

**CABINET - 15 FEBRUARY 2018****MINUTE FROM HEALTH AND WELLBEING BOARD – 11 JANUARY 2018****254. INFORMATION REPORT - Draft Revenue Budget 2017/18 - 2019/20**

The Board received a report which detailed Harrow Council's Draft Revenue Budget 2018/19 to 2020/21 and Medium Term Financial Strategy 2018/19 to 2020/21 as reported to the Council's Cabinet on 7 December 2017. It was noted that the budget and MFTS would return to Cabinet in February 2018 for final approval and recommendation to Council.

An officer introduced the report and drew particular attention to the key points relevant to the Health and Wellbeing Board including the continued financial challenges to the health and social care sector. Whilst a balanced budget was forecast, significant challenge was anticipated in the next few years with a budget gap of approximately £27m over the two years 2019/20 and 2020/21. As detailed in the report, the government grant had reduced from £52.1m in 2013/14 to £1.5m in 2019.20 which, together with demographic pressures, underpinned the budget process. The budget process refresh process identified further savings of £2m were planned for 2018/19 including £1,242,000 in adult services and £91,000 in Children and Family Services. The draft budget assumed a 1.99% Council Tax increase and 1.5% social care precept.

Members were informed of relevant growth of £2m in Children's Services, £5.8m in adult care and £275,000 in the public health budget. The draft Public Health commissioning intention expenditure (detailed in the appendix) included an increase in costs associated with health checks, the re-instatement of three posts and a reduction in the savings associated with the ongoing drug and alcohol services. The savings for Project Infinity had been proposed for reversal and income generated would be re-instated into the budget as and when realised. The Better Care Fund arrangements had been built into the budget.

In response to a question, the Board was advised that a two year Better Care Fund programme had been agreed between the Council and CCG and would be reviewed mid year and that the additional Improved BCF (IBCF) resources to the Council had been used to manage social care cost pressures and growth.

The CCG welcomed the reduction in the savings for drug and alcohol services and health checks.

**RESOLVED:** That the report be noted.

**CABINET - 15 FEBRUARY 2018****MINUTE FROM HARROW BUSINESS CONSULTATIVE PANEL - 22 JANUARY 2018****RESOLVED ITEMS****25. Draft Revenue Budget 2018/19 and Medium Term Financial Strategy 2018/19 to 2020/21 & Draft Capital Programme 2018/19 to 2020/21**

The Panel received a report of the Director of Finance which set out the draft revenue budget for 2018/19 and draft Medium Term Financial Strategy (MTFS) for 2018/19 to 2020/21 and a second report which set out the new draft General Fund capital programmes which had been proposed as part of the 2018/19 budget process and also set out budgets within the existing Capital Programme which had been amended/reduced between 2017/18 and 2019/20.

The Director gave a presentation regarding the reports. Following questions from Members of the Panel, the Director of Finance advised that:

Since 2013/14, the Council had had to manage significant reductions in its Revenue Support Grant (RSG). Currently Local Authorities retained 30% of the Business Rates income they collected, for Harrow this equated to £15m per annum. Business Rates were subject to reform with central government intending to allow local government, as a whole, to retain all its rates collected. Alongside this there would be a phasing out of a number of specific grants including RSG and the transfer of additional responsibilities to local government to ensure overall fiscal neutrality of the reforms. The retained Business Rates income had remained at between £14m/£15m pa over the last few years and officers were not predicting a fall but rather were anticipating a slight increase. In April 2018 the government would give an indication of what Harrow's estimated growth would be. However, this would not be built into the budget and would be treated as a cash windfall.

A Member commented on the low rate of participation in the meeting by business representatives. He asked whether the event had been publicised to Harrow businesses and what incentives there were for businesses to start-up in Harrow. Officers advised that the event had been widely publicised to local business representatives, and that businesses had just occupied the Committee Room to attend a business event, but had chosen not to stay for this meeting. The Officer proposed that the following year, the Forum could be held earlier and be sandwiched between two business support events (which were usually well attended).

The officer added that Harrow was attractive to businesses for a number of reasons as it had a highly skilled workforce, thriving town and district centres, good infrastructure and good transport links in place. Harrow also had one of the highest new business start-up and business survival rates in the country. Officers regularly facilitated business networking events and business to business mentoring schemes, which were both well attended and popular.

**RESOLVED:** That the report be noted.

**CABINET - 15 FEBRUARY 2018****MINUTE FROM EMPLOYEES' CONSULTATIVE FORUM – 17 JANUARY 2018****RESOLVED ITEMS****60. Draft Revenue Budget 2018/19 and Medium Term Financial Strategy 2018/19 to 2020/21**

The Forum received a report of the Director of Finance which set out the draft revenue budget for 2018/19 and draft Medium Term Financial Strategy (MTFS) for 2018/19 to 2020/21.

Following questions and comments from members of the Forum, the Director of Finance advised that:

- The challenges involved in setting a 3-year budget meant that inevitably some items may need to be removed. This could be due to changes in legislation, the lead in time or consultation. The Infinity project had been reversed from the budget, however, work on the development and marketing of Project Infinity would continue and any income generated would be re-instated into the budget as and when realised. Any shortfall would be covered from a number of other sources, for example, collections fund resources, savings on capital financing and additional grant monies;
- the overspend in Adults was being mitigated through the receipt of additional income received after budget setting and the remaining shortfall would be offset through some technical entries and centrally held corporate budgets. The 'Home in Harrow' project had been developed following an evaluation of adult social care delivery in Harrow and was aimed at reducing the number of people requiring residential care packages. A very large proportion of the adult social care budget was spent on residential care packages. She undertook to find out if the Home in Harrow project was part of the Supported Living scheme and would circulate this information to Forum members after the meeting;
- the Council, in conjunction with other West London Authorities had entered into a contract with West London Waste (WLW). The return on the investment income from this was reflected in the investment income budget. These items were reported in the Treasury Management Budget reports. She undertook to circulate more detailed information regarding this to Forum members after the meeting;
- the Portfolio Holder for Community advised that Harrow was in the 'pay as you throw' scheme. The Council received a rebate from WLW, which was allocated to the central budget. He pointed out that costs and returns for waste could vary due to fluctuations in the recycling market. He undertook to look into the figures and share this information with Forum members after the meeting;
- Directorates had been requested to ensure that any savings listed in the budget should be achievable. In cases where a Directorate struggled to achieve savings, it would in the first instance be expected to cover this from within the Directorate and failing that, the shortfall would be achieved across the Council as a whole. She added that the budget monitoring process would begin early, as in previous years, so shortfalls could be identified early and appropriate mitigating measures put in place;
- with regard to the impact of the saving proposals on FTE's, she did not have the exact figures and undertook to provide this information to the Corporate Joint Committee meeting scheduled to take place at the end of January 2018;

- the £8.4m figure related to the cost of borrowing money to fund the Council's Capital Programme, which included essential building and maintenance projects such as schools, roads etc. The Council received investment returns of £1.3m which included returns on the WLWA contract. The investment income from the Council's commercial ventures amounted to approximately £700k and the Council currently had £50m cash balances

**RESOLVED:** That the report be noted.