Authorise the Corporate Director of Resources, following consultation with the Portfolio Holder for Business, Planning and Regeneration and the Portfolio Holder for Finance and Major Contracts to agree the Remuneration and Redundancy policies that will be followed by the Holding Company, the LLP and any other subsidiary companies.”
- 2.52 Following further legal advice, it was decided that it would not be in the council's interest for decisions on these policies to have influence from the council as shareholder and as a result this resolved matter was not taken forward.
- 2.53 The council continues to retain control as shareholder through the reserved matters in both companies' shareholder agreements including the ability to add or remove directors from the Boards of either company should it so choose.
- 2.54 Concilium Group as a holding company was created to support the council's wider commercialisation opportunities. To date, the letting agency is actively trading through its subsidiary, Concilium Business Services. To ensure efficient use of time and resources, it is recommended that the Holding Company's operational and management oversight is reduced and the matters it would need to decide upon been passed directly to the council. This would be effected by Deed of Variation to the Concilium Business Services shareholders agreement.
- 2.55 If future business activities materialise, this variation can be revoked through another variation to reinstate the Holding Company's full rights and obligations as the shareholder of its subsidiary company.

- 2.56 Any profits generated from trading companies can be used to support the general fund, subject to agreement with the respective Board of Directors. Any retained losses must be held against Council reserves in light of potential realisation.

Quarter 2 2016 Report

- 2.56 The last quarter of 2015/16 was spent establishing the commercial aspects of the business, such as creating the web site, bank account and professional registrations. The first quarter of 2016/17 saw a consolidation of these activities with a revised business plan reflecting the more competitive environment within which the company now operates. Please see Appendix 5 for the latest quarter 2 performance report.

3. CAPITAL PROGRAMME

Capital Programme Forecast at Quarter 2

- 3.1 The 2016/17 capital programme agreed by Council in February 2016 totalled £127.033m. After allowing for agreed slippage from 2015/16 outturn and other approved amendments, the programme now totals £171.739m at Quarter 2.
- 3.2 The forecast spend at Quarter 2 is £112.693m, 66% of the total capital programme.
- 3.3 The forecast variance on the General Fund at Qtr 2 is an underspend of £46.623m (49%) of which £41.698m is requested for slippage into 17/18 and £4.925m represents the capital budget no longer required.
- 3.4 The forecast variance on the HRA at Quarter 2 is £12.423m, which will all be slipped in full to 17/18.
- 3.5 Tables 9 and 10 below summarise the capital forecast position and Appendix 4 shows the capital programme in more detail:

Table 9 Summary of forecast by directorate

Directorate	Original Programme	CFWD's	Virement	Other Adjustment (Additional)	External	LBH	TOTAL BUDGET	Forecast Spend	Forecast Variance	Slippage	Underspend after slippage
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
PEOPLE	17,920	19,287	0	1,737	33,510	5,433	38,944	19,374	-19,570	19,170	-400
<i>Adult</i>	1,750	3,340	0	-1,878	619	2,592	3,211	2,811	-400	0	-400
<i>Schools and Children</i>	16,170	15,948	0	3,615	32,891	2,841	35,733	16,563	-19,170	19,170	0
COMMUNITY	38,980	8,439	5,000	-2,636	8,238	41,544	49,783	43,116	-6,667	5,508	-1,159
<i>Enviroment and Commision</i>	15,520	401	5,000	-1,682	2,768	16,471	19,239	19,239	0	0	0
<i>Housing</i>	16,970	6,814	0	0	800	22,984	23,784	18,117	-5,667	5,508	-159
<i>Culture</i>	4,670	0	0	-954	4,670	2,090	6,760	5,760	-1,000	0	-1,000
RESOURCES	20,525	10,343	0	0	2,159	28,709	30,868	21,933	-8,935	8,029	-906
REGENERATION	19,058	3,264	0	0	37	22,285	22,322	10,871	-11,452	8,992	-2,460
CROSS CUTTING	5,000	0	-5,000	0	0	0	0	0	0	0	0
TOTAL GENERAL FUND	101,483	41,333	0	-899	43,944	97,972	141,916	95,294	-46,623	41,698	-4,925
TOTAL HRA	25,550	16,684	0	-12,412	0	29,822	29,822	17,399	-12,423	12,423	0
TOTAL GENERAL FUND & HRA	127,033	58,017	0	-13,311	43,944	127,795	171,739	112,693	-59,046	54,122	-4,925

Table 10 Analysis of Forecast Outturn variance

Directorate	Outturn variance	Split of outturn variance by funding		Slippage	Slippage by funding		Underspend after slippage	Split of Underspend after slippage	
		Grant/sec 106	LBH		Grant /Sec 106	LBH		Grant	LBH
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
PEOPLE	-19,569	-18,117	-1,452	-19,169	-18,117	-1,052	-400	0	-400
<i>Adult</i>	-400	0	-400	0	0	0	-400	0	-400
<i>Schools and children</i>	-19,169	-18,117	-1,052	-19,169	-18,117	-1,052	0	0	0
COMMUNITY	-6,667	0	-6,667	-5,508	0	-5,508	-1,159	0	-1,159
<i>Culture</i>	-1,000	0	0	0	0	0	-1,000	0	-1,000
<i>Housing</i>	-5,667	0	-5,667	-5,508	0	-5,508	-159	0	-159
RESOURCES	-8935	0	-8935	-8,029	0	-8029	-906	0	-906
REGENERATION	-11452	0	-11452	-8,992	0	-8992	-2460	0	-2460
CROSS CUTTING	0	0	0	0	0	0	0	0	0
TOTAL GENERAL FUND	-46,623	-18,117	-28,506	-41,698	-18,117	-23,581	-4,925	0	-4,925
TOTAL HRA	-12,423	0	-12,423	-12,423	0	-12,423	0	0	0
TOTAL	-59,046	-18,117	-40,929	-54,121	-18,117	-36,004	-4,925	0	-4,925

RESOURCES DIRECTORATE

- 3.6 As at Quarter 2 the forecast spend is £21.933m, 71% of the 2016/17 Resource's directorate capital budget. The forecast under spend is £8.935m, of which £8.029m is requested to be slipped to 2017/18 and £0.906m can be removed from the Capital Programme.
- 3.7 The main items of slippage are detailed below:
- 3.8 The Human Resources ICT system, to enable the shared service arrangement between Harrow and Buckinghamshire Council including HR case work, employees relations, payroll and HR administration will underspend by an estimated £30k and will be slipped into 2017/18 this is based on the estimated level of work that is required to be carried out this year in relation to the transition. There is no financial or social implication for the £30k budget that will be slipped.
- 3.9 Property Investment Portfolio – It is been estimated that £7m of the £15m budget will be spent this year and the remaining £8m will be slipped to 2017/18. The implication of this slippage is the potential for not achieving £0.700m MTFs savings in 17/18 and 18/19 and this will be monitored closely.

REDUCTION TO CAPITAL PROGRAMME

- 3.10 The Resources directorate has carried out a review of all their capital schemes and as a result will reduce the capital programme by **£0.906m** as detailed below:
- 3.11 As part of Sopro Steria transition budget that was set back in 2015, **£322k** was set aside as a contingency budget to be used to upgrade the systems and **£210k** for general transition cost, these budgets will now not be required as the transition to Sorpro Steria has now been finalised and there is sufficient budget within the capital programmed to cover the system upgrade.
- 3.12 The cost of purchasing IT assets was less than anticipated by **£0.374m**.
- 3.13 The above underspends have no financial or social implication on the council or community as a whole.

COMMUNITY DIRECTORATE

- 3.14 As at Quarter 2 the forecast is £43.116m, 87% of the total budget.
- 3.15 The forecast under spend is £6.667m of which £5.508m will be slipped to 2017/18. The main items of slippage and underspend are detailed below:

Environment & Commissioning

- 3.16 At Quarter 2 the whole capital programme of £19.239m is the expected to be spent this year.

- 3.17 At the end of Quarter 2, Environment & Commissioning spent and/or committed £11m (58%) of total budget of £19m. This has exceeded the profiled budget at this time of the year, indicating that effective project delivery planning allows capital projects to be commenced and implemented at the front end of the financial year. The investment will improve the borough's infrastructure and make significant contributions towards the delivery of the administration's priorities in coming years. Following the completion of various tendering exercises, a number of building improvement projects will also commence in coming months to convert them into cafes in order to improve facilities within parks and to provide a new revenue stream for the Council.
- 3.18 The Services forecast to spend all the budgets allocated in this year's programme.
- 3.19 Some budget adjustments are required to bring the programme up to date, and these are detailed below.

ADDITION TO CAPITAL PROGRAMME

15/16 LIP

- 3.20 All 15/16 projects under Local Implementation Plan (LIP) have been completed and financial claims have been made to recover the full costs from Transport for London. The total costs incurred in this financial year are £242,195. For the purpose of housekeeping, it is recommended that the budget on SAP is re-aligned to reflect the actual funding received. This will require an increase in capital budget of £50,977 (all externally funded).

Culture

- 3.21 At Quarter 2 the forecast is £5.76m.
- 3.22 At this stage, the capital grant of £1m to Cultura London is forecast to underspend following a recent decision to explore different options for the arts & heritage services. If the transfer does go ahead on 1st January 2017 (or other specified date) as per "Future Delivery of Arts and Heritage Service update and approval of lease length" report elsewhere in the agenda, the capital budget will be required, in which case it may be slipped to 2017/18 subject to the progress of delivering the capital work by Cultura London.
- 3.23 Some budget adjustments are required to bring the programme up to date, and these are detailed below.

REALINGMENT

Central Library Re-fit and Refurbishment

- 3.24 In the current capital programme, there is a budget of £1.5m profiled in 17/18 for the fit out of the new town centre library. The procurement of a design specification for the fit out of the new library will need to be undertaken early in order to meet the planned timescale for the fit out work. The estimated costs for this are £50k. It

is recommended that £50k of Harrow capital funding is brought forward to 16/17.

Housing General Fund

As at Quarter 2 the forecast spend is £18.117m, 76% of the 2016/17 Housing general fund capital budget. The forecast under spend is £5.508m is requested to be slipped to 2017-18 and £0.159m can be removed from the Capital Programme.

The spent and committed at Quarter 2 is £979k (40%) of total budget of £2.477m. Disabled Facilities Grants of £1.531m are expected to be spent in full. Spend on Empty Property Grants are expected to be £0.275m below budget, of which £0.125m is expected to be carried over to financial year 2017-18 leaving an underspend of £0.150m and this is set out in the capital programme reported elsewhere in the agenda.

Housing Property Purchase Initiative

- 3.25 At Quarter 2, the Housing Property Purchase Initiative spent & committed £4.223m (20%) of total budget of £21.307m. The expected spend is £15.924m with the remaining £5.383m carried over into the next financial year and this assumes that 57 properties will be purchased in this financial year bringing the total to 60 properties by 31 March 2017.

PEOPLE

- 3.26 At Quarter 2 the forecast spend is £19,374m, 50% of the 2016/17 People's directorate capital budget.
- 3.27 The forecast under spend is £19.570m of which £19.170m will be slipped to 2017-18 and £400k is no longer needed. The main items of slippage are detailed below:

Adults

- 3.28 At Quarter 1 the forecast spent is £2.811m, 55% of the approved capital programme.
- 3.29 The directorate variance of £400k that is no longer required.
- 3.30 At the end of quarter 1 an underspend of £2.278m was reported and included a variation of £508k on projects associated with strategic capital reviews. To expedite alterations to premises at Bedford House a virement of £400k from Strategic Capital Reviews budget is being sought. As the 2016-17 capital MTFs approved funding in this respect, the Project Infinity capital budget of £1.650m can be reduced, enabling the overall underspend reported to remain unchanged.
- 3.31 The above underspend will not impact front line service delivery to the vulnerable residents of Harrow.

Schools

- 3.32 As at Quarter 2 the forecast spend is £16.563m 46% of the approved budget.
- 3.33 The budget for the school expansion programme through to 2019-20 is £142.577m.

SEP1 and SEP2

- 3.34 The Council employs cost consultants to provide valuations of the works carried out by the contractors. Cabinet in June 2016 approved merger of the uncommitted SEP4 programme budgets, anticipated to be delivered by the Free School Programme, and the SEP2 programme budgets and, based on the current work being undertaken to close the final accounts, there will be sufficient funding to meeting this pressure. However, the account valuations provided by the contractor vary significantly to those provided by the council's cost consultants and this could be a further pressure, and may require council borrowing to fund.
- 3.35 The forecasts continue to be monitored and updated as projects are completed and the accounts clarified and agreed with the contractors. Work is being undertaken with Legal Services to support the process of closing the programme with Keepmoat. The purposes of the Q2 budget monitoring report, these are forecast to spend to budget.

SEP3

- 3.36 In September 2016 Cabinet approved a virement to move funds from funding identified for secondary school expansion programme to SEP 3 to address the projected shortfall of £1.6m. The position with the school projections reported to Cabinet in July 2016, indicate that the demand for secondary school places is lower than previously expected and there will be a shortfall at a later stage than anticipated, from 2022. The borrowing requirement for the secondary expansion programme will need to be increased by the amount of the virement and this will increase the value of the Schools Capital Programme but this is likely to be beyond 2019-20.
- 3.37 The forecasts provided by the council's cost consultants include the three schemes which have been approved by planning, as well as the two schemes at Welldon Park Junior site and the Stag Lane schools which are still subject to planning approval.
- 3.38 The Welldon Park Junior and Stag Lane schools schemes are still going through the value engineering process and where possible costs will be driven down. However, as these two schemes are subject to planning approval there could be further works or redesigns required to meet any additional planning conditions could put further financial pressure on this programme. Any pressure on this programme will result in an overspend which would have to be funded from Council borrowing.
- 3.39 Weald Rise Primary School, also part of SEP3, is being rebuilt as part of the Priority School Building Programme. However the expansion of the school is in addition to the works being provided by the EFA.

Therefore the council has committed to a top up fee in order to deliver the expansion element of this programme, totalling £2.28m. This is included in the overall budget for the programme.

Slippages and Implication

- 3.40 The reported slippage as at Q2 is £19.170m. The majority of slippage of £10.455m relates to Stag Lane and Welldon Park Junior Schools which are part of phase 3 of the expansion programme. Both schemes are still subject to planning approval in in autumn 2016 and spring 2017 respectively and therefore the majority of the work will be undertaken in 2017-18. There is minimal impact to the schools as a result of these delays since the expanded year group at Welldon Park is still working its way through the infants (which is on a separate site and whose building works were completed for September 2016). There will be sufficient capacity in the junior school until building works are completed for September 2017. In relation to Stag Lane the school expanded its pupil numbers from September 2016 and there will also be sufficient capacity within the school to accommodate the increased numbers until the building works are completed for September 2017.
- 3.41 The position with the school projections reported to Cabinet in July 2016, indicate that the demand for secondary school places is lower than previously expected and there will be a shortfall at a later stage than anticipated, from 2022. It is therefore proposed to slip £945k of Secondary provision funding into 2017-18. In addition £4.620m of SEN funding will also be slipped into 2017-18 as this programme is still at the scoping stage.
- 3.42 The majority of the remainder of the slippage relates to rolling programmes for amalgamations, bulge classes and capital maintenance.

ADDITION TO CAPITAL PROGRAMME

- 3.43 Marlborough School - a request to increase the capital programme for Marlborough School by £214k. Marlborough School was rebuilt in 2016 as part of the EFA funded Priority Schools Building Programme (PSBP). The school requested that the EFA include capacity for nursery provision which would be funded by the school. As the EFA do not have a financial funding relationship with maintained schools the LA signed a letter on behalf of the school to guarantee the funding for the nursery. Marlborough school in turn have provided the funding to the LA. The capital programme needs to increase by £214k to reflect the increased cost which is externally funded by the school and cost neutral to the council.
- 3.44 Weald Rise School (SEP3) - a requested to increase the capital programme for Weald Rise School by £99k. Weald Rise Primary School is also being rebuilt as part of the Priority School Building Programme. The school has asked for increased specification in relation to changing rooms at the cost of the school. As the EFA do not have a financial funding relationship with maintained schools the LA signed a letter on behalf of the school to guarantee the funding for

the changing rooms. Weald Rise School in turn have provided the funding to the LA. The capital programme needs to increase by £99k to reflect the increased cost which is externally funded by the school and cost neutral to the council.

REGENERATION

- 3.45 The Division forecast to spend £10.708m against budget of £22.160m on this year's budget allocation. Slippage of £8.992m relates to unavoidable delays, relating to land assembly, planning outcomes and unpredictable approval delays to procurement processes. Underspend of £2.460m relates to Stanmore Innovation – opportunity to purchase the property no longer exists.

HOUSING REVENUE ACCOUNT

- 3.46 As at Quarter 2 the forecast spend is £17.399m, 58% of the 2016/17 HRA's latest capital Budget
- 3.47 The forecast under spend is £12.423m which will all be slipped to 2017/18. The main HRA programme and Homes-4-Harrow are expected to be £1.978m and £10.445m below budget respectively, and both expected to be carried over into next year. HRA Capital expenditure is funded entirely from HRA resources.
- 3.48 These adjustments to capital programme will not have any wider impact on delivery of the approved programme of works, which already has sufficient budget provision.

4. Legal Implication

- 4.1 Section 151 of the Local Government Act 1972 states that without prejudice to section 111, every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs". Section 28 of the Local Government Act 2003 imposes a statutory duty on a billing or major precepting authority to monitor, during the financial year, its income and expenditure against budget calculations.
- 4.2 Under Allocation of Responsibilities in the Constitution, Council is responsible for all decisions, which are expected to result in variations to agreed revenue or capital budgets. Cabinet must agree, or delegate agreement for all virements between budgets as set by the Financial Regulations.
- 4.3 Under the Council's Financial Regulations B48, additions of up to £500k to the capital programme can be made by Cabinet in respect of specific projects where
- a. the expenditure is wholly covered by additional external sources;

- b. the expenditure is in accordance with at least one of the priorities listed in the capital programme; and
- c. there are no significant full year revenue budget effects

This provision is subject to an overall limit of £2.5m in any one financial year.

5. Equalities

- 5.1 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:
- 5.2 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.
- 5.3 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.
- 5.4 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.
- 5.5 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.

5.6 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:

- a) Age
- b) Disability
- c) Gender reassignment
- d) Pregnancy and maternity
- e) Race,
- f) Religion or belief
- g) Sex
- h) Sexual orientation
- i) Marriage and Civil partnership

5.7 A full equalities impact assessment was completed on the 2015/16 budget when the budget was set by Full Council. Equalities implications are taken into account by individual directorates whilst running services and making decisions to vire money. A full equality impact assessment will be completed on the budget for 2016/17

6. Financial Implications

Financial matters are integral to the report.

7. Performance Issues

Good financial performance is essential to achieving a balanced budget. The financial performance is integrated with the strategic performance of the Council through quarterly Directorate Improvement Boards which consider the financial position alongside performance including key projects, service KPIs (including customer data and complaints) and workforce. Monitoring of finance and performance is reported regularly to the Corporate Strategic Board and Cabinet and is also considered by the Council's Performance and Finance Scrutiny Sub- Committee.

The overall net projected variance of £3.849m from the revenue budget of £164.9m is currently forecast to be an overspend of 2.3%.

For the 2016/17 savings built into the MTFs, the overall position is that 36% of the savings are RAG rated as blue (achieved and banked), 18% green (achievement of saving on track), 38% amber (saving only partially achieved or risks remaining) and 8% red (agreed saving not achievable).

Council Tax Collection: The collection rate for Quarter 2 is 56.77% against a profile target of 57%

Business Rates Collection: The collection rate for Quarter 2 is a collection rate of 56.48% against a profile target of 58.5%.

8. Risk Management Implications

The risks to the Council and how they are being managed are set out in the report.

Risks are included on the Directorate risk registers

9. Equalities implications / Public Sector Equality Duty

A full equalities impact assessment was completed on the 2016/17 budget when the budget was set by Full Council. Equalities implications are taken into account by individual directorates whilst running services and making decisions to vire money. A full equality impact assessment will be completed on the budget for 2017/18.

10. Council Priorities

The Council's vision is:

Working Together to Make a Difference for Harrow

The Council's priorities are:

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

This report deals with Revenue and Capital monitoring which is key to delivering the infrastructure to deliver the Council's priorities.

Section 3 - Statutory Officer Clearance

Name: Dawn Calvert Chief Financial Officer

Date: 28 November 2016

Name: Jessica Farmer on behalf of the
Monitoring Officer

Date: 29 November 2016

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

EqIA carried out: NO

EqIA cleared by: N/A

Section 4 - Contact Details and Background Papers

Contact: Sharon Daniels (sharon.daniels@harrow.gov.uk),
Deputy sec151 officer Tel: 020 8424 1332

Background Papers: Cabinet February 18 2016: [Capital Programme 2016/17 to 2019/20](#)

**Call-In Waived by the
Chairman of Overview
and Scrutiny
Committee** NOT APPLICABLE
[Call-in applies]

Appendix 1

Revenue Summary								
	Revised Budget	Forecast Outturn	Q2 Variance	Mitigation	Variance at Q2 after Mitigation	Variance	Q1 Variance	Movement between Q1 and Q2
	£000	£000	£000	£000	£000	%		
Resources								
Controllable Budget								
Customer Services	24,250	23,595	● (655)		(655)	(2.7%)	(455)	(200)
Director of Resources	538	490	● (48)		(48)	(8.9%)	(27)	(21)
HRD & Shared Services	1,808	1,655	● (153)		(153)	(8.5%)	(153)	0
Legal & Governance	2,782	2,625	● (157)		(157)	(5.6%)	0	(157)
Procurement & Commercial	611	752	● 141		141	23.1%	141	0
Strategic Commissioning	2,167	2,347	● 180		180	8.3%	151	29
Assurance	562	560	● (2)		(2)	(0.4%)	3	(5)
Finance	3,214	3,321	● 107		107	3.3%	99	8
Total Controllable Budget	35,932	35,345	● (587)	0	(587)	0	(241)	(346)
Uncontrollable Budget	(15,725)	(15,725)	● 0		0	0.0%	0	0
One off Mitigation				(65)	(65)		0	(65)
Total Directorate Budget	20,207	19,620	● (587)	(65)	(652)	0	(241)	(411)
					0			
Business Support					0			
Business Support	2,381	3,258	● 877		877	36.8%	691	186
Uncontrollable Budget	(1,008)	(1,008)	● 0		0	0.0%	0	0
Total Business Support	1,373	2,250	● 877	0	877	0	691	186
					0			
Community					0			
Controllable Budget					0			
Commissioning & Corporate Estate	(1,861)	(2,271)	● (410)	0	(410)	22.0%	-500	90
Environment & Culture	19,655	20,859	● 1,204	0	1,204	6.1%	842	362
Directorate Management	282	186	● (96)	0	(96)	(34.0%)	-92	(4)
Housing General Fund	3,637	6,633	● 2,996		2,996	82.4%	3555	(559)
Total Controllable Budget	21,713	25,407	● 3,694	0	3,694	1	3,805	(111)
One off Mitigation	418	418	● 0	(418)	(418)	0.0%	0	(418)
Uncontrollable Budget	18,836	18,836	● 0		0	0.0%	0	0
Total Directorate Budget	40,967	44,661	● 3,694	(418)	3,276	1	3,805	(529)
People								
Controllable Budget								
Adult Services	55,290	57,690	● 2,400	0	2,400	4.3%	1831	569
Public Health	790	262	● (528)		(528)	(66.8%)	-351	(177)
Children & Families	26,529	30,873	● 4,344		4,344	16.4%	3118	1,226
Total Controllable Budget	82,609	88,825	● 6,216	0	6,216	(0)	4,598	1,618
Additional Business Support in Children's Services		323	● 323		323		0	323
One off Children's Social Care Reserve	0	0	● 0	(1,790)	(1,790)	0.0%	-1519	(271)
Planned Management Action				(56)	(56)		0	(56)
Uncontrollable Budget	15,655	15,655	● 0		0	0.0%	0	0
Total Directorate Budget	98,264	104,803	● 6,539	(1,846)	4,693	(0)	3,079	1,614
Regeneration								
Economic Development & Research	668	662	● (6)		(6)	(0.9%)	0	(6)
Planning	148	216	● 68		68	45.9%	0	68
Regeneration Programme	0	505	● 505		505	0.0%	0	505
One off Mitigation	222	222	● 0	(222)	(222)	0.0%	0	(222)
Total Controllable Budget	1,038	1,605	● 567	(222)	345	0	0	345
Uncontrollable Budget	1,155	1,155	● 0		0	0.0%	0	0
Total Directorate Budget	2,193	2,760	● 567	(222)	345	0	0	345
Total Directorate Budgets	163,004	174,094	● 11,090	(2,551)	8,539	1	7,334	1,205
Corporate Items	(1,346)	(2,707)	● (1,361)		(1,361)	101.1%	-1212	(149)
Corporate contingency	3,329	2,000	● (1,329)		(1,329)	(39.9%)	-1329	0
Homelessness Reserve				(1,000)	(1,000)		-1000	0
LEP Top Sliced				(1,000)	(1,000)			(1,000)
Total Budget Requirement	164,987	173,387	● 8,400	(4,551)	3,849	2	3,793	56

MTFS Tracker Savings Tracker

Unique Reference No.	Specific Service Area	Description	2016/17	2017/18	2018/19	2019/20	Total	RAG Rating	Comment
			£000	£000	£000	£000	£000		
Resources & Commercial									
RES_SC01	Strategic Commissioning	Income from Communications Through Gain Share Model	125	25	13		163	Amber	Research is being undertaken to establish whether this saving can be fully made.
RES_SC02	Strategic Commissioning	Additional Income from Communications Provider and Further Savings			107		107	Purple	Future Year saving, still in development
RES_SC03	Strategic Commissioning	Domestic Violence Budget Reduction Based on Alternative Funding		21	61		82	Purple	Future Year saving, still in development
RES_SC04	Strategic Commissioning	Proposed savings in Healthwatch Funding	13		50		63	Green	Saving for 2016/17 made.
RES_SC05	Strategic Commissioning	SIMS Team Contribution to Overheads and Additional Income	30	20	20		70	Amber	Income levels in 2015/16 would cover this additional income, and new income of £10k has already been developed for 2016/17.
RES_SC06	Strategic Commissioning	Commissioning Capacity in the Council	371	10	50		431	Amber	All staff savings have been delivered and integrated into budgets for 2016/17. The majority of this saving is achieved, with further work taking place to deliver the full saving by the end of the year. Around £87k of the 2016/17 target is at risk. There are plans to mitigate this by looking to underspend in other parts of the Division. The plan to stop the Small Grants Programme from 1st October will contribute an additional £30k to the £87k shortfall. Therefore this saving is now £57k short of delivery.
RES_HR01	HR	Shared HR Service with Buckinghamshire County Council - Business Case Under Development		140	110		250	Green	The shared HR Service went live on 1 August 16 and all the MTFS savings are built in to the fees and charges for the shared Service. There is sufficient budget provision to meet the service charges for 16/17 and the implementation costs.
RES_HR03	HR	Organisational Development - Review existing shared OD service provision		155			155	Purple	The OD Service has been subsumed within the new shared HR Service and the MTFS savings built in to the fees and charges.
RES_F01	Finance & Assurance	Reduction in Contribution to Insurance Fund due to improved claims performance	200				200	Blue	Contribution reduction built into 16/17 budget

MTFS Tracker Savings Tracker

Unique Reference No.	Specific Service Area	Description	2016/17	2017/18	2018/19	2019/20	Total	RAG Rating	Comment
			£000	£000	£000	£000	£000		
RES_F02	Finance & Assurance	Improved Treasury investment return from increased Risk appetite (Primarily lending for longer and to institutions with lower credit ratings)	180	595	625		1,400	Green	Harrow remains in the upper quartile for rates received on its short term treasury investments. Although performance remains high, a lower level of balances means that investment income will not increase significantly, however a review of borrowing to support the Capital Programme will achieve the 2016/17 savings.
RES03	Finance and Assurance	Review of the Finance structure 2015/16 and 2016/17 proposals	415				415	Amber	Team re-structure completed to delete 7fte. New structure in place from 01/05/16. 3 posts remain covered by agency staff and are currently being recruited to. Agency cover to back fill staff absence due to sickness is also creating a pressure. Estimated pressure in 2016/17 is £100k.
RES_F03b	Finance & Assurance	Audit and Fraud - staffing reductions	30	15			45	Blue	Corporate Fraud Investigator post deleted - £30k removed from budget therefore saving achieved
RES_F04	Finance & Assurance	Investment Portfolio		350	350		700	Purple	Future Year saving, still in development
RES_LG02	Legal & Governance	Committees		100			100	Purple	Future Year saving, still in development. There is no plan or political support to deliver these savings.
RES_LG03	Legal & Governance	Shared Registrars Service	50				50	Amber	Reports to effect a shared registrars service with Brent are scheduled for both Council's Cabinets in the Autumn.
RES_LG04	Legal & Governance	Expansion of the Legal Practice 15/16 and 16/17 proposals	384	354	354		1,092	Blue	2016/17 savings achieved. Achievement of future savings will become clearer as the year progress.
RES_CP01	Commercial, Contracts & Procurement	Selling services through shared procurement arrangements. 15/16 and 16/17 proposals	108	182	180	-	470	Amber	The delay to the establishment of the Procurement Shared Service by the withdrawal of Bucks has made the delivery of savings for 2016/17 difficult but everything is being done to ensure delivery. 2017/18 savings are subject to a revised staffing structure and consultation with Unions. Plans for 2018/19 not yet developed.
RES_CS02	Customer Services and IT	Revenues and Benefits - Domestic and NNDR Site Review and Collection Rate			250		250	Purple	Future Year saving, still in development
RES_CS06	Customer Services and IT	Assumed savings from the completion of the roll out of universal credit and the opportunity this provides to simplify the CTS scheme			300		300	Purple	Future Year saving still in development, and at risk as full HB caseload migration to Universal Credit (UC) still many years away which means administration savings by simplifying local Council Tax Support Scheme is unachievable. Progression to UC extremely slow. Saving unachievable and should be removed until DWP gives time lines for migration of HB Working Age caseload.

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MTFS Tracker Savings Tracker

Unique Reference No.	Specific Service Area	Description	2016/17	2017/18	2018/19	2019/20	Total	RAG Rating	Comment
			£000	£000	£000	£000	£000		
RES_CS07	Customer Services and IT	IT Maintenance Savings	67				67	Blue	Savings already achieved
RES_CS09	Customer Services and IT	IT Contract. Reduced costs assuming reduction of 100 IT users across the Council	31				31	Blue	Savings already achieved
RES_CS10	Customer Services and IT	IT - reduce colour printing across the organisation by 50%	50				50	Blue	Savings already achieved
RES_CS12	Customer Services and IT	Customer Services - review Helpline charging and commercialisation	65				65	Green	New schemes are being taken on increase revenue An inter-authority agreement is in process with Brent to supply the Helpline service A bid for funding is to be made to the commercial board to increase revenue streams through greater use of technology
ES_CS15	Customer Services and IT	Capital financing savings from IT contract being less than in the capital programme	260				260	Blue	Achieved
BSS 01	BSS	Business Support Review.	649	352	320		1,321	Amber	Additional demand from Childrens Services due to increased activity at the front door. Deep Dive review carried out with Members and options on reducing costs presented to Commissioning Panel.
RES16	Strategic Commissioning	Retender of the Communications Service to take account of reductions in spend phased in the following way: 2016/17 - 10% reduction, 2017/18 - 10% reduction. 15/16 MTFS	57	57			114	Blue	2016/17 savings achieved. Achievement of future savings will become clearer as the year progresses.
RES21	Directorate Wide	Management Savings 15/16 MTFS	150				150	Blue	Savings on track to be achieved.
RES25	Customer Services & IT	Procurement savings across the contracts managed within the division. 15/16 MTFS	949				949	Blue	Savings achieved.
RESG01	Customer Services & IT	Welfare Reform contingency utilisation- 6FTE Revenues and benefits £215k - reversal of one off growth 15/16 MTFS	215				215	Blue	Savings achieved - Temporary staff contract terminated
RES082	Collections and Benefits	Revenues Staffing Reductions 14/15 MTFS	40				40	Blue	Achieved and monies already taken from budget as at 1/4/2016
RES083	Collections and Benefits	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. 14/15 MTFS	125				125	Blue	Achieved and monies already taken from budget as at 1/4/2016
			4,564	2,376	2,790	-	9,730		
Children & Families									

MTFS Tracker Savings Tracker

Unique Reference No.	Specific Service Area	Description	2016/17	2017/18	2018/19	2019/20	Total	RAG Rating	Comment
			£000	£000	£000	£000	£000		
PC01	Education & Commissioning	Schools Strategy Education & Professional Lead - Early Years. Change funding to maximise use of grants	91				91	Blue	Achieved
PC02	Education & Commissioning	Capital Team Delete Senior Professional after postholder retires £73k and increase capitalisation £70k Post vacant	143				143	Blue	Post Holder retired September 2015 and the 2016-17 budgeted establishment has been adjusted to reflect the saving. Capitalisation built into the capital programme.
PC03	Special Educational Needs	Residential School Placements Maximise use of grants	500				500	Blue	Funding streams adjusted and 2016-17 budget reduced to reflect saving.
PC04	Special Educational Needs	Educational Psychology Income generation	50				50	Blue	Achieved
PC05	Children & Young People	The Firs Selling bed spaces, providing training to other LAs, renting out rooms/garden for activities	52				52	Green	To be achieved through a combination of income generation and efficiencies
PC06	Children & Young People	Children's Placements - Care Leavers Efficiencies in procurement	200				200	Amber	To be achieved through increasing the number of housing benefit claimants, moving young people into independent living at an earlier stage and improved contractual and commissioning arrangements to drive down costs. Demand and complexity, particularly in relation to gangs and exploitations, continues to increase and this may mean that savings are offset by pressures from demand. This will be closely monitored throughout the year
PC07	Children & Young People	Children's Placements - Looked After Children Negotiate price reductions and review packages of support	500				500	Amber	Robust monitoring and regular review of high cost placements at panels chaired by Divisional Director. Improved contractual and commissioning arrangements to drive down costs. Improved care planning so children and young people can be moved from expensive residential placements in a more timely manner. Demand and complexity continues, particularly in relation to gangs and exploitation, to increase and this may mean that savings are offset by pressures from demand. This will be closely monitored throughout the year
PC08	Children & Young People	Emergency Duty Team Full cost recovery	50				50	Green	Full cost recovery from Barnet in progress (awaiting contract sign off). Increased the core contract value to reflect actual costs.
PC12	Children & Young People	Review of posts in Quality Assurance & Improvement Service			223		223	Purple	Future Year saving, still in development
PC13	Children & Young People	Integration and restructure of childrens centres, early intervention and youth development service	416	266			682	Amber	The target implementation date of 01/10/16 is going to slip to the end of November. Full achievement of savings are expected in 2017/18.
PC14	Children & Young People	Review of Adoption Contract			86		86	Purple	Future Year saving, still in development
PC15	Children & Young People	Review of posts in MASH			100		100	Purple	Future Year saving, still in development
PC16	Children & Young People	Review of posts in Family Information Service			61		61	Purple	Future Year saving, still in development

MTFS Tracker Savings Tracker

Unique Reference No.	Specific Service Area	Description	2016/17	2017/18	2018/19	2019/20	Total	RAG Rating	Comment
			£000	£000	£000	£000	£000		
PC17	Children & Young People	Review of posts in Access to Resources			57		57	Purple	Future Year saving, still in development
PC19	Children & Young People	Review of Leaving Care, Children Looked After & Unaccompanied Asylum Seeking Children Teams			173		173	Purple	Future Year saving, still in development
PC20	Education & Commissioning	Commissioning Reduction by 2.6FTE vacant posts	184				184	Blue	2.6FTE post holders left in 2015. 2016-17 budgeted establishment adjusted to reflect the savings
PC21	Education & Commissioning	Governor Services Governor Support Officer post	44				44	Blue	Post holder left March 2016. 2016-17 budgeted establishment adjusted to reflect the savings.
PC22	Education & Commissioning	Schools Strategy Non staffing budgets	35				35	Blue	2016-17 budgets adjusted to reflect saving
PC23	Education & Commissioning	Harrow School Improvement Partnership HSIP Full Cost recovery including Support Service Costs	130				130	Blue	HSIP Board notified and 2016-17 budgets adjusted to reflect saving
PC24	Education & Commissioning	Enhancing Achievement within Education Strategy Post should be 75% funded by grant management fees from April 2016, post holder redundant from August 2016	61	8			69	Blue	Post holder leaves August 2016. 2016-17 budget establishment adjusted to reflect the savings
PC25	Contracts	Review of Young Carers Contract Contractual efficiencies	20				20	Blue	New contract arrangements commenced Sept 15. 2016-17 budgets adjusted to reflect saving
PC28	Cross Service	Non-pay inflation	150	150	150	150	600	Blue	Funding retained centrally and therefore not included in 2016-17 budgets
PC29	Management	Review of Management	449				449	Blue	Posts deleted, post holders left and 2016-17 budgeted establishments adjusted to reflect the savings
PC31	Special Needs Service	Children with Disabilities Efficiencies as service seeks to merge with adults	50				50	Blue	The CWD service has been merged with the adults with disability service to create a 0-25 children & young people with disabilities service. Part of this restructure has deleted one vacant senior social worker post
PC32	Special Needs Service	Educational Psychology Income generation	50				50	Amber	Service under review and saving anticipated to be achieved
PC33	Special Needs Service	Review of Special Educational Needs Transport	257	257			514	Amber	The revised travel assistance policy was approved at September Cabinet. Any savings resulting from the application of this policy will be factored into future forecasts as and when they materialise. There is the potential to make financial savings but it is not possible to predict the exact amount as the population and complexities of those accessing Travel Assistance changes and will impact on this.
PC36	Children & Young People	Review of posts in Quality Assurance & Service Improvement			248		248	Purple	Future Year saving, still in development
PC38	Children & Young People	Review of Children Looked After & Placements Service			1,000		1,000	Purple	Future Year saving, still in development

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MTFS Tracker Savings Tracker

Unique Reference No.	Specific Service Area	Description	2016/17	2017/18	2018/19	2019/20	Total	RAG Rating	Comment
			£000	£000	£000	£000	£000		
PC39	Education & Commissioning	Education Strategy & Capital Capitalise 2fte	137				137	Blue	Capitalisation built into capital programme
PC42	Special Needs Service	Review of Special Needs Service			1,164		1,164	Purple	Future Year saving, still in development
			3,569	681	3,262	150	7,662		
Adults									
PA_1	Adults	Supporting People - renegotiation of existing statutory contracts	150				150	Green	On track to be delivered with additional mitigations
PA_2	Adults	Supporting People - review of provision Care Act eligible service users (Bridge / Wiseworks Day Service), and consideration of alternative provision for non eligible service users	276				276	Red	Following consultation Members have decided that the contract at the Bridge will not cease. 2016/17 financial implications have been addressed through the 2015/16 Revenue Outturn position. Future years funding will need to be addressed as part of the budget setting process.
PA_3	Adults	Wiseworks - commercialisation opportunities and to be self financing by end of MTFS period	50	69	56		175	Green	On track to be delivered
PA_4	Adults	Milmans Community tender		175	184		359	Purple	Future year saving in development
PA_5	Adults	New Bentley [formerly Byron NRC] Community Tender		446			446	Purple	Future year saving in development
PA_6A	Adults	Vaughan NRC - service review to identify efficiencies in supporting the most complex		100			100	Purple	Future year saving in development
PA_7	Adults	Kenmore NRC - Community Tender	609				609	Red	Community Model being taken forward, and risk of a significantly reduced saving.
PA_9	Adults	Sancroft - contract management and service renegotiation	166	334			500	Green	On track to be delivered
PA_10A	Adults	Transport - review transport provision	200	200	350		750	Green	Will be delivered through wider mitigation
PA_11A	Adults	MOW/Catering Service - review of service		65			65	Purple	Future year saving in development
PA_12	Adults	Southdown - review service through shared lives	139				139	Green	Slight delay in transitioning to new settings to be mitigated through ASC budget
PA_13	Adults	Welldon/Harrow View - review service through shared lives	106				106	Green	Slight delay in transitioning to new settings to be mitigated through ASC budget
PA_14	Adults	Shared Lives - commercialisation through selling model to neighbouring boroughs	50	150			200	Green	On track to be delivered
PA_15	Adults	Bedford House / Roxborough Park - review provision within Bedford House	150	650			800	Green	Delays in building redesign may require mitigation through ASC budget

MTFS Tracker Savings Tracker

Unique Reference No.	Specific Service Area	Description	2016/17	2017/18	2018/19	2019/20	Total	RAG Rating	Comment
			£000	£000	£000	£000	£000		
PA_16	Adults	7 Kenton Road - review provision through supporting living and shared lives		228			228	Purple	Future year saving in development
PA_17	Adults	Hospital / STARRS Discharge - social care assessments through reablement in line with Care Act guidance	70				70	Green	On target to be achieved
PA_19	Adults	Reduce Commissioning Team - restructure to reduce the team by 2FTE	150				150	Amber	Restructure proposals halted pending decision around 17/18 MTFS which proposes deletion of the team.
PA_20	Adults	Demography - reduce remaining MTFS annual demographic growth provision to the Adult Social Care purchasing budget in 2016/17	1,000				1,000	Amber	The underlying pressures within ASC from 2015/16 together with the potential impact of the National Living Wage, delivery of MTFS including the reduction in demography indicates that this year will be more financially challenged than in recent years, with an overspend predicted.
PA_21	Adults	CHW Senior Management Restructure - savings from senior management restructure following consultation	261				261	Blue	Delivered budget reduced
PA_25	Adults	Maintenance team - services provided within existing staffing resources	165				165	Blue	Delivered budget reduced
PA_26	Adults	My Community ePurse - commercialisation of My Community ePurse		1,000	600		1,600	Purple	Future year saving in development. Procurement of commercial partner in progress. Competitive dialogue will indicate ability to deliver savings.
PA_27	Adults	Our Community ePurse - explore new commercialisation opportunities		998	1,250		2,248	Purple	Future year saving in development. Procurement of commercial partner in progress. Competitive dialogue will indicate ability to deliver savings.
PA_28	Adults	Community Wrap - explore new commercialisation opportunities			640		640	Purple	Future year saving in development
PA_29B	Adults	Total Community ePurse - explore new commercialisation opportunities			2250		2,250	Purple	Future year saving in development. Procurement of commercial partner in progress. Competitive dialogue will indicate ability to deliver savings.
CHW09	Adults	Reduced funding following review of WLA programme 2015/16 MTFS	50				50	Blue	Delivered budget reduced
		Total	3,592	4,415	5,330	-	13,337		
Public Health									
PH_1	PH	Health Checks - reduction in activity	100				100	Blue	Consultation responses supported reduction in health checks activity. This has been incorporated in the final EQIA.
PH_2	PH	Sexual Health - reduction of activity in projects & non contracted activity 16-17.	153				153	Blue	Delivered, budget reduced
PH_3	PH	Sexual Health - consolidation of activity within new contract efficiency 17-18		105			105	Purple	Pan London collaborative commissioning has delivered savings, however the current Contraceptive and Sexual Health services block contract is over delivering. This is likely to result in increased cost post reprocurement.
PH_4	PH	Tobacco Control & Smoking Cessation - reduction in promotional activities	20				20	Blue	Delivered, budget reduced
PH_5	PH	Tobacco Control & Smoking Cessation - reduction of service		279			279	Purple	On target to be delivered following consultation to cease the service.
PH_6	PH	Physical Activity - reduction of service	76				76	Blue	Consultation did not support cessation of the programme, comments incorporated in the final EQIA. Contracts have not been renewed.

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MTFS Tracker Savings Tracker

Unique Reference No.	Specific Service Area	Description	2016/17	2017/18	2018/19	2019/20	Total	RAG Rating	Comment
			£000	£000	£000	£000	£000		
PH_7	PH	Young Peoples Public Health - reduction of Schools Programme	100				100	Green	Consultation did not support cessation of the programme and comments incorporated in the final EQIA. The programme was, however, for a fixed term.
PH_9	PH	Health intelligence & Knowledge - reduction in staff costs		48			48	Blue	On target to be delivered
PH_10	PH	Staffing & Support - reduction in budget & deletion of additional procurement support	54	30			84	Blue	Procurement costs reduced 2016/17 and on target to be delivered 2017/18
PH_11	PH	Drug and Alcohol - reduction in service (contract related costs. Employee costs included in PH_12)			1,500		1,500	Purple	Targetted reduction to be considered in consultation with contracted provider
PH_12	PH	Reduction to service - staffing reductions	41		795		836	Green	On target to be delivered 16/17, Future year saving in development
			544	462	2,295	-	3,301		
Community									
CE_1	ESD - Public Protection	Cessation of subsidy to Metropolitan Police	158				158	Blue	Achieved. Agreement with Met Police already terminated.
CE_2	Commissioning Services	Highways Services - Efficiencies in advance of the retendering of the Highways Contract (restructure Traffic to delete 2 engineer posts). Early approval in July 15 required in order to commence staff consultation and selection process. Part year saving from December 15 onwards.	80				80	Blue	Completed.
CE_3	Commissioning Services	Mortuary Services - Reduction in costs as a result of Barnet joining the partnership with Brent.	14				14	Blue	Completed in 15-16.
CE_4	Commissioning Services	Staff efficiencies in Parking and Network Teams - deletion of Parking Manager post and reduction in team leaders and inspectors. This management saving relates to the deletion of parking manager post. The post has been vacant since April 15 and therefore full year saving can be achieved in 15/16.	75				75	Blue	Completed in 15-16.
CE_5	Directorate Wide	Reduction of supplies & services budget	100	50	50		200	Blue	Achieved
CE_7	ESD - Waste Services	Alternative funding for recycling officer post - post to be commercially funded or deleted.	29				29	Blue	The post has not been deleted. However a Team Leader post has moved to Trade Waste Commercial team and has not been back filled, so funding for recycling officer post is available.
CE_8	ESD - Technical Services	Staff efficiency once Towards Excellence fully embedded - Deletion of 2 posts.		34	34		68	Green	This will be achieved as part of division-wide restructure taking place during 16/17.
CE_9	ESD - Public Protection	Efficiencies arising from Selective Licensing - Through full cost recovery and reduction in failure demand. Net income.	200	35			235	Green	Implemented.

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MTFS Tracker Savings Tracker

Unique Reference No.	Specific Service Area	Description	2016/17	2017/18	2018/19	2019/20	Total	RAG Rating	Comment
			£000	£000	£000	£000	£000		
CE_10.1	ESD - Management	Management savings Savings on team leader posts across the Environmental Service Delivery division.	86				86	Green	This will be achieved as part of division-wide restructure taking place during 16/17. Commercial activities within the division (e.g. grounds maintenance service under Project Phoenix) will ensure that full saving is met in 16/17.
CE_10.2	ESD - Management	Management savings Savings on a management post across the Environmental Service Delivery division.		75			75	Green	This will be achieved as part of division-wide restructure taking place during 16/17.
CE_12	Commissioning Services	Project Phoenix - Commercialisation projects	115	-	1,525		1,640	Green	The implementation of business cases approved to date will achieve the overall 3-year targets.
CE_13	ESD - Harrow Pride	Contract savings Roll out the successful trial of wider parks bins provision and move to a fully in house dog waste collection service.	35				35	Blue	Contract with SDK already terminated.
CE_14	Commissioning Services	Highways Services - revenue savings on utilities and maintenance costs due to acceleration of the Street Lighting replacement programme and extension of the variable lighting regime.	70	10			80	Green	Accelerated capital investment reduces revenue costs.
CE_15	Commissioning Services	Highways Services - Reduction in revenue budget for reactive maintenance due to accelerated capital investment from 2014/15.	60	20	20		100	Green	Accelerated capital investment reduces revenue costs.
CE_16	Commissioning Services	Staff efficiencies in Parking and Network Teams - reduction in team leader and inspector posts. Staff consultation completed in June 15. The reduction in posts will be phased over the next 2 years to ensure minimal impact on service level.	75	80	20		175	Green	Restructure completed.
CE_17	Commissioning Services	General efficiencies across the Division (Policy, Community Engagement, Facilities Management and Contracts Management) - including capitalisation of senior contracts officer post, removal of some supplies & services budget	12	9	80		101	Green	16/17 target achieved by reducing Supplies & Services budget
CE_18	Commissioning Services	Income Generation - Facilities Management Service Level Agreements (SLAs) and Energy SLAs to schools	46	20	20		86	Green	On track. Additional schools buy-back as part of SLA renewal.
CE_19	Commissioning Services	Road safety officer post - externally funded by Transport for London (TfL)		40			40	Purple	To include this salary recharges in the funding bid to TfL on road safety activities.
CE_20	Commissioning Services	Further contract efficiencies following the re-procurement of Facilities Management contract.		80			80	Purple	To secure reduced costs through gain share mechanism on commercial opportunities.
CE_21	NIS	Neighbourhood Investment Scheme (NIS) - a base budget of £210K is available for all 21 wards. A one-off saving has been offered as part of the early year saving. It is now proposed that the full budget is removed from 16/17 onwards.			210		210	Green	This saving will be achieved.
CE_22.1	ESD - Environmental Health	Environmental Health team - Introduction of Street Trading, Fixed Penalty receipts and other internal efficiencies	210				210	Green	Delivery plan in place. Implementation underway.

MTFS Tracker Savings Tracker

Unique Reference No.	Specific Service Area	Description	2016/17	2017/18	2018/19	2019/20	Total	RAG Rating	Comment
			£000	£000	£000	£000	£000		
CE_22.2	ESD - Environmental Health	Environmental Health team - Introduction of Street Trading, Fixed Penalty receipts and other internal efficiencies	30				30	Green	On track
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. 15/16 MTFS	40	40			80	Green	Additional Proceeds of Crime Act income anticipated, therefore reducing the overall SLA costs to Brent.
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. 15/16 MTFS	64				64	Blue	SCP service included in the 16/17 School SLA pack. 12 schools have bought into the service.
E&E_05	Commissioning Services - Contract Mgt & Policy	Staff Efficiencies across the Division - Deletion of 3 posts 15/16 MTFS		86			86	Green	1 post has been deleted in 15-16 and the deletion of the other 2 posts is a 17/18 saving, for which a plan will be provided.
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. 15/16 MTFS	44	44	22		110	Green	Head of FM post deleted, and work being covered by Head of Business & Commercial.
E&E_07	Commissioning Services - Facilities Mgt	Introduction of staff car parking charges. 15/16 MTFS	30	-	-		30	Green	On track.
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. 15/16 MTFS	84	45			129	Green	This is being achieved through changes in response times and accelerated capital investment which reduces the need for responsive repairs.
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). 15/16 MTFS		120	120		240	Purple	To be incorporated into contract re-negotiation by securing savings through contract extension. Alternatively, reducing staff.
E&E_10	Commissioning Services - Highways	Review salary capitalisation of highway programme & TfL funded projects. 15/16 MTFS	100	50	50		200	Green	On track for 16-17, however increasing this level of capitalisation will require some planning. Making efficiencies from reviewing the highways contract and outsourcing some design work could reduce staff numbers further and therefore the proportion of staff time working on capital will reduce. The balance between staff reductions and salary capitalisation needs careful consideration.

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MTFS Tracker Savings Tracker

Unique Reference No.	Specific Service Area	Description	2016/17	2017/18	2018/19	2019/20	Total	RAG Rating	Comment
			£000	£000	£000	£000	£000		
E&E_11	Commissioning Services - Network Mgt	Additional income - from street works. 15/16 MTFS	20	10			30	Green	On track.
E&E_12	Commissioning Services - Street Lighting	Changes in Street Lighting Policy to include variable lighting solutions. 15/16 MTFS	68	10	12		90	Green	Additional capital budget agreed to implement CMS dimming solution. Agreed policy for dimming is up to 50%. Currently doing 66%, so further dimming within the parameters is possible thereby generating energy savings.
E&E_13	Commissioning Services - Street Lighting and Drainage	Street lighting and Drainage budgets - capital investment allows for lower maintenance costs. 15/16 MTFS	25	40			65	Green	Accelerated capital investment reduces revenue costs for Street Lighting..
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. 15/16 MTFS	20		10		30	Green	This element of the contract is being renegotiated now with a view to implementing changes for the coming winter season
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. 15/16 MTFS		30	50		80	Purple	Plan to be developed to ensure that savings in 17/18 and 18/19 will be met.
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. 15/16 MTFS	200	200			400	Amber	16/17 target is planned to be met from TFM contract subject to the demand on responsive works and commercial agreements with neighbouring boroughs.

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MTFS Tracker Savings Tracker

Unique Reference No.	Specific Service Area	Description	2016/17	2017/18	2018/19	2019/20	Total	RAG Rating	Comment
			£000	£000	£000	£000	£000		
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 One-off vehicle early termination cost (2 tippers) is estimated at £23K. 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. 15/16 MTFS	23				23	Blue	Saving already achieved during 15/16.
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. 15/16 MTFS	11				11	Blue	Saving already achieved during 15/16.
E&E_34	Environmental Services -Waste Services	Change mixed organic waste collection system with separate collection of food waste and introduce charges for garden waste from 1st October 2015. 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. 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. 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. 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). 2015/16 MTFS	1,711				1,711	Amber	Revised service offer, charging regime and actual participation rate suggest a net saving in the region of £1.3m. The difference is being mitigated by a one-off saving on waste disposal costs as part of WLWA levy arrangements for 16/17.
		Sub Total	3,835	1,128	2,223	-	7,186		
CC_1	Community & Culture	Senior Management Restructure - Deletion of Divisional Director Community & Culture post	137				137	Blue	Achieved. Post deleted as part of senior management restructure.

MTFS Tracker Savings Tracker

Unique Reference No.	Specific Service Area	Description	2016/17	2017/18	2018/19	2019/20	Total	RAG Rating	Comment
			£000	£000	£000	£000	£000		
CC_2	Community & Culture	Library Strategy Phase 2 - delivery of network of libraries and library regeneration	180	108	209		497	Amber	16/17 saving have been met in part. 17/18 and 18/19 savings - a delay in the timetable for the new Town Centre library means that the full MTFS saving in 2018/19 is currently unlikely to be achieved. Alternative savings / mitigations are being formulated.
CC_3	Community & Culture	Reduction in library and leisure contract management function costs	40				40	Blue	Saving made from a reduction in maintenance budget.
CC_4	Community & Culture	Arts & Heritage - delivery of business plan (reallocation of savings based on Cabinet report May 2015)	(342)	282			(60)	Amber	The service was originally planned to be transferred to Cultura on 1st April 16. Delays in transferring the services to Cultura and one-off unfunded transition costs have resulted in an overspend this year. In late September, the decision not to transfer the service led to further overspend being forecast and the savings for 17-18 at risk.
45 CHW12	Community & Culture	Redevelopment Harrow Leisure Centre Site 15/16 MTFS		100			100	Amber	A decision regarding a new leisure centre or refurbishment of the existing leisure centre has yet to be made. Saving in 17/18 to be mitigated by the importation of environmentally approved soil to Bannister Sports Centre. Saving in 18/19 may be mitigated by a further one-off income from the importation of environmentally approved soil to other sites in Harrow (subject to viability studies).
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) . 15/16 MTFS	515				515	Red	The service was originally planned to be transferred to Cultura on 1st April 16. Delays in transferring the services to Cultura and one-off unfunded transition costs have resulted in an overspend this year. In late September, the decision not to transfer the service led to further overspend being forecast and the savings for 17-18 at risk.
		Sub Total Cultural Services	530	490	209	-	1,229		
CH_1	HGF	Salaries recharges to HRA and capital - increase proportion of salaries charged to HRA and capital projects to reflect current working arrangements	163				163	Green	On track
CH_2	HGF	Supporting People - savings assumed to result from contract renegotiation or possible cessation of support in later years	68				68	Amber	Possibility savings may not be entirely delivered due to higher than anticipated DV contract costs and an under accrual from 2015-16
CH_3	HGF	Supporting People - cessation of funding for Handyperson Scheme, which is intended to become self-supporting through commercialisation	10	25			35	Green	On track
CH_4	HGF	Supporting People - Sheltered Housing floating support - savings assumed to result from contract renegotiation or review of service delivery		60			60	Green	On track
CH_5	HGF	Miscellaneous minor budgets - minor budget savings	10				10	Blue	Achieved
CH_7	HGF	Watkins House - Options review	(25)	100	100		175	Amber	It is not clear whether this is now deliverable in the light of the additional short term cost of managing the scheme to achieve compliance. Future costs of care provision are being assessed

MTFS Tracker Savings Tracker

Unique Reference No.	Specific Service Area	Description	2016/17	2017/18	2018/19	2019/20	Total	RAG Rating	Comment
			£000	£000	£000	£000	£000		
CH_8	HGF	Private lettings agency - projected income from establishing a lettings agency		130	174	120	424	Purple	The Private Lettings Agency has now been established and has commenced operation. It is still developing as a business, and there is a possibility that the savings may not be entirely delivered due to combination of delay in becoming operational and increased costs from those originally assumed.
CH_9	HGF	Property purchase initiative - net benefit to Council of proposals to purchase 100 homes, per Cabinet report appendix. Homelessness savings are part of the equation.	230	31	(2)	42	301	Amber	Not likely to deliver the required level of savings in 2016/17 as a result of delays in the purchase process and a shortage of suitable properties within the Borough, but the shortfall is likely to be met from accelerating CH_10. More properties which meet the financial criteria are now being purchased out of borough.
CH_10	HGF	Home Improvement Agency - savings arising from a combination of reducing the service and increasing the charge to the HRA in respect of the Occupational Therapist service	(10)	130			120	Amber	Acceleration of this proposal is possible and will cover the majority, if not all, of any shortfall in income arising from CH_9 in 2016/17
CH_11	HGF	Salary recharges to HRA - management charge in respect of HRA property used as Temporary Accommodation - cost to HRA covered by property service charges. Charge will cease when HRA property ceases to be used as TA, and savings will be required to replace this item at that point.	104				104	Green	Achieved, and early savings delivered in 2015/16
CHW18	HGF	CHW Management savings -1 fte in Housing 2016/17, 15/16 MTFS	59				59	Amber	Expected to be achieved by alternative route; replaced by recharge of 25% Corporate Director Community's salary to HRA, and increasing the proportion of Director of Housing's salary charged to the HRA from 70% to 80% to reflect current patterns of work.
Housing subtotal			609	476	272	162	1,519		
Community subtotal			4,974	2,094	2,704	162	9,934		
Regeneration									
REG_1	Regeneration and Planning	Increase in planning income - more planning applications are anticipated in coming years following the successful Housing Zone bid and the implementation of regeneration strategy.	50				50	Green	On track.
REG_3	Regeneration and Planning	Additional income from Development Management and Building Control services - develop and provide party wall agreement and plan drawing service.	30				30	Amber	Details of new service offers are being drawn up. There may be a delay of implementing this due to resource constraints, however this will be mitigated by additional building control income anticipated following the review of current fees & charges.
REG_4	Regeneration and Planning	Reduction of supplies & services budget in Planning Division	10				10	Blue	Achieved.
REG_6	Economic Development	Commercialisation of work space, subject to agreement with St Edwards (income net of running costs)		50			50	Red	This saving is not achievable as the opportunity to acquire Stanmore Place no longer exists.

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MTFS Tracker Savings Tracker

Unique Reference No.	Specific Service Area	Description	2016/17	2017/18	2018/19	2019/20	Total	RAG Rating	Comment
			£000	£000	£000	£000	£000		
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. 2015/16 MTFS.		100			100	Amber	DCLG undertook a public consultation recently to seek views on the proposed approach to implementing the planning provisions in the Housing and Planning Bill, and this covered the area of changes to planning application fees. Responses are awaited. It is currently uncertain if there will be a national increase in fees, and if so, when this will be implemented.
			90	150	-	-	240		
Pan Organisation									
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. 2015/16 MTFS	220				220	Amber	A number of projects are in the pipeline to deliver this saving but at this stage it is felt that some may slip into 2017/18 and therefore will not all be delivered for 2016/17.
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. 2015/16 MTFS	-	350	2,000		2,350	Purple	Future Year saving, still in development
PO 04	Pan Organisation	Additional Commercialisation savings from projects in the pipeline		1,100			1,100	Purple	Future Year saving, still in development
Total savings			220	1,450	2,000	-	3,670		
Total Savings			17,553	11,628	18,381	312	47,874		

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Council Tax

Currently, bad debt provisions (BDP) of £4.925m exist [**£4.996m**- £0.071k; [w/offers done 01/04/16-30/09/16] for Council Tax against a potential BDP of £3.8m for debts accrued to 31 March 2016.

COUNCIL TAX	Arrears as at 1 st of April	Arrears as at Qtr 2	BDP	BDP as at Qtr 2
	£000	£000	%	£000
Pre 2012-2013	445	356	100	356
2012-2013	488	455	100	455
2013-2014	850	746	100	746
2014-2015	1,439	1,249	75	936
2015-2016	3,393	2,051	65	1,334
Total	6,615	4,857		3,827

National Non Domestic Rates (NNDR)

Currently, bad debt provisions of £2.49m [**£2.702m**- £205k; w/offers done 01/04/16 to 30/09/16] exist for business rates (NNDR) against a potential BDP of £1.9m. Under Business Rates retention, the effect on the local authority is 30% of any surplus or deficit.

NATIONAL NON DOMESTIC RATES (NNDR)	Arrears as at 1 st of April	Arrears as at Qtr 2	BDP	BDPas at Qtr 2
	£000	£000	%	£000
Pre 2014-2015	585	528	100	528
2014-2015	836	643	100	643
2015-2016	2,564	1,464	50	732
Total	3,985	2,635		1,903

Council Tax and Business Rates Court Cost

Currently, bad debt provisions (BDP) of £1.176m (**CT £1052k+ NDR £124k**) exists for Court Costs against a potential BDP of £1.08m. From previous years trends, this amount of provision appears to be adequate and in line with our overall provisions policy.

Court Cost	Arrears as at 1 st of April	Arrears as at Qtr 2	BDP	BDP as at Qtr 2
	£000	£000	%	£000
Pre 2015-2016	612	542	100	542
2015-2016	538	380	75	285
2016-2017	0	512	50	256
Total	1,150	1,434		1,083

Housing Benefits

Currently, bad debt provisions of £6.19m [**£6.584m** - £385k w/off's 1/4/16 to 30/09/16] exist for Housing Benefit overpayment debt against a potential BDP of £6.05m (£3.714m + £2.345m).

Housing Benefit DEBTORS	Outstand as at 1 st of April	Outstand as at Qtr 2	BDP	BDP as at Qtr 2
	£000	£000	%	£000
Pre 2014-2015	1,435	1,310	100	1,310
2014-2015	1,385	1,195	100	1,195
2015-2016	2,485	1,706	50	853
2016-2017	0	1,185	30	356
Totals	5,305	5,396		3,714

Housing Benefit LIVE CASES	Outstand as at 1 st of April	Outstand as at Qtr 2	BDP	BDP as at Qtr 2
	£000	£000	%	£000
Pre 2014-2015	544	394	100	394
2014-2015	908	653	75	490
2015-2016	3,056	1,893	50	947
2016-2017	0	1,714	30	514
Totals	4,508	4,654		2,345

Over the last year initiatives from the DWP have continued, specifically the Real Time Information Bulk Data Matching exercise (RTI), which means the DWP is now providing retrospective information to the authority about claimant changes not previously known to Harrow. This has resulted in a higher than normal increase in the raising of Housing Benefit overpayment debts which in turn has led to higher bad debt provision being required. This will continue as it is now part of the on-going processes for the DWP.

Project Definition	Original Programme	Brought Forward	Virement	Other Adjustment (Additional/Reduction)	Externally Funded	Harrow Funded	Forecast Outturn	Forecast Variance	Slippage	Over/Under spend
Adults Social Care-Framework-I & IT Integration	0	130,147	0	-130,147	0	0	0	0	0	0
MOSAIC Implementation - Adults & Children's Services	0	605,520	0	0	0	605,520	605,520	0	0	0
Mental Health Supported Housing Repairs	0	0	0	0	0	0	0	0	0	0
Adults Personal Social Services - Community Capacity Grant	0	156,563	0	0	0	156,563	156,563	0	0	0
Capital Strategic Reviews	0	508,159	0	-108,159	0	400,000	400,000	0	0	0
Quality Outcome for People With Dementia	0	150,000	0	-150,000	0	0	0	0	0	0
Reform Of Social Care Funding	0	800,159	0	-800,159	0	0	0	0	0	0
Market Shaping And Development	0	250,000	0	-250,000	0	0	0	0	0	0
Integrated Health Model	0	422,271	0	-322,271	30,156	69,844	100,000	0	0	0
Milman's Day Centre - Remodeling and Ref Carers Services Charges	0	0	0	0	0	0	0	0	0	0
Maintenance of Adults Properties	0	149,000	0	0	49,000	100,000	149,000	0	0	0
Safeguarding Quality Assurance Quadrants (QAQ)	0	167,759	0	-117,759	0	50,000	50,000	0	0	0
Project Infinity	1,650,000	0	0	0	540,000	1,110,000	1,250,000	-400,000	0	-400,000
In-House Residential	100,000	0	0	0	0	100,000	100,000	0	0	0
Total Adult	1,750,000	3,339,578	0	-1,878,495	619,156	2,591,927	2,811,083	-400,000	0	-400,000
Schools Expansion Programme - Phase 1	0	185,767	-153,511	0	32,256	0	32,256	0	0	0
Schools Expansion Programme - Phase 2	0	1,840,039	0	2,239,000	3,972,039	107,000	3,237,079	-841,960	841,960	0
Schools Expansion Programme Phase 3	9,555,000	9,016,370	87,000	0	18,658,370	0	8,203,370	-10,455,000	10,455,000	0
Schools Expansion Programme - Phase 4	0	420,000	-87,000	87,000	333,000	87,000	420,000	0	0	0
S5 Provision	4,200,000	459,154	32,460	470,000	5,161,614	0	541,614	-4,620,000	4,620,000	0
S5 Primary Expansions	525,000	728,258	149,859	819,000	878,117	1,344,000	1,276,656	-945,461	945,461	0
S5 Al Amalgamation	0	732,576	199,511	0	932,087	0	200,000	-732,087	732,087	0
Bulge Classes	150,000	208,510	-149,859	0	208,651	0	150,000	-58,651	58,651	0
Free School Meals	0	6,279	0	0	6,279	0	6,279	0	0	0
Hatch End MUGA	0	0	0	0	0	0	0	0	0	0
Schools Capital Maintenance	1,350,000	1,011,909	-78,460	0	2,283,449	0	767,000	-1,516,449	1,516,449	0
Devolved Formula Non VA Schools	390,000	504,334	0	0	390,000	504,334	894,334	0	0	0
IT Development	0	799,129	0	0	0	799,129	799,129	0	0	0
Whitmore School	0	35,412	0	0	35,412	0	35,412	0	0	0
Total School and Children	16,170,000	15,947,737	0	3,615,000	32,891,274	2,841,463	16,563,129	-19,169,608	19,169,608	0
TOTAL PEOPLE	17,920,000	19,287,315	0	1,736,505	33,510,430	5,433,390	19,374,212	-19,569,608	19,169,608	-400,000
Environment										
Carbon Reduction Programme 2015/16	300,000	0	0	0	0	300,000	300,000	0	0	0
Car Park Infrastructure	20,000	0	0	0	0	20,000	20,000	0	0	0
CCTV Crime Reduction Cameras 14/15	0	0	0	0	0	0	0	0	0	0
City Farm/Pinner Park Farm	0	514,256	0	0	0	514,256	514,256	0	0	0
Corporate Accommodation Maintenance	231,000	0	0	0	0	231,000	231,000	0	0	0
Carbon Reduction (Schools)	0	0	0	0	0	0	0	0	0	0
Harrow On Hill Station	2,000,000	0	0	-2,000,000	0	0	0	0	0	0
High Priority Plan Maintenance Corporate Property	575,000	0	0	0	0	575,000	575,000	0	0	0
Highway Drainage Improvements & Flood Defence Infrastructure	500,000	0	0	0	0	500,000	500,000	0	0	0
Highway Improvement Programme	4,750,000	-470,994	3,503,000	0	0	7,782,006	7,782,006	0	0	0
Neighbourhood Investment Scheme	0	0	0	0	0	0	0	0	0	0
Parking Management Programme	300,000	0	0	0	0	300,000	300,000	0	0	0
Queens House	0	0	0	0	0	0	0	0	0	0
Public Realm Services – Parks, Open Spaces & Cemeteries	0	0	0	0	0	0	0	0	0	0

Project Definition	Original Programme	Brought Forward	Virement	Other Adjustment (Additional/Reduction)		Externally Funded	Harrow Funded	Forecast Outturn	Forecast Variance	Slippage	Over/Under spend
Public realm Services – Waste and Recycling	200,000	15,890	0	0	0	0	215,890	215,890	0	0	0
Section 106 Schemes	0	105,000	0	50,000	155,000	0	155,000	155,000	0	0	0
Street Lighting Improvement Programme	3,000,000	-82,555	1,100,000	0	0	4,017,445	4,017,445	4,017,445	0	0	0
TfL Major Schemes	0	0	0	0	0	0	0	0	0	0	0
TfL Principal Roads	923,000	0	0	0	923,000	0	923,000	923,000	0	0	0
TfL Transport Capital	1,088,000	191,218	0	168,000	1,447,218	0	1,447,218	1,447,218	0	0	0
Trade Waste	400,000	0	0	0	0	400,000	400,000	400,000	0	0	0
Town Centre Regeneration	0	0	0	0	0	0	0	0	0	0	0
Harrow Green Grid	293,000	128,000	0	100,000	243,000	278,000	521,000	521,000	0	0	0
CCTV cameras and equipment at the depot	150,000	0	0	0	0	150,000	150,000	150,000	0	0	0
Park Infrastructure	675,000	0	397,000	0	0	1,072,000	1,072,000	1,072,000	0	0	0
Parks Litter Bins	65,000	0	0	0	0	65,000	65,000	65,000	0	0	0
Green Gym	50,000	0	0	0	0	50,000	50,000	50,000	0	0	0
Total Environment	15,520,000	400,815	5,000,000	-1,682,000	2,768,218	16,470,597	19,238,815	19,238,815	0	0	0
Housing											
Disabled Facilities Grants	1,500,000	30,510	0	0	650,000	880,510	1,530,510	1,530,510	0	0	0
Empty Property Grant	400,000	391,000	0	0	150,000	641,000	516,000	516,000	-275,000	125,000	-150,000
Green Deals Communities Funding	0	0	0	0	0	0	0	0	0	0	0
Improvement grant	70,000	60,233	0	0	0	130,233	130,233	130,233	0	0	0
Housing Property Purchase	15,000,000	6,306,632	0	0	0	21,306,632	15,924,000	15,924,000	-5,382,632	5,382,632	0
Renovation Grants	0	25,460	0	0	0	25,460	16,524	16,524	-8,936	0	-8,936
Total Housing	16,970,000	6,813,835	0	0	800,000	22,983,835	18,117,267	18,117,267	-5,666,568	5,507,632	-158,936
Community											
06 Banister Sport Pitch	0	1,004,000	0	-954,000	50,000	0	50,000	50,000	0	0	0
1 w Arts Centre	1,000,000	0	0	0	0	1,000,000	0	0	-1,000,000	0	-1,000,000
Sports & Leisure Sho	0	0	0	0	0	0	0	0	0	0	0
Headstone Manor	5,190,000	0	0	0	4,620,000	570,000	5,190,000	5,190,000	0	0	0
Leisure Centre Capital Infrastructure	300,000	220,000	0	0	0	520,000	520,000	520,000	0	0	0
Total Culture	6,490,000	1,224,000	0	-954,000	4,670,000	2,090,000	5,760,000	5,760,000	-1,000,000	0	-1,000,000
Total Community	38,980,000	8,438,650	5,000,000	-2,636,000	8,238,218	41,544,432	43,116,082	43,116,082	-6,666,568	5,507,632	-1,158,936
BTP - Public Realms	0	1,372,869	0	0	0	1,372,869	1,372,869	1,372,869	0	0	0
Capital cost of transition and transformation of ICT service	1,500,000	2,206,000	200,000	0	0	3,906,000	3,324,000	3,324,000	-582,000	0	-582,000
ITO Transformation	0	370,000	-91,200	0	0	278,800	278,800	278,800	0	0	0
My Harrow Services Account Dev Prog	0	8,000	0	0	0	8,000	8,000	8,000	0	0	0
IT Improvement Project	0	200,000	-200,000	0	0	0	0	0	0	0	0
Web Upgrade Project	0	91,200	91,200	0	0	91,200	91,200	91,200	0	0	0
SAP: Financial Ledger/Systems Control Imp	270,000	171,912	0	0	0	441,912	441,912	441,912	0	0	0
BTP - Mobile & Flex	0	1,068,270	0	0	0	1,068,270	1,068,270	1,068,270	0	0	0
BTP - Corporate Resources	0	0	0	0	0	0	0	0	0	0	0
BTP Minor Projects	0	0	0	0	0	0	0	0	0	0	0
SAP Minor Developments	0	0	0	0	0	0	0	0	0	0	0
ICT Infrastructure & Corporate Applications	0	55,000	35,000	0	0	90,000	90,000	90,000	0	0	0
IT Corporate System Refresh	0	828,584	0	0	0	828,584	1,201,584	1,201,584	373,000	0	373,000
LAA Performance Reward Grant	0	123,649	0	0	0	123,649	123,649	123,649	0	0	0
BTP - Hardware Refresh	0	35,000	-35,000	0	0	0	0	0	0	0	0
Loan Payment - Capital	915,000	2,158,638	0	0	2,158,638	915,000	3,073,638	3,073,638	0	0	0
Ongoing refresh & enhancement of ICT	2,000,000	1,196,000	0	0	0	3,196,000	2,499,000	2,499,000	-697,000	0	-697,000
Small Schemes (Council wide)	0	48,801	0	0	0	48,801	48,801	48,801	0	0	0
FM Minor Work	0	500,000	0	0	0	500,000	500,000	500,000	0	0	0
IER Grant	0	0	0	0	0	0	0	0	0	0	0

Project Definition	Original Programme	Brought Forward	Virement	Other Adjustment (Additional/Reduction)		Externally Funded	Harrow Funded	Forecast Outturn	Forecast Variance	Slippage	Over/Under spend
My Harrow Service Account	740,000	0	0	0	0	0	740,000	740,000	0	0	0
Property Investment	15,000,000	0	0	0	0	0	15,000,000	7,000,000	-8,000,000	8,000,000	0
HR Shared Service	100,000	0	0	0	0	0	100,000	71,000	-29,000	29,000	0
TOTAL RESOURCES	20,525,000	10,342,723	0	0	0	2,158,638	28,709,085	21,932,723	-8,935,000	8,029,000	-906,000
Harrow Card	0	25,873	0	0	0	0	25,873	25,873	0	0	0
Station Road Highway and Environmental Improvements	0	514,546	-377,875	0	0	36,671	100,000	136,671	0	0	0
Regeneration Programme	19,058,000	2,723,694	377,875	0	0	0	22,159,569	10,708,000	-11,451,569	8,992,000	-2,459,569
TOTAL Regeneration	19,058,000	3,264,113	0	0	0	36,671	22,285,442	10,870,544	-11,451,569	8,992,000	-2,459,569
Cross Cutting Investment in Infrastructure	5,000,000	0	-5,000,000	0	0	0	0	0	0	0	0
TOTAL GENERAL FUND	101,483,000	41,332,801	0	-899,495	43,943,957	97,972,349	95,293,561	-46,622,745	41,698,240	-4,924,505	
Housing Programme	22,285,000	2,546,205	-3,025,320	-10,846,845	0	10,959,040	8,981,000	-1,978,040	1,978,040	0	0
Housing Programme - S106	1,495,000	0	0	-1,495,000	0	0	0	0	0	0	0
Housing Programme - S20	70,000	0	0	-70,000	0	0	0	0	0	0	0
Grange Farm Redevelopment	0	5,554,207	4,615,545	0	0	10,169,752	5,872,000	-4,297,752	4,297,752	0	0
HRA Affordable Housing	1,700,000	8,583,715	-1,590,225	0	0	8,693,490	2,546,000	-6,147,490	6,147,490	0	0
51	25,550,000	16,684,127	0	-12,411,845	0	29,822,282	17,399,000	-12,423,282	12,423,282	0	0
13 AL HRA	127,033,000	58,016,928	-	- 13,311,340	43,943,957	127,794,631	112,692,561	- 59,046,027	54,121,522	- 4,924,505	

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Date of Meeting:

7 December 2016

Subject:

INFORMATION REPORT

Draft Revenue Budget 2017/18 and
Medium Term Financial Strategy 2017/18
to 2019/20

Responsible Officer:

Dawn Calvert, Director of Finance

**Scrutiny Lead
Member area**

Performance Lead Member – Councillor
Phillip O’Dell
Policy Lead Member – Councillor Stephen
Wright

Exempt:

No

Wards affected:

All

Enclosures:

Appendix 1 - 8 December 2016 Cabinet :
Draft Revenue Budget 2017/18 and
Medium Term Financial Strategy 2017/18
to 2019/20

Section 1 – Summary and Recommendations

This report includes as an appendix, the draft Revenue Budget 2017/18 and Medium Term Financial Strategy 2017/18 to 2019/20 which is to be considered at the 8 December 2016 Cabinet meeting is for consideration by this sub-committee.

Recommendations :

To note the report and to make any recommendations the sub-committee wishes for consideration by Cabinet or officers.

Section 2 – Report

Introductory paragraph

The Council has a statutory obligation to agree and publish the budget for 2017/18, and approval for this will be sought in February 2017. In preparing the 2017/18 budget, and rolling forward the MTFS to cover the three year period 2017/18 to 2019/20, the current approved MTFS has been used as the starting point for the process.

Financial Implications

These are contained within the December Cabinet report attached.

Performance Issues

These are contained within the December Cabinet report attached.

Environmental Impact

There are no direct impacts.

Risk Management Implications

There are contained within the December Cabinet report attached.

Equalities implications

Was an Equality Impact Assessment carried out ? No

The report is for noting and comment only

Council Priorities

The Council's vision :

Working Together to Make a Difference for Harrow

The Council's priorities are :

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

Good financial governance contributes to achieving them

Section 3 - Statutory Officer Clearance

Not required

Ward Councillors notified:	No
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Section 4 - Contact Details and Background Papers

Contact: Sharon Daniels Head of Strategic Finance and Business (Deputy S151)
e-mail sharon.daniels@harrow.gov.uk

Tel: 020 8424 1332

Background Papers: None

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REPORT FOR: CABINET

Date of Meeting:	8 December 2016
Subject:	Draft Revenue Budget 2017/18 and Medium Term Financial Strategy 2017/18 to 2019/20
Key Decision:	Yes
Responsible Officer:	Dawn Calvert, Director of Finance
Portfolio Holder:	Councillor Adam Swersky, Portfolio Holder for Finance and Commercialisation
Exempt:	No
Decision subject to Call-in:	Yes
Wards affected:	All
Enclosures:	Appendix 1A – Proposed savings and growth 2017/18 to 2019/20 Appendix 1B – Proposed savings 2017/18 to 2019/20 to be agreed from 2015/16 and 2016/17 MTFS Appendix 1C – Savings shown as amendments in Appendix 1B Appendix 2 - Medium Term Financial Plan 2017/18 to 2019/20 Appendix 3 - Schools Budget 2017/8 Appendix 4 - Draft Public Health Budget 2017/18

This report sets out the draft revenue budget for 2017/18 and draft Medium Term Financial Strategy (MTFS) for 2017/18 to 2019/20. The budget and MTFS will be brought back to Cabinet in February 2017 for final approval and recommendation to Council.

Recommendations:

Cabinet is requested to:

- 1) Note the Council's position in terms of the Multi Year Finance Settlement and Efficiency Plan, in that the Council have not applied to accept the four year offer. (paragraphs 1.8 to 1.11)
- 2) Approve the draft budget for 2017/18 and the MTFS 2017/18 to 2019/20 for general consultation as set out in Appendices 1a, 1b and 2.
- 3) Note the balanced budget position for 2017/18, the balanced budget for 2018/19 subject to £6.978m of proposals being developed, and the gap of £9.661m for 2019/20 (table 2).
- 4) Note the proposal to increase Council Tax by 1.99% in 2017/18 (Table 2 and paragraph 1.14)
- 5) Note the proposal to increase Council Tax by 2.0% in 2017/18 in respect of the Adult Social Care Precept (Table 2 and paragraph 1.14)
- 6) Approve the structure of the Schools funding formula for 2017/18 (unchanged from the 2016/17 formula agreed last year) as set out in Appendix 3.
- 7) Approve the draft Public Health budget for 2017/18 as set out in Appendix 4.
- 8) Authorise the Director of Finance, following consultation with the Portfolio Holder for Finance and Commercialisation, to agree Harrow's 2017/18 contribution to the London Borough's Grant Scheme (paragraph 1.37)

Final approval will be sought from Cabinet and Council in February 2017.

Reason: (For recommendations)

To ensure that the Council publishes a draft budget for 2017/18 and 3 Year MTFS to 2019/20.

Section 2 – Report

INTRODUCTION

- 1.0 The Government continues to reduce its funding to Local Government as part of its nationwide austerity programme. 2017/18 is the eighth year in which Councils have seen reductions in their grant funding. These funding reductions, a continued increase in demand for services and cost inflation mean that Harrow has to save an estimated £83m over the 4 year period 2015/16 to 2018/19. Harrow Council does not have large cash reserves, and spending them is not a responsible way to offset lost revenue. Harrow Council's gross budget for 2016/17 is £560m. A significant proportion of this funding is ring fenced for services such as housing benefit, schools and public health. The Council's net controllable budget is £165m in 2016/17 and this is the element of the budget that the Council can exercise more control over and from where savings must be found. Harrow's response to the financial challenges faced was to set a three year budget covering the period 2016/17 to 2018/19 to show the Council is being responsible with taxpayers' money, is ambitious for the borough and is prioritising the vulnerable in its spending decisions.
- 1.1 The Council has a statutory obligation to agree and publish the budget for 2017/18, and approval for this will be sought in February 2017. In preparing the 17/18 budget, and rolling forward the MTFS to cover the three year period 2017/18 to 2019/20, the current MTFS (approved by Council in 2016) has been the starting point for the process.
- 1.2 The draft budget set out in this report shows an updated MTFS with a number of changes Cabinet are asked to note. The changes achieve a balanced budget position for 2017/18, a balanced position for 2018/19 subject to £6.978m of proposals being developed and a gap of £9.661m for 2019/20. The MTFS will be subject to further adjustments following the Local Government Financial Settlement, which is due for announcement in early to mid December 2016. Whilst it is intended that Members will approve the MTFS in February 2017, this is subject to a number of assumptions in relation to grant settlements, council tax income, legislation and demographics. The Council will still be required to review the Council's budget on a yearly basis; however approval of the MTFS will allow officers to progress a number of important projects.

BACKGROUND

- 1.3 The budget process is designed to ensure that it is priority led so that resources are aligned with council priorities and statutory responsibilities including equalities implications. The Harrow Ambition Plan 2020 sets out the ambitious council vision of 'Working Together to Make a Difference for Harrow.' Between now and 2020 the Council's Strategy to deliver its vision is to:

- Build a Better Harrow
- Be More Business Like and Business Friendly
- Protect the Most Vulnerable and Support Families

The Council's values, developed by staff, are also a key part of the Harrow Ambition Plan:

- Be Courageous
- Do It Together
- Make It Happen

- 1.4 Harrow Council has taken a responsible approach to the significant financial challenges it faces. In 2016/17, for the first time, the Council approved a three year budget covering the period 2016/17 to 2018/19 to show its commitment to achieving financial sustainability through a period of unprecedented fiscal challenges. The Council's savings target for the 4 year period 2015/16 to 2018/19 is £83m. In balancing the 2015/16 budget, savings of £30.9m were agreed. The target for the three years 2016/17 to 2018/19 was £52.4m and the final position agreed by Council in February 2016 was a balanced position for 2016/17 and gaps of £985k and £789k for 2017/18 and 2018/19 respectively.

EXTERNAL FUNDING POSITION

- 1.5 Harrow Council is one of the lowest funded councils in London. In 2015/16 Harrow's revenue spending power per head was £159 (or 17.3%) lower than the London average which ranked Harrow 26th out of 32 London Boroughs. A similar comparison with the England average shows Harrow's revenue spending power per head was £127 (or 14.3%) below average and ranked Harrow 105th out of 120 local authorities.
- 1.6 The Local Government Finance Settlement for 2016/17 did nothing to readdress this low funding position. The settlement was intended to protect authorities that were heavily dependent on central resources from the full impact of cuts in funding over the next four years. The Settlement allocated central funding in a way that ensured councils received the same percentage change in settlement core funding, i.e. Council Tax and central funding. This methodology therefore benefitted Councils who obtained a relatively small proportion of their income from Council Tax. Harrow has the third highest Council Tax in London and the effect of factoring in overall funding levels, rather than applying a simple percentage cut, result in Harrow losing £6.4m in Revenue Support Grant (RSG) in 2016/17, approximately £4m more than was planned under the previous methodology. Under the new methodology, Harrow was the sixth hardest hit amongst London Boroughs.
- 1.7 Linked to the revised methodology for RSG allocation, from 2016/17 Care Act Funding was subsumed within RSG and not allocated as a separate funding stream. As Harrow's overall RGS reduced so significantly in 2016/17, there was no capacity to allocate Care Act Funding to the Adult Services division (£1.271m in 2016/17).

- 1.8 Whilst the Council was grateful to receive Transition Grant funding (£712k in 2016/17 and £699k in 2017/18), the benefit was fully off set by reductions in the Public Health Grant.

DELIVERY OF THE 2016/17 BUDGET

- 1.9 Delivery of the 2016/17 budget is critical to maintaining the Council's financial standing and to do everything possible to protect front line services. The 2016/17 revenue budget includes a challenging savings target of £17.5m. At Quarter 2 (as at 30 September 2016) performance against the savings target is good in light of the challenging environment:

- £9.5m of savings (54%) are already achieved or on course to be achieved.
- £6.6m of savings (38%) are partially achieved or risks remain.
- £1.4m of savings (8%) will not be achieved.

The Quarter 2 forecast, subject to a separate report elsewhere on the agenda, indicates a directorate overspend of £8.539m net, the key pressures relating to homelessness and front line adults and children's social care budgets. After allocating the corporate contingency budget (£1.329m), centrally held budgets not applied (£766k), containment of Regeneration revenue expenditure within the Regeneration model (£595k) and £2m set aside for homelessness pressures, the forecast pressure is reduced to £3.849m. It is critical to balance the 2016/17 budget and to achieve this; a plan is in place to be as lean and efficient as possible. Specifically, this is the implementation of spending controls, a review of non-essential spend, the improved use of assets, and a range of other efficiency and effectiveness initiatives.

MULTI YEAR FINANCE SETTLEMENT AND EFFICIENCY PLAN

- 1.10 As part of the December 2015 Spending Review, the Secretary of State for Communities and Local Government (DCLG) made an offer to councils to take up a four year funding settlement for the period 2016/17 to 2019/20. To accept this offer an Efficiency Plan had to be prepared and published by 14 October 2016.
- 1.11 The offer made by the Government, as part of the Spending Review, was to any council that wished to take up a four year funding settlement up to 2019/20. The purpose of this offer is to help local authorities prepare for the move to a more self-sufficient resource base by 2020 and the devolution of business rates. The multi year settlement is intended to provide funding certainty and stability for the sector that will enable more proactive planning and support strategic collaboration with local partners. For those councils that chose not to accept the offer, they will be subject to the existing annual process for determining the local government finance settlement. Allocations could be subject to additional reductions dependent on the fiscal climate and the need for the government to make further savings to reduce the deficit.

- 1.12 In these initial stages the funding offer is limited to three funding streams. The current MTFs, agreed by Council in February 2016, incorporates the funding provided within the four year settlement offer as detailed in table 1 below:

Table 1: 4 Year Settlement Offer

	2016/17	2017/18	2018/19	2019/20
	£'000	£'000	£'000	£'000
RSG	21,935	13,019	7,332	1,559
Transitional Grant	712	699	0	0
Rural Services Delivery Grant allocations	N/A	N/A	N/A	N/A
Cumulative reduction in RSG from 2016/17 (%)		41%	67%	93%

- 1.13 In light of the RSG reduction of 93% over the four year period, leaving a balance of £1.559m by 2019/20, the Council did not apply to accept the offer. A letter has been sent to the Secretary of State for Communities and Local Government explaining why Harrow's funding position does not put it in a position to apply to accept. There is further on going engagement with local MP's and DCLG in respect of the offer.

BUDGET PROCESS 2017/18

- 1.14 In February 2016 Council approved a three year budget. As the Council's financial position is dynamic and is affected by a number of financial uncertainties and adjustments that will impact upon its financial position over the long and medium term, in preparing the draft budget for 2017/18 the existing MTFs has been refreshed and rolled on a year and the adjustments are summarised in table 2 below, followed by an explanation of the more significant adjustments

Table 2: Changes to MTFS

(Pre December Local Govt Finance Settlement)	2017/18	2018/19	2019/20
	£000	£000	£000
Actual Gap at Feb Council 16 Report	985	789	0
Implications of 2016/17 Budget decisions into 2019/20			
Capital financing			2,800
New homes bonus			300
Education Services Grant estimated reduction	640	751	
Freedom Pass			414
Pay Award 1%			1,000
Employers pension increase - deficit reduction			700
National Minimum Wage		0	1,300
Impact of 2016/17 Budget savings			-312
Increased CT base			-107
Business Rates top-up			-708
RSG Reduction			5,772
Sub Total	1,625	1,540	11,159
Grant and Tax base Adjustments			
Estimated increase in band D properties by 1500	-1835		
Estimated increase in band D properties by 1500		-1839	
Collection Fund Surplus	-3500		
Estimated Public Health Grant Reductions	907	697	487
2% Adult Social Care precept	-2,133		
Increase in CT by 1%	-1071	0	0
Sub Total	-6,007	398	11,646
Growth			
Resources - Business Support	734		
Adults	4,629	-96	-90
Children's	2,838	200	
Community- Housing	2,996	-163	
Funding in base budget	-1,000		
Community - Environment	500		100
Prior MTFS Savings to be reversed or re-phased			
MTFS savings identified for refresh:			
Total Resources and Business Support	1,009	570	
Total Children's	514	651	
Total Adults	2,844	2,102	-4,100
Total Community	-110	-81	124
Total Regeneration	50		
Pan Org savings	1,100		
Savings from 2017/18 Budget Process			
Resources	-844	-557	-550
Adults	-1,120		

Children's	-255		
Public Health	-263	31	
Community and Culture	-896	-140	
Housing	-898	-469	-225
Regeneration	-47		
Sub Total	5774	2446	6905
Technical:			
Estimated cost of the Apprenticeship levy	400		
Capital Financing costs	-285	2,132	2,056
Application of current capital receipts to reduce MRP cost	-1,000	0	0
- Additional New Homes Bonus	-850	-1,639	700
- Budget planning contingency	-1,000	1,000	
Revised gap	3,039	3,939	9,661
Use of Capital Receipts Flexibility	-3,039	3,039	0
Sub total	0	6,978	9,661
Proposals to be developed to reduce gap	0	-6,978	0
	0	0	9,661

1.15 Implications of 2016/17 Budget decisions into 2019/20

- £2.8m is the revised estimated capital financing requirement for year 2019/20 of the existing Capital Programme, agreed by Council in February 2016.
- The current MTFS estimates the Education Services Grant (ESG) at £1.658m for 2017/18. The Department for Education (DFE) have announced changes to this grant. The general rate of the ESG provided to Local Authorities (LA's) and existing academies will cease from 01/09/17. This grant is provided to support LA responsibilities towards maintained schools and academies. LA's will continue to receive £15 per pupil for all pupils in state funded schools. However this grant will be transferred into the Dedicated Schools Grant (DSG) rather than being an un ring-fenced grant. Schools Forum will have responsibility for approving the value of the grant to be returned to the LA and will agree this at their meeting in either January or March 2017. The total reduction is estimated at £640k for 2017/18 and £751k for 2018/19.
- A 1% pay award has been assumed for 2019/20 (£1m). This is in line with Government pay policy for public sector awards to be no more than 1% up to 2019/20.
- The current MTFS includes additional contributions to the pension fund of £622k in 2017/18 and £664k in 2018/19. The results of the tri-ennial Pension Fund valuation will be known in early 2017 and any additional contributions for 2019/20 will be in line with the advice from the Pension Fund actuary. A contribution of £700k is currently assumed for 2019/20.

- The indicative Revenue Support Grant (RSG) for 2019/20 is £1.559m, a reduction of £5.8m (as detailed in table 1) and this is reflected in the MTFS.

1.16 Grant and Tax Base Adjustments

- Largely as a result of new properties, the tax base is assumed to increase, over current assumptions, by approximately 1,500 band D equivalent properties in both 2017/18 and 2018/19 generating approximately £1.8m additional income in each year.
- A marginal increase, generating income of £107k, is assumed for 2019/20 which will be refreshed in future MTFS processes.
- There is a report elsewhere on the agenda that estimates the surplus / deficit on the Collection Fund for 2016/17. The report details an overall net estimated surplus of £5.734m on the Collection Fund as at March 2017 of which Harrow's share is £3.760m which is now reflected in the MTFS.
- The Public Health Grant remains ring fenced to 2017/18 until further notice. Public Health England has notified Harrow that its grant for 2017/18 will be £11.093m, a reduction of £907k. Grant allocations for 2018/19 onwards have yet to be announced however further reductions of £697k in 18/19 and £487k in 2019/20 have been assumed in the budget to reflect the downward trend in Public Health funding.
- The current MTFS assumes no levying of the Adult Social Care Precept beyond 2016/17. This has been refreshed to assume the maximum 2% precept will be levied in 2017/18 to generate approximately £2.1m.
- The current MTFS assumes a 1% increase in Council Tax for 2017/18. This has been refreshed to assume an increase in Council Tax of 1.99%. No further increases are assumed for 2018/19 and 2019/20.

1.17 Budget Refresh, Growth & Savings

Budget Refresh

- When the three year budget was approved in February 2016, there was the commitment to refresh the budget when it was rolled forward a year to ensure it remained reflective of the changing Harrow and Local Government landscape. All savings in the current MTFS for year 2 and 3 have been reviewed and those savings that, for various circumstances, can no longer be taken forward are recommended for removal from the budget. These savings, which total £4.7m in 2017/18 are summarised in table 2 and shown in Appendix 1B against the original saving. They are also separately identified in Appendix 1C. In addition to savings being reversed, there are a number of savings which have been re-profiled between years and, in the case of the original Property Purchase Initiative to buy 100 homes (ref 16/17 MTFS CH9), this saving has been increased to reflect savings to be achieved.

- One of the savings being reversed in Table 5 relates to a saving of £1.1m (saving ref PO 04) for 2017/18 from 'additional commercialisation savings from projects in the pipeline'. This is additional to the individual commercialisation related savings included within the MTFs. Projects have successfully been identified to meet this target, including:

RES 01 – Customer Services and IT - Increase Harrow Helpline Income (£200k in 2017/18)

RES 14 – Procurement / HR – Early re-procurement of Agency Staff contract (£150k in 2017/18) and Re-procurement of Occupational Health Contract (£24k in 2017/18)

RES – Insurance Savings from re-tendering Insurance Contracts (£50k in 2017/18)

COM G05.3 – Housing / Homelessness – extension of property purchase initiative (£254k in 2017/18)

COM S01 – Commercial projects under Project Phoenix (£520k in 2017/18)

Savings identified as part of the 2017/18 Budget process

- The 2017/18 budget setting process has identified additional savings of £6.233m over the three years. These are summarised in table 3 below and detailed in Appendix 1A.

Growth identified as part of the 2017/18 Budget process

- Irrespective of funding reductions, the demand for front line Council services continues to increase and, in the main, shows no sign of reducing. Despite a strong performance against the 2016/17 savings target of £17.5m, there remains significant underlying pressures against the adults and children's social care budgets and the homelessness budget. The homelessness budget is showing signs of reducing as a result of Council initiatives such as the 100 homes programmes but, as at quarter 2, the reported pressure is still significant at £3m. The underlying pressures need to be addressed to ensure the budget is robust and financially sustainable as the Council moves forward into continued financially challenging times. Therefore growth of £10.648m has been allocated over the three years to address the underlying pressures. This growth is summarised in table 3 below and detailed in Appendix 1A:

Table 3: Savings and Growth from the 2017/18 Budget setting process

Directorate	2017/18	2018/19	2019/20	Total
Savings	£'000	£'000	£'000	£'000
Resources	844	557	550	1,951
Adult	1,120	0	0	1,120
Children and Family	255	0	0	255
Public Health	263	(31)	0	232
Community and Cultural services	896	140	0	1,036
Housing	898	469	225	1,592
Regeneration	47	0	0	47
Total	4,323	1,135	775	6,233
Growth				0
Resources	(734)	0	0	(734)
Adults	(4,629)	96	90	(4,443)
Childrens and Family	(2,838)	(200)	0	(3,038)
Community and Cultural services	(500)	0	(100)	(600)
Housing	(2,996)	163	0	(2,833)
Funding in Base Budget for homelessness	1,000			1,000
Total	(10,697)	59	(10)	(10,648)
Net Savings/Growth	(6,374)	1,194	765	(4,415)

1.18 Table 4 sets out savings proposed as part of the 2015/16 and 2016/17 budget setting process and which were included in the 2016/17 Budget report. Table 4, shows savings of £25.1m over the three year period and this is the net position after allowing for the savings referred to in the budget refresh section above and summarised at table 5, which total £4.7m. The savings totalling a net £25.1m over the three years are detailed in Appendix 1b. The savings in Table 5 are also detailed in a separate Appendix 1c for transparency purposes.

Table 4: Savings from 2015/16 and 2016/17 MTFS

Directorate	2017/18	2018/19	2019/20	Total
Savings	£'000	£'000	£'000	£'000
Resources	1,117	1,970	0	3,087
Adults	1,571	3,228	4,100	8,899
Childrens and Family	167	2,611	150	2,928
Public Health	462	2,295	0	2,757
Community and culture	1,163	2,432	0	3,595
Housing	1,041	353	38	1,432
Regeneration	100	0	0	100
Pan Organisation	350	2,000	0	2,350
Total	5,971	14,889	4,288	25,148

Table 5: Reversed Savings from 2015/16 and 2016/17 MTFS

Directorate	2017/18	2018/19	2019/20	Total
Savings	£'000	£'000	£'000	£'000
Resources	(1,009)	(570)	0	(1,579)
Children and Family	(514)	(651)	0	(1,165)
Adult	(2,844)	(2,102)	4,100	(846)
Community	110	81	(124)	67
Regeneration	(50)	0	0	(50)
Pan Organisation	(1,100)	0	0	(1,100)
Total	(5,407)	(3,242)	3,976	(4,673)

1.19 Technical Adjustments

- The Apprenticeship Levy is a charge being introduced by the government to help fund their plans to deliver a step change in apprenticeship numbers and their quality. The levy will be set at 0.5% of an employers pay bill, where the pay bill is in excess of £3m. The levy for the Council is estimated at £400k and discussions are currently in hand regarding how the levy will be managed within the Council.
- The draft Capital Programme 2017/18 to 2019/20 is subject to a separate report on the agenda, the capital financing implications of the new schemes are currently estimated at £3.9m over three years and the MTFS has been updated accordingly.

- Capital receipts of £6.6m from prior years are being applied to reduce capital financing costs by £1m.
- The New Homes Bonus (NHB) is based upon the number of additional dwellings each year and is payable for 6 years (4 years for more recent new properties.) As a result of additional properties the central government calculator shows additional NHB of £525k in 2017/18, a reduction of £940k in 18/19 and a further reduction of £1m for 2019/20 as the grant received in the earlier years of the scheme drops out. In 2017/18 the grant to be received is estimated at £5.774m. The figures in Table 1 are the additional changes to the NHB estimates since the 2016/17 budget was set and therefore the total amendments included from both the 2016/17 budget and the figures set out in Table 1 are those set out in the Technical Budget Changes section of Appendix 2.
- £1m of the budget planning contingency will be applied in 2017/18.

Capital Receipts Flexibility

- 1.20 In the Spending Review 2015, it was announced that to support local authorities to deliver more efficient and sustainable services, the government will allow local authorities to spend up to 100% of their fixed asset receipts on the revenue costs of reform projects. This flexibility is being offered to the sector for the three financial years 2016/17 to 2018/19.
- 1.21 The Council signified its intent to make use of this flexibility in its final budget report to Cabinet and Council in February 2016.
- 1.22 In terms of the required reporting requirements, DCLG recommend each authority disclose the projects that will be funded or part funded through capital receipts to full Council. This requirement can be satisfied as part of the annual budget setting process. In November 2016, Cabinet approved a number of asset disposals and the capital receipts from these disposals will be applied within the new flexibilities and will be reported to February Cabinet and finally approved by full Council in February 2017.

THE AUTUMN STATEMENT 2016

- 1.23 The Autumn Statement was released on 23 November 2016. There were a number of announcements in relation to Local Government, the financial implications of which are being evaluated or the detail will become known following receipt of the Local Government Financial Settlement which is due by mid December. This may result in further adjustments to the MTFs which will be reported to Cabinet and Council in February 2017.

SCHOOLS BUDGET 2016/17

- 1.24 The funding arrangements for the Dedicated Schools Grant and the Schools Budget for 2017/18 are detailed in Appendix 3. Cabinet is required to approve the structure of its funding formula for 2017/18, which it is not proposed to be changed from that in place in 2016/17 (as reported to the Schools Forum on 13th September).

The final cash values of each formula factor will be set following consultation with Schools Forum in January 2017 after the 2017/18 Schools Block funding has been announced which will be based on October 2016 census data.

PUBLIC HEALTH FUNDING

- 1.25 Following the comprehensive spending review in November 2015, Public Health England wrote to local authorities detailing average real terms savings of 3.9% each year to 2020/21 and notified allocations for 2016/17 and 2017/18. For Harrow this resulted in a reduction in the baseline allocation of £11.636m in 2015/16 down to £11.373m in 2016/17 and £11.093m in 2017/18.

- 1.26 Grant allocations for 2018/19 onwards have yet to be announced but annual reductions are anticipated to be at similar levels pending the outcome of consultation on options to fully fund local authorities' public health spending from their retained business rates receipts as part of the move towards 100% business rate retention.

- 1.27 The public health spending detailed in Appendix 4 of £11.093m and reflects the grant allocation published for 2017-18. It will be necessary for the Council to consider the most appropriate way for public health funding to be spent, taking account of the joint strategic needs assessment and the Council's overarching statutory duties including equalities duties.

- 1.28 The draft commissioning intentions (detailed in Appendix 4) will be presented to the Health and Wellbeing Board at its meeting on 12 January 2017.

BETTER CARE FUND

- 1.29 The Better Care Fund (BCF) in 2016-17 has national funding of £3.9bn.

- 1.30 The agreed value of the Better Care Fund in Harrow is £16.258m, £1.181m of which reflects the capital funding in relation to Disabled Facility (the Community Capacity Grant having been discontinued). The balance of £15.077m allocated to revenue funding supports two agreed schemes – Protecting Social Care (£6.558m) and Whole Systems and Transforming Community Services (£8.519m).

- 1.31 The comprehensive spending review in November 2015 announced that an additional £1.5bn will be made available to the Better Care fund by 2019/20. The funding allocations announced in December 2015

indicated that additional funding of £1.9m would be allocated to Harrow in 2018/19 and £2.2m in 2019/20. The relationship between the existing negotiated BCF and the levying of the ASC precept is not clear and as a result this additional funding cannot be assumed within the MTFS.

- 1.32 The minimum funding requirements for the 2017-18 BCF will be notified in December and the Council and the CCG must agree how the BCF resources are allocated to deliver the national conditions, including the protection of social care services.
- 1.33 The draft budget currently assumes that the current funding transfer to the Council of £6.558m will continue in 2017/18. The Adult Social Care budget pressures are considerable and the wider Council savings proposals are significant.

HEALTH INTEGRATION

- 1.34 Sustainability Transformation Plans (STPs) were introduced by NHS England (NHSE) to support delivery of their Five Year Forward View strategy and represent geographic areas (footprints) across England. Harrow falls under the North West London (NWL) footprint.
- 1.35 The STP is an opportunity to radically transform the way health and social care is provided, and across NWL both the NHS and local authorities have agreed to work together to deliver a sustainable health and care system. The NWL STP (submitted to NHSE on 21st October 2016) describes the shared ambition across health and local government to create an integrated health and care system that enables people to live well and be well.
- 1.36 There is a commitment in principle from NHSE / NWL that transformation should enable funding to be provided to cover local authority Adult Social Care funding gaps. Work is underway to establish both the funding gaps and the ability to redirect resources to local authorities arising from health and social care transformation. It is too early to assume additional funding as part of the draft budget and will be included in the future if appropriate and when the extent of any additional funding can be confirmed with reasonable certainty.

RESERVES AND CONTINGENCIES

- 1.37 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 including equalities impacts 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 £0 (£1.329m currently applied to in year revenue pressures)
- Budget Planning contingency (£2m one off for 2016/17)
- Rapid Response reserve (£75k)
- Standing Up for Those in Need (£800k)
- Welfare Reform / Homelessness £0 (£2m currently applied to in year revenue pressures)
- Commercialisation Reserve £430k
- Transformation and Priorities Initiative Fund £2.429m
- Business Risk Reserve £2.029m
- MTFs Implementation Costs £2.355m

1.38 The Director of Finance will report on the adequacy of the Council's reserves as required in the budget setting report in February.

LONDON BOROUGH GRANTS SCHEME

1.39 Harrow's contribution to the London Borough's Grant Scheme was £245,298 in 2016/17. At the time of writing this report the Council has not been notified of the recommended contribution for 2017/18. To ensure that the Council can respond to London Council's when contribution rates are notified, it is recommended that Cabinet authorise the Director of Finance to agree Harrow's 2017/18 contribution to the London Borough's Grant Scheme, in consultation with the Portfolio Holder for Finance and Commercialisation. The contribution rate will be reported to Cabinet in February 2017 as part of the final budget.

2.0 CONSULTATION

2.1 As a matter of public law the duty to consult with regards to proposals to vary, reduce or withdraw services will arise in 4 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;
- Exceptionally, where the matter is so important that there is a legitimate expectation of consultation and
- Where consultation is required to complete an equalities impact assessment.

Regardless of whether the council has a duty to consult, if it chooses to consult, such consultation must be carried out fairly. In general, a consultation can only be considered as proper consultation if:

- Comments are genuinely invited at the formative stage;
- The consultation documents include sufficient reasons for the proposal to allow those being consulted to be properly informed and to give an informed response;
- There is adequate time given to the consultees to consider the proposals;

- there is a mechanism for feeding back the comments and those comments are conscientiously taken into account by the decision maker / decision making body when making a final decision;
- The degree of specificity with which, in fairness, the public authority should conduct its consultation exercise may be influenced by the identity of those whom it is consulting and;
- The consultation is clear on the reasons why extent to which alternatives and discarded options have been discarded. Are required to be consulted on.

2.2 Public consultation on the overall budget for 2017/18 will commence after 8 December 2016 before the final savings are recommended to Full Council on the 23 February 2017. The public consultation will give residents an opportunity to comment on the 2017/18 overall budget before final decisions are formalised in the council's annual budget.

2.3 In terms of service specific consultations, the council has a duty to consult with residents and service users in a number of different situations including where proposals to significantly vary, reduce or withdraw services. Consultation is also needed in other circumstances, for example to identify the impact of proposals or to assist with complying with the council's equality duties. Where appropriate, separate service specific consultations have already taken place or are currently taking place for the 2017/18 savings.

3.0 PERFORMANCE IMPLICATIONS

3.1 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 2017/18 will be measured and this again will be reported through the Strategic Performance Report.

4.0 RISK MANAGEMENT IMPLICATIONS

4.1 As part of the budget process the detailed budget risk register will be reviewed and updated. This helps to test the robustness of the budget and support the reserves policy. This will be reported to February Cabinet.

5.0 LEGAL IMPLICATIONS

5.1 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.

5.2 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.

- 5.3 Cabinet is approving these proposals for consultation after which a cumulative equalities impact will be drafted. These proposals will be referred to Council so that Council can approve the budget envelope and set the Council Tax. There will be contingencies within the budget envelope so that decision makers have some flexibility should any decisions have detrimental equalities impacts that cannot be mitigated.

6.0 FINANCIAL IMPLICATIONS

- 6.1 Financial Implications are integral to this report.

7.0 EQUALITIES IMPLICATIONS / PUBLIC SECTOR EQUALITY DUTY

- 7.1 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*

7.2. Directorate proposals will be subject to an initial equalities impact assessment followed by a full assessment where appropriate. These will be published along with the final budget and MTFs report to February Cabinet. An assessment will also be carried out on the whole budget, when all proposals have been identified, to ensure that decision makers are aware of any overall equalities impact on the protected characteristics listed above..

8.0 COUNCIL PRIORITIES

8.1 The Council's draft budget for 2017/18 has been prepared in line with the Council's vision:

Working Together to Make a Difference for Harrow

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

Section 3 - Statutory Officer Clearance

Name: Dawn Calvert	<input checked="" type="checkbox"/>	on behalf of the Chief Financial Officer
Date: 29 November 2016		
Name: Jessica Farmer	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 29 November 2016		

Ward Councillors notified:	No, as it impacts on all Wards
EqIA carried out:	To be reported on as Part of the Feb Budget report
EqIA cleared by:	N/A

Section 4 - Contact Details and Background Papers

Contact: Sharon Daniels, Head of Strategic Finance and Business (Deputy S151), tel: 0208 424 1332, sharon.daniels@harrow.gov.uk

Background Papers: [Final Revenue Budget 2015/16 and MTFs 2015/16 to 2018/19](#)

**Call-In Waived by the
Chairman of Overview
and Scrutiny
Committee**

NOT APPLICABLE

[Call-in applies]

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* Please Note, all SAVINGS shown as POSITIVE and Growth as Negative

Total Savings & Growth - 2017/18 Budget Process					Appendix 1a						Key Stakeholders to Consult
Item No	Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2016/17 Service Budget	2017/18	2018/19	2019/20	Total	EQIA Required Yes/NO	Does this proposal impact on another directorate? Y/N	Consultation Required (Y/N)
(1)	(2)	(3)	(4)	(5)	(8)	(9)	(10)	(11)			
				£000	£000	£000	£000	£000			
Resources											
								-			
1	RES_01	Customer Services and IT	Increase Helpline Income Developing a robust multi-channel marketing plan to build the brand and promote the Helpline service to generated additional income through the existing service.	(544)	200	500	500	1,200	N	Y	N
2	RES_13	Customer Services and IT	Technology and Transformation Services Reduce level of support on SAP.	300	64	-	-	64	N	Y	N
3	RES_14	Procurement / HR	Early re-procurement of Agency Staff Contract	£21 million spend across services	150			150	Y - as part of the report to Cabinet on 17th November	Y	N
4	RES_15	Procurement / HR	Re-procurement of Occupational Health contract delivering an overall cheaper pricing model on the service.	114	24			24	Y	Y	N
5	RES_16	Strategic Commissioning	VCS funding - This saving reduces community grants and transfer funding from the emergency relief fund, to support the information and advice strategy as the December cabinet report.	1,446	110	57	50	217	Y- separate report to December 2016 Cabinet	Y- separate report to December 2016 Cabinet	Y- separate report to December 2016 Cabinet
6	RES_17a	Strategic Commissioning	Member Development Reducing the frequency in spend of the member development budget.	31	26	-		26	N	N	N
7	RES_10	Legal	Political Office Support Councillors are supported by a variety of administrative arrangements. The proposal reduces the amount allocated to each member /group office.		100			100	Y	N	Y - will follow HR procedures
8	RES 18	Finance	Finance - 'Insurance Savings from re-tendering of Insurance contract.		50			50	N	N	N

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Key Stakeholders to Consult

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(1)	(2)	(3)	(4)	(5)	(8)	(9)	(10)	(11)			
				£000	£000	£000	£000	£000			
			Total Resources excluding Business Support		724	557	550	1,831			
Business Support								£0			
9	BSS_02	Business Support	PA Support The creation of a new Central PA Hub to support the Chief Executive, Corporate Directors and Directors offering a fixed catalogue of services.		100			100	Y	Y	Y - will follow HR procedures
10	BSS_07	Business Support	Community Hub A reorganisation of the Community hub will re-allocate a prioritised workload over a smaller team.		20			20	Y	Y	Y - will follow HR procedures
			Total Business Support	-	120	-	-	120			
			Resources Total		844	557	550	1,951	-	-	-

People Services											
Adults											
11	PA_01	Adults	Voluntary Sector - cessation of all services other than those required under the Care Act. There is a separate cabinet report to the December 2016 cabinet in respect of this saving.	799	420			420	Y- separate report to December 2016 Cabinet	N	Y and has been widely consulted on as part of the report to Dec Cabinet,
12	PA_03	Adults	Commissioning - Cessation of Adults commissioning function (2.6FTE) from People's commissioning team resulting in spot purchasing only, and limited strategic commissioning for the Adult's services.	303	187			187	Y		Y - will follow HR procedures
13	PA_04	Adults	Management - further reduction in strategic management function, reducing by 1FTE (Head of Service) from 4FTE down to 3FTE i.e.; DASS plus 2 Heads of Service	564	127			127	Y		Y - will follow HR procedures

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Key Stakeholders to Consult

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(1)	(2)	(3)	(4)	(5)	(8)	(9)	(10)	(11)			
				£000	£000	£000	£000	£000			
14	PA_05	Adults	Contracts & Admin - in line with the voluntary sector proposals and move to personalisation model, the function of this team (4FTE) will be deleted. Any residual duties will be accommodated within already stretched social work teams.	161	161			161	Y		Y - will follow HR procedures
15	PA_06	Adults	Reduce Safeguarding Quality Assurance Team - Deletion of 2 FTE – reduction in ability to visit all 750 Community Providers and over 300 Care Homes in the year and respond to safeguarding alerts.	410	112			112	Y		Y - will follow HR procedures
16	PA_08	Adults	Reduce Occupational Therapy Team - Deletion of 4FTE – will increase the current 6 month waiting list with more vulnerable people delayed in hospital, and an increased number of vulnerable people placed unnecessarily in costly residential and nursing units	494	113			113	Y		Y - will follow HR procedures
			Total Adult		1,120	-	-	1,120			

Childrens

17	PC_S05	Education Services	Virtual School Transfer funding for 1fte PEP Co-ordinator and 0.88fte Education Welfare Officer to external grant funding	179	90			90	N	N	N
18	PC_S06	Children & Young People	Children & Young People Services Additional Savings Reduction 1.3fte posts and cessation of procurement contract	267	165			165	Y	N	Y
			Total Childrens Services		255	-	-	255			

Public Health

19	PH	PH	Reduction in wider health improvement function.	456	107			107	Y		N
20	PH	PH	Reversal of Public Health wide growth to deal with small projects.	456	60			60	Y		N

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											Key Stakeholders to Consult
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(1)	(2)	(3)	(4)	(5)	(8)	(9)	(10)	(11)			
				£000	£000	£000	£000	£000			
21	PH_01	PH	Wider Health Improvement - bring forward approved 2018/19 savings in relation to wider determinants of health to 2017/18. Warmer Homes £50k retained until 2018/19.	117	96	(96)		-	Y		N
22	PH_02	PH	Wider Health Improvement - breast feeding - saving scheduled for 2018/19 to allow service to develop alternative model.	65		65		65	Y for 2018/19		Y - 2018/19
			Total Public Health		263	(31)	-	232			
			People Total		1,638	(31)	-	1,607			

Community											
Community and Culture											
23	COM_S01	Commissioning & Commercial	Commercial projects under Project Phoenix - The Revenue Maximisation business case has identified commercial opportunities in parking, waste services, events, advertising and increased rental income. Implementation Costs: Projects will start during 16/17, and it is anticipated that implementation costs can be met from income raised in 16/17 achieving a break-even position.	(115)	520			520	Y	N	Y for some of the proposals
24	COM_S04	Environment & Culture	Sports & Physical Activity - 2 options: either cease all activities or seek alternative funding to meet the costs including the use of S106 funding and/or funding the post by working together with other funding partners.	48	48			48	Y	N	This is dependant on the final option.
25	COM_S13	Commissioning & Commercial	Additional cost recovery in Network Management - Additional cost recovery from street works by having better use of traffic orders to manage street works	(268)	50			50	Y	N	N

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Key Stakeholders to Consult

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(1)	(2)	(3)	(4)	(5)	(8)	(9)	(10)	(11)			
				£000	£000	£000	£000	£000			
26	COM_S08	Environment & Culture	Phase 2 of Environment & Culture Review - Regulatory Services Review of Enforcement functions across the Division and the Council. Revised approach to prioritise commercial / cost recovery generating work and health and safety issues and to undertake all other services at minimum standards meeting the minimum level of Food Standards Agency and other regimes.	1,587		200		200	Y	Y	Y but for 2018/19
27	COM_S12	Environment & Culture	Route Optimisation on food waste collection	900	-	150		150	Y	N	N
28	COM_S11	All	Reduce staff training, stationery and conference budgets across the directorate	131	68			68	Y	N	N
29	COM_S10	Commissioning & Commercial Division	Neighbourhood Investment Scheme (NIS) - cease funding. This is already an agreed MTFs saving for 18/19. This proposal is to bring forward the saving to 17/18.	210	210	(210)		-	Y		N
Total Community & Culture					896	140	-	1,036			

Housing											
								-			
30	COM_S09	Housing	Supporting People - savings from contract renegotiation and/or review of service delivery	610	50			50	Y	Y	Y
31	COM_S02	Housing	Home Improvement Agency - increase in fee income as a result of increased capital expenditure on Disabled Facilities Grants - savings are conditional on capital budget increases being approved with additional amounts being administered by HIA.	445	100			100	N	N	N

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Key Stakeholders to Consult

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(1)	(2)	(3)	(4)	(5)	(8)	(9)	(10)	(11)			
				£000	£000	£000	£000	£000			
32	COM_G05.3	Housing	Homelessness - Extension of Property Purchase Initiative (Additional 50 homes) - Purchase of a further 50 homes for use as TA to reduce pressure on B&B.		254	469	225	948	N	N	N
33	COM	Housing	Homelessness Invest to save - Reduction in expenditure resulting from work undertaken by temporary additional staff resources taken on to undertake additional prevention work, local procurement of properties and areas recovery.		494			494	N	N	N
			Total Housing		898	469	225	1,592			
			Community Total		1,794	609	225	2,628			

Regeneration

34	REP_S01	Development Control	Planning income - Increase of pre-application charges to a competitive level (subject to the approval as part of annual F&C review process)	(1,377)	20			20	Y	N	N
35	REP_S03	Economic Development	Economic Development & Regeneration – Reduction in activity to support economic development and regeneration	598	27			27	Y	N	N
			Regeneration Total		47	-	-	47			

Total Savings

4,323 1,135 775 6,233

GROWTH

Resources

-

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Key Stakeholders to Consult

Item No	Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2016/17 Service Budget	2017/18	2018/19	2019/20	Total	EQIA Required Yes/NO	Does this proposal impact on another directorate? Y/N	Consultation Required (Y/N)
(1)	(2)	(3)	(4)	(5)	(8)	(9)	(10)	(11)			
				£000	£000	£000	£000	£000			
1	BSS_G01	Business Support	Business Support required for growth in Childrens Services. Significant case load pressures on the front line of Childrens Services have resulted in the need to increase Business Support staffing levels. A new model for Early Intervention Services also requires higher levels of Business Support and these pressures lie behind the growth being put into the service.		(734)			(734)	N		N
			Resources Total		(734)	-	-	(734)			
People Services											
2	Adults		Growth - Underlying ongoing pressure less identified mitigation		(4,353)			(4,353)			
3	Adults		Growth - reinstatement of an operational budget for The Bridge to be phased out over a three year period so that by 2020/21, the service can be provided at nil cost.		(276)	96	90	(90)			
			Total Adults		(4,629)	96	90	(4,443)			
Childrens											
4	PC_G01	Education Services	Special Needs Transport There are significant pressures on SEN Transport of over £1.2m. There is a savings target in the current MTFS for £514k. An updated travel assistance policy was approved by Cabinet in September 2016 however It is not anticipated that there will be any significant changes as the regulations have remained largely unchanged. However, discretionary travel arrangements will be removed for under 5's. Since 2014 a new SEN Code has led to an increased demand Post 19 as well as the pressures of the additional demand from the 5-19 demographic growth. There has been an increase in post 18 young people of nearly 40%	3,040	(1,000)			(1,000)	N	N	

Key Stakeholders to Consult

Item No	Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2016/17 Service Budget	2017/18	2018/19	2019/20	Total	EQIA Required Yes/NO	Does this proposal impact on another directorate? Y/N	Consultation Required (Y/N)
(1)	(2)	(3)	(4)	(5)	(8)	(9)	(10)	(11)			
				£000	£000	£000	£000	£000			
5	PC_G02	Children & Young People	Children & Young People Staffing There is a rise in demand on children's social care which is on an upward trajectory based on all the metrics available. In order to meet this demand additional staffing across the children's social care pathway from MASH through to Leaving Care at the cost of £0.944m which is based on ensuring there are enough practitioners and managers to support the service. This would include 3 team managers, 5 deputy team managers and 9 social workers	7,664	(944)			(944)	N	N	
6	PC_G03	Children & Young People	Children's Placements & Accommodation and No Recourse to Public Funds & Other Client Spend Increase in the number of children in high cost residential placements. A number of these placements have been needed in response to significant risks relating to child sexual exploitation and gangs involvement. Increase in number of families with NRPF supported by the Council. The welfare reforms, along with stricter enforcement of Asylum Legislation are the main causal factors for this demand, which is unpredictable in terms of volume and costs.	6,935	(894)	(200)		(1,094)	N		
			Total Children and Family		(2,838)	(200)	-	(3,038)			
			People's Total Growth		(7,467)	(104)	90	(7,481)			
Community & Culture											
Community and Culture											
7	COM_G01	Environment & Culture	West London Waste Authority (WLWA) - increase in disposal levy arising from waste growth and population growth	8,093			(100)	(100)			

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Appendix 1a

											Key Stakeholders to Consult
Item No	Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction INTERNAL	2016/17 Service Budget	2017/18	2018/19	2019/20	Total	EQIA Required Yes/NO	Does this proposal impact on another directorate? Y/N	Consultation Required (Y/N)
(1)	(2)	(3)	(4)	(5)	(8)	(9)	(10)	(11)			
				£000	£000	£000	£000	£000			
8	COM	Environment & Culture	Dry recycling disposal costs – Significant pressure is anticipated in this area when the contract is re-procured, based on some benchmarking data and recent market conditions.		(500)			(500)			
			Total Environment		(500)	-	(100)	(600)			
Housing											
9	COM	HGF	Homelessness growth - growth required to build the ongoing homelessness pressure into the base budget.	-	(2,996)	163	-	(2,833)			
			Total Community		(3,496)	163	(100)	(3,433)			
10	RES		Funding in Budget from 2016/17 - LEP top slice		1,000			1,000			
			Total Growth		(10,697)	59	(10)	(10,648)			
Net Savings/Growth					(6,374)	1,194	765	(4,415)			

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Savings Proposed from 2015/16 and 2016/17 Budget Setting					Appendix 1b								
Item Number	Savings Year	Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction	Savings						EQIA Required	EQIA already submitted Yes/ No	Key Stakeholders to consult 'Yes/No Completed
					2015/16 Service Budget	Total Saving in Current MTFS	2017/18	2018/19	2019/20	Total			
Resources & Commercial					£000	£000	£000	£000	£000	£000			
1	16.17 MTFS Review	RES_SC01	Strategic Commissioning	Income from Communications Through Gain Share Model	0	25	25	13		38	N	Not required	N
2	16.17 MTFS Review	RES_SC02	Strategic Commissioning	Additional Income from Communications Provider and Further Savings	375	0		107		107	N	Not required	N
3	16.17 MTFS Review	RES_SC03	Strategic Commissioning	Alternative Funding of domestic violence budget			21	61		82	N	Not required	N
4	16.17 MTFS Review	RES_SC04	Strategic Commissioning	Proposed savings in Health watch Funding	112	13		50		50	N	Not required	N
5	16.17 MTFS Review	RES_SC05	Strategic Commissioning	SIMS Team Contribution to Overheads and Additional Income	0	30	20	20		40	N	Not required	N
6	16.17 MTFS Review	RES_SC06	Strategic Commissioning	Commissioning Capacity in the Council	861	371	10	50		60	N	Not required	N
7	15.16 MTFS Review	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.			57			57	N	Not required	N
Total Strategic Commissioning					1,348	439	133	301	0	434			

Savings Proposed from 2015/16 and 2016/17 Budget Setting					Appendix 1b								
					Savings								
Item Number	Savings Year	Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction	2015/16 Service Budget	Total Saving in Current MTFS	2017/18	2018/19	2019/20	Total	EQIA Required	EQIA already submitted Yes/ No	Key Stakeholders to consult 'Yes/No Completed
Resources & Commercial					£000	£000	£000	£000	£000	£000			
8	16.17 MTFS Review	RES_HR01	HR	Shared HR Service with Buckinghamshire County Council - Business Case Under Development	837		140	110		250	Y	Not required as submitted as a separate Cabinet report in Feb 2016.	Consultation will be done in accordance with HR policies
9	16.17 MTFS Review	RES_HR03	HR	Organisational Development - Review existing shared OD service provision	244	0	155			155	N	Not required	N
				Total Human Resources & Shared Services	1,081	0	295	110	0	405			
10	16.17 MTFS Review	RES_F02	Finance & Assurance	Improved Treasury investment return from increased Risk appetite (Primarily lending for longer and to institutions with lower credit ratings)		180	595	625		1,220	N	Not required	N
11	16.17 MTFS Review	RES_F03b	Finance & Assurance	Audit and Fraud - deletion of Fraud Investigation Officer post		30	15			15	Y	Not required as submitted Feb 2016 Cabinet.	Consultation will be done in accordance with HR policies
12	16.17 MTFS Review	RES_F04	Finance & Assurance	Investment Portfolio			350	350		700	N	Not required	N
				Total Finance & Assurance	0	210	960	975	0	1,935			
13	16.17 MTFS Review	RES_LG02	Legal & Governance	Committees - Savings reversed	640		100			100	N	Not required	N

Savings Proposed from 2015/16 and 2016/17 Budget Setting					Appendix 1b								
					Savings								
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Resources & Commercial					£000	£000	£000	£000	£000	£000			
14	16.17 MTFS Review	RES_LG02	Legal & Governance	Reversal of saving - 'This was a proposal to consolidate the Committee structure, which is not being progressed.			(100)			(100)	N	Not required	N
15	16.17 MTFS Review	RES_LG04	Legal & Governance	Expansion of the Legal Practice	(116)	140	210	210		420	Y	Not required as submitted Feb 2016 Cabinet.	Consultation will be done in accordance with HR policies
16	16.17 MTFS Review	RES_LG05	Legal & Governance	Delayed implementation of land charges transfer of service	(656)	350	(250)	(250)		(500)	N	Not required	N
17	15.16 MTFS Review	RES12	Legal & Dem Services	Reduction in Legal cost, in the initial instance by growing the business		0	144	144		288	N	Not required	N
18	15.16 MTFS Review	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		0				0	N	Not required	N
				Legal & Governance	(132)	490	104	104	0	208			
19	16.17 MTFS Review	RES_CP01	Commercial, Contracts & Procurement	Selling services through shared procurement arrangements.			(19)	29	0	10	Y	Not required as submitted Feb 2016 Cabinet.	N

Savings Proposed from 2015/16 and 2016/17 Budget Setting					Appendix 1b								
					Savings								
Item Number	Savings Year	Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction	2015/16 Service Budget	Total Saving in Current MTFS	2017/18	2018/19	2019/20	Total	EQIA Required	EQIA already submitted Yes/ No	Key Stakeholders to consult 'Yes/No Completed
Resources & Commercial					£000	£000	£000	£000	£000	£000			
20	15.16 MTFS Review	RES15	Procurement	Restructuring of the Commercial, Contracts and Procurement Division's function.	864	108	201	151		352	Y	Not required as submitted Feb 2016 Cabinet.	Consultation will be done in accordance with HR policies
				Commercial, Contracts & Procurement	864	108	182	180	0	362			
21	16.17 MTFS Review	RES_CS02	Customer Services and IT	Revenues and Benefits - Domestic and NNDR Site Review and Collection Rate				250		250	N	No - saving is reversed	N
22	16.17 MTFS Review	RES_CS02	Customer Services and IT	Reversal of saving - 'Revenues and Benefits - Domestic and NNDR Site Review and Collection Rate. This saving come through as additional collection Fund income and therefore the saving cannot be made in the Directorate Budget.				(250)		(250)	N	Not required	N
23	16.17 MTFS Review	RES_CS06	Customer Services and IT	Assumed savings from the completion of the roll out of universal credit and the opportunity this provides to simplify the CTS scheme.	1,378			300		300	N	Not required	N
				Total Customer Services & IT	1,378	0	0	300	0	300			
24	16.17 MTFS Review	BSS 01	BSS	Business Support Review.	2,957	649	352	320		672	N	Not required	N

Savings Proposed from 2015/16 and 2016/17 Budget Setting					Appendix 1b								
					Savings								
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Resources & Commercial					£000	£000	£000	£000	£000	£000			
Childrens													
27	16.17 MTFS Review	PC12	Children & Young People	Review of posts in Quality Assurance & Improvement Service	802			223		223	N	Not required for 2017/18 budget	Consultation will be done in accordance with HR policies for 47,49,50,51,52,53, will need to check impact on the service provision other consultation may be needed
28	16.17 MTFS Review	PC13	Children & Young People	Early Intervention & Youth Development Integration and restructure of childrens centres, early intervention and youth development service	2,463	416	266			266	Y	Not required as submitted Feb 2016 Cabinet.	Consultation will be required
29	16.17 MTFS Review	PC14	Children & Young People	Review of Adoption Contract	223			86		86	Y	Not required for 2017/18 budget	N
30	16.17 MTFS Review	PC15	Children & Young People	Review of posts in MASH	319			100		100	N	Not required for 2017/18 budget	Consultation will be done in accordance with HR policies

Savings Proposed from 2015/16 and 2016/17 Budget Setting					Appendix 1b								
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Item Number	Savings Year	Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction	2015/16 Service Budget	Total Saving in Current MTFS	2017/18	2018/19	2019/20	Total	EQIA Required	EQIA already submitted Yes/ No	Key Stakeholders to consult 'Yes/No Completed
Resources & Commercial					£000	£000	£000	£000	£000	£000			
31	16.17 MTFS Review	PC16	Children & Young People	Review of posts in Family Information Service	61			61		61	Y	Not required for 2017/18 budget	Consultation will be done in accordance with HR policies
32	16.17 MTFS Review	PC17	Children & Young People	Review of posts in Access to Resources	599			57		57	Y	Not required for 2017/18 budget	Consultation will be done in accordance with HR policies
33	16.17 MTFS Review	PC19	Children & Young People	Review of Leaving Care, Children Looked After & Unaccompanied Asylum Seeking Children Teams				173		173	Y	Not required for 2017/18 budget	Consultation will be done in accordance with HR policies
34	16.17 MTFS Review	PC24	Education & Commissioning	Enhancing Achievement within Education Strategy Post should be 75% funded by grant management fees from April 2016, post holder redundant from August 2016	99	61	8			8	Y	Not required as submitted Feb 2016 Cabinet.	Consultation will be done in accordance with HR policies
35	16.17 MTFS Review	PC28	Cross Service	Non-pay inflation	150	150	150	150	150	450	N	Not required	N

Savings Proposed from 2015/16 and 2016/17 Budget Setting					Appendix 1b								
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Resources & Commercial					£000	£000	£000	£000	£000	£000			
36	16.17 MTFS Review	PC33	Special Needs Service	Review of Special Educational Needs Transport	3,070	257	257			257	n/a		Will be required depending on impact on service
37	16.17 MTFS Review	PC33	Special Needs Service	Reversal of Savings - Special Educational Needs Transport There are significant pressures on SEN Transport of over £1.2m. There is a savings target in the current MTFS for £514k. An updated travel assistance policy was approved by Cabinet in September 2016 however It is not anticipated that there will be any significant changes as the regulations have remained largely unchanged. However, discretionary travel arrangements will be removed for under 5's. Since 2014 a new SEN Code has led to an increased demand Post 19 as well as the pressures of the additional demand from the 5-19 demographic growth. There has been an increase in post 18 young people of nearly 40%.		(257)	(514)			(514)	n/a		
38	16.17 MTFS Review	PC36	Children & Young People	Review of posts in Quality Assurance & Service Improvement.	922			248		248	Y	Not required for 2017/18 budget	Will need to follow Hr policies

Savings Proposed from 2015/16 and 2016/17 Budget Setting					Appendix 1b								
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Resources & Commercial					£000	£000	£000	£000	£000	£000			
39	16.17 MTFS Review	PC38	Children & Young People	Review of Children Looked After & Placements Service.	8,733			1,000		1,000	Y	Not required for 2017/18 budget	Will need to follow Hr policies
40	16.17 MTFS Review	PC42	Special Needs Service	Review of Special Needs Service	2,483			1,164		1,164	Y	Not required for 2017/18 budget	Will need to follow Hr policies
41	16.17 MTFS Review	PC42	Special Needs Service	Reversal of Savings - Special Educational Needs Placements In respect of PC41 approved February 2016. New funding regulations mean there will no longer be flexibility to further charge these costs to grant				(651)		(651)	n	Not required	N
Total Childrens Savings					19,924	627	167	2,611	150	2,928			

Adults													
42	16.17 MTFS Review	PA_3	Adults	Wiseworks - commercialisation opportunities and to be self financing by end of MTFS period	175	50	69	56		125	Y	Not required as submitted Feb 2016 Cabinet.	N
43	16.17 MTFS Review	PA_4	Adults	Milmans Community tender	359		175	184		359	Y	Y	Y

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Resources & Commercial					£000	£000	£000	£000	£000	£000			
44	16.17 MTFS Review	PA_5	Adults	New Bentley [formerly Byron NRC] Community Tender	446		446			446	n/a		Y
45	16.17 MTFS Review	PA_5	Adults	Full reversal of saving - following the unsuccessful Community Tender at Kenmore it is not currently possible to deliver savings via this route. The commercialisation approach now being considered for Kenmore may indicate the potential for future savings to be explored for New Bentley if the approach is successful.			(446)			(446)	n/a		
46	16.17 MTFS Review	PA_6A	Adults	Vaughan NRC - service review to identify efficiencies in supporting the most complex	634		100			100	Y	Y	Y
47	16.17 MTFS Review	PA_9	Adults	Sancroft - contract management and service renegotiation	1,691	166	334			334	Y	Not required as submitted Feb 2016 Cabinet.	Completed
48	16.17 MTFS Review	PA_10A	Adults	Transport - review transport provision	1,079	200	200	350		550	Y	Not required as submitted Feb 2016 Cabinet.	Completed
49	16.17 MTFS Review	PA_11A	Adults	MOW/Catering Service - review of service	(13)		65			65	Y	Y	Completed
50	16.17 MTFS Review	PA_14	Adults	Shared Lives - commercialisation through selling model to neighbouring boroughs.	427	50	150			150	Y	Not required as submitted Feb 2016 Cabinet.	Completed

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Resources & Commercial					£000	£000	£000	£000	£000	£000			
51	16.17 MTFS Review	PA_15	Adults	Bedford House / Roxborough Park - review provision within Bedford House	1,286	150	650			650	Y	Not required as submitted Feb 2016 Cabinet.	Completed
52	16.17 MTFS Review	PA_15	Adults	Reversal of £400k of the saving in 2017/18 - given the complexity of the client group attending the merged facility it is not possible to deliver the level of savings originally estimated			(400)			(400)	n/a		N/a
53	16.17 MTFS Review	PA_16	Adults	7 Kenton Road - review provision through supporting living and shared lives	228		228			228	Y	Y	Y
54	16.17 MTFS Review	PA_26	Adults	My Community ePurse - commercialisation of My Community ePurse			1,000	600		1,600	N	Not required	N/a
55	16.17 MTFS Review	PA_26	Adults	Rephasing - remove original phasing			(1,000)	(600)		(1,600)	N	Not required	N/a
56	16.17 MTFS Review	PA_26	Adults	Rephasing - add in new phasing				1,000	600	1,600	N	Not required	N/a
57	16.17 MTFS Review	PA_27	Adults	Our Community ePurse - explore new commercialisation opportunities			998	1,250		2,248	N	Not required	N/a
58	16.17 MTFS Review	PA_27	Adults	Re-phasing - remove original phasing			(998)	(1,250)		(2,248)	N	Not required	N/a

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Resources & Commercial					£000	£000	£000	£000	£000	£000			
59	16.17 MTFS Review	PA_27	Adults	Re-phasing - add in new phasing				998	1,250	2,248	N	Not required	N/a
60	16.17 MTFS Review	PA_28	Adults	Community Wrap - explore new commercialisation opportunities				640		640	N	Not required	N/a
61	16.17 MTFS Review	PA_29B	Adults	Total Community ePurse - explore new commercialisation opportunities				2,250		2,250	N	Not required	N/a
62	16.17 MTFS Review	PA_29B	Adults	Re-phasing - remove original phasing				(2,250)		(2,250)	N	Not required	N/a
63	16.17 MTFS Review	PA_29B	Adults	Re-phasing - add in new phasing.					2,250	2,250	N	Not required	N/a
				Total Adult Savings	6,312	616	1,571	3,228	4,100	8,899			

Public Health													
64	16.17 MTFS Review	PH_3	PH	Sexual Health - consolidation of activity within new contract efficiency 17-18	714		105			105	n/a	n/a	N/a
65	16.17 MTFS Review	PH_3	PH	Reversal of Sexual Health saving - procurement and wider London Sexual Health Transformation will determine savings in future years	714		(105)			(105)	n/a	n/a	N/a

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Resources & Commercial					£000	£000	£000	£000	£000	£000			
66	16.17 MTFS Review		PH	Contract Efficiencies within Health Visiting contract	2,848		105			105	N	N	N
67	16.17 MTFS Review	PH_5	PH	Tobacco Control & Smoking Cessation - reduction of service	299		279			279	Y	Y	Y
68	16.17 MTFS Review	PH_9	PH	Health intelligence & Knowledge - reduction in staff costs	211		48			48	Y	Y	N
69	16.17 MTFS Review	PH_10	PH	Staffing & Support - reduction in budget & deletion of additional procurement support	134	54	30			30	Y	Not required as submitted Feb 2016 Cabinet.	Consultation will be done in accordance with HR policies
70	16.17 MTFS Review	PH_11	PH	Drug and Alcohol - reduction in service (contract related costs. Employee costs included in PH_12)	2,480	0		1,500		1,500	Y	Not required for 2017/18 budget	Consultation will be done in accordance with HR policies
71	16.17 MTFS Review	PH_12	PH	Reduction to service - staffing reductions	4,603	41		795		795	Y	Not required for 2017/18 budget	Consultation will be done in accordance with HR policies
				Public Health Total	12,003	95	462	2,295	0	2,757			
				Net Savings People	38,239	1,338	2,200	8,134	4,250	14,584			

Savings Proposed from 2015/16 and 2016/17 Budget Setting					Appendix 1b								
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Item Number	Savings Year	Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction	2015/16 Service Budget	Total Saving in Current MTFS	2017/18	2018/19	2019/20	Total	EQIA Required	EQIA already submitted Yes/ No	Key Stakeholders to consult 'Yes/No Completed
Resources & Commercial					£000	£000	£000	£000	£000	£000			

Community													
72	16.17 MTFS Review	CE_5	Directorate Wide	Reduction of supplies & services budget	300	31	50	50		100	N	Not required	
73	16.17 MTFS Review	CE_8	ESD - Technical Services	Staff efficiency once Towards Excellence fully embedded - Deletion of 2 posts.	382	0	34	34		68	Y	Y	Consultation will be done in accordance with HR policies
74	16.17 MTFS Review	CE_9	ESD - Public Protection	Efficiencies arising from Selective Licensing - Through full cost recovery and reduction in failure demand. Net income.	(503)	200	35			35	Y	Y	
75	16.17 MTFS Review	CE_10.2	ESD - Management	Management savings Savings on a management post across the Environmental Service Delivery division.	150	0	75			75	Y	Not required as submitted Feb 2016 Cabinet.	Consultation will be done in accordance with HR policies

Savings Proposed from 2015/16 and 2016/17 Budget Setting					Appendix 1b								
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Resources & Commercial					£000	£000	£000	£000	£000	£000			
76	15.16 MTFS Review	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.			30	50		80	Y	Not required as submitted Feb 2015 Cabinet.	Consultation will be done in accordance with HR policies
77	15.16 MTFS Review	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.		0	200			200	N	Not required	
78	16.17 MTFS Review	CE_12	Commissioning Services	Project Phoenix - Commercialisation projects	19,000	40	0	1,525		1,525	N	Not required	Yes - depending on project
79	16.17 MTFS Review	CE_14	Commissioning Services	Highways Services - revenue savings on utilities and maintenance costs due to acceleration of the Street Lighting replacement programme and extension of the variable lighting regime.	1,001	70	10			10	Y	Not required as submitted Feb 2016 Cabinet.	N

Savings Proposed from 2015/16 and 2016/17 Budget Setting					Appendix 1b								
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Resources & Commercial					£000	£000	£000	£000	£000	£000			
80	16.17 MTFS Review	CE_15	Commissioning Services	Highways Services - Reduction in revenue budget for reactive maintenance due to accelerated capital investment from 2014/15.	1,033	60	20	20		40	Y	Not required as submitted Feb 2016 Cabinet.	N
81	16.17 MTFS Review	CE_16	Commissioning Services	Staff efficiencies in Parking and Network Teams - reduction in team leader and inspector posts. Staff consultation completed in June 15. The reduction in posts will be phased over the next 2 years to ensure minimal impact on service level.	2,103	75	80	20		100	Y	Not required as submitted Feb 2016 Cabinet.	Consultation will be done in accordance with HR policies
82	16.17 MTFS Review	CE_17	Commissioning Services	General efficiencies across the Division (Policy, Community Engagement, Facilities Management and Contracts Management) - including capitalisation of senior contracts officer post, removal of some supplies & services budget.	1,009	12	9	80		89	Y	Not required as submitted Feb 2015 Cabinet.	Consultation will be done in accordance with HR policies
83	16.17 MTFS Review	CE_18	Commissioning Services	Income Generation - Facilities Management Service Level Agreements (SLAs) and Energy SLAs to schools.	(190)	46	20	20		40	N	Not required	N
84	16.17 MTFS Review	CE_19	Commissioning Services	Road safety officer post - externally funded by Transport for London (TfL)	40	0	40			40	Y	Y	N
85	16.17 MTFS Review	CE_20	Commissioning Services	Further contract efficiencies following the re-procurement of Facilities Management contract.	3,200	0	80			80	N	Not required	N

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Savings Proposed from 2015/16 and 2016/17 Budget Setting					Savings								
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Resources & Commercial					£000	£000	£000	£000	£000	£000			
86	15.16 MTFS Review	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		0	40			40	N	Not required	N
87	15.16 MTFS Review	E&E_05	Commissioning Services - Contract Mgt & Policy	Staff Efficiencies across the Division - Deletion of 3 posts			86			86	Y	Not required as submitted Feb 2015 Cabinet.	Consultation will be done in accordance with HR policies
88	15.16 MTFS Review	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.		0	44	22		66	Y	Not required as submitted Feb 2015 Cabinet.	Consultation will be done in accordance with HR policies
89	15.16 MTFS Review	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.		0	45			45	Y	Not required as submitted Feb 2015 Cabinet.	Completed
90	15.16 MTFS Review	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).			120	120		240	Y	Y	N

Savings Proposed from 2015/16 and 2016/17 Budget Setting					Appendix 1b								
					Savings								
Item Number	Savings Year	Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction	2015/16 Service Budget	Total Saving in Current MTFS	2017/18	2018/19	2019/20	Total	EQIA Required	EQIA already submitted Yes/ No	Key Stakeholders to consult 'Yes/No Completed
Resources & Commercial					£000	£000	£000	£000	£000	£000			
91	15.16 MTFS Review	E&E_10	Commissioning Services - Highways	Review salary capitalisation of highway programme & TfL funded projects		0	50	50		100	N	Not required	N
92	15.16 MTFS Review	E&E_11	Commissioning Services - Network Mgt	Additional income - from street works		0	10			10	N	Not required	N
93	15.16 MTFS Review	E&E_12	Commissioning Services - Street Lighting	Changes in Street Lighting Policy to include variable lighting solutions.		0	10	12		22	N	Not required	N
94	15.16 MTFS Review	E&E_13	Commissioning Services - Street Lighting and Drainage	Street lighting and Drainage budgets - capital investment allows for lower maintenance costs		0	40			40	N	Not required	N
95	15.16 MTFS Review	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		0		10		10	Y	Not required for 2017/18 budget	N
96	16.17 MTFS Review	CE_21	NIS	Neighbourhood Investment Scheme (NIS) - a base budget of £210K is available for all 21 wards. A one-off saving has been offered as part of the early year saving. It is now proposed that the full budget is removed from 16/17 onwards.	210	0		210		210	Y	Not required for 2017/18 budget	N
Total Communities					27,735	534	1,128	2,223	0	3,351			

Savings Proposed from 2015/16 and 2016/17 Budget Setting					Appendix 1b								
					Savings								
Item Number	Savings Year	Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction	2015/16 Service Budget	Total Saving in Current MTFS	2017/18	2018/19	2019/20	Total	EQIA Required	EQIA already submitted Yes/ No	Key Stakeholders to consult 'Yes/No Completed
Resources & Commercial					£000	£000	£000	£000	£000	£000			
97	16.17 MTFS Review	CC_2	C&C	Library Strategy Phase 2 - delivery of network of libraries and library regeneration	2,138	180	108	209		317	Y	Not required for 2017/18 as EQIA agreed for 2016/17 budget setting	Y
98	16.17 MTFS Review	CC_4	C&C	Arts & Heritage - delivery of business plan (reallocation of savings based on Cabinet report May 2015)	623	(342)	282			282	N	Not required	N/a
99	16.17 MTFS Review	CC_4	C&C	Arts & Heritage Services - Total saving in the original MTFS proposal in relation to the proposed transfer of the services to Cultura London was £455k (£173k of which was profiled in 16/17). At this stage the service remains in-house, subject to any further decisions regarding the future of the arts centre and therefore at this stage the saving is being reversed. Should this position change, adjustments would be made to the MTFS and be reflected in the Final Budget report.			(455)			(455)	N	Not required	N/a

Savings Proposed from 2015/16 and 2016/17 Budget Setting					Appendix 1b								
					Savings								
Item Number	Savings Year	Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction	2015/16 Service Budget	Total Saving in Current MTFS	2017/18	2018/19	2019/20	Total	EQIA Required	EQIA already submitted Yes/ No	Key Stakeholders to consult 'Yes/No Completed
Resources & Commercial					£000	£000	£000	£000	£000	£000			
100	15.16 MTFS Review	CHW12	C&C	Redevelopment Harrow Leisure Centre Site. This will need to link with Regeneration Programme. 17/18 saving is expected to be met from one-off income through the improvement to playing pitches at Bannister Sports Centre.			100			100	Y	Y	Y
Total Cultural Services					2,761	(162)	35	209	0	244			
101	16.17 MTFS Review	CH_3	HGF	Supporting People - cessation of funding for Handyperson Scheme, which is intended to become self-supporting through commercialisation	678	62	25			25	Y	Not required for 2017/18 as EQIA agreed for 2016/17 budget setting	Y
102	16.17 MTFS Review	CH_4	HGF	Supporting People - Sheltered Housing floating support - savings assumed to result from contract renegotiation or review of service delivery.	678		60			60	Y	Y	N/a
103	16.17 MTFS Review	CH_7	HGF	Watkins House - Options review	402	(25)	100	100		200	n/a		N/a

Savings Proposed from 2015/16 and 2016/17 Budget Setting					Appendix 1b								
					Savings								
Item Number	Savings Year	Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction	2015/16 Service Budget	Total Saving in Current MTFS	2017/18	2018/19	2019/20	Total	EQIA Required	EQIA already submitted Yes/ No	Key Stakeholders to consult 'Yes/No Completed
Resources & Commercial					£000	£000	£000	£000	£000	£000			
104	16.17 MTFS Review	CH_7	HGF	Full reversal of saving - as part of the review It became apparent that rather than savings being made as a result of the closure of Watkins House, additional costs would need to be incurred to ensure an appropriate level of care was being provided to residents of the scheme. This is now in place and will continue until such time as the scheme is completely vacated. It is not yet clear what the costs of the care needs of the existing residents will be, so it was felt prudent to remove the assumed savings so as not to reduce the level of funds available to provide this care. £25k growth was allowed in 2016/17 and therefore the net reduction of £175k is required.			(75)	(100)		(175)	n/a	n/a	N/a
105	16.17 MTFS Review	CH_8	HGF	Private lettings agency - projected income from establishing a lettings agency	0	54	130	174	120	424	n/a	n/a	N/a
106	16.17 MTFS Review	CH_8	HGF	Full reversal of saving - the business plan for the lettings agency indicates that as a result of a slower than anticipated start and an increased level of overhead costs compared with those originally envisaged, it is unlikely to be able to deliver the level of benefits to the Council assumed in the MTFS calculations within the MTFS period.			(130)	(174)	(120)	(424)	n/a	n/a	N/a

Savings Proposed from 2015/16 and 2016/17 Budget Setting					Appendix 1b								
					Savings								
Item Number	Savings Year	Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction	2015/16 Service Budget	Total Saving in Current MTFS	2017/18	2018/19	2019/20	Total	EQIA Required	EQIA already submitted Yes/ No	Key Stakeholders to consult 'Yes/No Completed
Resources & Commercial					£000	£000	£000	£000	£000	£000			
107	16.17 MTFS Review	CH_9	HGF	Property purchase initiative - net benefit to Council of proposals to purchase 100 homes, per Cabinet report appendix. Homelessness savings are part of the equation.	0	230	31	(2)	42	71	N	Not required	
108	16.17 MTFS Review	CH_9	HGF	Additional income - 'Property purchase initiative - net benefit to Council of proposals to purchase 100 homes, per Cabinet report appendix. Homelessness savings are part of the equation.			770	355	(4)	1,121	N	N	N
109	16.17 MTFS Review	CH_10	HGF	Home Improvement Agency - savings arising from a combination of reducing the service and increasing the charge to the HRA in respect of the Occupational Therapist service	378	(10)	130			130	Y	Y	
				Total Housing	2,136	311	1,041	353	38	1,432			
	Net Savings Community and Culture				32,632	683	2,204	2,785	38	5,027			

Regeneration													
110	15.16 MTFS Review	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			100			100	Y	Y	N

Savings Proposed from 2015/16 and 2016/17 Budget Setting					Appendix 1b								
					Savings								
Item Number	Savings Year	Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction	2015/16 Service Budget	Total Saving in Current MTFS	2017/18	2018/19	2019/20	Total	EQIA Required	EQIA already submitted Yes/ No	Key Stakeholders to consult 'Yes/No Completed
Resources & Commercial					£000	£000	£000	£000	£000	£000			
111	16.17 MTFS Review	REG_6	Economic Development	Commercialisation of work space, subject to agreement with St Edwards (income net of running costs)	0	0	50			50	n/a	n/a	N
112	16.17 MTFS Review	REG_6	Economic Development	Full reversal of saving - The opportunity to acquire Stanmore Place Innovation Centre no longer exists as St Edward has sold the property to a 3rd party, albeit several attempts to reach an agreement with St Edward over the last 12 months.			(50)			(50)	n/a	n/a	N
Net Savings Regeneration					0	0	100	0	0	100			
113	16.17 MTFS Review	PO 04	Pan Organisation	Additional Commercialisation savings from projects in the pipeline		1,100	1,100			1,100	n/a	n/a	N
114	16.17 MTFS Review	PO 04	Pan Organisation	Full reversal of saving - Savings on commercialisation have been proposed as part of the directorate savings proposals and therefore need to be reversed as a pan organisation saving.			(1,100)			(1,100)	n/a		N
115	14.15MTFS Review	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.	0	350	350	2,000	0	2,350	N	Not required	N

Savings Proposed from 2015/16 and 2016/17 Budget Setting					Appendix 1b						EQIA Required	EQIA already submitted Yes/ No	Key Stakeholders to consult 'Yes/No Completed
					Savings								
Item Number	Savings Year	Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction	2015/16 Service Budget	Total Saving in Current MTFS	2017/18	2018/19	2019/20	Total			
Resources & Commercial					£000	£000	£000	£000	£000	£000			
	Net savings Pan Organisation				0	1,450	350	2,000	0	2,350			
			Total Net Savings		78,367	5,367	5,971	14,889	4,288	25,148			

Reversed Savings Proposed from 2015/16 and 2016/17 Budget Setting					Appendix 1c					
Item Number	Savings Year	Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction	2015/16 Service Budget	Total Saving in Current MTFS	2017/18	2018/19	2019/20	Total
					£000	£000	£000	£000	£000	£000
Resources & Commercial Directorate										
1	16.17 MTFS Review	RES_LG02	Legal & Governance	Reversal of saving - 'This was a proposal to consolidate the Committee structure, which is not being progressed.			(100)			(100)
2	16.17 MTFS Review	RES_CS02	Customer Services and IT	Reversal of saving - 'Revenues and Benefits - Domestic and NNDR Site Review and Collection Rate. This saving come through as additional collection Fund income and therefore the saving cannot be made in the Directorate Budget.				(250)		(250)
3	16.17 MTFS Review	BSS 01	BSS	Reversal of saving - 'A thorough review of Business Support has been undertaken in the last year, as a result of which over £1m of savings have been identified that are being delivered. However it has been decided that further reduction in these areas are not appropriate, and therefore savings proposed in previous budgets will not be progressed and need to be reversed. This is reversing the 2017/18 and 2018/19 savings.			(352)	(320)		(672)
4	16.17 MTFS Review	BSS 01	BSS	Reversal of saving - 'A thorough review of Business Support has been undertaken in the last year, as a result of which over £1m of savings have been identified that are being delivered. However it has been decided that further reduction in these areas are not appropriate, and therefore savings proposed in previous budgets will not be progressed and need to be reversed. This is reversing £557k of the 2016/17 saving of £649k.			(557)			(557)
Total Resources					0	0	(1,009)	(570)	0	(1,579)
People's Directorate										
Childrens										

Reversed Savings Proposed from 2015/16 and 2016/17 Budget Setting					Appendix 1c					
Item Number	Savings Year	Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction	Savings					
					2015/16 Service Budget	Total Saving in Current MTFS	2017/18	2018/19	2019/20	Total
					£000	£000	£000	£000	£000	£000
5	16.17 MTFS Review	PC33	Special Needs Service	Reversal of Savings - Special Educational Needs Transport There are significant pressures on SEN Transport of over £1.2m. There is a savings target in the current MTFS for £514k. An updated travel assistance policy was approved by Cabinet in September 2016 however It is not anticipated that there will be any significant changes as the regulations have remained largely unchanged. However, discretionary travel arrangements will be removed for under 5's. Since 2014 a new SEN Code has led to an increased demand Post 19 as well as the pressures of the additional demand from the 5-19 demographic growth. There has been an increase in post 18 young people of nearly 40%.		(257)	(514)			(514)
6	16.17 MTFS Review	PC42	Special Needs Service	Reversal of Savings - Special Educational Needs Placements In respect of PC41 approved February 2016. New funding regulations mean there will no longer be flexibility to further charge these costs to grant				(651)		(651)
Total Children Savings					0	(257)	(514)	(651)	0	(1,165)
Adult										0
8	16.17 MTFS Review	PA_5	Adults	Full reversal of saving - following the unsuccessful Community Tender at Kenmore it is not currently possible to deliver savings via this route. The commercialisation approach now being considered for Kenmore may indicate the potential for future savings to be explored for New Bentley if the approach is successful.			(446)			(446)

Reversed Savings Proposed from 2015/16 and 2016/17 Budget Setting					Appendix 1c						
Item Number	Savings Year	Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction	2015/16 Service Budget	Total Saving in Current MTFS	Savings				Total
							2017/18	2018/19	2019/20		
					£000	£000	£000	£000	£000	£000	£000
9	16.17 MTFS Review	PA_15	Adults	Reversal of £400k of the saving in 2017/18 - given the complexity of the client group attending the merged facility it is not possible to deliver the level of savings originally estimated			(400)				(400)
10	16.17 MTFS Review	PA_26	Adults	Re-phasing - remove original phasing			(1,000)	(600)			(1,600)
11	16.17 MTFS Review	PA_26	Adults	Re-phasing - add in new phasing				1,000	600		1,600
12	16.17 MTFS Review	PA_27	Adults	Re-phasing - remove original phasing			(998)	(1,250)			(2,248)
13	16.17 MTFS Review	PA_27	Adults	Re-phasing - add in new phasing				998	1,250		2,248
14	16.17 MTFS Review	PA_29B	Adults	Re-phasing - remove original phasing				(2,250)			(2,250)
15	16.17 MTFS Review	PA_29B	Adults	Re-phasing - add in new phasing.					2,250		2,250
Total Adult Savings					0	0	(2,844)	(2,102)	4,100		(846)

Community											0
16	16.17 MTFS Review	CC_4	C&C	Arts & Heritage Services - Total saving in the original MTFS proposal in relation to the proposed transfer of the services to Cultura London was £455k (£173k of which was profiled in 16/17). At this stage the service remains in-house, subject to any further decisions regarding the future of the arts centre and therefore at this stage the saving is being reversed. Should this position change, adjustments would be made to the MTFS and be reflected in the Final Budget report.			(455)				(455)

Reversed Savings Proposed from 2015/16 and 2016/17 Budget Setting					Appendix 1c					
					Savings					
Item Number	Savings Year	Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction	2015/16 Service Budget	Total Saving in Current MTFS	2017/18	2018/19	2019/20	Total
					£000	£000	£000	£000	£000	£000
20	16.17 MTFS Review	REG_6	Economic Development	Full reversal of saving - The opportunity to acquire Stanmore Place Innovation Centre no longer exists as St Edward has sold the property to a 3rd party, albeit several attempts to reach an agreement with St Edward over the last 12 months.			(50)			(50)
Total Regeneration					0	0	(50)	0	0	(50)
21	16.17 MTFS Review	PO 04	Pan Organisation	Full reversal of saving - Savings on commercialisation have been proposed as part of the directorate savings proposals and therefore need to be reversed as a pan organisation saving.			(1,100)			(1,100)
Total Pan Organisation					0	0	(1,100)	0	0	(1,100)
										0
Total Reversed Savings					0	(257)	(5,407)	(3,242)	3,976	(4,673)

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MEDIUM TERM FINANCIAL STRATEGY 2016/17 to 2019/20

	2016/17	2017/18	2018/19	2019/20
	£000	£000	£000	£000
Budget Requirement Brought Forward		164,987	162,955	156,106
Corporate & Technical		-2,435	16,211	9,757
People		3,629	-7,999	-4,340
Community		-1,502	-3,557	-163
Resources & Commercial		-1,227	-2,527	-550
Regeneration		-147	0	0
Pan Organisation		-350	-2,000	0
Total		-2,032	128	4,704
FUNDING GAP		0	-6,978	-9,661
Total Change in Budget Requirement		-2,032	-6,850	-4,957
Revised Budget Requirement	164,987	162,955	156,106	151,148
Collection Fund Deficit/-surplus	-3,494	-3,760	0	0
Revenue Support Grant	-21,935	-13,019	-7,332	-1,560
Top Up	-21,113	-21,529	-22,164	-22,872
Retained Non Domestic Rates	-13,189	-13,189	-13,189	-13,189
Amount to be raised from Council Tax	105,256	111,458	113,421	113,527
Council Tax at Band D	£1,283.61	£1,334.83	£1,334.83	£1,334.83
Increase in Council Tax (%)	3.99%	3.99%	0.00%	0.00%
Tax Base	82,000	83,500	84,970	85,050
Collection rate	97.75%	98.00%	98.00%	98.00%
Gross Tax Base	83,887	85,204	86,704	86,786

MTFS 2017/18 to 2019/20 – Proposed investments / savings

TECHNICAL BUDGET CHANGES			
	2017/18	2018/19	2019/20
	£000	£000	£000
Capital and Investment			
Capital financing costs and investment income			
Increased Minimum Revenue Provision costs of the capital programme and interest on balances changes	3,747	7,994	4856
Application of Capital Receipts to reduce borrowing costs	-1,000		
One of use of MRP capacity	-500	500	
Total Capital and Investment Changes	2,247	8,494	4,856
Grant Changes			
New Homes Bonus			
Estimated Grant changes	-525	940	1000
Top slice allocated to homelessness	0	0	
<i>Total New Homes Bonus</i>	-525	940	1,000
Better Care Fund			
<i>Estimated additional grant from 2016/17</i>			
Education Support Grant.			
Projected reduction in grant received	1,285	751	0
<i>Total ESG</i>	1,285	751	0
Transition grant	13	699	
Public Health Grant Reduction	907	697	487
Total Grant Changes	1,680	3,087	1,487
Other Technical Changes			
Freedom Pass Levy increase. Cost of Freedom passes charged to Harrow by Transport for London	380	390	
Amendment 2016/17 review - extension to 2019/20	0	0	414
<i>Total Freedom Pass Levy change</i>	380	390	414
<i>Remove original energy price contingency</i>	-350	0	
<i>Increase energy contingency</i>	260	-64	
<i>Contingency - reduction back to £1.248m</i>	-81		
Estimated Cost of the Apprenticeship Levy	400		
Budget planning contingency.	-2,000	370	0
One off use from 2016/17	-1,000	1,000	TBC
<i>Total Budget planning contingency.</i>	-3,000	1,370	0
Total Other Technical Changes	-2,391	1,696	414
Pay and Inflation			
Pay Award @ 1% pa	1,000	1,000	1,000
Pay inflation total	1,000	1,000	1,000
National Minimum Wage			1,300
Employer's Pension Contributions lump sum increases agreed with actuary			
Required to reduce the pension deficit	622	664	700
Inflation on goods and services @ 1.3% p.a.	1,270	1,270	0
Reduction in inflation provision	-870	0	TBC
<i>Inflation Provision total</i>	400	1,270	0
Total Pay and Price Inflation	2,022	2,934	3,000
OTHER			
Contribution to MTFS Implementation Reserve - one off in 2016/17	-2,954		
Capital Receipts Flexibility	-3,039	0	
Total Corporate & Technical	-2,435	16,211	9,757

MTFS 2017/18 to 2019/20 – Proposed investments / savings

PEOPLE DIRECTORATE			
	2017/18	2018/19	2019/20
	£000	£000	£000
Children & Families			
Proposed Savings - see appendix 1a	-255	0	0
Proposed Growth - see appendix 1a	2,838	200	
Proposed Savings - see appendix 1b	-167	-2,611	-150
Sub total Children & Families	2,416	-2,411	-150
Adults			
Proposed Savings - see appendix 1a	-1,120		0
Proposed Growth - see appendix 1a	4,629	-96	-90
Proposed Savings - see appendix 1b	-1,571	-3,228	-4,100
Sub total Adults	1,938	-3,324	-4,190
Public Health			
Proposed Savings - see appendix 1a	-263	31	0
Proposed Growth - see appendix 1a			
Proposed Savings - see appendix 1b	-462	-2,295	0
Sub total Public Health	-725	-2,264	0
Total People Directorate	3,629	-7,999	-4,340

MTFS 2017/18 to 2019/20 – Proposed investments / savings

COMMUNITY			
	2017/18	2018/19	2019/20
	£000	£000	£000
Environmental Services			
Proposed Savings - see appendix 1a	-896	-140	0
Proposed Growth - see appendix 1a	500		100
Proposed Savings - see appendix 1b	-1,128	-2,223	0
Sub total Environmental Services	-1,524	-2,363	100
Cultural Services			
Proposed Savings - see appendix 1a			0
Proposed Growth - see appendix 1a			
Proposed Savings - see appendix 1b	-35	-209	0
Sub total Community & Culture	-35	-209	0
Housing - General Fund			
Proposed Savings - see appendix 1a	-898	-469	-225
Proposed Growth - see appendix 1a	2,996	-163	
Growth funded from topslice	-1,000		
Proposed Savings - see appendix 1b	-1,041	-353	-38
Sub total Housing General Fund	57	-985	-263
Total Community	-1,502	-3,557	-163

MTFS 2017/18 to 2019/20 – Proposed investments / savings

RESOURCES & COMMERCIAL			
	2017/18	2018/19	2019/20
	£000	£000	£000
Resources & Commercial			
Proposed Savings - see appendix 1a	-844	-557	-550
Proposed Growth - see appendix 1a	734		
Proposed Savings - see appendix 1b	-1,117	-1,970	0
Total Resources & Commercial	-1,227	-2,527	-550

MTFS 2017/18 to 2019/20 – Proposed investments / savings

REGENERATION			
	2017/18	2018/19	2019/20
	£000	£000	£000
Proposed Savings - see appendix 1a	-47		
Proposed Growth - see appendix 1a			
Proposed Savings - see appendix 1b	-100		
Total Regeneration	-147	0	0

MTFS 2017/18 to 2019/20 – Proposed investments / savings

Pan Organisation			
	2017/18	2018/19	2019/20
	£000	£000	£000
Proposed Savings - see appendix 1b	0	0	0
Proposed Savings - see appendix 1a	-350	-2,000	0
Total Pan Organisation	-350	-2,000	0

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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 and maintained nurseries) and Special Educational Needs (SEN) including fees for out of borough pupils at independent special schools.

2. School Funding for 2017-18

There are minimal changes proposed to how local authorities can fund schools through their individual funding formulae. However, in July 2016 the EFA carried out an exercise to 're-baseline' the blocks of the DSG for each local authority to make sure that the starting point is the pattern of planned spending by local authorities within their annual DSG allocation rather than how central government has allocated funding since 2013. The new 2016-17 baselines have then been used to calculate allocations for the schools block and high needs block in 2017-18.

As a result of this exercise, the Schools Block Unit of Funding (SBUF) which is the funding generated per pupil on the October census has been reduced for 2017-18 to reflect the actual funding allocated through the Schools Block in 2016-17. The revised SBUF will be £4,845.80. This is a reduction of £68.82 per pupil. This therefore limits the amount of funding which can be top-sliced from the Schools Block to fund pressures in High Needs.

3. Setting 2017-18 Budgets

In 2015-16 and 2016-17 the schools funding formula has been set at a deficit of £1.6m and £2.07m respectively. In 2016-17 it is proposed to fund the deficit from the schools brought forward contingency totalling £5.5m. Beyond 2016-17 there will be limited funds to set a school funding formula with a deficit position. The schools brought forward contingency is a one off sum of money and therefore it is not sustainable to continue to use this to support a budget gap.

In March 2016 the DfE launched a first stage consultation with proposals for a new National Funding Formula (NFF) for Schools and High Needs to be introduced from April 2017. On 21st July 2016 the government announced that the full response to the first stage of the consultations will be published in autumn 2016. At the same time the proposals for a second stage consultation will also be published and decisions made in the new year. Therefore the new system will be delayed and instead apply from April 2018. With limited information as to how a NFF will impact on school funding and school budgets there are few changes proposed to the 2017-18 schools funding formula.

Schools are protected annually by the Minimum Funding Guarantee (MFG) from *per pupil* losses capped at -1.5% of the per pupil budget from the previous financial year. This means that schools cannot lose more than -1.5% of their previous years' per pupil budget. This will continue into 2017-18.

Cabinet is required to approve the structure of the funding formula for 2017-18 in relation to the factors applied within the formula. The values attached to each factor will be decided in consultation with Schools Forum in January 2017 in order to minimise the formula deficit. There are no changes proposed for the funding formula structure from the current 2016-17 formula. The current factors in the school funding formula are:

- Basic per pupil entitlement (Age Weighted Pupil Unit)
- Free School Meals
- Income Deprivation Affecting Children Index (IDACI)
- Looked After Children
- English as an Additional Language (EAL)
- Mobility
- Prior Attainment
- Lump Sum
- Rates
- Private Finance Initiative (PFI) Funding

Schools will also receive the Pupil Premium Grant in respect of pupils who have ever been eligible for Free School Meals (FSM) in the last six years.

Central Services

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

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

Additional Class Funding

At its meeting in October 2016 Schools Forum agreed to continue to maintain a ring fenced Growth Fund from the DSG in order to fund in year pupil growth in relation to additional classes in both maintained and academy schools but not Free Schools, which create additional classes at the request of the local authority.

High Needs Block

In line with the SEND Reforms being introduced from September 2014, the high needs funding system is 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. The following are funded from the High Needs Block:

- Harrow special schools & special academies
- Additional resourced provision in Harrow mainstream schools & academies
- Places in out of borough special schools and independent special schools

- High value costed statements in mainstream schools & academies
- Post 16 SEN expenditure including Further Education settings
- SEN Support services and support for inclusion
- Alternative provision including Pupil Referral Units and Education Other than at school

In 2016-17 high needs pupils are funded on a mixture of places and pupils, the “place-plus” approach. This will continue in 2016-17. There are continued concerns about the financial risks posed by the changes to the funding for SEN provision. Harrow has seen significant growth in the number of places through the expansion of the three special schools and the addition of three SEN units at mainstream schools from Sept 2015. There was no additional DSG funding awarded for these places and therefore they have been funded from a top slice from the Schools Block, which limits the funding available to distribute to schools. High Needs pupils in special schools, specialist provision and pupil referral units do not attract funding through a census, unlike pupils in mainstream settings. The DfE have also carried out a ‘re-baseline’ exercise on the High Needs Block and confirmed that no local authority will see a reduction in 2017-18, based on its 2016-17 baseline.

Early Years Block

3 and 4 year old nursery entitlement

The DfE launched its Early Years National Funding Formula consultation in August 2016.

The main principles of the funding reform are to:

- Maximise funding to early years providers
- Allocate funding fairly to Local Authorities and different types of providers
- Distribute funding efficiently and effectively to ensure value for money
- Allocate funding transparently so LAs and providers can understand how their funding rates were derived.
- Target effectively additional funding to those children who need it
- Allow adequate time to transition to the new funding arrangements

As the implementation date is proposed to be 1st April 2017 local authorities have to consult on its local Early Years Single Funding Formula in advance of the outcome of the DfE consultation. Harrow launched its consultation on 14th October 2016, which closes on 30th November 2016. The outcome of the consultation and proposed new funding formula will be reported to Cabinet for approval in January 2017.

Early Years Pupil Premium Grant

In addition to the funding through the funding formula settings also receive Early Years Pupil Premium Grant (EYPPG) for eligible children. In 2016-17 this is £302 per year for each eligible child that takes up the full 570 hours (pro rata for children who take up fewer hours). The eligible groups for the EYPPG are children from low income families (defined as meeting the criteria for free school meals); children that have been looked after by the local authority for at least one day; have been adopted from care; have left care through special guardianship; and children subject to a child arrangement order setting out with whom the child is to live (formerly known as residence orders).

2 year old nursery entitlement

From September 2013 free entitlement became a statutory requirement for eligible two year olds. In 2016-17 the funding is based on participation being 5/12ths of the January 2015 census and updated for 7/12ths of the January 2016 census. Harrow currently receives £5.53 per hour per eligible child. The hourly rate for 2016-17 will be confirmed after the spending review in December 2016.

Draft Public Health Funding

Appendix 4

Mandatory Services

Sexual Health (incl Family Planning)	2,641,502	
Health Visiting	2,898,000	
Health Checks	76,450	
Supporting Child Health	<u>673,509</u>	
		6,289,461

Discretionary Services

Tobacco Control	0	
Drug & Alcohol Misuse	2,445,632	
Physical Activity	<u>0</u>	
		2,445,632

Staffing & Support Costs

Staffing	990,781	
Non-Staffing	47,941	
Overheads	<u>245,525</u>	
		1,284,247

Health Improvement	129,000	
Wider Determinants of Health	<u>945,161</u>	
		<u>1,074,161</u>
Total Expenditure		<u><u>11,093,501</u></u>

Funded by

Department of Health Grant	<u>11,093,501</u>	
Total Income		<u><u>11,093,501</u></u>
		0

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