

Summary of Budget Reduction Proposals – Economy/Regeneration

Economy									
				All Years	2019/20	2020/21	2021/22	2022/23	2023/24
Ref	Title	Category	Description	Net Saving (All)	Net Savings	Net Savings	Net Savings	Net Savings	Net Savings
				£'000	£'000	£'000	£'000	£'000	£'000
EC1	Carbon Management	Other	Saving £60k from the Carbon Management Service's base budget, replacing this with an income of the same amount from Planning Service. The Carbon Management Service will increase its support to the Planning Service through advice and technical specification on planning applications and issues related to carbon reduction, energy and sustainability.	(60)	(60)	-	-	-	-
EC2	Reduction in consultancy budget	Other	Saving £75k from central budget typically allocated to cover large contracts and project delivery requirements. As some Tottenham Regeneration activities shift from a focus on initial strategies and feasibility work to delivery stage, there is increasing scope to explore funding these types of contracts from other sources, including but not limited to capitalisation of costs, utilising both internal and external funding sources.	(75)	(75)	-	-	-	-
EC3	Deletion of senior post	Efficiency Saving	The Strategic Director of Regeneration, Planning & Development was re-designated as Director of Housing, Regeneration and Planning, and along with this, it was proposed to delete the Director of Regeneration post.	(225)	(225)	-	-	-	-
EC4	Tackling uncrystallised debt	Income Generation	This proposal comprises an opportunity to achieve new income potential by starting a process of tackling the uncrystallised debt in the commercial portfolio	(50)	(50)	-	-	-	-
EC5	Outdoor media advertising	Income Generation	Proposal to generate new income from outdoor media, utilising the council's landholdings by identifying sites suitable for outdoor installations. It is estimated that net income in 2019/20 would be at least £100k, and increasing significantly over future years.	(15)	-	(15)	-	-	-
Economy Totals				(425)	(410)	(15)	-	-	-

Business Planning / MTFs Options 2019/20 – 2023/24

Ref:
EC1

Title of Option:	Sustainability Planning Advice Income – Carbon Management and Planning Service		
Priority:	Economy	Responsible Officer:	Joe Baker / Emma Williamson
Affected Service(s):	Carbon Management and Planning	Contact / Lead:	Joe Baker

Description of Option:

- What is the proposal in essence? What is its *scope*? What will *change*?
- What will be the impact on the Council's objectives and outcomes (please refer to relevant Corporate Plan 2015-18 objectives and outcomes, and Borough Plan Evidence Packs)
- How does this option ensure the Council is still able to meet statutory requirements?
- How will the proposal deliver the benefits outlined?

[Proposals will be mapped to the new Borough Plan Priorities/Objectives/Outcomes as they emerge – please take account of any likely changes when framing proposals]

To make a saving of £60,000 from the Carbon Management Service base budget, and to replace this saving with income from the Planning Service for the same amount (secured through a Service Level Agreement). This income from the Planning Service would be secured through Planning Performance Agreement Fees. The Carbon Management Service would then continue, and increase, its support the Planning Service through advice and technical specification on planning applications and issues related to carbon reduction, energy and sustainability. The level of support and the timeframes will need to be set out in the agreed Service Level Agreement between the two services.

The Carbon Management Service already undertakes this work for the planning service to ensure that the policies around Carbon Reduction, Local Energy Production, and Sustainability are secured in the planning process. This SLA and budget adjustment would better reflect the arrangement, and allow for it to mature and improve on a stable footing, while reducing the demand placed on the Council's base revenue budget by the Carbon Management team.

1. Financial benefits summary					
2018/19 Service Budget (£'000)	312,500				
Savings	2019/20	2020/21	2021/22	2022/23	2023/24
<i>All savings shown on an incremental basis</i>	£000s	£000s	£000s	£000s	£000s
Existing Budget	£313	£253	£253	£253	£253
Proposed net expenditure after savings	£253	£253	£253	£253	£253
Savings	£60	£0	£0	£0	£0
New net additional savings (year on year)	£60				

Impact / non-financial benefits and disbenefits
What is the likely impact on customers and how will negative impacts be mitigated or managed? <i>List both positive and negative impacts. Where possible link these to outcomes (please refer to relevant Corporate Plan 2015-18 objectives and outcomes)</i>
<p>There should be no impact on the services offered, but fees collected from the Planning Service may have to increase.</p>
What is the impact on businesses, members, staff, partners and other stakeholders and how will this be mitigated or managed? How has this been discussed / agreed with other parties affected? <i>List both positive and negative impacts.</i>
<p>Planning fees (pre-application advice) may have to increase.</p>
How does this option ensure the Council is able to meet statutory requirements?
<p>Carbon reduction and sustainability is a statutory requirement and its process has been embedded through the planning service through the SEA Directive, and the NPPF. Though supporting the Carbon Management Service in this manner it will ensure that this statutory function can continue.</p>

Risks and Mitigation			
What are the main risks associated with this option and how could they be mitigated?			
Risk	Impact H/M/L	Probability H/M/L	Mitigation
Planning fees reduce in volume.			To continue to promote that borough as a place to do business in.
Environmental Standard are not required			To monitor national, regional and local policies.

Business Planning / MTFs Options 2019/20 – 2023/24

Ref:
EC2

Title of Option:	Reduction in Consultancy Budget		
Priority:	Economy	Responsible Officer:	Peter O'Brien
Affected Service(s):	Regeneration	Contact / Lead:	David Lee

Description of Option:

- What is the proposal in essence? What is its *scope*? What will *change*?
- What will be the impact on the Council's objectives and outcomes (please refer to relevant Corporate Plan 2015-18 objectives and outcomes, and Borough Plan Evidence Packs)
- How does this option ensure the Council is still able to meet statutory requirements?
- How will the proposal deliver the benefits outlined?

[Proposals will be mapped to the new Borough Plan Priorities/Objectives/Outcomes as they emerge – please take account of any likely changes when framing proposals]

Regeneration are proposing to save £75k in our central budget (V30001), from an allocation of £250k in 2017/18 for GL code 24005 (Fees – Consultants).

This budget line has typically been allocated to cover large contracts and project delivery requirements.

As some Tottenham Regeneration activities shift from a focus on initial strategies and feasibility work to delivery stage, there is increasing scope to explore funding these types of contracts from other sources, including but not limited to capitalisation of costs, utilising both internal and external funding sources. It is therefore not proposed that the work undertaken in this area would change, but that funding for this work would be sought from other sources.

We do not expect that this will impact on the Council's objectives and outcomes, nor will this affect statutory requirements as the work that Regeneration undertakes is not statutory. There is a risk that some exploratory/feasibility work may take longer to commence, or will not happen in a given financial year, if alternative funding sources cannot be identified.

1. Financial benefits summary					
2018/19 Service Budget (£000s)					
Savings	2019/20	2020/21	2021/22	2022/23	2023/24
<i>All savings shown on an incremental basis</i>	£000s	£000s	£000s	£000s	£000s
New net additional savings	75				

Impact / non-financial benefits and disbenefits
<p>What is the likely impact on customers and how will negative impacts be mitigated or managed? <i>List both positive and negative impacts. Where possible link these to outcomes (please refer to relevant Corporate Plan 2015-18 objectives and outcomes)</i></p> <p>As above, the most significant risk is that some feasibility, technical or commercial work may take longer to commence and there will be a reduction in operational flexibility. This may require managing expectations around how much feasibility work can be undertaken in a given year, which may impact on the council's housing and development aspirations.</p> <p>The Regeneration Department will work to try and identify alternative sources of funding to seek to mitigate this risk.</p>
<p>What is the impact on businesses, members, staff, partners and other stakeholders and how will this be mitigated or managed? How has this been discussed / agreed with other parties affected? <i>List both positive and negative impacts.</i></p> <p>There is minimal impact on relevant stakeholders, as above; however if cumulative savings pressures were to increase substantially this could impact on the Regeneration Team's ability to continue to match fund its significant external investment secured to date. It is believed that the £75k savings can be offset through capitalising costs and, where this is not possible, that an internal review of subsidiary budgets can offset this reduction in the central budget.</p>
<p>How does this option ensure the Council is able to meet statutory requirements?</p> <p>This £75k makes a contribution of 0.7% of the £11m savings expected in 2019/20.</p>

Risks and Mitigation			
<i>What are the main risks associated with this option and how could they be mitigated?</i>			
Risk	Impact H/M/L	Probability H/M/L	Mitigation
There is a risk that, as Regeneration budgets shrink, it is unable to meet match funding requirements for external funding secured.	H	L	Budget holders with responsibility for externally funded projects to ensure that adequate match funding remains in place.
Risk that cumulative savings proposals impact on the Regeneration Team's ability to deliver the ambitious change laid out in the Tottenham and Wood Green SRFs.	M	L	The Regeneration Team is continuing to explore further capitalising costs and will continue to leverage in external funding sources in order to deliver large-scale change.

Business Planning / MTFs Options 2019/20 – 2023/24

Ref:
EC3

Title of Option:	Deletion of Senior post		
Priority:	Economy	Responsible Officer:	Helen Fisher
Affected Service(s):	HRP	Contact / Lead:	

Description of Option:

- What is the proposal in essence? What is its **scope**? What will **change**?
- What will be the impact on the Council's objectives and outcomes (please refer to relevant Corporate Plan 2015-18 objectives and outcomes, and Borough Plan Evidence Packs)
- **How does this option ensure the Council is still able to meet statutory requirements?**
- How will the proposal deliver the benefits outlined?

[Proposals will be mapped to the new Borough Plan Priorities/Objectives/Outcomes as they emerge – please take account of any likely changes when framing proposals]

Background

Following consultation with Corporate Leadership Group, it was decided that a senior management restructure was required to establish and clarify the role of strategic leadership, required to effectively deliver the Council's priorities in light of recent changes. The restructure would involve:

- achieving a flatter, more coherent structure and improve reporting lines;
- work towards a more joined up, corporate way of working;
- to create stability in the senior management structure;
- to establish a more coherent approach to commissioning;
- focus on the need to develop our approach to partnership working;
- to create a Corporate Board structure in place of SLT;
- the need to ensure that the senior leadership of the council is as cost-effective as possible whilst delivering strong leadership.

The proposal included deletion of a number of posts as well as creating, and re-designating a number of other roles.

Proposal

The Strategic Director of Regeneration, Planning & Development was re-designated as Director of Housing, Regeneration and Planning, and along with this, it was proposed to delete the Director of Regeneration post. It has been agreed that the restructure of the senior level within Housing, Regeneration & Planning will take place at a later date as part of a second phase of the above restructure. The Director of Regeneration is currently acting up into the role of Director of Housing, Regeneration & Planning due to a vacancy. Whilst the detailed decision on the deletion of the post can be determined at a later date, there is a saving currently due to the vacancy and it is proposed that this saving could be realised immediately.

1. Financial benefits summary					
2018/19 Service Budget (£'000)					
Savings	2019/20	2020/21	2021/22	2022/23	2023/24
<i>All savings shown on an incremental basis</i>	£000s	£000s	£000s	£000s	£000s
Existing Budget	£425				
Proposed net expenditure after savings	£200				
Savings	£225				
New net additional savings (year on year)	£225				

Impact / non-financial benefits and disbenefits
What is the likely impact on customers and how will negative impacts be mitigated or managed? <i>List both positive and negative impacts. Where possible link these to outcomes (please refer to relevant Corporate Plan 2015-18 objectives and outcomes)</i>
<p>N/A</p> <p>Customers will not be directly impacted, staff have managed impact to ensure seamless transition. Proposal is currently in operation.</p>
What is the impact on businesses, members, staff, partners and other stakeholders and how will this be mitigated or managed? How has this been discussed / agreed with other parties affected? <i>List both positive and negative impacts.</i>
<p>This results in one post being deleted, however this proposal is already in operation with negative impacts experienced. All parties involved have been notified.</p>
How does this option ensure the Council is able to meet statutory requirements?

Risks and Mitigation			
<i>What are the main risks associated with this option and how could they be mitigated?</i>			
Risk	Impact H/M/L	Probability H/M/L	Mitigation
Delay in implementation	L	M	

Business Planning / MTFs Options 2019/20 – 2023/24

Ref: EC4

Title of Option:	Strategic Property Unit – New Income Proposal		
Priority:	Economy/Your Council	Responsible Officer:	Steve Carr
Affected Service(s):	Housing, Regeneration & Planning	Contact / Lead:	Bill Ogden

Description of Option:

- What is the proposal in essence? What is its *scope*? What will *change*?
- What will be the impact on the Council's objectives and outcomes (please refer to relevant Corporate Plan 2015-18 objectives and outcomes, and Borough Plan Evidence Packs)
- How does this option ensure the Council is still able to meet statutory requirements?
- How will the proposal deliver the benefits outlined?

[Proposals will be mapped to the new Borough Plan Priorities/Objectives/Outcomes as they emerge – please take account of any likely changes when framing proposals]

This proposal comprises an opportunity to achieve new income potential by starting a process of **tackling the uncrystallised debt** in the commercial portfolio:

1. **Existing Proposal:** There is a level of uncrystallised debt in the commercial portfolio, which is estimated at circa £225k per annum. This has arisen from a backlog of outstanding rent reviews as well as tenants holding over under expired leases, where lease renewals still have to be negotiated. The existing professional staff in the Strategic Property team does not have the capacity to address this and it is proposed to secure an additional agency resource to tackle this backlog. The proposed cost of an agency surveyor through Hays is circa £75k per annum. We estimate this would achieve a net increased income to the Council during 2019/20 of £150k per annum. **Update:** An agency surveyor commenced at the end of June and has already made encouraging progress in inspecting units, initiating rental negotiations and achieving two rental settlements.
2. **Additional Proposal:** It is estimated that there is further potential to release more income, estimated at £225k per annum, from retrospective and ongoing rent reviews and lease renewals, which is beyond the capacity of existing professional staff to handle. It is proposed to recruit a second agency resource through Hays to undertake this work at a cost of circa £75k per annum to commence in September 2018. We estimate this would achieve a net increased income to the Council during 2019/20 of £150k per annum
3. In Summary, we estimate that in 2019/20 a **total gross new income of £450k** per annum could be achieved from rent review/lease renewal settlements given an outlay of £150k, giving a net new income flow of £300k per annum.
4. We would thus offer up £300,000 income to be set against the ongoing budget deficit of the SPU team that has arisen from the carrying cost of the supernumerary posts, which were deleted in anticipation of the HDV.
5. Note – this exercise cannot be scaled-up without further resource allocation to the property function.

2. Financial benefits analysis					
Saving / Cost	2019/20	2020/21	2021/22	2022/23	2023/24
<i>All savings / costs shown on an incremental basis</i>	£000s	£000s	£000s	£000s	£000s
A. Gross saving	-450				
B. Revenue implementation cost (One Off Pressure)					
C. Ongoing revenue cost	150				
D. Net Saving (A+B+C)	-300	0	0	0	0
E. Saving(s) already included in MTFS 2018/23	-250				
F. New net additional saving (D minus E)	-50	0	0	0	0

Impact / non-financial benefits and disbenefits
What is the likely impact on customers and how will negative impacts be mitigated or managed? <i>List both positive and negative impacts. Where possible link these to outcomes (please refer to relevant Corporate Plan 2015-18 objectives and outcomes)</i>
<p>Rent reviews and lease renewals can give rise to issues of tenant affordability, which can be addressed through good communication and dialogue with tenants, and in some cases agreement of stepped rents or payment plans.</p>
What is the impact on businesses, members, staff, partners and other stakeholders and how will this be mitigated or managed? How has this been discussed / agreed with other parties affected? <i>List both positive and negative impacts.</i>
<p>As above</p>
How does this option ensure the Council is able to meet statutory requirements?
<p>The Council is under an obligation to ensure it achieves best value from the commercial portfolio</p>

Risks and Mitigation			
<i>What are the main risks associated with this option and how could they be mitigated?</i>			
Risk	Impact H/M/L	Probability H/M/L	Mitigation
Tenant affordability	M	M	Good communication and dialogue with tenants, with agreement of stepped rents and payment plans if appropriate

Business Planning / MTFs Options 2019/20 – 2023/24

Ref:
EC5

Title of Option:	Strategic Property Unit – New Income Proposal		
Priority:	P4/PX	Responsible Officer:	Steve Carr
Affected Service(s):	Housing, Regeneration & Planning	Contact / Lead:	Bill Ogden

Description of Option:

- What is the proposal in essence? What is its *scope*? What will *change*?
- What will be the impact on the Council's objectives and outcomes (please refer to relevant Corporate Plan 2015-18 objectives and outcomes, and Borough Plan Evidence Packs)
- How does this option ensure the Council is still able to meet statutory requirements?
- How will the proposal deliver the benefits outlined?

[Proposals will be mapped to the new Borough Plan Priorities/Objectives/Outcomes as they emerge – please take account of any likely changes when framing proposals]

This proposal comprises an opportunity to achieve new income potential from the introduction of outdoor media, beginning with regularisation of existing media/advertising on our estate:

1. There is significant income potential to be achieved from Outdoor Media advertising across the Council's commercial estate, including development sites and highway land. At present there is only one lease of an advertising billboard in the commercial portfolio. The income potential from Outdoor Media is well proven and many London Boroughs are achieving valuable income from this. It is therefore proposed initially to instruct a specialist consultant to undertake an assessment of the Council's landholdings to identify suitable sites for Outdoor Media installations and in doing so to identify existing illegal advertising on Council property where action can be taken to regularise. The initial Stage 1 assessment is estimated at a cost of £15k. Thereafter, subject to planning consent and Member agreement, it is estimated that net income in 2019/20 would be not less than £100k, increasing significantly over future years. It is not possible at this stage to accurately forecast future income flows until an initial assessment has been completed, but it is not unusual for Boroughs to achieve many times this per annum depending on their location and appetite of advertisers.
2. In Summary, we estimate that in 2019/20 a total gross new income of £115k could be achieved from Outdoor Media given an outlay of £15k, giving a net new income flow of £100k per annum.
3. We would thus offer up £100,000 income to be set against the ongoing budget deficit of the SPU team that has arisen from the carrying cost of the supernumerary posts which were deleted in anticipation of the HDV.
4. Note – this exercise cannot be scaled-up without further resource allocation to the property function. We will address this wider issue of income generation and cost cover in the Commercial Property Review exercise that is intended to go to Corporate Board in September and will influence the restructure programme of the Housing, Regeneration and Planning Directorate.

2. Financial benefits analysis					
Saving / Cost	2019/20	2020/21	2021/22	2022/23	2023/24
<i>All savings / costs shown on an incremental basis</i>	£000s	£000s	£000s	£000s	£000s
A. Gross saving	0	-115			
B. Revenue implementation cost (One Off Pressure)					
C. Ongoing revenue cost	0	100			
D. Net Saving (A+B+C)	0	-15	0	0	0
E. Saving(s) already included in MTFS 2018/23	0	0			
F. New net additional saving (D minus E)	0	-15	0	0	0

Impact / non-financial benefits and disbenefits
What is the likely impact on customers and how will negative impacts be mitigated or managed? <i>List both positive and negative impacts. Where possible link these to outcomes (please refer to relevant Corporate Plan 2015-18 objectives and outcomes)</i>
Any cases of illegal advertising on Council land would be subject to action to regularise either through formal agreements or in some cases removal
What is the impact on businesses, members, staff, partners and other stakeholders and how will this be mitigated or managed? How has this been discussed / agreed with other parties affected? <i>List both positive and negative impacts.</i>
Suggested early discussion with Cabinet Member on Outdoor Media proposals to secure support and agree guidelines
How does this option ensure the Council is able to meet statutory requirements?
Outdoor Media companies would be responsible for securing appropriate planning and building regulation consents as appropriate

Risks and Mitigation			
<i>What are the main risks associated with this option and how could they be mitigated?</i>			
Risk	Impact H/M/L	Probability H/M/L	Mitigation
Outdoor Media installations require planning consent	M	M	Discussion with Planners at early stage. Seek alternative sites
Outdoor Media content not compliant with council policy	M	L	Ensure that licences and Heads of terms incorporate council policy and are reviewed by Comms and Procurement teams
Outdoor Media proposals may be politically sensitive	M	M	Early discussion with Cabinet Member and agree guidelines for advertising content

Summary of Budget Reduction Proposals - Housing

Housing									
				All Years	2019/20	2020/21	2021/22	2022/23	2023/24
Ref	Title	Category	Description	Net Saving (All)	Net Savings	Net Savings	Net Savings	Net Savings	Net Savings
				£'000	£'000	£'000	£'000	£'000	£'000
HO1	Temporary accommodation reduction plan	Other	Reduce TA costs, as detailed in the TA Reduction Plan. Proposals include initiatives to prevent homelessness, improve economic position of those in TA, and help support those in TA to move on. Revenue costs covered by the Flexible Homelessness Support Grant. Plan also includes proposals to increase supply of low cost TA through new purchase, repair and management joint venture partnership, and capital investment in new Community Benefit Society. Please note that due to the additional costs incurred due to unforeseen works at BWF, it may not be possible to meet the projected savings.	(2,201)	(920)	(708)	(573)	-	-
HO2	Explore opportunities to capitalise development team costs	Other	Proposal to charge salaries of staff within housing development and enabling team to the Housing Revenue Account, as their work is now focused on bringing forward sites for direct housing development. Approximately 40% of salaries are currently funded by the HRA, and it's proposed to increase this to 100%.	(150)	(150)	-	-	-	-
Housing Totals				(2,351)	(1,070)	(708)	(573)	-	-

Business Planning / MTFS Options 2019/20 – 2023/24

Ref:
HO1

Title of Option:	Temporary Accommodation Reduction Plan		
Priority:	Housing	Responsible Officer:	Alan Benson
Affected Service(s):		Contact / Lead:	Alan Benson

Description of Option:

- What is the proposal in essence? What is its *scope*? What will *change*?
- What will be the impact on the Council's objectives and outcomes (please refer to relevant Corporate Plan 2015-18 objectives and outcomes, and Borough Plan Evidence Packs)
- How does this option ensure the Council is still able to meet statutory requirements?
- How will the proposal deliver the benefits outlined?

[Proposals will be mapped to the new Borough Plan Priorities/Objectives/Outcomes as they emerge – please take account of any likely changes when framing proposals]

Background

The Council has a statutory duty to provide temporary accommodation (TA) to households who have been accepted as Statutorily Homeless until they can be discharged, usually through an offer of settled accommodation.

Haringey has just under 3,000 households in such accommodation including around 2,600 placed in private sector accommodation. The costs of these properties is, in most cases, significantly in excess of the Local Housing Allowance (the maximum amount of Housing Benefit which can be claimed in the private rented sector) and so the council is required to subsidise these properties to ensure that they are affordable to these households. The current budget for this in the MTFS is £7.1 million per annum.

Proposals

The proposals to reduce this cost are contained in the Temporary Accommodation Reduction Plan. These proposals include initiatives to prevent homelessness, to improve the economic position of those who are in temporary accommodation and to help people move on – with the revenue costs of these covered by the Flexible Homelessness Support Grant. They also include proposals to increase the supply of lower-cost temporary accommodation through a new Purchase Repair & Management Joint Venture Partnership and capital investment in a new Community Benefit Society.

However please note that due to the additional costs incurred due to unforeseen works at BWF, it may not be possible to meet the projected savings. Other options are currently being scoped in order to ensure savings are met.

1. Financial benefits summary					
2018/19 Service Budget (£'000)					
Savings	2019/20	2020/21	2021/22	2022/23	2023/24
<i>All savings shown on an incremental basis</i>	£000s	£000s	£000s	£000s	£000s
Existing Budget	£7,100	£6,180	£5,472	£4,899	£4,899
Proposed net expenditure after savings	£6,180	£5,472	£4,899	£4,899	£4,899
Savings	£920	£708	£573	£0	£0

Impact / non-financial benefits and disbenefits
What is the likely impact on customers and how will negative impacts be mitigated or managed? <i>List both positive and negative impacts. Where possible link these to outcomes (please refer to relevant Corporate Plan 2015-18 objectives and outcomes)</i>
<p>Improved temporary accommodation offer for homeless households, with properties meeting agreed minimum standards at an LHA rent. The quality of service will also improve, as housing services will be provided by a housing association or Homes for Haringey, rather than by the often unreliable arrangements put in place by private landlords.</p>
What is the impact on businesses, members, staff, partners and other stakeholders and how will this be mitigated or managed? How has this been discussed / agreed with other parties affected? <i>List both positive and negative impacts.</i>
<p>Reduced reliance on private landlords. Depending on exact arrangements, Homes for Haringey may provide housing management services to more homes.</p>
How does this option ensure the Council is able to meet statutory requirements?
<p>The Council has a statutory duty to provide temporary accommodation (TA) to households who have been accepted as Statutorily Homeless until they can be discharged, usually through an offer of settled accommodation. This will allow us to achieve this duty for less money and provide better quality accommodation.</p>

Risks and Mitigation			
<i>What are the main risks associated with this option and how could they be mitigated?</i>			
Risk	Impact H/M/L	Probability H/M/L	Mitigation
See attached detailed Risk Register for the Housing Delivery Companies programme.			

Business Planning / MTFs Options 2019/20 – 2023/24

Ref:
HO2

Title of Option:	Capitalisation of Development team salary costs		
Priority:	Economy	Responsible Officer:	Dan Hawthorn
Affected Service(s):	HRP	Contact / Lead:	Alan Benson

Description of Option:

- What is the proposal in essence? What is its *scope*? What will *change*?
- What will be the impact on the Council's objectives and outcomes (please refer to relevant Corporate Plan 2015-18 objectives and outcomes, and Borough Plan Evidence Packs)
- How does this option ensure the Council is still able to meet statutory requirements?
- How will the proposal deliver the benefits outlined?

[Proposals will be mapped to the new Borough Plan Priorities/Objectives/Outcomes as they emerge – please take account of any likely changes when framing proposals]

Background

One of the Council's key priorities is to deliver new council housing on council-owned land as part of the target to provide 1,000 new Council homes by 2022. A Development & Enabling team exists within the Housing Strategy & Commissioning team to work up proposals for – and then deliver – new homes on medium-sized council-owned land, the majority of which is currently held in the Housing Revenue Account (HRA). Because the nature of this team's work is changing and it will now be working to bring forward sites for direct housing development, it is proposed that the salaries of a number of staff in the development team are now charged to the HRA in full:

Proposals

In order to facilitate required general fund savings it is proposed to charge the salaries of key development team staff fully to the HRA.

2 x Senior Housing Project Managers and 1x Housing Project Manager.

Approximately 40% of these salaries are currently funded by the HRA and it is proposed to increase this to 100% and offer the balance as a saving to the General Fund.

Current Housing Strategy & Commissioning General Fund budget - £914,300

Existing MTFs Savings - none

Net New Savings - £150k

2018/19 Service Budget (£'000)					
Savings	2019/20	2020/21	2021/22	2022/23	2023/24
<i>All savings shown on an incremental basis</i>	£000s	£000s	£000s	£000s	£000s
Existing Budget	914	764	764	764	764
Proposed net expenditure after savings	764	764	764	764	764
Savings	150	0	0	0	0
New net additional savings (year on year)	150	0	0	0	0

Impact / non-financial benefits and disbenefits
What is the likely impact on customers and how will negative impacts be mitigated or managed? <i>List both positive and negative impacts. Where possible link these to outcomes (please refer to relevant Corporate Plan 2015-18 objectives and outcomes)</i>
<p>N/A</p> <p>Customers will not be impacted.</p>
What is the impact on businesses, members, staff, partners and other stakeholders and how will this be mitigated or managed? How has this been discussed / agreed with other parties affected? <i>List both positive and negative impacts.</i>
<p>The proposal is to increase the level of salaries charged to the HRA. This will reduced the amount of HRA funding for other requirements, but the cost is not considered significant and leads to the provision of additional housing to be let in future.</p>
How does this option ensure the Council is able to meet statutory requirements?

Risks and Mitigation			
<i>What are the main risks associated with this option and how could they be mitigated?</i>			
Risk	Impact H/M/L	Probability H/M/L	Mitigation
HRA will not be able to fund other requirements/projects.	L	L	The level of funding required from the HRA relative to the total value of the account is very low, and leads to the provision of additional housing to be let in future.