



**Haringey Council**

Report for:	Cabinet	Item Number:	
Title:	Corporate Planning 2015-2018		
Report Authorised by:	Nick Walkley, Chief Executive		
Lead Officer:			
Ward(s) affected: All	Report for Key/Non Key Decisions: Key		

## **1. Describe the issue under consideration**

- 1.1. This report sets out the next steps in relation to the Council's budget, Corporate Plan and Workforce Planning for the next three years. Specifically it seeks agreement to begin the next stage of consultation with residents, businesses, partners on the Medium Term Financial Strategy, Corporate Plan and associated documents, as well as starting an engagement programme with staff on the Workforce Plan.

## **2. Cabinet Member introduction from the Leader of the Council**

- 2.1. We are ambitious for Haringey – it is already a great place to live but there is much more we can do together to make it even better. We are determined to ensure a fair and equal borough so that everyone can thrive and achieve their potential. In order to achieve this we will:
- Continue to freeze Council Tax rates;
  - Ensure every child and young person is able to attend a school or early years setting that is rated as good or outstanding in order that they have the best start in life;
  - Bring in over £1bn of investment in the borough to create more housing and jobs;



- Invest in our neighbourhoods and open spaces.
- 2.2. The plans attached to this report set out our vision for Haringey and explain how we will deliver this over the next three years. In our Medium Term Financial Strategy we identify £74 million of savings which follows over £100 million of savings already made between 2010/11 and 2014/15 due to Central Government reductions in funding.
  - 2.3. Our workforce is also smaller and we have had to completely re-think the way we engage with our local communities and deliver services as well as adjust to the borough's changing demographics and increasing levels of demand.
  - 2.4. This means we must make some hard choices – however we do not believe that less money means a worse service and it is not our job to simply manage decline. Instead our challenge is to find new and different ways to generate income, promote economic growth and create stronger partnerships that work with our communities to provide services and tackle local problems. We must identify cheaper, better value for money ways of doing what we do and target what we do much better, so that the money we spend is focussed sharply on adjusting our priorities.
  - 2.5. The Council cannot achieve the level of ambition we are setting out alone. It will require a stronger partnership with residents and businesses and closer working with our partners in the public, voluntary and private sectors. It will also mean a significant degree of change for the council including different skills for council staff. That is why this report contains key documents for further consultation – the Corporate Plan, Medium Term Financial Strategy and the Workforce Plan which we will engage with staff on. We also set out a clear offer as to what we think our role in achieving a better Haringey is, and what we are asking of residents and businesses, partners and staff.

### **3. Recommendations**

- 3.1. It is recommended that Cabinet:

#### **3.1.1. Corporate plan – attached at Appendix 1:**

- a) Note the offer to residents, partners and staff proposed to accompany the Corporate plan for consultation;
- b) Agree that the corporate plan *Building a stronger Haringey Together* is now issued for consultation with residents, business, partners and staff, to return to Cabinet for decision in February 2015.



### **3.1.2. Medium Term Financial Strategy – attached at Appendix 2:**

- a) Note the budget proposals and financial planning assumptions set out in Appendix 2 to this report and that they will be refined and updated after the provisional Local Government Finance Settlement is published in mid December;
- b) Approve draft revenue proposals set out in Annex 2 and agree that these are issued for consultation with residents, businesses, partners and staff before being considered again by Cabinet in February 2015 and then recommended to the Council at its meeting in February 2015 for the Council's MTFS 2015/16 – 2017/18;
- c) Note the intention to consider proposed changes to Fees and Charges in February 2015 including those requiring approval by the Regulatory Committee (Section 9);
- d) Approve draft capital proposals for 2015/16 only for those schemes requiring corporate resources and grant, to be considered again by Cabinet in February 2015 and then to be recommended to the Council at its meeting in February 2015 (section 11 and Annex 3);
- e) Approve the draft Housing Revenue Account (HRA) MTFS 2015-18 as set out in Annex 5 and the HRA Capital Programme 2015/16 as set out in Annex 4;
- f) Note that proposals for reviewing tenants' service charges will be considered by Cabinet in February 2015;
- g) Approve the proposed housing rent increases set out in section 13 which will be subject to consultation;
- h) Approve the proposed changes to the draft Dedicated Schools Budget (DSB) set out in section 16.

### **3.1.3. Workforce Plan – attached at Appendix 3:**

- a) Note the Workforce Plan, which sets out the approach to creating the right workforce for the future, minimising redundancies and enhancing overall skill levels.

### **3.1.4. Equalities impact assessments – attached at Appendix 4:**

- a) Note that draft equality impact assessments are being published for consultation alongside all budget proposals referred to at 3.1.2b above.

## **4. Alternative options considered**

- 4.1. There is a need to reduce the Council's budget by £70million over the next 3 years. The scale of this challenge, on top of cumulative previous savings amounting to more than £100million over the previous three years mean a



transformational approach is required. The key principles which have informed the overall approach set out in the appendices to this report are:

- 4.1.1. Our focus should be on outcomes, not services, to ensure the Council's budget is most effectively spent, on the things that really matter to residents.
- 4.1.2. We must have a long term view on delivery of outcomes and resources, both budget and staff, to ensure the most effective approach and best value for money.
- 4.1.3. Residents should be at the heart of all our plans.
- 4.2. Alternative options considered included a traditional corporate plan, not clearly related to budget; a budget focussed in detail on only 2015/16 and publishing simple proposals for consultation with staff on budget proposals rather than a joined up suite of documents each setting out a three year strategy. However, the scale of change required mean that this approach would risk a misalignment between the priorities set out in the Corporate plan and the budget, and therefore poor value for money and risk to the achievement of objectives.
- 4.3. The Administration made a clear commitment to freezing Council Tax for the duration of the current electoral term in their 2014 manifesto. Consideration has also been given to increasing the Council Tax to contribute to the estimated budget shortfall. If a rise in Council Tax above 2% were proposed, this would require a referendum. Additionally, given that any increase would result in the loss of Council Tax Freeze Grant the benefit of raising Council Tax against the loss of that grant is not considered worthwhile. A 2% Council Tax rise, which is the maximum that could be implemented without requiring a referendum, would generate c£1.6m additional income but would also result in the loss of c£1m CT freeze grant, resulting in only a net £0.6m benefit. This brings in to question the worth of such an increase and therefore the proposal is not being taken forward.

## **5. Background information**

- 5.1. Over the three years from 2015/16 to 2017/18 the Council's budget is anticipated to reduce by £70 million as a result of reductions in central Government grant. The scale of reduction, on top of previous budget reductions, means the Council must fundamentally transform what it does in order that it can continue to support residents. The previous approach to budgeting taken by many local authorities of year-on-year changes and reductions in services cannot support savings of this scale and does provide residents, businesses and partners with the same level of confidence and assurance as a three year plan.
- 5.2. Around 258,900 people live in Haringey (an increase of 3,300 since the 2011 Census). By 2021, it is projected that the population will rise by a further



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30,000. Haringey has a diverse population, and many assets, including that diversity. We are also committed to ensuring a fair and equal borough to help all our residents thrive and achieve.

**5.3. The draft Corporate Plan 2015-18** sets out a three year vision to make Haringey one of London's greatest boroughs where families can thrive and succeed. We will put growth at the heart of our priorities, supporting economic growth that everyone can benefit from, with access to the skills that will secure good, sustainable employment. We will work to make sure every child has the best start in life, and benefits from an outstanding education, and we will work with all our communities to ensure everyone can keep themselves healthy. We will work to create homes and communities in which everyone can thrive, and neighbourhoods that are clean and safe, where people feel proud to live.

**5.4.** We will support Haringey's residents to build a stronger future through 5 priorities:

- Enable every child and young person to have the best start in life, with high quality education;
- Empower all adults to live healthy, long and fulfilling lives;
- A clean and safe borough where people are proud to live;
- Drive growth and employment from which everyone can benefit;
- Create homes and communities where people chose to live and are able to thrive.

These are underpinned by 6 cross-cutting principles:

- Prevention and early intervention – preventing poor outcomes for children, young people and adults and intervening early when help and support is needed;
- A fair and equal borough – tackling the barriers facing the most disadvantaged and enabling them to reach their potential;
- Working together with our communities – building resilient communities where people are able to help themselves and support each other;
- Value for money – achieving the best outcome from the investment made;
- Customer focus – placing our customers needs at the centre of what we do;
- Working in partnership – delivering with and through others.

## **5.5 The Medium Term Financial Strategy 2015 to 2018:**

**5.5.1** The Council's Medium Term Financial Strategy sets out the strategic financial issues for the three year planning period to 2017/18, and updates on the process for agreeing the Council's 2015/16 Budget.



- 5.5.2 In particular, the report considers the estimated available revenue funding, from all sources together with estimated expenditure budgets, for each of the three financial years to 2018, setting out and seeking approval to the savings proposals that have been developed by officers taking account of the Corporate Plan and priorities contained therein. The MTFs and Corporate Plan also inform the Council's Workforce Plan which reflects the changing workforce needs of the Council.
- 5.5.3 The report considers all relevant components of the revenue budget including the Housing Revenue Account (HRA) and the Dedicated Schools Budget (DSB). The Council's Capital Programme is also considered, bringing together the available sources of capital funding with prioritised capital projects which again reflect the priorities set out in the Corporate Plan.
- 5.5.4 The report is based on the best available information but is still subject to significant levels of uncertainty; particularly in relation to the later years of the strategy. Members will continue to be updated on any changes to the position in subsequent reports to Cabinet and the Full Council meetings in February 2015 where the Council Tax will be set for 2015/16.
- 5.6 **The Workforce Plan** sets out how we intend to create an agile workforce, which is skilled for the future, diverse, motivated and engaged to deliver for the people of Haringey. It has been designed to sit alongside the Corporate Plan and MTFs and describes the resources that will be available, and the capability and culture which the Council's workforce needs to adopt in order to meet successfully the challenge and ambition set out in these documents.

## **6. Consultation**

- 6.1. Over the period September to November widespread discussions with residents were held to inform the priority setting in the corporate plan and MTFs. Activity was undertaken by Haringey's Association for Community Organisations (HAVCO), Together North London and Healthwatch Haringey.
- 6.2. Over 1118 people took part by:
- completing an online survey
  - attending a borough wide roadshow
  - attending one of seven area fora meetings
  - attending dedicated outreach events in partnership with community groups to engage young people, older people, Turkish women and members of the Chinese, Polish, Latin American and Muslim communities
  - attending one of 12 focus groups to discuss each corporate plan theme and refresh of the health and wellbeing strategy in greater detail



- a business breakfast meeting was also held to understand the views of our business community
- and/or writing to us

6.3 In addition to this consultation The Council has also conducted other significant listening exercises which included workshops on the regeneration in Tottenham ('Tottenham's Future') and the commissioning of a face-to-face survey with residents which also included focus groups. These are referenced later in the report.

6.4 A summary version of Investing in our Tomorrow is available on Haringey Council's website and is further summarised below.

Theme	Issues raised
Supporting Children and Families to Thrive	
Improve the early help offer	Children's centres should be strengthened and their offer expanded with a greater focus on early help. Improvements should be made in the way people can access the services.
Improve education	Improve the early learning offer for young people and ensure a consistent standard of education across Haringey's schools. Improve the quality of library facilities and learning resources for children and young people of all ages.
Young people	Provide more recreational support for young people, particularly during holidays. Provide more youth clubs. Support the development of more apprentices and better career advice.
Support parents	Provide more parenting classes for new parents and expand healthy eating programmes. Improve training and advice for parents returning to work. Provide ESOL classes for parents with language barriers. Improve access to affordable and subsidised childcare.
Reduce the fear of crime	Increase the visibility of community policing in parks. Deal with anti-social behaviour and provide anti-gang and anti-bullying support. .
Enabling adults to live longer and healthier lives	
Promote available support for healthy ageing	Ensure that people of all ages and abilities have information on help available to them,
Joined up services	NHS, Public Health and social care should work closer together.
Improve access to GPs	The Council should work with the NHS to try and resolve problems with access.
Improve prevention	Roll out health checks at places where people go (i.e. supermarkets).



Reduce social isolation	Improve the availability of befriending opportunities for older people.
Improve mental health	Improve mental health advocacy and support.
Reduce obesity	Use children's centres as a hub for every programme, provide more affordable sports facilities and provide a greater range of healthy school meals. Ensure that there is support tailored for people with learning disabilities.
Ensure that Haringey is cleaner, greener with safer public spaces and streets	
Create a cleaner environment	Revise refuse collections and improve enforcement.
Improve community safety	More visibility of community policing in parks and open spaces. Promote Neighbourhood Watch to increase community involvement. Improve lighting in streets and parks, Deal with drug and alcohol use in parks.
Provide more family-friendly places	Increase the availability of safe spaces for children of all ages to play.
Support community gardening	Provide more communal gardening spaces to bring people together.
Improve reuse and recycling	Provide adequate bins and promote recycling to residents.
Support and promote active travel	Promote the benefits of walking and cycling. Improve dangerous junctions and accident hot spots. Improve road safety and awareness among residents.
Improve public transport	Work with Transport for London on better bus routes connecting east with west.
Building better housing and stronger communities and streets	
Ensure housing is affordable	Provide more affordable social housing.
Improve the quality of private rented sector accommodation	Introduce a landlord registration scheme to ensure that appropriate standards are met. Work to bring empty properties back into use.
Increase community cohesion	Promote community support, activities, events and groups more strongly. Provide more community spaces. Improve the way we keep people informed.
Promoting Economic Growth	
Improve business support	Increase the amount of support and advice available to start-up businesses and improve communication with businesses.
Employment advice and opportunities	Improve career advice and secure more apprenticeship opportunities for younger people. Provide affordable childcare.
Utilising vacant premises	Work with landlords to utilise empty space and create more pop-up shops.





## **6.5. Consultation – next steps**

- 6.5.1. A consultation for residents and businesses on the Corporate Plan and MTFFS will begin on December 17<sup>th</sup> for a month, closing on January 18<sup>th</sup>. A consultation pack and questionnaire will be available online and in libraries. It will also be sent out to partner organisations, businesses, other stakeholders and community groups. The results will be available to Cabinet on February 10<sup>th</sup>.

## **6.6 Staff Engagement in relation to headcount implications in the MTFFS**

The construct of the Corporate Plan and Mid-Term Financial Strategy clearly indicates a phased approach to the headcount implications over a three year period and it is important that the council adopts a consistent, equitable, and transparent approach to its decision making and processes in relation to this matter.

It is intended that there will be two parts to the consultation process. A report to the Staffing and Remuneration Committee, on 16 December 2014, will be seeking approval for the Assistant Director Human Resources to open a strategic consultation with the trade unions on an organisation wide approach of the potential headcount implications from the MTFFS. This consultation will include:

- Purpose and reason for the proposal;
- How the organisation will avoid redundancies;
- How the organisation will reduce the number of dismissals, by demonstrating commitment to development opportunities, up-skilling and redeployment;
- Proposed selection methods;
- Proposed method of dismissal, including redundancy calculations.

It will also confirm that the Council will be seeking volunteers for redundancy as a means to mitigating the need for compulsory redundancies.

This staffing consultation will run from the 17<sup>th</sup> December 2014 and end on the 16<sup>th</sup> February 2015. The outcome and recommendations for approval will be resubmitted to the Staffing and Remuneration Committee.

This consultation will not cover the service specific details of when the agreed proposals will be implemented. Therefore the timing of staff consultations will vary throughout the three years and these will be managed by the appropriate Assistant Director using this approach, overseen by the Assistant Director Human Resources. Part two of the consultation process is Assistant Directors will consult on the specific implications for their service, including the actual posts proposed for deletion, the detail of the service review or restructure, the rationale and the timeline when appropriate.



Where there is a need to start consultation with staff prior to the 1 April 2015 the Restructure Policy will apply in full.

## **7 Comments of the Chief Financial (Section 151) Officer and financial implications:**

- 7.1 The robustness of the Council's 2015/16 budget and its Medium Term Financial Strategy is a critical role for the Council's Section 151 Officer. Ensuring that the budget proposals are realistic will be achieved in a number of ways including consideration of the budget setting process itself, the quality and extent of both statutory and non statutory consultation, the assessment and management of risks and the coherence of the working papers supporting budget proposals.
- 7.2 The basis for the £70m indicative budget gap is set out clearly in the draft Medium Term Financial Strategy (MTFS) report and flows largely from the 2014 Local Government Finance Settlement and analysis of the effect of on-going reductions in public sector expenditure produced by the Office for Budget Responsibility (OBR) and other independent sources.
- 7.3 Whilst the size of the budget shortfall is, of necessity, an estimate, it is clear that it is a robust assessment of the extent of the challenge facing the Council.

It is appropriate, in the view of the S151 officer, to tackle the estimated shortfall over the three year period rather than over a single year given that:

- The Council needs to have clarity over the medium term on its direction of travel and what it is intending to achieve; this is set out in its Corporate Plan, and the Medium Term Financial Strategy is an integral part of that service planning.
- Service improvements often take longer than a single year to implement and thus the Council needs a three year service and financial plan over that period so that we are transparent about the challenges we face and how the Council is tackling them.
- Members need to be given real choices and options about where to make service changes and the bringing together of service and financial planning enables this to take place over a realistic timeframe.

Whichever party wins the next election, they will need to pursue austerity measures. Whilst there will be choices about how the overall resources are distributed between the government's priorities there is no evidence to indicate a 'softening' of the position in relation to Local Government.

Specific consideration has been given to the appropriateness of using reserves strategically to assist in achieving the plans set out in the MTFS report. As reserves can only be used once they are only an appropriate response to a one-year anomaly where improvements are expected later on; given that we do



not expect a significant or fundamental improvement to our funding position the use of reserves in this way is not appropriate given that Local Government funding is expected to continue to reduce until at least 2018 and possibly until 2020. This can be contrasted with the temporary use of reserves proposed in the MTFS for use in 2015/16 to smooth the savings profile currently envisaged with the replenishment possible under current plans in 2017/18.

- 7.4 The MTFS Appendix to this report is primarily financial in its nature; comments of the Chief Financial Officer are therefore essentially contained throughout the report.

## **8 Comments of the Assistant Director for Corporate Governance and legal implications:**

- 8.1 The Assistant Director of Corporate Governance has been consulted in the preparation of this report.
- 8.2 There is a need to consult residents, businesses, partner organisations and staff in formulating the Council's draft Corporate Plan. The Medium Term Financial Strategy also requires consultation and once the proposals are finalised they may need specific legal advice and guidance as they are being implemented.
- 8.3 In formulating its proposals the Council must have regard to the Public Sector Equality Duty under the Equality Act 2010. This requires the Council in exercising its functions to have to the need to eliminate discrimination, harassment, and victimisation; advance equality of opportunity between persons who share a relevant protected characteristic and those who do not and foster good relations between persons who share a relevant protected characteristic and those who do not. The protected characteristics include age; disability; gender reassignment; pregnancy and maternity; race; religion or belief; sex and sexual orientation.
- 8.4 Draft impact assessments have been completed as far as is possible at this stage and full EQIAs will be undertaken as necessary when specific policy, strategy and service changes are consulted on and implemented.
- 8.5 Members should take into account the covering report at Appendix 4 which provides an overview of the impact assessment work undertaken so far and sets out next steps.

## **9 Equality and cohesion comments**

- 9.1 Ensuring a fair and equal borough is a key aim of the corporate plan. The covering report at Appendix 4 sets out not only how we plan to meet our duties



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as set out in the Equality Act 2010, but also how we plan to assess and mitigate where possible the impact the proposed will have as they are implemented.

- 9.2 Draft impact assessments for each savings proposal have completed as far as is possible at this stage. These are available online as background documents. We welcome comments on the impact assessments but would emphasise these are draft and that full EQIAs will be undertaken as necessary when specific policy, strategy and service changes are consulted on and implemented.

## **10 Policy implications**

- 10.1 The corporate plan and medium term financial strategy both contain within them policy implications. Where these are key decisions they will be subject to separate Cabinet reports.

## **11 Reasons for decision**

- 11.1 The Council has a legal duty to set a balanced budget. This report sets out the strategic financial issues for the three year financial planning period to 2017/18, and updates on the process for setting the Council's 2015/16 Budget.

## **12. Use of appendices**

- Appendix 1: Draft Corporate Plan 2015-18
- Appendix 2: Draft Medium Term Financial Strategy 2015-18
- Appendix 3: Workforce Plan
- Appendix 4: Impact Assessments Covering Report

## **13. Local Government (access to information) Act 1985**

- a. Financial Planning 2014/15 – 2016/17 – Full Council 26 February 2014
- b. n/a