

## **Monitoring of Income Generation targets**

Following the Budget Scrutiny process last year, Cabinet accepted the proposal that income generation targets in the Medium Term Financial Plan should be reported and reviewed by Cabinet on a regular basis.

## **Year-end update on income generation**

The following reflects budget outturn for all 'Additional Income' lines from the last Medium Term Financial Plan.

There were proposals from 6 Portfolios, totalling £5.7m in 2017/18, with this figure rising to £7.5m by 2020/21.

The majority of these proposals were fully delivered in 2017/18. The exceptions to this are below;

- Biomass Boiler income
- Highways Development Management additional income
- Improved recovery for third party damage
- Provision of HR Services to Harrow

Overall non-delivery in 2017/18 thus totalled £448k (7.9%), out of the total of £5.7m

In addition there are proposals within Community Engagement, Health & Wellbeing and Resources which are over-achieving their additional income targets. These total £831k, and more than offset the shortfall in other portfolios.

Looking beyond 2017/18 income from property assets and investment properties in particular is in a strong position to meet its 2018/19 target already with the full year effect of the new investments in 2017/18.

## **Management action to address future year shortfalls**

A number of proposals have been identified as undeliverable (or partly deliverable) in future years and have been addressed through alternative proposals in the latest Medium Term Financial Planning process.

The majority which were identified as undeliverable have been removed as part of the MTFP process for 2018-22, however for the Harrow HR Shared Services there are further improvements to explore in order to maximise savings opportunities in future years.

## Appendix 2

Where there are material and significant shortfalls in delivering these targets in the current year these should have be reported in Appendix 1 of this report.

Table 1 (below) details all the current proposals and includes comments from service management teams on the outturn position against the 2017/18 target for each proposal.

## Appendix 2

### Table 1

Portfolio	Service	Activity	Description	2017/18 £000	2018/19 £000	2019/20 £000	2020/21 £000	Comment - year end	
Community Engagement	Culture & Leisure	Registrars	Fee Increase	(20)	(40)	(60)	(60)	Target for 17-18 more than achieved (£23k), outturn shows additional one off income of £75k	
	Trading Standards	Trading Standards	Review of charges	0	(15)	(15)	(15)	Full delivery expected	
Health & Wellbeing	Centrally Managed Budgets	Centrally Managed Budgets	Permanent budget adjustments	(2,000)	(2,000)	(2,000)	(2,000)	Delivered in16-17 on recurrent basis	
			Financial Assessments	(1,500)	(1,500)	(1,500)	(1,500)	Delivered in16-17 on recurrent basis	
	Older People (inc Older People Mental Health)	Older People / Older People Mental Health Fairer Charging Income	Client Income, Carers Assessments	0	(50)	(50)	(50)	Not to be pursued & alternative proposal identified	
	Physical & Sensory Disabilities	P&SD Fairer Charging Income	Annual Financial Reassessments	(100)	(200)	(300)	(400)	Overall client income overdelivered saving	
Leader	Growth & Strategy	Growth & Strategy Development	High Speed 2 mitigation and qualifying authority staffing resource with income	(80)	(80)	(80)	(80)	Income has been invoiced to HS2, funding agreement in place.	
Planning & Environment	Environment Services	Country Parks & Green Spaces	Country Parks - increased income from capital investments funding by reserve	(50)	(50)	(50)	(50)	Delivered through car parking income and improved public areas.	
		Energy & Resources	Biomass boilers - increased income	(47)	(52)	(52)	(52)	Income target missed by £70k (against overall £200k target). RHI income has been increased and plans are now in place to address this. Anticipate will achieve target in 2018/19.	
			Energy & Resources - income opportunities / fund reductions	(50)	(165)	(175)	(175)	Current year target met. £60k undeliverable in future years addressed through MTFP. Battery storage project on track to deliver balance of	
		Waste	Third party waste charges and contract income	(145)	(151)	(160)	(171)	Delivered for 2017/18 through EFW electricity sales; and contract with Slough re HRCs.	
Resources	Assurance	Strategic Assets	Property Asset income generation	(500)	(750)	(1,000)	(1,000)	Over delivered in-year, and on track for future years	
			Investment Property Investment	(575)	(575)	(575)	(575)	Fully delivered	
	Consultancy Services	Applications	PSN additional income	(9)	(9)	(9)	(9)	Delivered	
	Operations	HR Operations	Provision of HR Services to Harrow	(310)	(451)	(451)	(451)	Shortfall in-year, met by over-delivery in other areas There are some further improvements to explore in order to maximise savings	
Operations Director BSP		Increase in net revenue from sales	(72)	(72)	(72)	(72)	Fully delivered		
Transportation	Digital and Strategic Options Appraisals	Digital and Strategic Options Appraisals	Winslow car park income	0	0	0	(319)	Delayed due to project slippage. Reprofiled in new MTFP.	
	Environment Services	Highways Development Control	Highways Development Management additional income	(18)	(18)	(18)	(18)	Specific target has been removed as part of this year's MTFP process. Overall team is looking now to expand and increase income	
	Growth & Strategy	Transport Strategy	School crossing patrollers - alternative funding / reduction	0	0	0	(24)	On track.	
	Transport Services	Highways (Client)	Advertising & sponsorship income	(50)	(50)	(50)	(50)	Delivered £49k in 2017/18 outturn. Now anticipating to be on track going forward.	
			Third party damage, improved recovery	(50)	(75)	(100)	(100)	Off-track, income of £179k achieved but offset by debt write-offs; action plan in place to increase recovery. Debt recovery agents Opus	
				Increased charges	(79)	(79)	(79)	(79)	Delivered target through a number of different charges including Parking and Traffic Management Act income.
				Pay & Display Increased Income	(58)	(116)	(174)	(174)	Delivered £200k increase in Parking income achieved at year-end. Delays in specific schemes remain.
			Licence fees additional income	(10)	(25)	(40)	(40)	Delivered £45k increase in licence fees at year end. Future years on	
			(5,723)	(6,523)	(7,010)	(7,464)			