

# Performance and Finance Scrutiny Sub-Committee Agenda

**Date:** Monday 13 December 2021

**Time:** 6.30 pm

**Venue:** Virtual Meeting - Online

## **Membership (Quorum 3)**

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<b>Chair:</b>	Councillor Kiran Ramchandani
<b>Labour Councillors:</b>	Kairul Kareema Marikar Ajay Maru
<b>Conservative Councillors:</b>	Nitesh Hirani Pritesh Patel
<b>Labour Reserve Members:</b>	1. Niraj Dattani 2. Dean Gilligan 3. David Perry
<b>Conservative Reserve Members:</b>	1. Ameet Jogia 2. Amir Moshenson

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**Agenda publication date: Friday 3 December 2021**

**7. Revenue and Capital Monitoring 2020/21 - Final Outturn (Pages 1 - 41)**

**REPORT FOR: CABINET**

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<b>Date of Meeting:</b>	09 December 2021
<b>Subject:</b>	Draft Revenue Budget 2022/23 and draft Medium Term Financial Strategy 2022/23 to 2024/25
<b>Key Decision:</b>	Yes
<b>Responsible Officer:</b>	Dawn Calvert – Director of Finance and Assurance (S151 Officer)
<b>Portfolio Holder:</b>	Councillor Natasha Proctor – Portfolio Holder for Finance and Resources
<b>Exempt:</b>	No
<b>Decision subject to Call-in:</b>	Yes
<b>Wards affected:</b>	All
<b>Enclosures:</b>	<b>Appendix 1A</b> – Growth/Reversed savings and savings from 2021/22 Budget Process <b>Appendix 1B</b> – Savings and Growth 2022/23 from the 2020/21 Budget Process <b>Appendix 2</b> - Medium Term Financial Strategy 2022/23 to 2024/25 <b>Appendix 3</b> - Schools Budget 2022/23 <b>Appendix 4</b> - Draft Public Health Budget 2022/23

This report sets out the draft revenue budget for 2022/23 and draft Medium Term Financial Strategy (MTFS) for 2022/23 to 2024/25. The budget and MTFS will be brought back to Cabinet in February 2022 for final approval and recommendation to Council.

**Recommendations:**

Cabinet is requested to:

- 1) Approve the draft budget for 2022/23 and the MTFS 2022/23 to 2024/25 for general consultation as set out in Appendices 1 and 2 so that Cabinet may later consider the budget in light of the consultation responses and the equality impact assessment (s) before it is referred to Council in February 2022.
- 2) Note the Spending Review 2021 confirmed broad plans for public spending for 2022/23, which will impact on local government, and that the draft budget will be updated when the detail is announced in the Indicative Financial Settlement which is expected mid to late December followed by the Final Settlement no later than January 2022 (paragraph 1.10).
- 3) Note the balanced budget position for 2022/23, the estimated budget gap of £14.847m for 2023/24 and an estimated balanced budget for 2024/25 based on the scenario of a Council Tax increase of 2.99% per annum over all three years of the MTFS (Table 2).
- 4) Note the use of £15.7m Budget Planning Reserve MTFS to achieve the balanced budget position for 2022/23 which is reversed out in the following year (Table 2).
- 5) Note the proposal to increase core Council Tax by 1.99% per annum 2022/23 to 2024/25 in line with Central Government spending power calculations (Table 2 and paragraph 1.20).
- 6) Note the proposal to increase Council Tax by 1% per annum 2022/23 to 2024/25 in line with Central Government spending power calculations in respect of the Adult Social Care Precept (Table 2 and paragraph 1.20).
- 7) Note the requirement to develop a fully costed budget and implementation plan to support the estimated financial challenges over the MTFS for presentation to Cabinet (paragraph 1.40).
- 8) Note there are no proposed structured changes to the schools funding formula for 2022/23 as set out in Appendix 3 and paragraph 1.47.

- 9) Approve the draft Public Health budget for 2022/23 as set out in Appendix 4.
- 10) Note the assumed funding for the protection of social care 2022/23 through the BCF as set out in paragraphs 1.51 to 1.54.
- 11) Authorise the Director of Finance and Assurance, following consultation with the Portfolio Holder for Finance and Resources, to agree Harrow's 2022/23 contribution to the London Borough's Grant Scheme (paragraph 1.57).

Final approval will be sought from Cabinet and Council in February 2022.

**Reason: (For recommendations)**

To ensure that the Council publishes a draft budget for 2022/23 and a draft three Year MTFS to 2024/25.

## Section 2 – Report

### BACKGROUND

- 1.1 Prior to the Covid-19 pandemic, Local Government finances continued to have a very difficult decade. A number of bodies, over recent years, have published studies which paint a similar picture of the challenges faced by the sector. In its recent publication ‘The Local Government Finance System: Overview and Challenges’, the National Audit Office provided an insight into such challenges including:
- After removing Council Tax, spending power funded by central government fell in real terms by more than 50% on a like for like basis between 2010/11 and 2020/21 with the reliance on Council Tax growing significantly over this period.
  - Funding reductions have coincided with growing service demand and cost pressures:
    - The population as a whole has grown by 7% since 2010/11.
    - Between 2010/11 and 2019/20 the number of adults aged 65 to 84 has increased by 21% and those over 85 have increased by 20%
    - Overall gross spending on Children’s social care has increased by 17% between 2010/11 and 2019/20
    - The number of homeless households in temporary accommodation has increased from approximately 48,000 in 2010/11 to approximately 92,000 by 2019/20
- 1.2 In their publication ‘Local Government Funding – Moving the conversation’ (June 2018) the Local Government Association shared a similar picture with their key statistics including:
- Analysis indicated that local services face a funding gap of £7.8billion by 2025 of which £6.6 billion would relate to Adults social care and Children’s services.
  - By 2020, local authorities will have faced a reduction to core funding from central Government of nearly £16 billion over the preceding decade.
- 1.3 In their press release following Spending Review 21, London Councils highlighted the specific challenges for London with borough’s seeing a 25% reduction in funding since 2010 even though population growth means there are now a million more Londoners.
- 1.4 With the Local Government sector being at the forefront of the response to both the public health and economic crises caused by Covid 19, it is hardly surprising that the pandemic has had a significant impact on local government finances which were already in a difficult position. Throughout the pandemic London Councils have monitored the financial impact of Covid-19 on boroughs using the monthly returns submitted to the Department for Levelling Up, Housing and Communities (DLUHC). Current findings show

that, as at September 2021, Boroughs are forecasting just over £1b of additional funding pressures in 2021/22. Total estimated funding for 2021/22 is £666b therefore funding announced so far falls short of the estimated impact by £384m.

- 1.5 Harrow remains one of the lowest funded Councils both within London and nationally. Table 1 below summarises the key financial changes over the 9 year period up to 2022/23:

**Table 1: Summary of Key Financial Changes 2013/14 to 2022/23**

	Revenue Support Grant	Demand Led Growth	Technical Growth	Savings	Additional Revenue from Council Tax	Business Rate	Revised Budget Requirement	Amount to be raised from Council Tax	Council Tax as a % of Budget Requirement
	£000	£000	£000	£000	£000	£000	£000	£000	%
2013/14	52.1	10	10	-22	-1.8	14.7	181,063	93,039	51
2014/15	42.6	5.5	-2.1	-10	-1.9	14.5	174,426	95,067	55
2015/16	32	7.7	5.9	-20.6	-3.4	14	166,171	98,496	59
2016/17	21.9	4.7	9.5	-16.6	-6.8	13.2	164,987	105,256	64
2017/18	13	10.7	-0.6	-10.2	-7.3	14.4	164,804	112,530	68
2018/19	7.3	9.8	1.7	-7.4	-5.3	14.4	168,917	117,804	70
2019/20	1.6	7.4	-4	-5.2	-8.5	14.4	167,081	126,295	76
2020/21	1.6	5.1	5.7	-3.8	-7.2	14.9	174,762	133,492	76
2021/22	1.6	16.5	-6.7	-3.6	-6.4	14.9	178,856	139,706	78
2022/23	1.6	4.2	0.9	1.0	-6.5	15.1	185,482	146,185	79
<b>Total</b>	<b>50.5</b>	<b>81.6</b>	<b>20.3</b>	<b>-98.4</b>	<b>-55.1</b>				

Over the 10-year period, the table shows:

- The Council's Revenue Support Grant (RSG), its main source of funding from central government, has reduced by 97% to just £1.6m, a reduction of £50.5m. To set this in context, the Council's net revenue budget requirement to support service delivery is £185.4m.
- In addition to the RSG, the Council does receive a number of other grants to support services. In the current financial year government grants are estimated at £329m however these grants are all ring fenced to specific areas of activity and cannot be used to support the core budget. The most significant of the grants include the Dedicated Schools Grant (£138m), Housing Benefits Grants (£116m) and Public Health Grant (£11m). The RSG is unringfenced and the Council has the discretion to spend it across all services hence why its reduction has caused significant challenges.
- Until SR 21 and the allocation of the Core Spending Grant, the Council has not received additional funding to meet demographic and



inflationary pressures. Therefore, growth of circa £81.6m has had to be provided to fund the continued pressures on front line services, including adults and children's social care, homelessness and waste services. Technical growth of £20.3m has had to be provided to fund inflationary pressures (pay and non-pay) and the cost of capital investment for which the council receives no additional funding.

- These three factors have taken the total budget shortfall to find over the nine years to £152.4m to achieve a balanced budget.
- Savings and efficiencies of £98.4m have been achieved but the profiling of these savings, and how the quantum has reduced in recent years, demonstrates the challenges of finding sustainable savings year on year. For the first time in 2020/21 the Council had to rely upon the use of reserves to balance its budget. Thankfully, through tight financial management, these reserves are now unlikely to be drawn down and can be retained to support the even larger pressures the Council faces over its MTFS.
- Council Tax has been increased largely in line with referendum limits and full use has been made of the Adults Social Care precept, both of which are in line with central government expectation. Again for 2022/23, the Council has little limited options and is proposing the maximum allowable increase in Council Tax of 2.99% which increases the transfer of responsibility onto the council taxpayer to 79%. It is important to note that again the Council is following central government expectations in terms of Council Tax increases as per their spending power calculations.

1.6 Despite all reasonable actions, including council tax increases, significant savings, and efficiencies and generating income, it still remains a considerable challenge for the Council to balance its annual budget in light of continued demand pressures, demographic changes and inflationary pressures compounded by a historically low funding base. In February 2021 full Council approved the Medium Term Financial Strategy (MTFS) 2021/22 to 2023/24. Despite achieving a balanced budget for 2021/22, there remained a budget gap of £29.749m over the final two years of the MTFS.

1.7 A budget gap of £29.749m is enough of a significant financial challenge from which to refresh the MTFS. Factor into this a disproportionate impact of Covid- 19 on the Borough and it leaves the Council in a grave financial position facing very difficult budget decisions. Covid-19 has had a disproportionate impact on the residents of Harrow. Since August 16th there have been 9,117 diagnosed cases of Covid-19 in Harrow, which represents a rate of 3,613 per 100,000 residents, a rate significantly higher than London of 3,110 per 100,000. Since the start of the pandemic the rate of deaths within 28 days of a positive test in London was 189 per 100,000 residents, in Harrow the rate was 218.

The Covid-19 pandemic has shown a light on existing health disparities within particular community cohorts which need managing. A particular example is the significant migration of the Romanian Community into Harrow. In

proportion to the overall population of the borough, Harrow has the highest number of Romanian residents in the country – 34,090 which represents 57.6 percent of our total European population (EUSS Statistics Home Office March 2021). It is in such community cohorts, that we have found higher degrees of vaccine hesitancy and reluctance to undertake Covid-19 testing which presents not only a health risk to the community, but also a risk to Harrow's Councils recovery plans.

- 1.8 Covid-19 has been shown to disproportionately affect older people and people from BME communities. Both these groups are more likely to become ill from Covid-19, require admission to hospital and subsequent support, and both these groups are more highly represented in Harrow than many other London Boroughs. The high number of 57 residential and care homes in Harrow, and outbreaks within them have certainly contributed to the high number of cases of Covid-19 in Harrow.
- 1.9 The disproportionate impact felt by Harrow has not been matched by a proportionate share of funding. Analysis shows that, over the four tranches of Emergency Funding received, Harrow ranked in 108th position nationally (out of 339) and across London in 26<sup>th</sup> position (out of 33, which is 8<sup>th</sup> lowest). In terms of the £1.55b grant allocated in the current financial year to Local Authorities to meet additional Covid-19 expenditure, Harrow received £6.051m, the 7<sup>th</sup> lowest allocation across London.

## **SUMMARY**

- 1.10 The draft budget set out in this report shows an updated MTFS with several changes which Cabinet are asked to note. The changes achieve a balanced budget position for 2022/23, a budget gap of £14.847m for 2023/24 and an estimated balanced budget position for 2024/25. It's important to note that for 2024/25, a number of the budget adjustments are estimated at a high level due to the challenges of forecasting complex issues such as demand and demographics so far in advance. As the budget is approved annually the latter two years of the MTFS will be subject to much review and adjustment before finally being approved.

The draft MTFS is based on the SR 21, announced 27 October, which confirmed broad plans for public spending for the three years 2022/23 to 2024/25. SR 21 contained several policies and announcements which will impact on local government although the detail of these will only become clear in the Local Government Indicative Financial Settlement expected mid-December. There is still uncertainty around a number of adjustments, the most significant uncertainties being external grants and in particular the £1.5b per annum core spending grant. Estimates have been based on the most up to date information known at the time of setting the draft MTFS. but is very likely this position will change following the indicative settlement and this change could be for the better or worse. The final settlement is expected to be agreed no later than the end of January 2022. Whilst it is intended that Members will approve the MTFS in February 2022, it could still be subject to assumptions in relation to grant settlements, council tax income, legislation and demographics. The Council does hold a contingency for unforeseen items (£1.248m) which is intended to support uncertainties and the Council will still be required to review the Council's budget on a yearly basis.

## **EXTERNAL FUNDING POSITION**

- 1.11 Harrow Council remains one of the lowest funded councils both in London and nationally. Harrow's core spending power per head in 2019/20 was estimated to be £170 lower than the London average and £75 lower than the rest of England average. Spending Review announcements since these calculations have done little to address the relative position of Harrow's funding baseline.

## **SPENDING REVIEW 2021**

- 1.12 On 27 October 2021, the Chancellor of the Exchequer delivered Spending Review 21 (SR21) and the Autumn Budget. The latter set out the Government's taxation and public expenditure plans for the year ahead and SR21 confirmed resources and capital budgets for the three years 2022/23 to 2024/25. The key areas of the review pertaining to Local Government are detailed below and those that have been quantified in enough detail have been included in the draft budget and MTFS:

- The headline announcement was that Local Government Core Spending Power is to increase by £8.5b over 3 years (3% per annum in real terms). However, this assumes that Council Tax will be increased by the maximum allowable per annum over the three years of SR21. After excluding funding allocated for the Adult Social Care Reforms, the real terms increases are reduced to an average of 1.8% per annum.
- Council Tax referendum level is expected to remain at 2% and the Adults Social Care Precept at 1% per annum over the three years
- £3.6b over the three years for the Adult Social Care Funding Reform to cover preparation and implementation of the reforms, supporting those who reach the care cap and the fairer cost of care.
- £1.5b per annum of new grant funding intended to cover inflationary pressures, the employer NI increase of 1.25%, announcements on public sector pay, Covid-19 impact on demand (Adult social care, mental health and Children's Services). This must also cover the inflationary pressures felt by those outside Local Government which will come back into the sector via increased costs.
- There will be no separate compensation for 2021/22 Covid-19 Tax losses and no separate funding was announced for the legacy impacts of Covid-19, either income or expenditure.
- The Public Health Grant will stay flat in real terms
- The fundamental review of business rates 3 yearly revaluation from 2023, a freeze to bills in 2022/23 and 2 new reliefs but no major reform.

- Three announcements on pay:
  - Public Sector workers will receive pay rises over the next three years via the normal pay setting process
  - 6.6% increase to the National Living Wage to £9.50 per hour from April 2022
  - Increase in the National Minimum Wage
- £2.6b of capital funding for school places for children with special educational needs and disabilities
- There was no specific confirmation regarding funding for New Homes Bonus, Settlement Funding Assessment, Improved Better Care Fund, Adult Social Care Support Grant, Winter Pressures Funding, Social Care Grant, Rural Services Delivery Grant and Lower Tier Services Grant. For budgeting purposes, if the Council are entitled to these grants, they will be assumed to remain at 2021/22 levels.
- There was no confirmation of either the scope or timetable for the planned Local Government Finance Reforms, including business rates reset and the review of Relative Needs and Resources.

#### **DELIVERY OF THE 2021/22 BUDGET**

- 1.13 In these unprecedented times, delivery of the 2021/22 budget is critical to maintaining the Council's financial standing and to do everything possible to protect front line services whilst managing the impact of Covid-19 and the future impact of demand and activity on the MTFS.
- 1.14 Harrow has a good track record of robust financial management and has not reported a revenue budget overspend for many years. The performance against the 2021/22 budget is detailed in a separate report on this agenda, 'Qtr 2 Revenue and Capital Budget Monitoring 2021/22' report. This report forecasts a net overspend of £101k. This is reduction of £540k on the Qtr 1 reported forecast and is a positive sign the Council will achieve a balanced budget position by the end of the financial year.
- 1.15 The 2021/22 budget is supported by £6.051m of grant to meet additional Covid-19 expenditure, £700k Covid-19 income compensation grant and £3.5m of Controlling Outbreak Management Funding (COMF). SR21 made no announcement of continued funding for Covid-19 beyond 2021/22. The current MTFS already assumes that the first two sources of Covid-19 grant support are non-recurrent. In terms of the COMF, it has been confirmed that this funding cannot be carried forward into future years. Hence all activities funded from the COMF are being reviewed to ensure they are ceased by the end of March 2022 to prevent unfunded cost pressures being carried forward into 2022/23. Other Covid-19 Grant funding, which is received to support specific expenditure and not the general budget is all accounted for on a non-recurrent basis and is detailed in Appendix 3 of the 'Qtr 2 Revenue and Capital Budget Monitoring 2021/22' report which is elsewhere on this agenda

### **BUDGET PROCESS 2022/23**

- 1.16 The Council has a statutory obligation to agree and publish the budget for 2022/23, and approval for this will be sought in February 2022. In preparing the 2022/23 budget and rolling forward the MTFS to cover the three-year period 2022/23 to 2024/25, the current MTFS has been the starting point for the process.
- 1.17 The Council's financial position and its operational environment has always been dynamic affected by a number of financial uncertainties and adjustments that impact upon its financial position over the short and medium term. In preparing the draft budget for 2022/23 the existing MTFS has been:
- Refreshed and rolled on a year
  - Updated to reflect the estimated impact of Covid -19 (both expenditure and income) beyond the current year
  - Updated to reflect the estimated impact of SR 21 where the financial implications can be assessed for the Council with a reasonable degree of certainty, accepting that there is an element of uncertainty and risk until the Indicative Financial Settlement is received mid to late December.
- 1.18 The adjustments are summarised in Table 2 below. Following Table 2 there is an explanation for the figures contained within. These adjustments are also set out in Appendix 2 along with adjustments included within the previous MTFS agreed as part of the 2021/22 Budget process:

<b>Table 2: Changes to MTFS (Prior to Indicative Finance Settlement )</b>			
	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Published Budget Gap - February 2021</b>	<b>24,651</b>	<b>5,098</b>	<b>0</b>
Adjustments:			
<b>Council Tax /National Non Domestic Rates (NNDR)</b>			
Increase in Council Tax @ 2.99% (1.99% core and 1% Adults Social Care Precept	-£4,229	-£4,371	-£4,500
Increase in Council Tax base	-£2,250		
Council Tax increase of 1.99% already in MTFS	£2,780	£0	£0
Collection Fund Deficit 2022/23	£52	-£52	
Reduction in retained NNDR	£205	£0	£0
NNDR Multiplier Grant	-£1,710		£0
<b>Summary of Directorate Changes</b>			
Investment - Special Educational Needs Transport	£750	£750	£750
Investment -Children's Services Placements and Workforce		£1,100	
Investment - Regeneration Team		£1,250	£0
Investment - London Living Wage	£450	£450	£1,000
Reversal of Savings - Transformation	£2,000		£0
Reprofiling - of Social Care growth already in MTFS:			
From Adults Services	-£565		
To Childrens Services	£565		
Reprofiling - Gayton Road LLP MTFS contribution	£62	-£22	-£12
Reprofiling - Community COVID loss of income	-£300	£300	£0
<b>Technical Changes</b>			
Saving - Existing Capital Financing and MRP	-£2,000	£0	£0
Additional Capital Financing from 2021/22 budget process			£224
Pay and Non Pay Inflation			£3,750
Estimated Directorate Growth			£3,788
Concessionary Fares / Freedom Passes	-£1,271	£644	£1,000
<b>Spending Review - Estimated Additional Grants</b>			
Increase - Adults Social Care Grant	-£800	-£5,600	-£8,000
Additional cost - Adult Social Care Reform	£800	£5,600	£8,000
Increase - Core Spending Grant	-£6,000	-£6,000	-£6,000
Additional cost - Employer NI increase @ 1.25%	£800	£0	£0
Additional cost - NNDR Multiplier Grant	£1,710		
<b>Revised Budget Gap</b>	<b>15,700</b>	<b>-853</b>	<b>0</b>
<b>Application of Budget Planning Reserve MTFS</b>	<b>-£15,700</b>	<b>£15,700</b>	
<b>Estimated Budget Gap December 2021</b>	<b>£0</b>	<b>£14,847</b>	<b>0</b>

## **Council Tax, Collection Fund and National Non-Domestic Rate Adjustments**

- 1.19 In 2021/22 the Council tax base reduced to 87,387 from its 2020/21 base of 87,667 as a result of the weakening economy largely due to the Covid-19 pandemic. The current MTFS assumed no increase in the base beyond 2021/22. For 2022/23 the Council's tax base has been calculated, according to the relevant procedures and guidance, at 88,785 Band D equivalent properties, this being the gross tax base of 90,579 less a 2% bad debt provision. This is an increase of 1,398 Band D equivalent properties which will generate additional income of £2.250m. This estimated increase is based on assumptions new properties will come on stream and the numbers claiming Council Tax Support will reduce as the country moves out of the pandemic. Collection rates have performed better than expected throughout the pandemic and Harrow has provision for outstanding arrears up to the 31/03/21 of almost 100%. The collection rate for 2022/23 will remain at 98%. The calculation of the Council tax base for 2022/23 is subjected to a separate and more detailed report elsewhere on this agenda (Report: Calculation of Council Tax Base for 2022/23).
- 1.20 A maximum Council Tax increase of 2.99% is budgeted for 2022/23 to 2024/25 which is in line with central government expectations included in the SR21 announcements on core spending power for local government. This covers 1.99% for core Council Tax and a 1% for the Adult Social Care Precept. This will generate additional revenue of £4.229m in 2022/23. The current MTFS already assumes a core Council Tax increase of 1.99% (£2.780m) which is adjusted for.
- 1.21 The Collection Fund and its impact on the 2022/23 budget is subject to a separate report elsewhere on this agenda (Report: Estimated Surplus / (Deficit) on the Collection Fund 2021/22). The estimated impact on the 2021/22 Collection Fund is a small deficit of £52k which must be accounted for as a one-off charge against the 2022/23 budget.
- 1.22 Of the National Non-Domestic Rates collected, Harrow retains 30% with 70% being handed over to Central Government and the Greater London Authority. Harrow's 30% retained share is estimated to reduce from £15.346m to £15.141m, hence a reduction of £205k in the 2022/23 draft budget. The main reasons for the changes in yield are:
- Tax Base being eroded by commercial property being converted to domestic accommodation or being demolished and awaiting domestic properties being built
  - More occupiers claiming Small Business Rates Relief (SBRR) and Retail Relief
  - Insufficient new commercial properties being built to offset losses

The NNDR collection rate will remain at 98%. A more detailed report on the calculation of the retained NNDR tax base will be brought to Cabinet in January 2022.

- 1.23 The NNDR tax base used to calculate the 2022/23 rate retention amounts has not this year benefited from the September 2021 CPI which is used to calculate the following financial year's rating multiplier. SR21 announced that

the multiplier would be frozen for 2022/23 which means businesses will not see an increase in their bills and the Council will be compensated for this loss of inflationary income through the NNDR Multiplier Grant which is estimated at £1.710m. SR21 was very unclear whether the Multiplier Grant would continue as a separate grant or whether it would be wrapped up as part of the new core spending grant. The draft 2022/23 budget has been prepared on a prudent basis and assumes the Multiplier Grant will no longer be a separate grant.

### **Summary of Directorate Changes**

- 1.24 Spend on Special Educational Needs (SEN) Transport continues to grow and over the last four years spend has on average increased by £500k per year from £4.1m in 2017/18 to projected £5.9m in 2021/22. There are over 1,800 children and young people with Education Health & Care Plans (EHCPs) and approximately 40% of these are accessing SEN Transport. It is anticipated that the number of children and young people with EHCPs will increase to over 2,000 by 2023 which on the same ratio could mean a further 80 to 100 children requiring transport by 2023. The type of transport required is dependent upon the education setting the child attends as well as the child's special educational need and disability (SEND) /medical diagnosis and behaviour. The main focus of the Council's SEND strategy is to ensure that as many children are educated in local in-borough SEND provision to prevent high cost out of borough independent placements where the needs could be met in borough but for the fact that capacity is an issue. However, the SEND Strategy is a medium to long term strategy due to the lead-in time it takes to create additional provision. It is projected that £750k growth per annum will be required to meet the costs of SEN Transport over the period of the MTFS. This has been provided for but SEN Transport is subject to a separate review with a view to, amongst other things, reduce this estimated pressure on the MTFS.
- 1.25 In Children & Young People Services, there has been an increase in the number of Children In Need and children subject to Child Protection Plans as more families' needs are managed within the community as well as increased Early Support engagement putting pressure on the workforce and social worker caseloads. In addition, there are more children requiring placements with more complex and challenging needs and an increase in the average weekly cost of placements putting significant pressure on placements and other client related budgets. In Education Services there has been a significant increase in referrals and assessments and the number of young people with an Education Health & Care Plan. This is putting significant pressure on the workforce and casework officer caseloads. In the current financial year, Children's Services are forecasting a net pressure, after draw down from reserve, of £1.564m. The current MTFS already assumes growth of £1.205m for 2022/23 and draft budget for 2022/23 proposes to re-profile an additional £565k growth from Adult Services. Also, there is expected to be a balance on the Children's Social Care Reserve (currently sitting in the Revenue Grants Reserve) of £1.117m at the end of this financial year which can be used in 2022/23 to support pressures. As this reserve funding is temporary, this has been provided for as permanent growth from 2023/24.



- 1.26 At its meeting on 1 July 2021, Cabinet approved the setting up and commencement of the Harrow Strategic Development Partnership (HSDP) with Wates Construction Ltd. Funding has previously been set aside up to 2022/23 to fund a Regeneration Team to support the HSDP. From 2023/24 the required team budget of £1.25m has been built into the draft MTFS.
- 1.27 Elsewhere on this agenda, there is a separate report which recommends the Council's application to the Living Wage Foundation to become an accredited authority. To support this strategy, which has a seven-year implementation plan, investment of £1.9m is provided for in the draft MTFS. (Report: Application to the Living Wage Foundation to become an accredited authority).
- 1.28 In the 2020/21 budget setting process, a Council Wide transformation target of £1m in both 201/22 and 2022/23 was set. Due to the impact of Covid-19 on the organisation's capacity, this £2m target has had to be removed from the draft MTFS at this time.
- 1.29 In the current MTFS Adults Social care growth of £3.691m is already provided for to fund complexity and demand care growth and care provider inflation. This growth has been reviewed and it is estimated that it can be reduced by £565k and moved over to Children's Services to support their increasing pressures already covered in this report. The Adult Social Care Reserve is forecast to have no planned draw downs in the current financial year and will remain at £1.969m to support the service.
- 1.30 The current MTFS assumes an annual contribution from Concilium Assets LLP (which manages the private rented sector properties at Gayton Road) of £642k by 2022/23. This annual contribution has been reprofiled slightly to be re-profiled in full by 2025/26.
- 1.31 A significant impact of Covid-19 in the current financial year is the loss of income in the Community directorate. Growth of £5m had to be provided for in the current years budget with 80% of this income loss estimated to be recovered over the next two years. Income budgets within the directorate have been robustly managed throughout the year and, whilst the quantum of income recovery remains at 80%, its recovery is estimated to be quicker than originally planned to the betterment of £300k in 2022/23.

### **Technical Changes**

- 1.32 Over recent years the Council has pursued a strategy of internal borrowing rather than taking on external debt to fund its Capital Programme. This, along with the application of capital receipts and the continued slippage on the programme has led to in year savings against the capital financing budget. In year these savings are being used to minimise the planned draw down from reserves and from 2022/23 a permanent budget reduction of £2m is estimated. This will be refined in preparation for the final budget.
- 1.33 As part of the prior years process for re setting the existing three-year Capital Programme up to 2023/24, there was a cost implication of £224k which fell in 2024/25 and this is now reflected in the draft MTFS. The updated Capital Programme is subject to a separate report on this agenda. The additional

capital financing cost associated with the new proposed Capital bids across all 3 years (which total a net increase in the Programme of £16.325m) is £2m in total in 2025/26. As this year is outside of the current period of the MTFS, this increase needs to be factored into the budget for 2025/26 as part of next year's 2023/24 budget process.

- 1.34 The current MTFS assumes £4.750m in both 2022/23 and 2023/24 for pay and non-pay inflation. For 2022/23 this is notionally split £2m for pay inflation at 2% and £2.75m non pay inflation. The pay award for the current financial year is not agreed at the time of writing this report and, with high inflation rates, there is concern that the current provision for 2% for pay in 2022/23 may not be sufficient and there will be a call on the non-pay provision. The remainder of the non-pay inflation budget is provisionally allocated to energy inflationary pressures and as further support to the front-line budgets. In 2023/24 the £4.750m is provisionally split £2.75m for pay and £2m for front line pressures which are not accounted for separately in the MTFS.
- 1.35 In 2024/25 provisions has been made for £3.750m pay and non-pay inflation and £3.788m for directorate growth. It is accepted that these are high level estimates for the third year of the MTFS, which could be achieved within a forecast balanced budget position and which will be refined as part of the MTFS refresh process and as future directorate plans are worked through. If these provisions do prove to be high, they can be reversed out of the budget.
- 1.36 The Concessionary Fares / Freedom Pass Scheme provides free travel for older and disabled London residents on all Transport for London (TFL) travel modes and on most National Rail routes (with restrictions). The methodology used for settlement of the scheme with TFL uses journey data for the previous 2 years. Covid-19 has significantly reduced the use of public transport, including among concessionary fare passengers and London Councils have provided 2-year cost estimates for each London Borough. Harrow's concessionary fares base budget is £8.590m. Further savings of £1.253m are estimated for 2022/23 over and above those already assumed. However, for 2023/24, journeys are estimated to increase and growth of £644k will be required in addition to that already planned to take the base budget to £7.778m.

### **Spending Review – Estimated Additional Grants**

- 1.37 As previously explained, SR21 announced £3.6b over the three years for the Adult Social Care Funding Reform to cover preparation and implementation of the reforms, supporting those who reach the care cap and the fairer cost of care. The allocation of this funding will not be announced until the Indicative Financial Settlement in December. For budgeting purposes, the profiling of the funding has been based on information received from London Councils. The Council 's share is based on proportionality, i.e. Harrow's proportionate share of Adults Social care nationally (0.004). As this funding is ring fenced to funding the costs of the reforms, it will have a neutral impact on the MTFS as funding received is matched by new expenditure.
- 1.38 Again, as previously explained, SR21 announced £1.5b per annum of new core grant funding intended to cover inflationary pressures, the employer NI increase of 1.25%, announcements on public sector pay, Covid-19 impact on

demand (Adult social care, mental health and Children's Services). This must also cover the inflationary pressures felt by those outside Local Government which will come back into the sector via increased costs. Again, the allocation of this funding will not be announced until the Indicative Financial Settlement in December and proportionality of 0.004 has been applied resulting in an estimated annual grant sum into the Council of £6m.

- 1.39 Prior to SR21, an increase in employer NI by 1.25% was announced and the estimated impact for the Council is £800k.

#### **Application of Budget Planning Reserve MTFS**

- 1.40 After all known adjustments, some based on estimates which will be subject to change, the draft budget for 2022/23 still shows a budget gap of £15.7m. Whilst all efforts have been made to include all quantifiable SR21 announcements within the MTFS it is recognised that there is still a level of clarity to be sought from the indicative settlement in late December, which will impact on the budget gap making it better or worse. The Council could embark on a drastic programme of cuts to immediately address the draft budget gap or it could call upon reserves, set aside for budget planning purposes, to provide a temporary solution. However once the indicative settlement had been announced and the implications worked through for the Council, this will finally clarify the Council's financial position for the next three years. Whilst the Council will continue its lobbying for a fairer funding settlement which meets the needs of the borough, the Council must now urgently focus on a strategy to tackle its financial challenges and for this reason the Council must develop a fully costed budget and implementation plan addressing the budget gap. This plan will be reported through the Cabinet process identifying in years and / or savings to be built into the next refresh of the MTFS.
- 1.41 The Council has a Budget Planning Reserve MTFS of £15.836m. This report recommends applying £15.7m of this reserve to clear the 2022/23 estimated budget gap. The action of applying one off reserves to the budget gap is only temporary in nature and must be reversed out in the following year, the impact being the draft MTFS shows a budget gap of £14.847m in 2023/24.
- 1.42 All efforts have been made to set a realistic budget for 2022/23 making provisions for all known growth / investment requirements and prudent assumption on grants not quantified. For these reasons, it is hoped that the settlement does not have an adverse impact on the budget gap. The first call on any financial benefit gained from the settlement not already planned for must be applied to reducing the £15.7m of one-off reserves to balance the 2022/23 budget gap. This action will immediately reduce the estimated budget gap of £14.847m in 2023/24 as a lower level of one-off reserves will be reversed out.

### Budget Refresh, Growth & Savings

- 1.43a There is a commitment to refresh the three-year MTFS annually to ensure it remains reflective of the changing Harrow and Local Government landscape. All the savings in the current MTFS for 2022/23 have been reviewed to ensure that they can either be taken forward or removed as part of this draft budget. Table 3 below summarises the growth/reversed savings and savings from the 2021/22 process and table 4 summarises the position from the prior years budget setting process. The summary information in the tables is support by the details in appendices 1A and 1B:

<b>Table 3: Growth/Reversed savings and Savings from 2021/22 Process</b>			
	<b>2022-23</b>	<b>2023-24</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Reversal of prior year savings/ growth and new savings</b>			
Resources	(177)	-	(177)
Children			-
Community	(300)	(600)	(900)
Corporate	1,475	600	2,075
<b>Total</b>	<b>998</b>	<b>-</b>	<b>998</b>
<b>Growth and reversal of prior year savings</b>			
Resources	-	-	-
Adults	1,047	-	1,047
Children	1,205	-	1,205
Community	(1,918)	(1,499)	(3,417)
Corporate	-	-	-
<b>Total</b>	<b>334</b>	<b>(1,499)</b>	<b>(1,165)</b>
<b>Net Impact of Reversals/Growth and Savings</b>	<b>1,332</b>	<b>(1,499)</b>	<b>(167)</b>

**Table 4: Savings and Growth 2022/23 from the 2020/21 Budget Process**

	<b>2022-23</b>	<b>Total</b>
	<b>£000</b>	<b>£000</b>
<u>Savings Summary</u>		
Resources	-	-
Children	-	-
Community	-	-
Corporate	(2,222)	(2,222)
<b>Total Savings</b>	<b>(2,222)</b>	<b>(2,222)</b>
<u>Growth Summary</u>		
Resources	678	678
Adults	-	-
Children	-	-
Community	-	-
Corporate	-	-
<b>Total Growth</b>	<b>678</b>	<b>678</b>
<b>Total Savings and Growth</b>	<b>(1,544)</b>	<b>(1,544)</b>

## **CAPITAL RECEIPTS FLEXIBILITY**

- 1.43b In 2016 the government announced the Capital Receipts Flexibility Scheme to support local authorities to deliver more efficient and sustainable services by allowing them to spend up to 100% of their fixed assets receipts on the revenue costs of reform projects. The flexibility is in place until 2021/22. In its Local Government Finance Settlement, published in February 2021, MHCLG announced a further extension from 2022/23 onwards of the existing scheme. The settlement indicated further details on the extension will be published in due course and, until received, the principles of the existing flexibilities will be assumed.
- 1.44 In June 2021, a report was taken to Cabinet proposing to fund the modernisation and organisation funding requirement of £4,444,638 under the capital flexibilities scheme with the receipts being generated from the sale of development at Waxwell Lane and Haslam House. As these schemes are due to complete between now and final budget, the profiling of the capital flexibilities being applied will be updated in the final budget.

## **SCHOOLS FUNDING FOR 2022/23**

- 1.45 In 2018/19 the government introduced a new National Funding Formula (NFF) for Schools, High Needs and the Central Schools services Block. For the Schools Block this means LAs are funded based on the total of the NFF for all schools, academies and free schools in its area. However, the final formula for distribution is determined by each Council following consultation with schools and Schools Forums.
- 1.46 The LA carried out a consultation in Autumn 2017 which sought views on whether the LA should continue to use the Harrow Schools Funding Formula or introduce the National Funding Formula from 2018/19. 76% of schools responded to the consultation and 89% voted in favour of introducing the NFF

from 2018/19. This was approved by Cabinet in February 2018 and school budgets for the last three years have been set based on the NFF.

- 1.47 The NFF will therefore continue to be used to distributed school budgets for 2022/23 There are no proposed changes to the structure of the formula for 2022/23. The proposed final funding formula and final DSG allocations will be reported to Cabinet in February 2022 for approval.

#### **PUBLIC HEALTH FUNDING 2022/23**

- 1.48 In 2021/22 the total public health grant to local authorities totalled £3.324bn, with £11.310m being allocated to Harrow. The grant is ringfenced for use on public health functions exclusively for all ages of the population and must be spent in accordance with grant conditions on expenditure incurred by local authorities for the purposes of their public health functions, as specified in Section 73B(2) of the National Health Service Act 2006.
- 1.49 The draft Public Health commissioning intentions detailed in Appendix 4 are based on the current (2021-22) grant allocation as Public Health England have yet to announce national funding for 2022-23, however the comprehensive spending review confirmed that the grant would be maintained in real terms. These commissioning intentions reflect alignment with the Health & Wellbeing Strategy, Borough Plan and evidence of population priorities.
- 1.50 The Council consider that this level of funding enables the Council's overarching statutory duties (including equality duties) to be maintained, taking account of the joint strategic needs assessment, however in the event that additional duties are required by Councils, and if these were unfunded, the commissioning intentions would need to be reviewed in light of the allocated grant envelope.

#### **BETTER CARE FUND (BCF) 2022/23**

- 1.51 The framework for the Better Care Fund (BCF) derives from the government's mandate to the NHS which sets an objective for NHS England to ring fence funding to form the NHS contribution to the BCF. The NHS Long Term Plan, published in January 2019 set out the priorities for transformation and integration, including plans for investment in integrated community services and next steps to develop Integrated Care Systems.
- 1.52 The BCF continues to provide a mechanism for personalised, integrated approaches to health and care that support people to remain independent at home or to return to independence after an episode in hospital. The continuation of the national conditions and requirements of the BCF provides opportunities for health and care partners to build on their plans to embed joint working and integrated care further, including how to work collaboratively to bring together funding streams to maximise the impact on outcomes for communities and sustaining vital community provision.
- 1.53 The 2022/23 Adults budget assumes that funding for the Protection of Social Care through the BCF will remain at the agreed 2021/22 level of £6.759m, although this should be expected to increase in light of the NHS funding

commitments made within the spending review. The Better Care Fund Policy statement and Policy Framework and Planning Requirements will provide the detailed guidance when published in early 2022 (usually March), however the requirements around integration and collaborative working are expected to continue.

- 1.54 The 2022/23 BCF plan will be signed off by the Health & Wellbeing Board ahead of submission to, and assurance by, NHS England.

## **RESERVES AND CONTINGENCIES**

- 1.55 Reserves and contingencies need to be considered in the context of their role to protect the Council's 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. The Councils overall reserves position is reported to Cabinet quarterly as part of the revenue monitoring update. At quarter 2 (end of September 2021), total reserves are £64.720m. After accounting for ear marked reserves and the £15.7m recommended to balance the 2022/23 budget, this does leave the Councils remaining non ear marked reserves at a much-reduced level:

- Contingency for Unforeseen items £1.248m (on going revenue reserve)
- General Fund – £10m
- London Living Wage - £250k (provision recommended for base budget)
- Business Risk Reserve - £3.350m
- MTFS Implementation Reserve – £349k
- Balance Budget Planning MTFS - £136k

- 1.56 At the end of the financial year, all reserves are reviewed. The Director of Finance and Assurance will report on the adequacy of the Council's reserves as required in the budget setting report in February 2022.

## **LONDON BOROUGH'S GRANTS SCHEME**

- 1.57 Harrow's contribution to the London Borough's Grant Scheme was £187k in 2021/22. At the time of writing this report the Council has not been notified of the recommended contribution for 2022/23. 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 & Assurance to agree Harrow's 2022/23 contribution to the London Borough's Grant Scheme, in consultation with the Portfolio Holder for Finance and Resources. The contribution rate will be reported to Cabinet in February 2022 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.

2.2 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 and extent to which alternatives and discarded options have been discarded.

2.3 Public consultation on the overall budget for 2022/23 will commence on 10 December 2021 and will last for a period of 4 weeks ending 07 January 2022 before the final budget is recommended to Full Council on the 24 February 2022. The public consultation will give residents an opportunity to comment on the 2022/23 overall budget before final decisions are formalised in the council's annual budget. Other key stakeholders, including Union Representatives, local businesses, employees and the Council Scrutiny function will also be fully consulted in the draft budget and MTFS before final approval.

2.4 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 will be taking place for the 2022/23 savings and may be subject to a separate cabinet report.



### 3.0 PERFORMANCE ISSUES

- 3.1 In terms of financial performance, Cabinet are updated quarterly of forecast spend against the agreed budget and achievement of savings built into the budget. The same information is also presented to the Performance and Finance Scrutiny Sub Committee regularly throughout the year.

### 4.0 RISK MANAGEMENT IMPLICATIONS

- 4.1 Risks included on corporate or directorate risk register? Yes – Inability to deliver the Council's MTFS is included in the Corporate Risk Register

Separate risk register in place? No

The relevant risks contained in the register are attached/summarised below.  
Yes

The following key risks should be considered when agreeing the recommendations in this report:

Risk Description	Mitigations	RAG Status
Inability to deliver the Council's approved MTFS - over the next 3 years leading to an inability to set a balanced budget and provide core services	<ul style="list-style-type: none"><li>• Process to challenge and quality-assure MTFS savings and impacts submitted</li><li>• Process to ensure MTFS accurately reflects demand &amp; legislative changes</li><li>• In-year Revenue &amp; Capital monitoring reported to CSB, Cabinet and all members regularly</li><li>• Revenue budget contingency remains in place for unforeseen items</li><li>• Strategic financial planning with CSB &amp; Cabinet</li></ul>	Red At Quarter 3 2020/21 this risk is rated at B2 on the Corporate Risk Register – high likelihood and critical impact.
The draft budget was based on the Spending Review 2021 that confirmed broad plans for public spending for 2022/23. There is a risk that the Indicative Financial Settlement which is expected mid to late December followed by the Final Settlement no later than January 2022 differ requiring changes to the budget	<ul style="list-style-type: none"><li>• Draft budget based on most up to date information from London Councils and DHLUC based on prudent assumptions</li><li>• The final budget will be prepared taking into account the Final Settlement</li><li>• There is a contingency for unforeseen items (£1.248m) which is intended to support uncertainties</li></ul>	Amber

<p>The budget gap of £14.847m identified for 2023/24 is larger than predicted and the estimated balanced budget for 2024/25 is unachievable.</p>	<ul style="list-style-type: none"> <li>• Draft budget based on most up to date information from London Councils and DHLUC based on prudent assumptions</li> <li>• Directorate pressures have been included where known</li> <li>• The Council still has its general fund reserve balance of £10m</li> </ul>	<p>Amber</p>
<p>The application of one off reserves to balance the 2022/23 budget pushes the budget gap into 2023/24</p>	<ul style="list-style-type: none"> <li>• The Council still has its general fund reserve balance of £10m</li> <li>• £x of other non- earmarked reserves remain on the balance sheet to help support the MTFS</li> <li>• Development of a fully costed budget and implementation plan addressing the budget gap and reported to Cabinet which could include in year savings for 2022/23</li> </ul>	<p>Red</p>
<p>Balanced budget for 2021/22 not achieved adversely impacting on the 2022/23 budget</p>	<ul style="list-style-type: none"> <li>• There is a contingency for unforeseen items (£1.248m) which has not been called upon</li> <li>• Harrow has a good track record of robust financial management and has not reported a revenue budget overspend for many years.</li> <li>• The 'Qtr 2 Revenue and Capital Budget Monitoring 2021/22' report forecasts a net overspend of £101k. This is reduction of £540k on the Qtr 1 reported forecast and is a positive sign the Council will achieve a balanced budget position by the end of the financial year.</li> </ul>	<p>Green</p>

## 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 PROCUREMENT IMPLICATIONS**

- 7.1 There are no procurement implications arising from this report.

## **8.0 EQUALITIES IMPLICATIONS / PUBLIC SECTOR EQUALITY DUTY**

- 8.1 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*

- 8.2 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.

## **9.0 COUNCIL PRIORITIES**

- 9.1 The Council's draft budget for 2020//21 has been prepared in line with the Council's priorities:

- Building a Better Harrow
- Supporting Those Most in Need
- Protecting Vital Public Services
- Delivering a Strong Local Economy for All
- Modernising Harrow Council

### **Section 3 - Statutory Officer Clearance**

**Statutory Officer: Dawn Calvert**

Signed by the Chief Financial Officer

**Date: 30 November 2011**

**Statutory Officer: Jessica Farmer**

Signed on behalf of the Monitoring Officer

**Date: 30/11/2021**

**Chief Officer: Charlie Stewart**

Signed by the Corporate Director

**Date: 30 November 2021**

**Head of Procurement: Nimesh Mehta**

Signed by the Head of Procurement

**Date: 30 November 2021**

**Head of Internal Audit: Susan Dixon**

Signed by the Head of Internal Audit

**Date: 26 November 2021**

### **Mandatory Checks**

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

EqIA carried out: NO To be reported on as part of the Feb Budget report.

EqIA cleared by: N/A

### **Section 4 - Contact Details and Background Papers**

**Contact: Dawn Calvert, Director of Finance and Assurance,**

Tel: 0208 4209269, dawn.calvert@harrow.gov.uk

**Background Papers: none**

**Call-in waived by the Chair of Overview and Scrutiny Committee**

**NO**

Growth/Reversed savings and savings- 2021/22 Budget Process														
Item No	Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction	2020/21 Service Budget	agreed Savings /growth 2020/21	agreed' Savings /growth 2021/22	Net budget	2022-23	2023-24	Total	Risk	EQIA Required Y/N	Does this proposal impact on another directorate Y/N	Key Stakeholders to consult 'Yes/No Completed
				£000	£000	£000	£000	£000	£000	£000				
Reversal of prior year savings/ growth and new savings														
Resources Directorate														
										-				
1		Legal & Governance	Bucks and Aylesbury Vale District Council exit of shared service with Legal Services. Scale down the growth agreed in 20/21 budget process.The growth was to fund the net impact of this lost income.	7,550	0	0	7,550	(177)		(177)		N	N	
			Resources total	7,550	-	-	7,550	(177)	-	(177)				
Community Directorate														
3		Housing General Fund	Property Acquisition Programme - Savings in Temporary Accommodation costs as a result of purchasing properties to use for temporary accommodation as an alternative to using Bed and Breakfast and Private Sector Leasing to house the homeless. The Capital Programme allocation to be funded from borrowing is approximately £6m pa for 2021/22, 2022/23 and 2023/24 - totalling £18.062m over a 3 year period. Based on Capital financing costs of 5% (2% MRP and 3 % interest), the annual cost would be £900k by year 3. The saving will be reviewed and adjusted according to capital spend taking place.					(300)	(600)	(900)		N	N	
			Community Total		-	-	966	(300)	(600)	(900)	-			
Corporate														
4	Corporate	Capital Financing	Capital Financing costs as a result of the Property Acquisition Programme. To be offset by savings in the Housing General Fund included in this schedule.					300	600	900		N	N	
5	Corporate	Corporate	Removal of Investment Property Capital Budget and savings associated.		-	(7,050)	(7,050)	3,525	-	3,525		N	Y	
6	Corporate	Corporate	Capital financing costs reduced as a result of removal of Investment Property Capital Budget		-	4,700	4,700	(2,350)	-	(2,350)		N	Y	
			Corporate Total					1,475	600	2,075	-			
			Total					998	-	998				

Growth/Reversed savings and savings- 2021/22 Budget Process															Appendix A
Item No	Unique Reference No.	Specific Service Area	Headline Description re: saving / reduction	2020/21 Service Budget	agreed Savings /growth 2020/21	agreed' Savings /growth 2021/22	Net budget	2022-23	2023-24	Total	Risk	EQIA Required Y/N	Does this proposal impact on another directorate Y/N	Key Stakeholders to consult 'Yes/No Completed	
Growth and reversal of prior year savings															
People Directorate															
			Adults												
10		Placements	Demand Pressures - additional pressures identified and reported to Cabinet in February 2020.	35,686	7,317	0	43,003	1,047	-	1,047		N	N	N	
			Total Adults					1,047	-	1,047					
			Children's Services												
12	PCS21.22_G01	CYPS	Children's Placements & Accomodation	25,482				1,205		1,205		N	N	No	
			Total Children's Services		-	-	-	1,205	-	1,205					
			People Total		-	-	-	2,252	-	2,252					
Community															
14	COM21.22_G01	Directorate wide	Impact of Covid-19: Loss of income across Community directorate	(46,399)	-	-	(46,399)	(2,218)	(1,799)	(4,017)		N	N	No	
19	COM21.22_G06	Waste Services	West London Waste Authority Levy increases as a result of waste growth, household growth and contract price inflation	8,357			8,357	300	300	600		N	N	No	
			Community Total		-	-	-	(1,918)	(1,499)	(3,417)					
			Total		-	-	-	334	(1,499)	(1,165)					
			Net Impact of Reversals/Growth and Savings					1,332	(1,499)	(167)					

Total Savings and Growth 2022/23 from 2020/21 Budget Process											Appendix 1B
Item No	Unique Reference No.	Headline Description re: saving / reduction	2019/20 Service Budget	agreed Savings /growth 2020/21	agreed'Sa vings /growth 2021/22	Net budget	2022-23	Total	EQIA Required Y/N	Does this proposal impact on another directorate Y/N	Key Stakeholder s to consult 'Yes/No Completed
			£000	£000	£000	£000	£000	£000			
Savings											
Corporate											
27	COR 02	Gayton Road - income from 53 PRS units					(47)	(47)	N	N	N
29	COR 04	Income from £100m Investment Property Purchase					(3,525)	(3,525)	N	N	N
30	COR 05	Capital Financing Cost of the £100m Investment Property					2,350	2,350	N	N	N
	COR 04 and 05	The net impact of the Investment Property income is being reversed out in Appendix 1A									
31	COR 06	Transformation Target - additional £1m over and above SEN Transport target per annum					(1,000)	(1,000)	N	N	N
		Corporate Total					(2,222)	(2,222)			
		Total Savings					(2,222)	(2,222)			
Growth											
Resources											
2	RES G2	Bucks and Aylesbury Vale District Council exit of shared service with Legal Services. The growth is to fund the net impact of this lost income.					678	678	N	N	N
	RES G2	A proportion of this growth is being reversed out in Appendix 1A									
		Resources Total	-	-	-	-	678	678			
		Total Growth	0	0	0	0	678	678			
		Net Savings/Growth					(1,544)	(1,544)			



**MEDIUM TERM FINANCIAL STRATEGY**  
**2022/23 to 2024/25**

Appendix 2

	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Budget Requirement Brought Forward</b>	179,440	185,482	189,904
Corporate & Technical	6,254	20,769	4,501
People	2,252	0	0
Community	-2,218	-2,099	0
Resources	501	0	0
Corporate	-747	600	0
<b>Total</b>	<b>6,042</b>	<b>19,270</b>	<b>4,501</b>
<b>FUNDING GAP</b>	<b>0</b>	<b>-14,847</b>	<b>0</b>
<b>Total Change in Budget Requirement</b>	<b>6,042</b>	<b>4,423</b>	<b>4,501</b>
<b>Revised Budget Requirement</b>	<b>185,482</b>	<b>189,904</b>	<b>194,406</b>
Collection Fund Deficit/-surplus	52	0	0
Revenue Support Grant	-1585	-1585	-1585
Top Up	-22,623	-22,623	-22,623
Retained Non Domestic Rates	-15,141	-15,141	-15,141
<b>Amount to be raised from Council Tax</b>	<b>146,185</b>	<b>150,555</b>	<b>155,057</b>
<b>Council Tax at Band D</b>	<b>£1,646.50</b>	<b>£1,695.73</b>	<b>£1,746.43</b>
<b>Increase in Council Tax (%)</b>	<b>2.99%</b>	<b>2.99%</b>	<b>2.99%</b>
Tax Base	88,785	88,785	88,785
	98.00%	98.00%	98.00%
Gross Tax Base	90,597	90,597	90,597

## MTFS 2022/23 to 2024/25 – Proposed investments / savings

Appendix 2

Technical Adjustments			
	2022/23	2023/24	2024/25
	£000	£000	£000
<b>Capital and Investment</b>			
Capital Financing costs from additional Capital Programme	1250		
<b>Implications of Capital Programme agreed for 2020/21 to 2023/24</b>	2981	470	
<b>Saving on Capital Financing costs - 2022/23 process</b>	-2000		
<b>Implications of Capital Programme agreed for 2021/22 to 2023/24 budget process</b>			225
<b>Total Capital and Investment Changes</b>	<b>2,231</b>	<b>470</b>	<b>225</b>
<b>Grant Changes</b>			
Assumption that New Homes Bonus reduces in 2022/23	728		
<b>Reversal of previous reductions in NHB assumed on the basis it continues</b>	-728		
<b>Additional NHB over estimated sum (£3.185m v £3.176m estimated)</b>	9		
Additional Social Care grant announced in SR estimated figure	-800	-5600	-8000
Additional Cost of Adult Social Care Reform	800	5600	8000
Increase - Core Spending Grant	-6000	-6000	-6000
Cost of National Insurance Increase	800		
Multiplier Adjustment from core spending increase	1710		
<b>£1.55b grant to meet additional COVID expenditure (one off)</b>	6051		
<b>Income compensation for sales, fees and charges - 3 mth extension</b>	500		
<b>Extra Multiplier grant</b>	477		
<b>Retain Multiplier grant at 2021/22 level</b>	-1710		
<b>Council Tax Support Grant</b>	1780		
<b>Lower Tier grant</b>	399		
<b>Total Grant Changes</b>	<b>4,016</b>	<b>-6,000</b>	<b>-6,000</b>
<b>Other Technical Changes</b>			
<b>Freedom Passes - estimated reduction in usage</b>	<b>-1580</b>	<b>1377</b>	
Freedom Passes - revision to usage figures from London Council update	-1271	644	1000
<b>Use of Reserves</b>			
Use of Business Risk Reserve for one off investment of £1m pa for 3 years	-1000		
One off Investment into front line priorities	1000		
Use of Business Risk Reserve smoothed over 2 years	3350		
Children's social care reserve - no applied in 20/21	852		
One of use of Reserves	-15700	15700	
£2m 20/21 target underspend - to be added to reserves in 2021/22	2000		
<b>Total Other Technical Changes</b>	<b>-12,349</b>	<b>17,721</b>	<b>1,000</b>
<b>Pay and Inflation</b>			
Pay Award @ 2% pa	2000		
Pay Award @ 2.75% pa		2750	2750
Non Pay Inflation/budget pressures	2750	2000	1000
<b>Total Pay and Price Inflation</b>	<b>4,750</b>	<b>4,750</b>	<b>3,750</b>
<b>OTHER</b>			
Gayton Road Income - Reprofiting of income	62	-22	-12
Capital Receipts Flexibility - £2m applied in 2021/22	2000		
Adults Growth / Pressure	2644		
Growth Special Needs Transport - Childrens Services	750	750	750
Growth Childrens pressures		1100	
Growth Regeneration Revenue Budget		1250	
Growth London Living Wage	450	450	1000
Reversal of Transformation Savings	2000		
Adults growth Reduction	-565		
Childrens additional growth	565		
Reprofiting of COVID loss of income in Community	-300	300	
Directorate growth			3788
<b>Total Corporate &amp; Technical</b>	<b>6,254</b>	<b>20,769</b>	<b>4,501</b>

**MTFS 2022/23 to 2024/25 – Proposed investments / savings** Appendix 2

<b>People</b>			
	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>Children &amp; Families</b>			
Proposed Savings - Appendix 1B	0	0	0
Proposed Growth - see appendix 1a	1,205	0	0
<b>Sub total Children &amp; Families</b>	1,205	0	0
<b>Adults</b>			
Proposed Growth - see appendix 1a	1047	0	0
Proposed Growth - see appendix 1b	0	0	0
<b>Sub total Adults</b>	1,047	0	0
<b>Total People Directorate</b>	<b>2,252</b>	<b>0</b>	<b>0</b>

**MTFS 2022/23 to 2024/25 – Proposed investments / savings** Appendix 2

<b>Community</b>			
	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Proposed Savings - see appendix 1a	-300	-600	0
Proposed Growth - see appendix 1a	-1,918	-1,499	0
Proposed Savings - see appendix 1b	0	0	0
Proposed Growth - see appendix 1b	0	0	
<b>Total Community</b>	<b>-2,218</b>	<b>-2,099</b>	<b>0</b>

**MTFS 2022/23 to 2024/25 – Proposed investments / savings**

Appendix 2

<b>Resources</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
Proposed Savings - see appendix 1b	0	0	0
Proposed Growth - see appendix 1b	678	0	0
Proposed Savings - see appendix 1a	-177	0	0
Proposed Growth - see appendix 1a	0	0	
<b>Total Resources</b>	<b>501</b>	<b>0</b>	<b>0</b>

**MTFS 2022/23 to 2024/25 – Proposed investments / savings**

Appendix 2

	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
<b>CORPORATE</b>			
Proposed Savings - appendix 1a	1475	600	0
Proposed Growth - appendix 1a	0	0	0
Proposed Savings - see appendix 1b	-2,222	0	0
Proposed Growth - see appendix 1b	0	0	
<b>Total Corporate</b>	<b>-747</b>	<b>600</b>	<b>0</b>

**School Budgets – Dedicated Schools Grant (DSG) 2022/23****Introduction**

1. The Dedicated Schools Grant (DSG) is a ring fenced grant of which the majority is used to fund individual schools budgets in maintained schools and academies in Harrow. It also funds Early Years nursery entitlement for 2, 3 and 4 year olds in maintained council nursery classes and private, voluntary and independent (PVI) nurseries as well as provision for pupils with High Needs including those with Education Health & Care Plans (EHCPs) in special schools, special provision and mainstream schools in Harrow and out of borough. The DSG is split into four blocks: Schools Block, Central School Services Block, Early Years Block and High Needs Block.

**Schools Funding for 2022-23**

2. In 2018-19 the government introduced a new National Funding Formula (NFF) for Schools, High Needs and the Central Schools services Block. For the Schools Block this means LAs are funded on the basis of the total of the NFF for all school, academies and free schools in its area. However the final formula for distribution is determined by each Council following consultation with schools and Schools Forums.
3. The LA carried out a consultation in Autumn 2017 which sought views on whether the LA should continue to use the Harrow Schools Funding Formula or introduce the National Funding Formula from 2018-19. 76% of schools responded to the consultation and 89% voted in favour of introducing the NFF from 2018-19. This was approved by Cabinet in February 2018 and school budgets for the last three years have been set based on the NFF.
4. The NFF will therefore will continue to be used to distributed school budgets for 2022-23.
5. From 2020 the government intended to implement the NFF in full which means that school allocations will be determined by the DfE rather than LAs. However this has been delayed and there is no fixed date for this.
6. There are no proposed changes to the **structure** of the formula for 2022-23 however there are a number of changes for schools to be aware of.

**Changes in 2022-23****Increase in factor values**

**Table 1 – funding formula factor values**

Factors	2021-22		2022-23		% Change	
	Pri	Sec	Pri	Sec	Pri	Sec
Pri AWPU	£3,429.15		£3,540.05		3%	
KS3 AWPU		£4,835.72		£4,991.51		3%
KS4 AWPU		£5,449.52		£5,625.35		3%
FSM	£505.09	£505.09	£517.20	£517.20	2%	2%
Ever6	£631.37	£922.35	£649.25	£951.86	3%	3%
IDACIF	£236.08	£340.39	£242.09	£352.13	3%	3%
IDACIE	£285.49	£455.68	£297.11	£467.68	4%	3%
IDACID	£450.19	£636.86	£462.18	£654.75	3%	3%
IDACIC	£488.62	£691.76	£506.19	£715.27	4%	3%
IDACIB	£521.56	£746.66	£539.21	£770.29	3%	3%
IDACIA	£680.78	£949.80	£704.27	£979.37	3%	3%
LPA	£1,202.34	£1,822.73	£1,243.47	£1,881.72	3%	3%
EAL	£603.92	£1,630.57	£621.74	£1,683.64	3%	3%
Mobility	£988.23	£1,416.46	£1,017.89	£1,463.56	3%	3%
Lump Sum	£129,347.9	£129,347.93	£133,480.95	£133,480.95	3%	3%

7. The Minimum Per-Pupil Funding Levels (MPPL) will be set at £4,265 for primary schools and £5,525 for secondary schools compared with £4,180 and £5,415 in 2021-22.
8. NFF Factor values have increased by:
  - 3% to basic entitlement, FSM6, IDACI, low prior attainment, EAL and the lump sum
  - 2% to the floor, the MPPL and FSM
  - 0% on the premises factor
9. Free School Meals (FSM) – data on pupils who have been eligible for FMS6 is now taken from the October 2020 school census instead of the January 2020 census, to make the factor more up to date and bring it in line with arrangements for other NFF factors as well as the pupil premium
10. Low Prior Attainment – data from the 2019 Early Years Foundation Stage Profile (EYFSP) and KS2 tests is used as a proxy for the 2020 tests, following the cancellation of assessment due to Covid-19
11. Mobility – pupils who joined a school between January 2020 and May 2020 attract funding for mobility based on their entry date, rather than by virtue of the May school census being their first census at the current school as the May 2020 census did not take place due to Covid-19
12. Rates – school business rates will be paid by the ESFA to LAs directly on behalf of all state funded schools from 2022-23. Further details will be issued separately within the formal consultation response.



13. Teachers Pay Grant (TPG) and Teachers Pension Employers Contribution Grant (TPECG) are now fully rolled into the NFF. No separate adjustments are needed to local formulae beyond what was already done in 2021-22 to account for these grants in 2022-23.
14. Block transfers – LAs will continue to be able to transfer up to +0.5% of the schools block to other blocks of the DSG, with schools forum approval. A disapplication is required for transfers above 0.5% or for any amount where schools forum does not give approval.
- 15.

### **Minimum Funding Guarantee (MFG)**

16. The MFG will continue and the allowable range for 2021-22 is between +0.5% and +2%.
17. This means that each school will gain at least +0.5% *per pupil* compared with the 2020-21 budget.
18. Where schools are protected by MFG this means that they are receiving funding over and above that which is calculated by the National Funding Formula because of the levels of funding they had been receiving prior to the introduction of the NFF. In future years if the MFG protection is removed then those schools who are funding above the NFF will see an immediate drop in funding from one year to the next.

### **Central School Services Block**

19. The CSSB funds the following services:
  - School Admissions
  - Servicing of Schools Forum
  - LA retained duties for schools and academies.
20. The indicative funding for 2022-23 is £1.4m.

### **Growth Fund**

21. 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 which create additional classes at the request of the LA.

### **High Needs Funding**

22. High Needs funding is designed to support a continuum of provision for pupils and students with special educational needs and disabilities (SEND) from 0-25 years old. The following are funded from the High Needs Block of the DSG:
  - Harrow special schools and academies
  - Additionally Resourced Mainstream (ARMs) units in mainstream schools and academies
  - Places in out of borough special schools and independent school provision
  - EHCPs in mainstream schools and academies

- Post 16 provision including Further Education
  - SEND Support services and support for inclusion
  - Alternative provision including Pupil Referral Units and education other than at school
23. The government introduced a National Funding Formula for High Needs from 2018-19. Funding has previously been based on historical allocations plus small annual amounts of growth. In order to manage increasing growth for demand and complexity, annual funding transfer from the schools block into the high needs block have been approved by Schools Forum
24. From 2018-19 the Schools Block has been ring-fenced and transfers between blocks has been restricted to 0.5% of the Schools Block (approx. £800k). The decision to agree a transfer remains with Schools Forum. It agreed a transfer of 0.5% in 2018-19 and a reduced transfer of 0.25% in 2019-20 however it did not agree to any transfer beyond 2019-20 on the basis that the government should be properly addressing the inherent underfunding of High Needs pupils and to continue to topslice mainstream school budgets masks the extent of the problem.
25. There is anticipated to be an additional £3m added to the HNB for 2022-23 however there are already significant pressures on the HNB.
26. At the start of 2021-22 there is a cumulative overspend on the HNB of £3.730m and there is a further projected overspend in 2021-22 of £1.165m taking the projected cumulative deficit on the HNB to £4.895m by March 2022.

### **DSG deficits**

27. The government consulted on the treatment of deficits in 2019. The outcome of the consultation was a change to the regulations for the treatment of DSG deficits so that LAs must carry forward any HNB deficit to be funded from the next year's budget share. It also explicitly states that LAs can not and should not fund any DSG deficit from its own reserves.

### **DSG Management Plans**

28. With effect from 2019-20 the DfE has tightened up the rules under which local authorities have to explain their plans for bringing the DSG account back into balance
29. The DfE will require a report from any LA that has a cumulative DSG deficit of more than 1% at the end of the financial year. The 1% calculation will be based on the latest published DSG allocations for 2020-21 compared with the deficit shown in the authority's published draft accounts.
30. The recovery plan has been drafted however and discussed with Schools Forum. However the following points should be noted:
31. Despite the significant proposals and measures planned over the next ten years, this will not mitigate the deficit. This is due to the following contributory factors:

- historical underfunding
- current budgets being based on historical budgets rather than historical spend
- extension of age range to include 0-5 and post 19
- current and projected formulaic funding which does not keep pace with demand
- significant historical and projected growth in number of EHCPs
- continued growth in complexity of pupils' needs
- limitations about creating cost effective provision in borough due to capacity and site limitations

### **Early Years Funding**

32. Funding for Early Years relates to free 15 hour nursery entitlement for all 3 & 4 year olds in maintained nurseries and nursery classes as well as private, voluntary and independent (PVI) provision. From September 2017 this was extended to 30 hour nursery entitlement for eligible 3&4 year olds. It also funds free 15 hour nursery entitlement for disadvantaged 2 year olds.
33. A National Funding Formula for Early Years was introduced in 2017-18. Cabinet approved the structure of the Harrow formula for the distribution of funding to providers in January 2018.
34. Funding rates and allocations will be announced in December 2021.

**Draft Public Health Funding 2022-23****Appendix 4****Mandatory Services**

£000

Sexual Health (incl Family Planning)

2,336

0-19 Services

3,695

Health Checks

184

6,215

**Discretionary Services**

Tobacco Control

73

Drug &amp; Alcohol Misuse

1,934

Physical Activity

30

2,037

**Staffing & Support Costs**

Staffing

1,000

Non-Staffing

91

Overheads

163

1,254

Health Improvement

267

Wider Determinants of Health

1,651

1,917

**Total Expenditure****11,423****Funded by**

Department of Health Grant

-11,310

Contribution from Reserve

-114

**Total Income****-11,424**

0