

Budget Book

2018 - 2019



**REVENUE BUDGET & CAPITAL BUDGET 2018- 2019
&
MEDIUM TERM FINANCIAL STRATEGY 2018-19 to 2020-2021**

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Introduction

The Budget Book sets out the Council's revenue and capital budgets for 2018-2019 and the medium term financial strategy for the period 2018-2019 to 2020-2021.

The final approved budget for each Directorate of the Council is set out in detail, incorporating both investment and efficiency savings as approved by Council in February 2018. The document provides details of how investment made in 2018-19 delivers the Council's key priorities.

The Budget book also sets out how the Local Government Finance Settlement for 2018-2019 impacts on Harrow given that this is a significant source of funding and a key driver in determining the Council's Budget.

The development of the medium term financial strategy continues to be extremely challenging because:

- The Government's deficit reduction strategy is making significant reductions in the funding available to local authorities
- Changes to the way the Government funds local authorities are transferring significant risks to local authorities that were previously borne by Central Government
- Harrow is one of the lowest funded councils in both London
- Considerable savings have been made in previous years making it increasingly difficult to identify new areas for efficiencies and reductions
- The demand for services from our residents continues to grow
- Significant pressure on HRA revenue and capital resources from the statutory rent reduction and other reforms

Dawn Calvert
Director of Finance

Policy Framework

The context in which the Council's Budget is set is influenced by:

- The Council's Vision, Corporate Plan and Priorities;
- The Local Government Finance Settlement;
- The Council's Medium Term Financial Strategy (MTFS); and
- External drivers – e.g. legislation, national policy, inflationary pressures, demand for services, etc.

Corporate Vision and Values

Vision:

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

Values:

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

- Be Courageous
- Do It Together
- Make It Happen

Medium Term Financial Strategy (MTFS)

CURRENT FINANCIAL CONTEXT

The Government continues to reduce its funding to Local Government as part of its nationwide austerity programme. 2018/19 is the ninth year in which Councils have seen reductions in their grant funding.

Harrow Council does not have large cash reserves, and spending them is not a responsible way to offset lost revenue. Harrow Council's gross Directorate budget for 2018/19 is £570.2m. A significant proportion of this funding is ring fenced for services such as housing benefit, schools and public health. The Council's net controllable budget is £168m in 2018/19 and this is the element of the budget that the Council can exercise more control over and from where savings must be found.

The impact of Government legislation on the Council's HRA, in particular the compulsory rent reduction effective from 2016/17 and for the following three subsequent years, has presented unprecedented financial challenges requiring significant cost reductions and increased income over the coming years to prevent the HRA falling into deficit which is not legally permissible. The budget and MTFS for the HRA therefore include savings targets which must be met in order to stabilise the position in the medium term.

EXTERNAL ENVIRONMENT

The Government continues to reduce its funding to Local Government as part of its nationwide austerity programme. Since 2013/14, the Council has had to manage significant reductions in its Revenue Support Grant (RSG), which is its main source of funding from central government, alongside increases in demand for services and cost inflationary pressures. Table 1 below summarises the reductions in RSG.

Table 1: Revenue Support Grant 2013/14 to 2019/20

Year	RSG	Annual Reduction	Cumulative Reduction
	£'000	£'000	%
2013/14	52,100		
2014/15	42,628	9,472	18%
2015/16	32,034	10,594	39%
2016/17	21,935	10,099	58%
2017/18	13,019	8,916	75%
2018/19	7,332	5,687	86%
2019/20	1,566	5,766	97%

Harrow will see its main source of central government grant funding reduced by 97% over a 7 year period, reducing the Revenue Support Grant (RSG) to £1.566m by 2019/20. Over the four year period 2015/16 to 2018/19, it was estimated that the Council needed to fund an £83m budget gap in order to achieve a balanced budget. If this four year period is extended to the end of the current MTFs (2020/21) it is estimated Harrow Council has to fund £125m of pressures in order to achieve a balanced budget. In addition to the £40m reduction in RSG, further funding has been required to fund growth as a result of demand pressures, inflation, Capital Financing costs and other reductions in specific grants such as the Education Support Grant and this brings the total that the Council will need to fund to £125m in order to deliver balanced budgets to date and for 2019/20 and 2020/21.

Financing of Net Revenue Expenditure

The change in the 2018-19 budget requirements is summarised as follows:

Table 2: Summary of the Budget Requirement

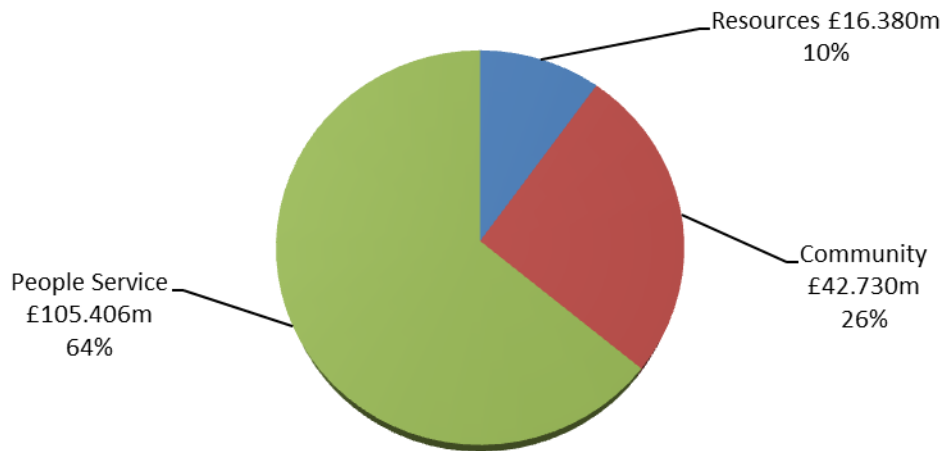
	£m
Budget requirement 2017/18	164.804
Capital financing costs and investment income	0.789
Technical changes (including specific grants changes)	-0.539
Inflation	1.469
Investment	9.771
Savings	-7.377
Budget requirement 2018/19	168.917

The council receives Top Up Business Rates funding and retains a share of the Business Rates collected in the borough. The budget requirement is funded from Top Up funding, Retained Business Rates, the Council's share of the surplus on the previous year's Collection Fund and Council Tax.

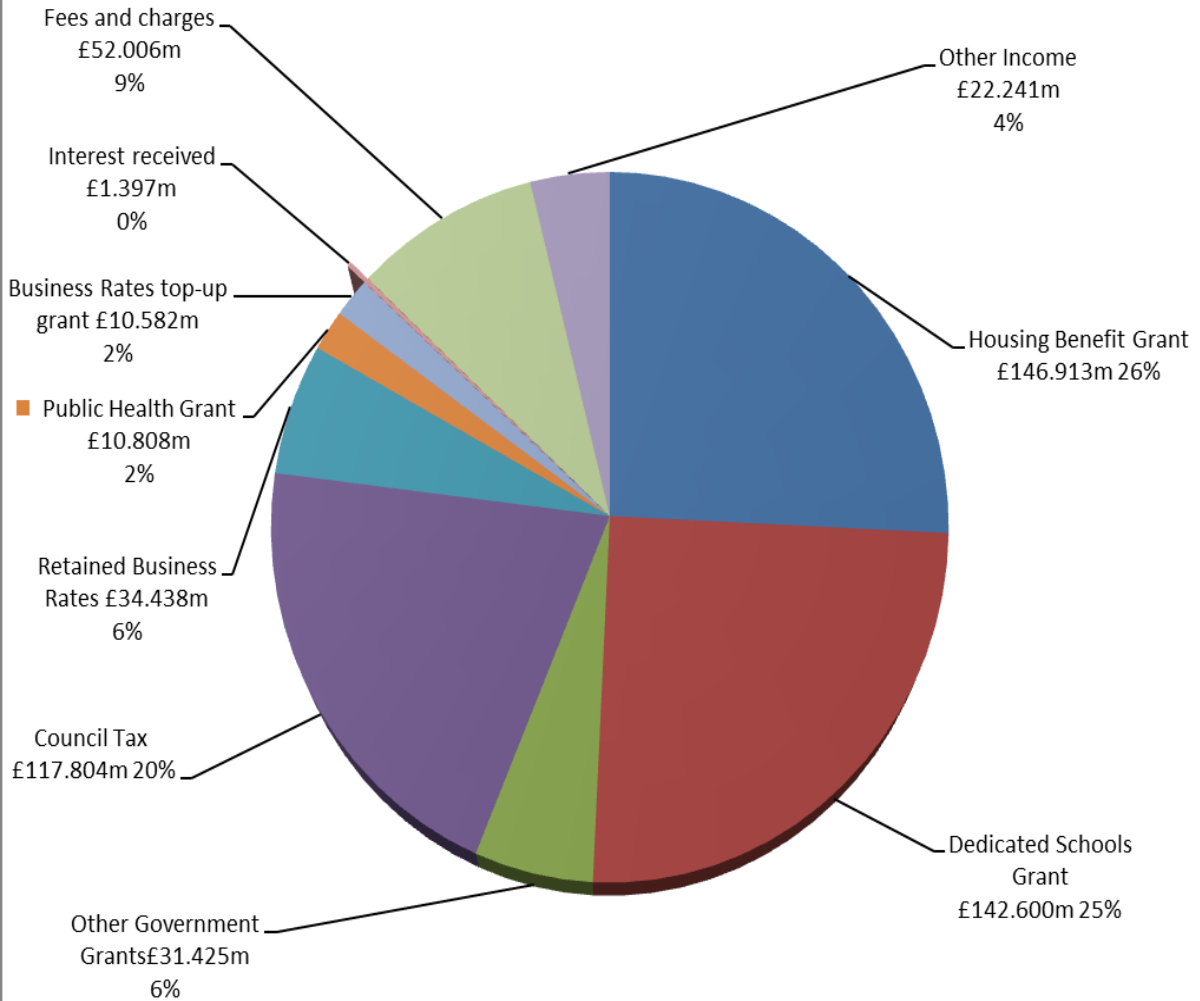
Table 3: Revenue Budget Summary

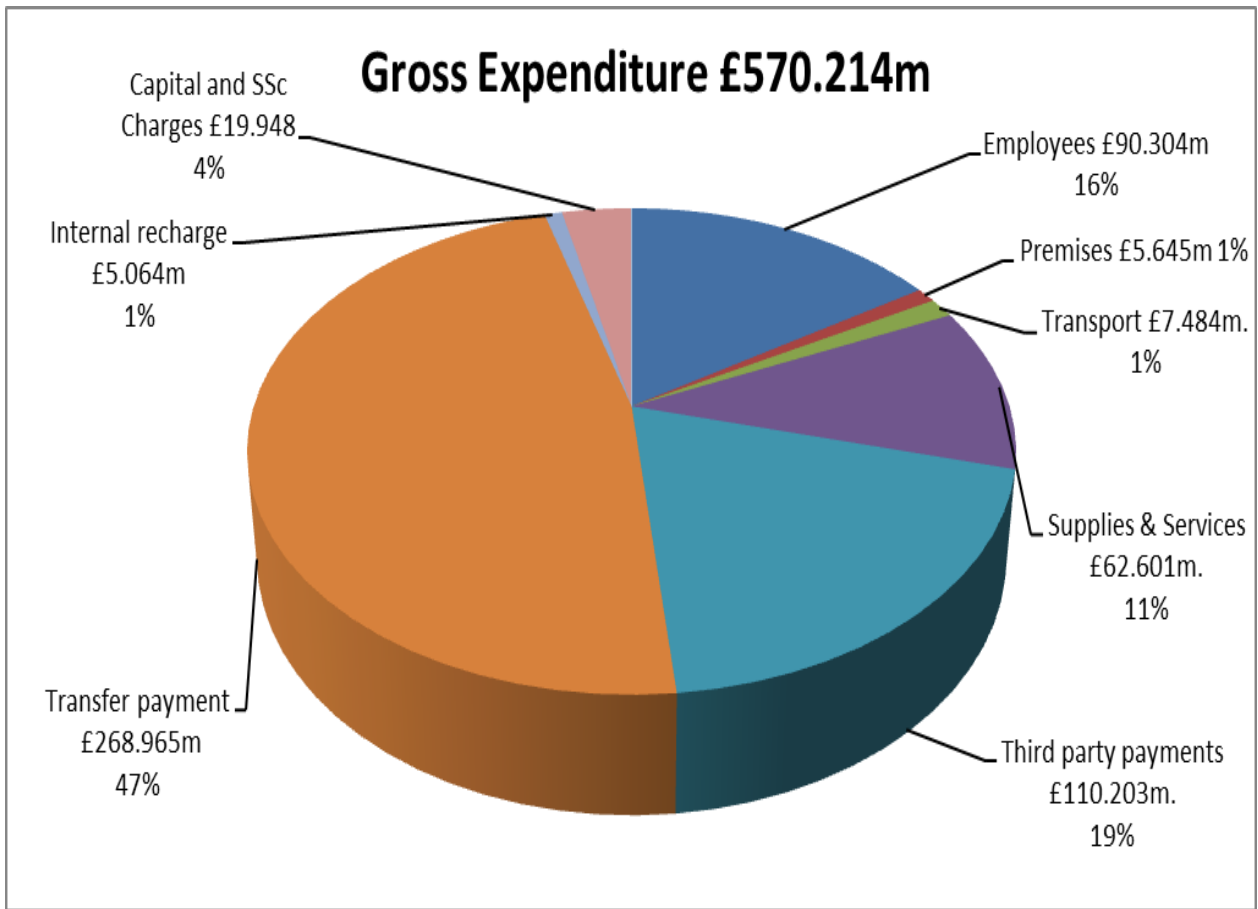
REVENUE BUDGET SUMMARY 2018-19							
	2017-18		Revenue Budget 2018-19				2018-19 'Net Budget
	2017-18 Budget	2017-18 Budget	Gross Controllable Expenditure	Gross Income	Net Controllable Expenditure	Uncontroll - able Expenditure	
	£'000	£'000	£'000		£'000	£'000	£'000
Local Demand - Borough Services							
Resources & Commercial	21,312	22,964	199,937	-163,765	36,171	-19,792	16,380
Environment & Commissioning	32,670	28,419	52,043	-36,944	15,099	17,514	32,613
Housing General Fund	7,573	7,743	11,974	-7,424	4,550	3,565	8,115
Regeneration	1,946	1,597	4,402	-3,540	862	1,139	2,001
Sub-total Community	42,189	37,759	68,419	-47,907	20,511	22,218	42,730
Adult Services	63,743	64,449	79,164	-21,538	57,626	6,670	64,297
Public Health	772	-466	8,994	-10,861	-1,867	163	-1,704
Adults & Public Health	64,515	63,983	88,158	-33,583	55,759	6,833	62,592
Children & Families	37,965	37,820	180,883	-148,890	31,993	10,821	42,814
Sub-total People	102,480	101,803	269,041	-177,770	87,752	17,654	105,406
Total Directorate Budgets	165,981	162,526	537,397	-389,442	144,435	20,081	164,516
Corporate And Technical Adjustment							
Corporate Budgets	3,154	4,842					3,672
Pay Inflation	460	731					2,617
Pension Contribution	500	0					664
Goods And Service Inflation	510	510					1,402
NNDR Revaluation - Harrow	565	394					394
Treasury Management Expenses	332	2,071					2011
Borrowing cost	7,834	8,073					8,045
Minimum Revenue Provision	18,283	16,392					16,556
Capital Financing adjustments	-23,590	-21,510					-24,735
Grant							
Sec.31 Grant Business Rate Reliefs and others	-871	-871					-871
Education Services Grant	-895	-895					
New Homes Bonus	-4,069	-4,069					-3,482
Adult Social Care Grant 2017/18	-974	-974					0
NNDR multiplier inflation - Move from RPI to CPI							-795
Other Budget Adjustments							
Budget Planning Contingency	-1,000	-1,000					0
Corporate budget realignment							
Contingency - General	1,248	1,248					1,248
Provisions for debt/litigation	375	375					375
17.18 Capital Receipt Flexibility	-3,039	-3,039					
18.19 Use of Capital Receipt Flexibility							-2700
Sub Total Corporate and Technical Adjustment	-1,177	2,278					4,401
TOTAL BUDGET REQUIREMENT	164,804	164,804					168,917
BIDGET REQUIRMENT FUNDED BY							
Contribution re Collection Fund Deficit/Surplus(-) b/f	-3,760	-3,760					-6,093
Revenue Support Grant	-13,019	-13,019					0
Business Rates Top-up Grant	-21,049	-21,049					-10,582
Retained Business Rates	-14,446	-14,446					-34,438
Council Tax Income	-112,530	-112,530					-117,804
Total Funding	-164,804	-164,804					-168,917
Council Tax for Band D Equivalent							
General (£)	1,309.15	1,309.15					1354.84
ACS(£)	38.51	38.51					39.85
Harrow Increase (£)	1,347.66	1,347.66					1394.69
GLA (£)	280.02	280.02					294.23
	1,627.68	1,627.68					1,688.92
Increase							
General (%)	1.99%	1.99%					2.99%
ASC (%)	3.00%	3.00%					0.50%
GLA (%)	1.45%	1.45%					5.07%
Total Increase (%)	4.36%	4.36%					3.76%
Taxbase	83,500	83,500					84,466
Collection Rate	98.0%	98.0%					98.0%
Funds / Balances							
Balances Brought Forward	10,009	10,009					10,009
Balances Carried Forward	10,009	10,009					10,009

Directorate Net Budgets £164.516m



Gross Income £570.214m





Government Grants

Table 4: Estimated Grants 2018-19

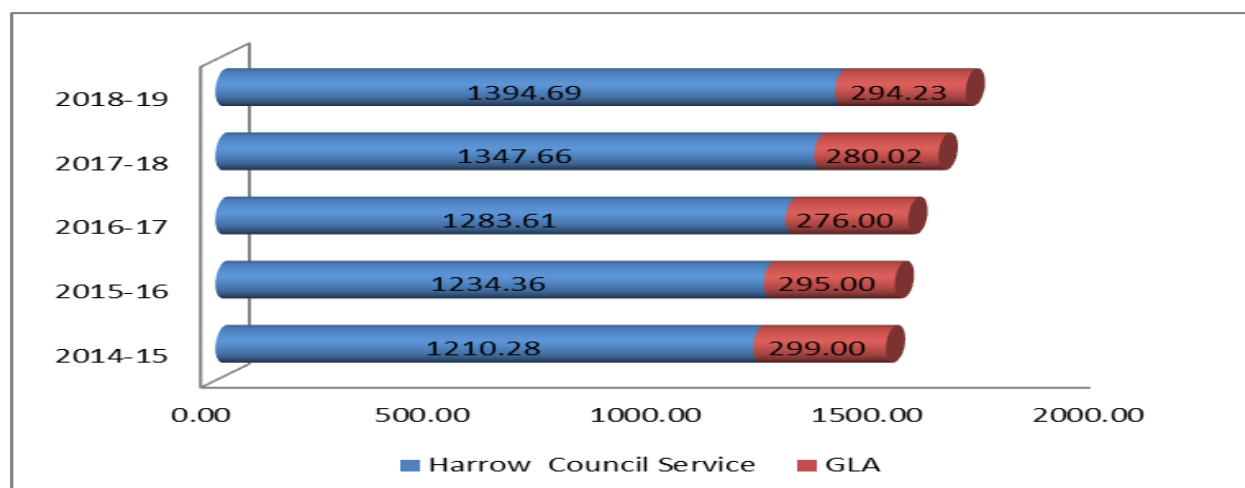
	2017/18 Budget	2018/19 Budget	Change from 2017/18	Comment
	£m	£m	£m	
Revenue Support Grant	13.760	0.0	-13.760	
Business Rates Top Up	21.529	10.582	-10.947	
Retained Business Rates	14.446	34.438	19.992	
Transition Grant	0.699	0.000	-0.699	
Housing Benefit and Rent Allowance Grant	149.400	146.913	-2.487	Grant reduction due to cases migrating to the Universal credit.
New Homes Bonus	4.069	3.482	-0.587	Real cut in Government grant
Adult Social Care grant	0.974	0.0	-0.974	Grant given in 2017/18 only
NNDR multiplier grant	0.000	0.795	0.795	New grant in 2018/19
Public Health	11.093	10.808	-0.285	Real cut in Government grant
Dedicated Schools Grant	136.510	142.6	6.090	Higher allocation as a result of the new funding formular
Education Services Grant	0.895	0.0	-0.895	
Special School PFI	1.543	1.543	0.000	
SEN Reform Grant	0.192	0.192	0.000	
Troubled Families	0.537	0.537	0.000	2018/19 is an estimate grant yet to be confirmed.
Bus subsidy grant	0.069	0.069	0.000	
Youth Justice Board Good Practice	0.211	0.211	0.000	2018/19 is an estimate grant yet to be confirmed.
Asylum seekers and Leaving Care	1.052	1.052	0.000	2018/19 is an estimate - Grant is variable depending on number of days of eligible clients.
School Monitoring and Brokering Grant	0.090	0.153	0.063	New grant in 2017/18.. Full year effect in 2018/19.
Total	357.069	353.375	-3.694	

Council Tax

The Council Tax for Harrow in 2018/19 has increased by 3.76% from 2017/18 made up of 2.99% general increase, 0.5% for the Adult Social care and an increase in the GLA element of 5.07%. The Council Tax for each property band is calculated in accordance with Government Regulations using the Council Tax base of the Authority. To calculate this tax base, properties in each of the eight valuation bands (A to H) are weighted and shown as a proportion of the Band D value. After discounting for uncollectible amounts, a Council Tax base of 84,466 was agreed by Cabinet, based on a collection rate of 98%.

The total tax bill for a Band D household for 2018/19 is £1,688.92 which includes the GLA precept. Details of how this is shared between Harrow and the Greater London Authority (GLA) are shown below:

	2017-18	2018/19	Change						
	£	£	£	%					
Harrow Council Service	* 1347.66	1387.96	40.30	2.99%					
Adult Social Care		6.73	6.73	0.5%					
General London Authority	280.02	294.23	14.21	5.07%					
Band D Total Council Tax	280.02	1688.92	61.24	3.76%					
* Include Adult Social Care receipt of £38.49									
Band	A	B	C	D	E	F	G	H	
Harrow Council Service	929.80	1,084.76	1,239.72	1,394.69	1,704.62	2,014.55	2,324.48	2,789.38	
General London Authority	196.15	228.85	261.54	294.23	359.61	425	490.38	588.46	
Total	1,125.95	1,313.61	1,501.26	1,688.92	2,064.23	2,439.55	2,814.86	3,377.84	
	2014-15	2015-16	2016-17	2017-18	2018-19				
Harrow Council Service	1210.28	1234.36	1283.61	1347.66	1394.69				
GLA	299.00	295.00	276.00	280.02	294.23				
Total	1509.28	1529.36	1559.61	1627.68	1688.92				



COMMUNITY

Community Directorate Executive Summary

Overview

We are a public facing Directorate, providing universal services to Harrow residents and businesses. We provide housing services to council tenants and leaseholders.

We manage and maintain 460km of roads, 900km of pavements and empty over 500,000 household refuse bins every month. We maintain 21,000 highway trees and over 60,000 trees within parks and open spaces. We manage 4800 council homes and service 1200 leasehold properties.

We are responsible for providing advice to prevent homelessness, and assisting eligible individuals and families to obtain emergency and temporary accommodation.

We are also responsible for the Council's property portfolio and also lead an ambitious commercialisation programme which seeks to maximise its income from discretionary services.

Our **Regeneration and Design team** provides advice to the Planning Service on all design matters. They also manage the Council's regeneration programme, which will deliver around 2,000 new homes, extensive new workspace and a wide range of social and community infrastructure through the development of Council sites over the next 6-7 years.

Organisation Structure:

Environment and Culture



The Directorate's service delivery arm on waste services and street cleaning, parks and open spaces, public protection, compliance & enforcement. We also oversee Harrow's Art Centre, museum, sports centres, and libraries.

Commissioning and Commercial Services



Holds responsibility for a diverse range of services, which include Parking and Network Management, Traffic, Highways and Asset Management, Community Engagement, Business and Commercial Services, Public and Commercial Transport Services, Corporate Estate, Facilities Management, Contract Management, Catering, and Capital Projects. Manages the Directorate's performance monitoring, policy as well as lead on all commercial initiatives. Includes asset management for highways, Council facilities management, formulating and delivering improvement plans, community engagement, parking enforcement and CCTV and leads the Borough's engagement with Transport for London around public transport and travel planning issues.

Housing



Responsible for both the Council's role as a landlord of Council housing, and our non-landlord activities which includes dealing with homelessness. The Housing Revenue Account (HRA) is the statutory account maintained by the Council to account for the income and expenditure relating to our role as landlord of nearly 5,000 Council-owned rented homes and around 1,200 leasehold properties. Housing General Fund services comprise Housing Needs and Strategy, the Property Acquisition Programme, Travellers' Site, as well as administration of Disabled Facilities Grants and the Handyperson service.

Regeneration, Enterprise & Planning



Responsible for providing the Council's Planning service, fulfilling the statutory role of **Planning** Authority for the borough. This involves dealing with planning applications, prior approvals, pre-application advice service, applications for listed building consent, certificates of lawfulness, and planning appeals against refusal and non-determination. We also provide the **Planning Enforcement** service, which investigates and addresses all complaints related to illegal development. The **Planning Policy** team meets our statutory requirement to have in place a Local Plan, as well as dealing with Community Infrastructure Levy requirements, landscaping planning, ecology and conservation planning. The **Building Control** service is also required by law to ensure that buildings are safely and properly constructed. The team reviews and approves plans and inspects the developments on site.

Our **Regeneration and Design team** provides advice to the Planning Service on all design matters. They also manage the Council's regeneration programme, which will deliver around 2,000 new homes, extensive new workspace and a wide range of social and community infrastructure through the development of Council sites over the next 6-7 years. The **Enterprise Service** covers economic development, skills, inward investment, research and adult learning.

Key Plans for 2018/19

We will continue our work towards achieving the Harrow Ambition Plan actions to deliver the Council's priorities:

Build a Better Harrow

- Deliver 5 year housing investment programme

- First phase of Grange Farm estate regeneration on site
- Work smarter by planning the best way to use less money to keep council housing stock in good condition and maintain its value over the 30 year Business Plan
- Six libraries will have been refurbished or rebuilt, Headstone Manor Museum will be completely refurbished, Harrow Arts Centre will be delivering from improved buildings, an improved or new Harrow Leisure Centre will be at the Centre of a new residential and leisure led quarter next to Byron.
- Deliver section 106 funded improvements to outdoor sports facilities as identified in the Harrow Outdoor Sports Pitch Strategy 2013-2023 by 2019
- We will regularly review our Road Safety Plan
- Fly tipping - We will carry out targeted enforcement and education activity based on areas with higher activity
- Develop a recycling strategy

Be More Business- like and Business Friendly

- To aim for cost neutrality in Environmental Services by 2020, with 70% complete by 2018, through the work of the Project Phoenix commercialisation programme

Protect the Most Vulnerable and Support Families

- Implement the Homelessness Reduction Act 2017
- By 2020 all families facing homelessness in the Borough will be helped to remain in their accommodation or be offered an alternative housing solution. No families will stay in shared bed and breakfast accommodation longer than 6 weeks.

Capital Budget

Plans are in place to use our capital budget to deliver a range of capital investment projects to improve the borough's infrastructure including public highways and footpaths, street lighting, street trees, parks and green gyms.

As part of our borough wide programme to build a better Harrow, we are proposing to redevelop the Central Depot to make better use of the space as well as redeveloping buildings in parks to encourage increased usage of parks and open spaces.

Community								
Objective Analysis 2018-2019								
	Directorate Management	Commissioning Services	Environment Service Delivery	Culture	Corporate Estate	Housing	Regeneration	Total
	£000	£000	£000	£000	£000	£000	£000	£000
Employees	192	10,514	11,786	2,442	410	3,358	3,480	32,183
Premises related expenditure		3,879	601	317	42	181	23	5,042
Transport related expenditure	1	3,349	2,841	9	1		22	6,221
Supplies and services	34	1,107	10,548	486	40	8,435	430	21,080
Third Party Payments		2,274	997				294	3,565
Transfer payments							0	0
Internal Recharges	1	81	54	39			154	328
Total Controllable Expenditure	227	21,204	26,827	3,292	494	11,974	4,402	68,419
Government grants		-73					-665	-739
Other grants, reimbursements and contributions		-25	-119	-466			0	-611
External Fees, Charges and Receipts		-17,492	-5,443	-2,388	-1,813	-5,949	-2,625	-35,709
Internal Recharges (Income)	-48	-8,060	-987		-30	-1,475	-250	-10,849
Total Income	-48	-25,650	-6,550	-2,854	-1,843	-7,424		-47,907
Net Controllable Expenditure	179	-4,446	20,277	438	-1,349	4,550		20,511
Capital financing		11,016	1,882	433	26	2,576	121	16,053
Support services	-31	-18	3,796	675	-266	989	1,019	6,165
Total Uncontrollable	-31	10,998	5,678	1,108	-239	3,565	1,139	22,218
Net Budget	148	6,552	25,955	1,546	-1,588	8,115	1,139	42,730

Movements from 2017-18 to 2018-19								
	Directorate Management	Commissioning Services	Environment Service Delivery	Culture	Corporate Estate	Housing General Fund	Regeneration	Total
	£000	£000	£000	£000	£000	£000	£000	£000
2017-18 Net budget	195	4,806	23,374	763	-975	7,734	1,587	37,484
Virement/restructuring	3	856	-9	60	-654	0	59	315
Inflation						9	0	9
Investment			720			-163	2,350	2,907
Efficiencies	-50	-2,323	-359	-150		342	-2,050	-4,590
Terms and Conditions Savings						0	0	0
SSCs	0	1,767	1,819	631	35	-20	35	4,266
Capital financing		1,447	410	243	6	213	21	2,340
2018-19 Net budget	148	6,552	25,955	1,546	-1,588	8,115	2,001	42,730

PEOPLE SERVICES

People Services Executive Summary

The People Services directorate was established in 2015/16 which was formed as part of a coherent and compelling vision for the future development of Harrow Council that is designed to achieve better outcomes for residents at a lower overall cost. This identified opportunities to improve services for vulnerable children and adults, most notably through a unified service for disabled children and adults. Other opportunities for improvement through an integrated directorate include: better transition (for example for care leavers and young carers); widening the opportunities for personalised care and support (including personal budgets); more effective and efficient commissioning; rationalisation of key enabling functions, such as performance management, quality assurance and training; and more strategic financial planning to secure the significant savings required in the medium term.

Organisation:

Adult Social Care:

The Adults Services Department has statutory responsibility for assessing and arranging services for anyone who is 18 or over and has difficulty due to old age, long-term illness or disability, or who has a caring role. The Council works with service users, their families and carers to maximize their independence, support them to make choices that support their needs and improve their wellbeing. Both Adults and Children's department work closely together to ensure smooth transition from childhood to adulthood.

The Council delivers support through a mix of tailor made community care packages and residential and supported living accommodation to meet their individual needs from mix of internally provided services and externally provided services. The department ensures at all times that the care is delivered through a personalized approach to deliver positive outcomes for residents. The safeguarding team, who have a borough wide responsibility, focus on preventing abuse and responding appropriately when abuse is identified. Adult Services are also responsible for the Deprivation of Liberty Safeguards (DoLS) for the health and social care economy.

The Care Act 2014 is the most significant change in social care law for 60 years. The legislation sets out how people's care and support needs should be met. The act's 'wellbeing principle' sets out a local authority's duty to ensure people's wellbeing is at the centre of everything it does.

Locally, Harrow Council's Ambition Plan to 'Protect the Most Vulnerable and Support Families' includes developing a new relationship with our voluntary and community sector, so they are able to continue supporting our most vulnerable residents.

Through this vision there will be emphasis on outcomes and helping people to connect with their local community. The vision for Harrow adult social care promotes a model of community resilience that complements the adult social care pathway; transforming care from a model of need to one of strengths and empowering people

to make meaningful community connections, utilising community assets including the voluntary and community sector.

To further enhance partnership, The Better Care Fund / Improved Better Care Fund is driving collaboration between health and social care with the Department of Health's aim to see integration across all of England by 2020.

Public Health:

The team deliver a range of statutory and discretionary services to communities and support the various bodies within the NHS. It is supported by Public Health England, a government executive who oversees national public health programmes, research and professional standards and development for public health specialists.

The purpose of the Public Health function is to lead health improvement and reduce health inequalities and to protect the health and wellbeing of the local communities, through education and promotion of healthy lifestyles. Local Authorities are expected to consider health and health inequalities in all aspects of service provision through the development of Joint Strategic Needs Assessments (JSNAs) and Joint Health and Well-being strategies, which presents an opportunity to work across the wider determinants of health and work with other key stakeholders in the public health delivery system. The team is also responsible for providing public health knowledge and intelligence, which includes advice and support to the Clinical Commissioning Groups.

Children's Services

Children's Services is organised by the following service areas:

- **Children and Young People Services**

The services provides statutory social care services including looked after children, children leaving care, children in need and fostering and adoption. In addition the service also provides a youth offending service and early support services including children's centres and youth services. There is also an edge of care service aimed at preventing young people from entering care or returning them home from care where it is safe to do so. The service provides accommodation for children and young people who are in the care of the local authority, families with children who have no recourse to public funds and unaccompanied asylum seeking children. This is provided through a mixture of foster care provision, residential children's homes and semi independent/private rented accommodation.

- **Education Services**

The service provides a Local Offer for children and young people up to 25 years old with an Education, Health and Care (EHC) plan (special educational needs) and works with families of children and young people, schools and other agencies. This includes making school and other educational provision

and provides home to school transport. The directorate also covers Early Years supporting practitioners working in childcare and early years education. In addition the service includes education strategy and school organisation and school improvement.

ADULTS SERVICES						
Objective Analysis 2018-19						
	Adults Social Care	Commissioning and Provider Services	Quality Assurance	Strategic Management	CYAD	Grand Total
	£000	£000	£000	£000	£000	£000
Employees	7,053	4,036	179	321	862	12,451
Premises	144	132	0	0	0	276
Transport	1,002	49	0	1	18	1,070
Supplies & Services	5,762	341	174	0	16	6,292
Third party payments	44,207	1,533	0	0	1,967	47,707
Transfer Payments	11,257	76	1	0	0	11,334
Internal Recharge (Exp)	33			0	0	33
Total Controllable expenditure	69,459	6,166	354	323	2,863	79,164
Government Grants	-5,381	-966	0	0	0	-6,347
Other Grants, Reimbursements & Contributions	-9,871	-592	0	0	0	-10,463
Customer & Client Receipts	-4,131	-388	0	0	0	-4,519
Internal Recharges (Inc)	-128	0	0	-81	0	-209
Total Income	-19,511	-1,946	0	-81	0	-21,538
Net Controllable Expenditure	49,947	4,221	354	242	2,863	57,626
Capital Charges	213	168	281	20	0	683
Support Services	3,622	1,817	128	162	258	5,988
Total Uncontrollable	3,836	1,985	409	182	258	6,670
Net Budget	53,783	6,206	763	423	3,121	64,297

Movements from 2017-18 to 2018-19						
	Adults Social Care	Commissioning and Provider Services	Quality Assurance	Strategic Management	CYAD	Grand Total
	£000	£000	£000	£000	£000	£000
2017-18 Net budget	55,102	5,174	692	473	2,736	64,177
Virement/restructuring	-857	912	0	1	384	440
Inflation	0	0	0	0	0	0
Investment	1,029	0	0	0	0	1,029
Efficiencies	-1,111	-240		-131		-1,482
Terms and Conditions Savings	0	0	0	0	0	0
Other	0	0	0	0	0	0
SSCs	-546	328	25	80	2	-111
Capital financing	166	32	45	0	0	244
2018-19 Net budget	53,783	6,206	763	423	3,122	64,297

CHILDREN & FAMILIES						
Objective Analysis 2018-2019						
	Management	Children and Young Peoples Services	Education Services	Commissioning & Strategy	Schools	Total
	£000	£000	£000	£000	£000	£000
Employees	191	12,526	4,334	155	224	17,430
Premises related expenditure		258	2		8	268
Transport related expenditure	3	106	35	2		146
Supplies and services	172	1,306	1,580	5		3,063
Third Party Payments		9,869	31,718	2,505		44,092
Transfer payments		2,662	30		108,489	111,181
Internal Recharges (Expenditure)		137	4,566			4,703
Total Controllable expenditure	366	26,864	42,265	2,667	108,721	180,883
Government grants		-1,058	-34,031	-1,993	-108,698	-145,780
Other grants, reimbursements and contributions		-339	-472	-251		-1,062
External Fees, Charges and Receipts		-102	-25		-8	-135
Internal Recharges (Income)		-14	-1,521	-355	-23	-1,913
Total income	0	-1,513	-36,049	-2,599	-108,729	-148,890
Net Controllable Expenditure	366	25,351	6,216	68	-8	31,993
Capital financing		144			5,084	5,228
Support services	21	2,393	1,548	161	1,470	5,593
Total Uncontrollable Expenditure	21	2,537	1,548	161	6,554	10,821
Net Budget	387	27,888	7,764	229	6,546	42,814

Movements from 2017-18 to 2018-19						
	Management	Children and Young Peoples Services	Education Services	Commissioning & Strategy	Schools	Total
	£000	£000	£000	£000	£000	£000
2017-18 Net budget	387	25,243	7,887	77	4,219	37,813
Virement/restructuring		-435	47	243		-145
Inflation						0
Investment		3,100				3,100
Efficiencies		-52	-100	-91		-243
Terms and Conditions Savings						0
Other						0
SSCs					1,244	1,244
Capital financing		32	-70		1,083	1,045
2018-19 Net budget	387	27,888	7,764	229	6,546	42,814

RESOURCES

Resources Executive Summary

Overview

The Resources Department manages the corporate support and compliance functions for the Council as well as a number of customer facing services. Some of the functions provided by the Department are now run as part of shared arrangements with other Councils. The management of the Council's corporate ICT is outsourced to Sopra Steria.

Customer Services & Business Support

Access Harrow

Access Harrow manages front line customer contact on behalf of all Council services through face to face, telephone, email, MyHarrow account, application processing, integrated web forms and website. This includes the Corporate Complaints Service and Freedom of Information requests.

Digital Services Team

The Digital Services team is responsible for the MyHarrow account and the Council's website – www.harrow.gov.uk – along with associated products to support customers accessing services through digital channels. The team maintains the Local Land & Property Gazetteer and leads on the Council's GIS service

Careline Service

The Helpline and Telecare Service provides a monitoring service for vulnerable Harrow and Brent Council residents as well as sheltered housing schemes and private schemes within the Harrow Council area.

Business Support

The Business Support service underpins the core services across the Council providing professional support and administrative cover for the Corporate Board, HB Law, Childrens' Services, Adult Social Care, Community Services including Housing and Resources. The service is also responsible for running the postal service, print room and scanning & indexing function on behalf of the Council.

Revenues and Benefits

Benefits provide support to residents through administration of Housing Benefits, the Council Tax Support scheme, Discretionary Housing Payments and the Hardship Scheme. The Revenues department brings income to the Council through the collection of Council Tax, Business Rates, parking enforcement income and Housing Benefit Overpayments.

Transformation & Technology Services

Transformation and Technology Services manages corporate ICT suppliers including Sopra Steria, Xerox, Microsoft, Oracle and SAP and provides a coordinating service for information governance and security compliance across the Council. The team also provides expertise in Programme and Project Management and LEAN process improvement to support corporate transformation projects.

Finance and Assurance

The Finance department coordinates and leads Financial Management across the Council including Treasury Management and Pension Fund Investments and includes the Council's statutory S151 Officer Role. This department also includes the Insurance team, the SAP Support team and Pensions Administration.

Commercial and Procurement

The Commercial & Procurement Division manages the procurement function for the Council. It also manages the interface between the Council and the HR shared Service with Buckinghamshire County Council and leads on the Commercialisation / Income generation of a number of activities across the Council.

Strategic Commissioning

Strategic Commissioning develops and embeds improved commissioning across the Council, through effective strategy, policy and intelligence support to Cabinet, the Corporate Strategic Board and Council Directorates. The Division also promotes equalities, manages the Schools Information Management Service, drives community involvement with local communities and local partnership working. Strategic Commissioning is also responsible for improving Community Cohesion in the borough which also involves managing the Prevent agenda, community tensions monitoring and hate crime. The Scrutiny function provides a valued service in commenting upon and challenging the Executive's performance. The Communications Service also sits within the Division as well as the Council's Emergency Planning team.

Human Resources and Organisational Development

Human Resources and Organisational Development supports the Council's workforce providing employment advice, payroll, pensions and organisational and learning development

Legal and Governance

The Department provides Democratic Support to all Council Committees, the political group offices and the Mayor's Office. It also maintains Harrow's electoral register and manages local and national elections and referenda.

Within the Department sits HB Public Law, the trading name for the shared legal practice hosted by Harrow, which provides legal services to Aylesbury Vale, Barnet, Buckinghamshire, Harrow, & Hounslow Councils and the West London Waste Authority.

The Director of Legal and Governance Services is Harrow's Monitoring Officer, Proper Officer and Returning Officer, and holds similar posts in the partner organisations.

Resources and Commercial - Objective Analysis 2018/19												
	Assurance	Business Support	Director of Resources	Finance	HRD & Shared Services	Legal & Governance	Procurement and Commercialisation	Strategic Commissioning	IT & Business Transformation	Access Harrow	Revenue & Benefit	Grand Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
1. Employees	510	3,109	481	2,823	297	9,476	819	1,891	761	4,332	3,129	27,629
2. Premises	0	0	0	0	0	16	0	8	0	2	31	59
3. Transport	1	1	2	2	1	17	4	4	0	11	2	47
4. Supplies & Services	70	272	386	1,837	834	1,448	667	1,496	970	160	11,037	19,178
5. Third Party Payments	2	116	0	16	8	4	0	3	5,972	232	220	6,573
6. Transfer Payments	0	0	0	132	0	0	0	0	0	0	146,318	146,451
Controllable Expenditure	583	3,499	869	4,811	1,140	10,961	1,490	3,404	7,704	4,738	160,738	199,937
1. Government Grants	0	0	0	0	0	-1.48	0	-561	0	0	-147,764	-148,327
2. Other Grants, Reimbursements & Contributions	0	0	0	0	0	-708	-399	0	0	-59	0	-1,166
3. Customer & Client Receipts	0	0	0	-862	-67	-8,299	-52	-586	0	-724	-520	-11,109
4. Recharges	0	0	0	-1,627	-80	0	-746	-391	-211	0	-108	-3,163
Controllable Income	0	0	0	-2,489	-147	-9,008	-1,197	-1,538	-211	-783	-148,392	-163,765
Net Controllable Expenditure	583	3,499	869	2,322	993	1,953	293	1,865	7,493	3,956	12,346	36,171
1. Capital Charges	0	0	0	71	0	97	0	8	2,393	68	158	2,795
9. Support Services	-583	-1,186	-78	-4,889	-897	-2,974	-339	-1,184	-9,886	-3,265	2,695	-22,586
Total Uncontrollable	-583	-1,186	-78	-4,818	-897	-2,877	-339	-1,176	-7,493	-3,197	2,853	-19,792
Total Resources Budget	0	2,312	792	-2,496	95	-924	-46	689	0	759	15,199	16,380

Movements from 2017/18 -2018/19												
	Assurance	Business Support	Director of Resources	Finance	HRD & Shared Services	Legal & Governance	Procurement and Commercialisation	Strategic Commissioning	IT & Business Transformation Programme	Access Harrow	Revenue & Benefit	Grand Total
	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000	£000
2017/18 Net budget	0	1,980	458	-2,039	-146	1,995	-21	260	2,216	950	17,239	22,892
Inflation	0	0	0	0	0	0	0	0	0	0	0	0
Permanent Virement	26	-73	75	-443	3	-242	153	4	2	10	19	-467
MTFS Growth	0	0	250	0	0	0	0	0	0	0	0	250
MTFS Savings	0	-20	0	-435	-110	-452	-180	-326	0	-100	-18	-1,641
Local Pressure	0	0	0	0	0	0	0	0	0	0	0	0
SSC's	-26	748	9	418	348	-2,225	86	744	-2,258	-63	-2,033	-4,252
Capital financing	0	-322	0	3	0	0	-83	7	39	-39	-8	-401
2018/19 Net budget	0	2,312	792	-2,496	95	-924	-46	689	0	759	15,199	16,380

HOUSING REVENUE ACCOUNT

The **Housing Revenue Account (HRA)** is the statutory account maintained by the Council to account for the income and expenditure relating to our role as landlord of some 4,800 Council-owned rented homes and over 1,100 leasehold properties, as well as the development costs associated with the new build programme.

The budget and MTFs have been set within the framework set out in the HRA Business Plan including impact of legislation contained in the Welfare Reform & Work Act 2016 and Housing & Planning Act 2016 including the statutory rent reduction of 1% for each of the four years 2016/17 – 2019/20. The Business plan includes assumptions around inflation and interest rates as well as savings in revenue and capital expenditure required to produce a sustainable and financial position for the Council's HRA. Savings to stabilise the revenue account have increased by £750k from £1.15m, approved last year, to £1.90m; £880k are already expected to be achieved therefore the 2018-19 Budget & MTFs includes the remaining £1.02m. Investment in HRA stock within the Capital account has been reduced to £5.45m, a reduction of £3.15m from £8.6m per annum.

The Council has been in active discussions with the Ministry of Housing, Communities & Local Government (MHCLG) aimed at gaining flexibilities on some aspects of the legislation although these are predicated on the assumption of achieving permanent reductions in revenue and capital expenditure to produce a viable Business Plan. Council is also proceeding with phase 1 of the Grange Farm Estate Regeneration Scheme having successfully secured external funding.

A decrease in dwelling rents of 1% and increase in tenant service charges of 4% was approved by Council, which results in an average rent and tenant service charge of £112.38 per week and £3.15 per week respectively.

Community Centre and energy charges will be increased by 4% in line with the Councils' fees & charges policy whilst charges for garages and water will remain unchanged reflecting market conditions and underlying supply costs.

The budget includes provision for investment in existing stock as well as continued development of the Affordable Housing programme, comprising development new homes and estate regeneration. These new homes, together with development of properties for rent outside the HRA, will provide tenants and residents a wider range of housing options, and maximise the potential benefits now available under the new legislative framework.

Table 5: HRA Budget 2018-19 and MTFs 2019-20 to 2020-21 – Expenditure

All figures in £s	Budget 2018-19	Budget 2019-20	Budget 2020-21
Employee Costs	2,640,410	2,701,140	2,763,270
Supplies & Services	1,114,770	1,189,800	1,349,400
Utility cost	410,640	417,730	425,090
Estate & Sheltered Services	3,167,720	3,197,410	3,227,990
Central Recharges	3,785,380	3,872,440	3,961,500
Operating Expenditure	11,118,920	11,378,520	11,727,250
Repairs - Voids	1,125,990	1,125,990	1,125,990
Repairs - Responsive	3,487,040	3,487,040	3,487,040
Repairs – Other	2,116,640	2,146,170	2,176,710
Repairs Expenditure	6,729,670	6,759,200	6,789,740
Contingency - General	200,000	200,000	200,000
Investment in Services	200,000	200,000	200,000
Bad debt provision	250,000	250,000	250,000
RCCO	300,000	-	-
Affordable Housing	274,430	275,000	275,560
Charges for Capital	6,361,480	6,429,830	6,462,870
Depreciation	7,676,120	7,747,720	7,812,310
Hardship Fund	100,000	100,000	100,000
Savings	0	(640,000)	(1,020,000)
Other Expenditure	15,362,030	14,562,550	14,280,740
Total Expenditure	33,210,620	32,700,270	32,797,730

Table 6: HRA Budget 2018-19 and MTFs 2019-20 to 2020-21 – Income

All figures in £s	Budget 2018-19	Budget 2019-20	Budget 2020-21
Rent Income – Dwellings	(28,242,430)	(28,665,280)	(29,238,790)
Rent Income – Non Dwellings	(588,080)	(590,300)	(592,580)
Service Charges - Tenants	(1,696,710)	(1,726,430)	(1,730,220)
Service Charges – Leaseholders	(613,540)	(613,540)	(599,290)
Facility Charges	(696,110)	(716,990)	(738,500)
Interest	(3,100)	(3,100)	(3,100)
Other Income	(106,000)	(106,000)	(106,000)
Recharge to General Fund	(165,650)	(165,650)	(165,650)
Total Income	(32,111,620)	(32,587,290)	(33,174,130)
In Year Deficit / (Surplus)	1,099,000	112,980	(376,400)
BALANCE brought forward	(6,272,380)	(5,173,380)	(5,060,400)
BALANCE carried forward	(5,173,380)	(5,060,400)	(5,436,800)

CORPORATE

Table 7: Technical Budget Changes

MTFS 2018/19 to 2020/21 – Proposed investments / savings			
TECHNICAL BUDGET CHANGES			
	2018/19	2019/20	2020/21
	£000	£000	£000
Capital and Investment			
Capital financing costs and investment income			
Increased Minimum Revenue Provision costs of the capital programme and interest on balances changes	7,994	4856	
One off MRP underspend	-4,000	4000	
On going MRP underspend	-2,000		
25%reduction i	-1,144	-355	-45
Reductions following review of capital bids in December	-51	-816	
Application of Capital Receipts to reduce borrowing costs	-350	350	
Capital In Investment			500
One of use of MRP capacity	500		
Total Capital and Investment Changes	949	8,035	455
Grant Changes			
New Homes Bonus			
Estimated Grant changes	940	1000	940
Reduction in New Homes Bonus - December Settlement			
New Adult Social Care Grant 2017.18	974		
<i>Total New Homes Bonus</i>	<i>1,914</i>	<i>1,000</i>	
Better Care Fund			
<i>Estimated additional grant from 2016/17</i>			
Education Support Grant.			
Projected reduction in grant received	751	144	0
Reduction in ESG - December Settlement			
<i>Total ESG</i>	<i>751</i>	<i>144</i>	
Transition grant	699		
Public Health Grant Reduction	697	487	
Total Grant Changes	4,061	1,631	940
Other Technical Changes			
Freedom Pass Levy increase. Cost of Freedom passes charged to Harrow by Transport for London	390		500
Amendment 2016/17 review - extension to 2019/20	0	414	
<i>Total Freedom Pass Levy change</i>	<i>390</i>	<i>414</i>	<i>500</i>
<i>Increase energy contingency</i>	<i>-64</i>		
Budget planning contingency	370	0	
One off use from 2016/17	1,000	0	
<i>Total Budget planning contingency.</i>	<i>1,370</i>	<i>0</i>	
<i>corporate adjustment</i>	<i>-748</i>	<i>-108</i>	
Total Other Technical Changes	948	414	500
Pay and Inflation			
Pay Award @ 1% pa	1,000	1,000	
Pay Award @ 2% pa			2,000
Pay inflation total	1,000	1,000	
National Minimum Wage		1,300	

MTFS 2018/19 to 2020/21 – Proposed investments / savings

TECHNICAL BUDGET CHANGES			
	2018/19	2019/20	2020/21
	£000	£000	£000
Employer's Pension Contributions lump sum increases agreed with actuary			
Required to reduce the pension deficit	664	700	
Further Contribution of Lump sum in accordance with actuarial triennial valuation			
Reduction of inflation provision and corp budgets from 2017/18	-2,350		
Inflation on goods and services @ 1.3% p.a.	1,270	0	500
Reduction in inflation provision	0	TBC	
<i>Inflation Provision total</i>	<i>1,270</i>	<i>0</i>	
Total Pay and Price Inflation	1,469	3,000	2,500
OTHER			
Reversal 17.18 Income	3,500		
Estimated Directorate Growth			4000
Improved Better Care Fund 2018/19	-4,643	4643	1367
Improved Better Care Fund 2018/19		-5467	4100
Capital Receipts Flexibility	-2,700	2700	
Total Corporate & Technical	1,719	14,826	15,770

Levies

The table below shows the main levies that the Council will pay in 2018-19. These sums are set by other bodies and are outside the Council's control.

Table 8: Levies and Subscriptions

	2017-18	2018-19	Changes	Changes	Comments
	£'000	£'000	£'000	%	
West London Waste Authority Levy	1,895	1,849	- 46	-2.43%	Based on Notification
Lee Valley Levy	219	204	- 15	-6.85%	Based on Notification
London Council Subscription	137	129	- 8	-5.84%	Based on Notification
London Borough Grant	219	189	- 30	-13.70%	Based on Notification
Freedom Pass Levy	10,199	10,071	- 128	-1.26%	Based on Notification
Environment Agency Levy	189	193	4	1.99%	Based on Notification
Coroners Court Levy	179	179	-	0.00%	Estimated
Traffic Control Levy	300	300	-	0.00%	Estimated
Local Government Association Subscription	38	38	-	0.00%	Estimated
London Pension Fund Authority Levy	307	307	-	0.00%	Estimated
Joint Committee Subscription	161	161	-	0.00%	Based on Notification
Apprentice Levy	400	400	-	0.00%	Estimate

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

Forecast Reserves and Provisions

Table 9: Reserves Forecast

Earmark Reserves	Reserves as at year end	Estimated use in 2017/18	Estimated Reserves at start of year	Planned Contributions included in MTFS	Estimated Use of reserves in 2018/19	Estimated Reserves at year end
	31-Mar-17		01-Apr-18			31-Mar-19
	£'000	£'000	£'000	£'000	£'000	£'000
Transformation & Priority Initiatives Fund	2534	2049	485	0	361	124
Business Risk	2109		2109	0	0	2109
MTFS Implementation	2857	799	2058	0	1000	1058
Rapid Response	75		75	0	0	75
IT Implementation	678		678	0	678	0
Standing Up For Those In Need	800		800	0	0	800
Public Health	1123	170	953	0	150	803
Budget Planning	2000	1000	1000	0	0	1000
Total	12176	4018	8158	0	2189	5969

CAPITAL INVESTMENT PLAN 2018/19 - 2020/21

The Capital Programme represents an investment of £384m across the three years of the programme on the General Fund Capital Programme and £37m on the Housing Revenue Account Programme. Of this the General Fund and Housing Revenue Account.

Major projects included in the programme are:

- Investment in IT infrastructure to enable efficiency projects
- Acquisition of Investment Properties
- Enhancement of Adult Home Care provision
- School expansion programme
- Education modernisation and improvements
- Re- Development of Depot
- Investment in IT infrastructure to enable efficiency projects
- A substantial investment investment in a regeneration project
- Improvements to the Council's housing stock
- A substantial investment investment in a regeneration project

Ongoing investment in the following projects as follows:

- social care facilities,
- highways,
- street lighting,
- trade waste and park infrastructure

Capital Programme and Funding

Tabel 10: Capital Programme Funding

	2018/19 Net Value	2019/20 Net Value	2020/21 Net Value	Total Net Value
	£'000	£'000	£'000	£'000
Total 2017/18 Capital Programme approved in Feb 2017.	250,480	118,055		368,535
Amendments made to 2017/18 Capital Programme	- 2,366	- 2,271		- 4,636
Revised Capital Programme excluding Regeneration amendments	248,115	115,785	0	363,899
Amendment to Regeneration Capital Programme to be approved at February 2018 Cabinet	- 126,874	80,482	35,534	- 10,858
New 2018/19 Capital Programme added	1,745	9,025	16,833	27,603
Changes to HRA Budget	- 5,900	11,244	13,836	19,180
Total 2018/19 Capital Programme	117,086	216,535	66,203	399,824

Funding

The capital programme is funded from a number of sources. These include:

- External Funding of the order of £21m in 2018-19, primarily from the DCLG, GLA and Transport For London
- Borrowing
- Capital receipts where available, although the council is planning to move away from disposals towards developing its own assets and delivering a sustainable revenue stream
- S106 planning agreements in relation to specific schemes
- Direct Revenue Financing (Housing Revenue Account)

It is anticipated that the General Fund programme will be financed as follows:

Table 11: Capital Financing Implications of New additions

	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Minimum Revenue Provision (MRP)	0	92	184	2,360
Interest Costs	55	332	837	837
Less Income to cover MRP cost	0	-92	-184	-442
Less Income to cover interest cost	-55	-332	-372	-372
Total Capital Financing Costs	0	0	465	2384

Capital Programme 2018/19 to 2020/21										Appendix 1		
Project Title	2018/19			2019/20			2020/21			TOTAL		
	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Bid Value	External Funding £000	Net Bid Value
Resources and Commercial Directorate												
Ongoing refresh & enhancement of ICT 'Replacement, upgrades and enhancements to applications, infrastructure and end user devices, not included within the agreed supplier service charges or transformation programme	3,000		3,000	5,000		5,000			0	8,000	0	8,000
Transition and Transformation - Sopra Steria	38		38			0			0	38	0	38
Sub Total Transformation & Technology	3,038		3,038	5,000		5,000			0	8,038	0	8,038
IT Infrastructure refresh - Essential refresh of the IT infrastructure to enable continued operation of Council services.							3,000	0	3,000	3,000	0	3,000
Devolved Applications Refresh -In order to maintain external compliance and to support the deployment of new applications a roadmap has been agreed with Sopra Steria to keep the IT infrastructure up to date. This will result in the need to upgrade line of business applications (owned by the services) in order for them to remain compatible and maintain external compliance.	700		700	700		700	1,700	0	1,700	3,100	0	3,100
Total Resources and Commercial Directorate	3,738	0	3,738	5,700	0	5,700	4,700	0	4,700	14,138	0	14,138
People's Directorate												
Adults												
Reform of Social Care Funding The second phase of the Care Act in relation to the Care Accounts has been delayed until 2020. The originally approved funding is therefore pushed back to 2019/20 pending further guidance on next steps. The funding will be used to support the implementation, including building new information system(s) to support the requirements including self-assessment tools.	0	0	0	250	0	250			0	250	0	250
Project Infinity Placeholder for potential capital funding to enable further commercialisation of My Community e Purse (MCeP – self directed care) and for Our Community e Purse (OCeP – self funded care) with the expectation (subject to development of further business cases) that investment and continued partnership working with IBM will support the delivery of a revenue income stream, enabling MTFS savings to be reinstated.	100	0	100		0	0			0	100	0	100

Capital Programme 2018/19 to 2020/21										Appendix 1		
Project Title	2018/19			2019/20			2020/21			TOTAL		
	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Bid Value	External Funding £000	Net Bid Value
In-House Residential Establishments												
Investment to maintain the infrastructure of the Council's internal residential and day care facilities. Requirement ceases post 2018/19 linking to revenue MTFs service re-provision proposals	100	0	100	200	0	200			0	300	0	300
Total Adults	200	0	200	450	0	450	0	0	0	650	0	650
Schools												
SEN Expansion												
'There is pressure for special educational needs (SEN) provision places, which will be alleviated in the medium term as additional places will become available from 2015 following successful TBNP applications in accordance with Harrow's Special Schools and SEN Placement Planning Framework. However, in light of the projections and in light of the Government's Special Educational Needs and Disability reform agenda, consideration needs to be given to the next phase of expansion. A time limited task and finish group has been established, which will drive forward work on producing a refresh of the Harrow SEN strategy.	2,520	2,520	0	0	0	0			0	2,520	2,520	0
Bulge Classes												
The pupil numbers in Harrow have risen rapidly in recent year, particularly at primary intake level. This has given rise to the School Expansion Programme which is covered in other bids. However, until permanently expanded schools are available, the short term measure has been to provide 'bulge classes' in multiple schools across the borough. These are where an additional form of entry are placed in a particular year which then passes through the school without being followed by additional classes.	150		150	150		150			0	300	0	300
Children's Capital Maintenance Programme												
Proactive and reactive programme of maintenance across the schools estate	1,350		1,350	1,350		1,350			0	2,700	0	2,700
Capital Maintenance funding estimate 2018-19												
'Estimated allocation for Capital Maintenance to contribute to schools capital programme for 2018-19		2,000	-2,000			0			0	0	2,000	-2,000
Secondary Expansion												
The growth in demand for primary places will progress to secondary schools and it is projected that there will be a shortfall of Year 7 places from 2018. Additional capacity has been secured through the expansion of two schools, Bentley Wood and Whitefriars and the permanent location of Avanti House will contribute to an overall increase in places. In addition, a further 6 forms of entry has been secured through the successful free school bid opening on the Heathfield School site. However, there will still be a shortfall of places from September 2020 rising to approx. 13 forms of entry in September 2023.	3,650		3,650	5,250	2,625	2,625			0	8,900	2,625	6,275

Capital Programme 2018/19 to 2020/21										Appendix 1		
Project Title	2018/19			2019/20			2020/21			TOTAL		
	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Bid Value	External Funding £000	Net Bid Value
Total Schools	7,670	4,520	3,150	6,750	2,625	4,125	0	0	0	14,420	7,145	7,275
Total People's Directorate	7,870	4,520	3,350	7,200	2,625	4,575	0	0	0	15,070	7,145	7,925
Community Directorate												
Environmental Services												
Flood Defence Renewal of ageing drainage infrastructure to reduce the risk of flooding impact on residents, properties and business continuity.	300		300	300		300	300		300	900	0	900
Waste & Recycling Replacement of aged, damaged and/or lost wheeled bins, as well as bins provision for new residential developments within the borough. On-going improvement works at CA site.	150		150	150		150	150	0	150	450	0	450
Highway Programme Renewal and replacement of highways and footways.	7,100	2,400	4,700	3,300		3,300	5,000	0	5,000	15,400	2,400	13,000
Highway Drainage Improvements to critical drainage areas identified in Surface Water Management Plan as required by The Flood & Water Management Act 2010.	200		200	200		200	200		200	600	0	600
Local Implementation Plan (LIP) including CPZ schemes Implementation of the Mayor of London's Transport Strategy as well as Harrow's Transport Local Implementation Plan & parking management programmes.	1,300	1,000	300	1,300	1,000	300	1,300	1,000	300	3,900	3,000	900
Parks Infrastructure Prioritise parks infrastructure which are most in need of repair in order to provide safe access and use of facilities for all.	506		506	506		506	675	0	675	1,687	0	1,687
Street Lighting Replacement of aged and dangerous lighting columns as well as investment in new lighting to support Climate Change strategy and to provide variable lighting solutions.	1,500		1,500	1,000		1,000	1,500		1,500	4,000	0	4,000
Corporate Accommodation Improvements to corporate buildings to provide a safe and secure environment in which to operate its business.	155		155	55		55	255	0	255	465	0	465

Capital Programme 2018/19 to 2020/21										Appendix 1		
Project Title	2018/19			2019/20			2020/21			TOTAL		
	Gross Value	External Funding	Net Value £000	Gross Value	External Funding	Net Value £000	Gross Value	External Funding	Net Value	Gross Bid	External Funding	Net Bid
High Priority Planned Maintenance Improvements to corporate properties (excluding schools) to ensure that they are in a safe condition for occupants.	600		600	600		600	500	0	500	1,700	0	1,700
Carbon Reduction Provision of retro-fit energy efficiency measures in corporate buildings.	100		100	100		100	50	0	50	250	0	250
Replacement of Parks litter bins	49		49	0		0			0	49	0	49
Green Grid Programme Improvements to Harrow's green infrastructure to provide a network of interlinked and multifunctional open spaces.	150	0	150	150	0	150	150	0	150	450	0	450
Harrow on the Hill Station Improvements to the station and surrounding area to create step free access	3,000	0	3,000			0			0	3,000	0	3,000
Green Gym / Play Equipment Installation of outdoor gym equipment within parks to promote health and well being.	38		38	38		38			0	75	0	75
CCTV Cameras and equipment at depot Installation of parking enforcement cameras at certain locations where it is permissible to capture contraventions by cameras following Deregulation Bill. Upgrade of CCTV equipment and facilities at the depot.	150		150	50		50	50		50	250	0	250
CCTV Infrastructure - this project is to upgrade the borough's CCTV infrastructure. The current infrastructure has been in place since 2001.	800		800	800		800	0		0	1,600	0	1,600
Purchase of Trade Waste Bins Purchase of bins to support expansion of business as part of Project Phoenix	100		100	100		100	100	0	100	300	0	300
Car parks Infrastructure Improvement to car parking facilities to comply with H&S requirements and to commercialise council owned car parks.	15		15	15		15	15		15	45	0	45
Street Litter Bins: This funding is to support the provision and replacement of adequate numbers of on street litter bins, creating an environment where there are adequate numbers of bins provided to meet demand.	300		300	300		300			0	600	0	600

Capital Programme 2018/19 to 2020/21											Appendix 1		
Project Title	2018/19			2019/20			2020/21			TOTAL			
	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Bid Value	External Funding £000	Net Bid Value	
Depot redevelopment - this proposal is to redevelop the Central depot to consolidate and intensify the existing site.	13,110		13,110	5,830		5,830			0	18,940	0	18,940	
Redevelopment of Vernon Lodge & Atkins House - this is the redevelopment of the Council's only homelessness hostel, Vernon Lodge, to increase capacity and create purpose built accommodation that will provide capacity for the council to house its homeless. It will also provide units that can be rented to those able to afford the rental. There is £725k already in the existing budget as a contribution towards this scheme so the total cost is £11.049m	775		775	8,225		8,225	1,324		1,324	10,324	0	10,324	
Redevelopment of Rayners Lane Toilet Block - refurbishment and redevelopment of this building to bring it back into use through conversion to shop/office space.	170		170	0		0	0		0	170	0	170	
Headstone Manor - Park for People project - the project will address health and safety issues with the historic moat and improve existing footpath network and car park surface to cope with additional visitors.	75	75	0	1,722	1,722	0	0		0	1,797	1,797	0	
									0				
Total Environmental Services	30,643	3,475	27,168	24,741	2,722	22,019	11,569	1,000	10,569	66,952	7,197	59,755	
Community & Culture													
Leisure & Libraries Capital Infrastructure - Capital to be invested in a targeted programme to improve the infrastructure of the Council's leisure and library facilities. There is a high risk, particularly with Harrow Leisure Centre, that failure to maintain the infrastructure will inevitably lead to a building closure if a major fault occurs and be a risk to leisure income. There will be Lifecycle Gym equipment replacement in 2018/19	460		460	150		150	150		150	760	0	760	
Central Library Refit & Library Refurbishments - As part of the town centre regeneration scheme on College Road, majority of funding will come from CIL.	800	0	800	1,000	0	1,000			0	1,800	0	1,800	
Bannister Sports Centre (S106)	904	904	0						0	904	904	0	
Harrow Museum Capital Infrastructure - this covers regular planned works beyond day to day maintenance revenue costs.							104	60	44	104	60	44	

Capital Programme 2018/19 to 2020/21

Appendix 1

Project Title	2018/19			2019/20			2020/21			TOTAL		
	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Bid Value	External Funding £000	Net Bid Value
Total Community & Culture	2,164	904	1,260	1,150	0	1,150	254	60	194	3,568	964	2,604
Housing General Fund												
Better Care Fund - Disabled Facilities Grant - Grants to fund adaptations to private properties to help enable residents to remain in their existing homes	1,500	650	850	1,500	650	850	1,500	650	850	4,500	1,950	2,550
Improvement Grants - Grants to private landlords to improve the condition of their properties, generally in exchange for a lease agreement	52		52	52		52	70		70	174	0	174
Empty Properties Grants - Grants to help bring empty properties back into use, generally in exchange for nomination rights for a period of time	187		187	187		187	450		450	824	0	824
Better Care Fund - Disabled Facilities Grant - Grants to fund adaptations to private properties to help enable residents to remain in their existing homes - Includes assumed use of additional DFG grant to fund additional works - no net cost to the Council as additional works grant funded. Linked to income generation proposal for Home Improvement Agency.	530	530	0	530	530	0	530	530	0	1,590	1,590	0
Empty Property Initiative - to bring empty/vacant property into use which may require Compulsory Purchase Order. The intention	746		746			0			0	746	0	746
New Bid - Extension to Property Purchase Initiative - funding for the purchase of an additional 50 properties on the open market for the council to use as Temporary accommodation; providing good quality temporary accommodation and reducing the overall net cost to the Council of B & B accommodation	6,000		6,000			0			0	6,000	0	6,000
Total Housing General Fund	9,015	1,180	7,835	2,269	1,180	1,089	2,550	1,180	1,370	13,834	3,540	10,294
Total Community Directorate	41,822	5,559	36,263	28,160	3,902	24,258	14,373	2,240	12,133	84,354	11,701	72,653
Regeneration												
Regeneration programme - feasibility work to develop options for taking forward regeneration sites.	250		250			0			0	250	0	250
Regeneration Programme approved Feb2017	197,620		197,620	81,638		81,638			0	279,258	0	279,258
Amendments to Regeneration Programme to be approved February 2018 Cabinet	-126,874		-126,874	80,482		80,482	35,534		35,534	-10,858		-10,858

Capital Programme 2018/19 to 2020/21											Appendix 1		
Project Title	2018/19			2019/20			2020/21			TOTAL			
	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Value £000	External Funding £000	Net Value £000	Gross Bid Value	External Funding £000	Net Bid Value	
Lyon Road Pop Up Restaurant and Square (GLA and S106 funded) - this project is to transform an existing car park in Harrow Town Centre into a multi-function public space, improving the general environment for pedestrians and providing the opportunity for markets, particularly food markets. Any design for the new public space will look to maintain car parking spaces as part of the shared design space.	84	84	0	726	726	0	201	201	0	1,010	1,010	0	
Mobile technology in Community Learning - GLA and Skill Funding Agency are funding the purchase of IT equipments to support the delivery of community learning and skills focused education.	20	20	0	0	0	0	0	0	0	20	20	0	
Neighbourhood CIL Schemes - CIL receipts can be used to fund a wide range of infrastructure including transport, schools, health and social care facilities, libraries, play areas, green spaces and sports facilities.	800	800	0	0		0	0		0	800	800	0	
Total Regeneration	71,900	904	70,996	162,846	726	162,120	35,735	201	35,534	270,480	1,830	268,650	
Total General Fund	125,330	10,983	114,347	203,905	7,253	196,653	54,808	2,441	52,367	384,042	20,676	363,366	
Housing Revenue Account													
Housing Revenue Account capital programme - Continued investment in the Council's existing housing stock, as well as the commencement of a programme of new build housing	2,739		2,739	19,883		19,883	13,836		13,836	36,458	0	36,458	
Total HRA	2,739		2,739	19,883		19,883	13,836	0	13,836	36,458		36,458	
Total General Fund + HRA	128,069	10,983	117,086	223,788	7,253	216,535	68,644	2,441	66,203	420,500	20,676	399,824	

GLOSSARY OF TERMS

Term	Definition
Budget Requirement	The budget requirement is a forecast of the Council's planned revenue expenditure less funding from reserves, the dedicated schools grant and any other income (outside of general government funding and Council Tax).
Business Rates Retention	Business Rates retention was first introduced in 2013-14, 50% of changes in Business Rates are passed to Central Government. As a first step towards 100% rates retention Harrow has agreed, in principle, to support a 100% business rates retention pilot proposal for 2018/19 covering London.
Capital Budget	The capital budget is the forecast of the Council's planned expenditure in respect of the acquisition of fixed assets or expenditure which enhances and does not merely maintain the value of existing fixed assets which may be carried out over a period of greater than a year.
Capital Financing	A charge to service revenue accounts to reflect the cost of fixed assets used in the provision of services. The charge is for the depreciation of the fixed assets and is a notional charge.
Capital Receipts	Income received from the sale of land, buildings and other capital assets

Term	Definition
Clinical Commissioning Groups	From April 2013 PCT's were replaced by more than 200 GP led organisations called Clinical Commissioning Groups (CCGs). CCGs decide whether or not to pay for any hospital care that a GP thinks they need.
Collection fund CNWL	A statutory fund maintained by a local authority which is used to record the billing and collection of Council Tax and Non-Domestic Rates payments. Central and North West London NHS Foundation Trust
Comprehensive Spending Review (CSR) Collection fund	The public expenditure planning process undertaken by Central Government to allocate government spending. Each CSR covers a three year period. A statutory fund maintained by a local authority which is used to record the billing and collection of Council Tax and Non-Domestic Rates payments.
Contingency Comprehensive Spending Review (CSR)	A sum set aside to cover unplanned or emergency spending. The public expenditure planning process undertaken by Central Government to allocate government spending. Each CSR covers a three year period.
Contingency	A sum set aside to cover unplanned or emergency spending.

Term	Definition
Corporate and Democratic Core Costs (CDC)	These comprise democratic representation and management costs together with corporate management costs. The former includes all aspects of members' activities in that capacity, including corporate programme and service policy making, and more general activities relating to governance and the representation of local interests. The latter concerns those activities that provide the infrastructure that allows services to be provided and the information required for public accountability
Council Tax	The main source of local taxation for local authorities. It is levied on households according to the Band of each property. It is paid into the Collection Fund and together with Government grants is used to finance the Council's annual Revenue Budget.
Council Taxbase	The Council Tax base is the estimated number properties within the local authority and is based on Band 'D' equivalents. It takes into account single person discount, status discounts, empty properties, exemptions and reductions for people with disabilities.
Dedicated Schools Grant	Ring-fenced funding for schools from the Department for Education (DFE) to local authorities. The Council retains responsibility for distributing this funding to schools according to local needs and priorities.
IFRS	International Financial Reporting Standards. Principles based Standards, Interpretations and the Framework (1989) adopted by the International Accounting Standards Board.

FACS	The Fair Access to Care Services (FACS) framework was introduced nationally in 2003 to address inconsistencies across the country about who gets support, in order to provide a fairer and more transparent system for the allocation of social care services. The principle behind FACS was that there should be one single process to determine eligibility for social care support, based on risks to independence over time. Its aim was to provide a framework to enable councils to stratify need for social care support in a way that is fair and proportionate to the impact it will have on individuals and the wider community, taking into account local budgetary considerations.
Formula Funding	The main channel of Government funding which includes Revenue Support Grant. The formulae for allocating the grant to authorities are based on population, needs and the ability of the authorities to raise Council Tax.
Funding Gap	The difference between projected expenditure and income for future years within the MTFS. Essentially this is the amount to be saved to produce a balanced budget.
General Fund	The main revenue account for the local authority. Day-to-day expenditure and income on services is charged to this fund. It specifically excludes expenditure and income relating to the Housing Revenue Account (HRA), capital and pensions.
General Reserves	This is a non specific contingency fund and every local authority must maintain this to allow for unforeseen fluctuations in spending, unplanned eventualities, essential growth and vital projects.
Grant Income	A specific or general sum received by the local authority from the Government to supplement its expenditure.

Greater London Authority (GLA)	The GLA is a unique form of strategic citywide government for London. It is made up of a directly elected Mayor and an elected Assembly. It delivers police services, fire and transport services, grants to the voluntary sector, advises on strategic policy for London and is financed from a precept on the London boroughs.
Housing Revenue Account (HRA)	Local authorities are required to maintain a separate account which sets out the income and expenditure arising from the provision of council housing
IDP	Infrastructure Delivery Plan. The IDP identifies the types and quantum of social, physical and environmental infrastructure required to support development and growth within the Borough to 2026, and sets this out in a detailed delivery plan.
Levy	The sums required to be paid to certain non governmental organisations to finance their operations. In the case of Harrow, these are the West London Waste Authority, the Lee Valley Regional Park Authority, the London Pension Fund Authority and the Environment Agency.
Medium Term Financial Strategy (MTFS)	The MTFS sets out a framework for utilising the Council's finances to deliver the Council revenue and capital strategic priorities over a period of years
National Non-Domestic Rates (NNDR)	A form of local taxation charged on non-residential premises at a level set by central government. Rates are collected and paid into a central pool administered by central government. The total collected is then redistributed to authorities on the basis of population.
Recharges	Costs for a service are paid for by one section and then recharged to other sections that benefit from the service. Usually one section charging a small number of other sections.

SIMS	Schools Information Management System
Support Service Charges	Charges for the services provided by central functions that support all the council's services. They include financial, legal, human resources, Information Technology, property and accommodation. It is a form of recharge but is generally provided to a range of services not just one or two.
WLA	The West London Alliance (WLA) is a partnership of the borough councils in West London. Brent, Ealing, Hammersmith and Fulham, Harrow, Hillingdon, Hounslow and Barnet, The Royal Borough of Kensington and Chelsea and Westminster City Council participate in all or some of the partnerships programmes.