

Rob Mack

28 November 2013

To: All Members of the Communities Scrutiny Panel

Dear Member,

Communities Scrutiny Panel - Monday, 2nd December, 2013

I attach a copy of the following papers for the above-mentioned meeting which were not available at the time of collation of the agenda:

- 7. SCRUTINY OF THE DRAFT MEDIUM TERM FINANCIAL PLAN  
(PAGES 1 - 38)**
  - Draft Medium Term Financial Plan 2014/15 – 2016/17

Yours sincerely

Rob Mack  
Senior Policy Officer (Scrutiny)

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<b>Report for:</b>	<b>Cabinet</b>	<b>Item Number:</b>	
<b>Title:</b>	<b>Financial Planning 2014/15 to 2016/17</b>		
<b>Report Authorised by:</b>	<b>Kevin Bartle, Assistant Director – Finance</b>		
<b>Lead Officers:</b>	<b>Barry Scarr, Interim Head of Corporate Finance Neville Murton, Head of Finance</b>		
<b>Ward(s) affected: All</b>		<b>Report for Key decisions</b>	



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

- 1.1 To set out the strategic financial issues for the three year planning period to 2016/17, and to update on the process for setting the Council's 2014/15 Budget and Medium Term Financial Plan (MTFP) to 2016/17.

### **2 Introduction by Cabinet Member for Cabinet Member for Finance, Employment and Carbon Reduction – Councillor Joe Goldberg**

Comments to be inserted into final version

### **3 Recommendations**

- 3.1 Cabinet is recommended to:

- a) Note the budget proposals and financial planning assumptions set out in this report and that they will be refined after the provisional Local Government Finance Settlement is published in mid to late December;
- b) Approve draft revenue proposals, to be recommended to the Council at its meeting in February 2014 for the Council's MTFP 2014/15 – 2016/17 (Appendices 1-3);
- c) Approve draft capital proposals, to be recommended to the Council at its meeting in February 2014 for the Council's Capital Programme (corporate resources) for the period 2014/15 – 2016/17 (paragraph 7 and Appendix 4);
- d) Note the Housing Revenue Account (HRA) Capital Programme 2014/15 – 2016/17 as set out in Appendix 5 and the HRA MTFP 2014-17 as set out in Appendix 6;
- e) Note the proposed housing rent increases set out in paragraph 9 which will be subject to consultation;
- f) Approve the changes to the 2014/15 North London Waste Authority levy apportionment arrangements as set out at Paragraph 6.13 and at Appendix 7 to this report;
- g) Delegate Authority to the Cabinet Member for Environment, in consultation with the Chief Financial Officer, to agree minor changes to the proposed NLWA levy arrangements set out in Appendix 7 arising as a result of other Boroughs' consideration of the arrangements; and,
- h) Note the changes to the Dedicated Schools Budget set out in paragraph 12.

### **4 Other options considered**

- 4.1 This report proposes that the Cabinet should consider proposals to deliver a balanced and sustainable MTFP at its final budget meeting in February 2014.
- 4.2 This approach has been pursued in order to respond to on-going central government funding cuts that are unprecedented in scale.
- 4.3 Cabinet have no other option than to make savings to the Council's budget given the



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on-going funding cuts.

**5 Background information**

- 5.1 The Coalition Government's Spending Review (SR10) was designed to reduce the national deficit, with an emphasis on reducing public expenditure as a percentage of Gross Domestic Product.
- 5.2 SR 10 contained proposals to reduce local government funding by 28% over the four years of the review. The economy has not grown as fast as the government expected, therefore further cuts have been factored into the latest spending review, SR13.
- 5.3 SR 10 identified the need to reduce planned spending by £84m. Previous versions of the Medium Term Financial Plan have addressed that challenge, and the Council reported a balanced budget position for 2012/13, having successfully implemented a package of £62m spending reductions.
- 5.4 The Council's plans for spending reductions have been framed by a need to ensure that priority services and outcomes for Haringey citizens were protected as far as possible. This has been at the core of the Council's strategic response to austerity and deficit reduction, encapsulated by the MTFP. The key element of this response is the clear vision for the Borough defined in the Council Plan.
- 5.5 The strategic direction adopted allowed the Council to set budgets from 2011/12 to 2013/14, delivering significant savings. At the time of setting the 2013/14 budget in February 2013, the MTFP identified further gaps of £20.3m for 2014/15 and £22.5m for 2015/16.
- 5.6 The Council at its February 2013 budget meeting agreed that Council Tax would be frozen at its 2012/13 level, and the level of financial reserves was considered to be adequate to cover future risks. However it was noted that the delivery of a further £42.8m of savings over the next two years would be very challenging.
- 5.7 The Government's deficit reduction plans will continue to reduce the Council's available funding, and many new initiatives will add further strain – for example the full impact of the Welfare Reform Act, the Care Cap and the integration of adult social care with the NHS.
- 5.8 The current MTFP 2013-16 reflected and modelled those risks that could be realistically assessed in February 2013. As with the previous year, it is essential that the robustness of the planning assumptions are reviewed by the Council with a view to updating the MTFP where necessary.
- 5.9 This report presents the outcomes of a number of assumptions, and presents the latest position on the implementation of current year revenue budget plans.
- 5.10 The Council also approved its Capital Programme in February 2013. As well as reductions in government funding, the fall in property market values and the reduced scope for revenue to cover borrowing costs means that a review of capital spending plans is essential over the coming months.
- 5.11 The major assumptions that overlay the financial planning framework are analysed below.



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**6 2014/15**

- 6.1 The MTFP approved by Council in February 2013 identified a gap of £20.3m for 2014/15. This was based on figures supplied by DCLG in December 2012 that were part of a 2 year funding settlement (2013/14 and 2014/15). The figures contained spending cuts that had already been planned in SR10, and an additional 2% cut to non protected Government departments announced in the 2012 Autumn statement.
- 6.2 The March 2013 Budget then announced additional cuts on top of the 2012 Autumn Statement. As a result, Local Government will face an additional 1% reduction on 2014/15.
- 6.3 The net effect of the 1% cut in funding has been an extra circa £1.7m pressure in 2014/15. Recognising the risk of additional spending cuts during the 2013 Spending Round (SR13), the Cabinet approved a package of £20m savings for 2014/15 in June 2013, allowing time to develop savings and transformation plans for 2015/16 onwards. After removing a £2m allowance for growth, and taking into account the £1.7m extra cut in support and other minor technical changes, 2014/15 was broadly in balance as at June 2013.
- 6.4 The budget process for 2014/15 has requested updates on the savings delivery for 2014/15, and any extra pressures that have arisen since June 2013. The following paragraphs set out an analysis of those changes.
- 6.5 Following the June Cabinet report there have been a small number of changes to the funding assumptions underpinning the 2014/15 budget including clarification of the Council Tax and Housing Benefit administration grant and confirmation of the on-going element of the Council Tax freeze grant.
- 6.6 The budget monitoring report included in this Cabinet's agenda highlights the current year's spend to date above budget for the Tottenham regeneration programme. Further consideration of the level of additional resources to be applied to the programme, and the optimum funding route, is on-going and planned to be reported in the February 2014 financial planning report to Cabinet.
- 6.7 A number of changes were introduced by the Welfare reform Act 2012 that have had an impact on the Temporary Accommodation budget. Although the most significant of these was the introduction of the Benefit Cap in April 2013, the lowering of the Local Housing Allowance (LHA) to the 30<sup>th</sup> percentile, together with limitations placed on the up-rating of LHA rates have also reduced the financial support for housing costs. The gap between LHA rates and market rents is widening and the buoyancy of the private rented sector in London has reduced the supply of affordable housing; this has resulted in increased homelessness and a sharp rise in the prices charged for Temporary Accommodation. An investment proposal has, therefore, been included in this report.
- 6.8 A specific investment proposal has also been submitted in support of the Customer Services programme; which is a key council priority.
- 6.9 **Appendix 2** summarises the revenue investment proposals submitted for Cabinet's consideration.



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- 6.10 Directorates have also been progressing implementation plans against the £20m saving proposals identified in June, and previous years' agreed savings, which have identified some slippage of proposals from 2014/15 into later years and some additional alternative proposals. The budget package assumes support of some slippage elements from reserves as a temporary measure since directorates are currently confident that these savings can still be delivered, albeit later than originally planned.
- 6.11 **Appendix 3** summarises the current savings proposals position for Cabinet's consideration.
- 6.12 Taking all of these issues into account the 2014/15 budget remains balanced, although as in previous years, this is subject to any further government announcements as part of the autumn statement, the provisional local government statement (both of which are expected for early December) and any announcement relating to levies.
- 6.13 In addition to changes in the overall cost of the North London Waste Authority (NLWA) levy, any amendments to the levy arrangements themselves need to be agreed unanimously by all 7 Boroughs. The current levy arrangements date back to the 2012/13 levy period and need to be updated for 2 issues:
- An adjustment to reflect the London Borough of Barnet consigning commingled recyclates from 9<sup>th</sup> October 2013. The proposed change is of financial benefit to Haringey as it will place Barnet in the same position as other Boroughs that are increasing their recycling tonnages, if the change were not agreed then the other Boroughs would pick up a greater share of the cost of processing the additional waste from Barnet, as there is a lag in the tonnage feeding into the levy calculation mechanism.
  - A change in the location of the Household Waste Recycling Centre in Haringey to Western Road (from Cranford Way); this ensures that the costs of the new site are met and apportioned as below in line with the previously agreed proposals for the Cranford Way site:

Barnet	0.613%
Camden	0.038%
Enfield	0.383%
Hackney	0.191%
Haringey	97.894%
Islington	0.804%
Waltham Forest	0.077%

- 6.14 **Appendix 7** sets out the proposed wording for the revised NLWA agreement which all authorities are being asked to agree; Cabinet are also being asked to delegate authority to the Cabinet Member for Environment, in consultation with the Chief Financial Officer, to agree any subsequent minor changes raised through the other boroughs' approval process.

## 7 General Fund Capital Programme



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- 7.1 Capital expenditure bids which are to be funded from General Fund resources (i.e. capital receipts and other capital resources) have been identified and these have been reviewed by Directors Group; a package of proposals which broadly matches the available resources has been identified.
- 7.2 The proposed projects to be included in the General Fund capital programme are shown at **Appendix 4**. Externally funded schemes are not currently included as government funding announcements on these grants have yet to be made, but will be added as part of the February 2014 Cabinet report such that a complete programme is approved.
- 7.3 At this stage in the financial planning process the Council usually avoids any additional prudential borrowing given the revenue impact. However, as consideration is given to the inclusion of potentially significant capital programmes, in addition to supporting invest-to-save initiatives, Cabinet should be aware that any additional financing costs of prudential borrowing would increase the projected revenue funding gap in the Medium Term Financial Plan for 2014/15 to 2016/17.
- 7.4 On that basis the value of the new capital programme will initially be limited to the projected value of existing capital resources, or those which can be generated from future asset disposals. Over the planning period the estimated capital funding available is **£41.6m**; this broadly matches the proposed programme as set out in **Appendix 4**.
- 7.5 There are however, some risks associated with the disposal programme which is the primary funding source for the programme and the figures include assumptions regarding a relatively small number of high value disposal receipts that between them represent a significant proportion of the programme funding. An adjustment to the forecasts to cover an element of this risk has therefore been made.
- 7.6 The Council also has a long term commitment over and above resources already included in the current capital programme to regenerating the Tottenham area. As part of this, receipts and/or revenue resources for prudential borrowing totalling £5m will need to be generated and reserved to honour existing commitments which are currently anticipated to fall outside of the capital programme planning horizon (i.e. programmed spending post 2017).
- 7.7 The following table summarises the total value of recommended bids compared to the estimated available resources.



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## Summary of resources and recommended programme

	14/15 £000	15/16 £000	16/17 £000	Total £000
Estimated Capital Receipts	10,341	17,140	3,000	30,481
Risk adjustment – non achievement of receipts	0	(9,000)	9,000	0
Brought forward resources	0	4,800	0	4,800
Other Resources	5,191	4,802	(3,706)	6,287
<b>Total Estimated Resources</b>	<b>15,532</b>	<b>17,742</b>	<b>8,294</b>	<b>41,568</b>
Total recommended programme	12,581	15,642	13,301	41,524
<b>Shortfall/(surplus)</b>	<b>(2,951)</b>	<b>(2,100)</b>	<b>5,007</b>	<b>(44)</b>

## 8 HRA Capital Programme 2014-2017

- 8.1 Housing Revenue Account capital bids will be considered alongside the HRA Medium term Financial Plan (MTFP). The draft Housing programme 2014 – 2017 of **£183m** is based on projections for asset management and stock condition post Decent Homes, and relies on utilising £43m borrowing within the overall HRA cap of £58m. The position may change as further factors such as the level of Housing rents are decided during the budget process, but the current draft, including proposed funding sources, is included at **Appendix 5**.
- 8.2 The proposed Housing capital programme for 2014-15 is £63.3m of which £14.6m is for a planned programme of works to maintain the stock condition and £38m is earmarked for Decent Homes; this element is funded from £25m Decent Homes Backlog Grant from the GLA and the balance from the HRA revenue surplus. Another £5.35m has been identified to fund a range of improvement programmes including fire safety and estate environmental improvements and development of new Supported Living schemes. There is also £5.4m planned for the small sites infill programme.
- 8.3 The Housing Investment and Estate Renewal Strategy is due to be presented to Cabinet at the November Cabinet meeting. At this stage the strategy is fairly high level and further work is required to finalise the details. The 2015-16 and 2016-17 Capital Programme should therefore be considered as indicative until this work is finalised.
- 8.4 The current indicative programme continues the increased level of investment in the housing stock and provides funding for a successor programme to the Decent Homes programme. This will be informed by the refreshed stock condition survey and consultation with tenants. Due to the high level of investment needs it is likely that internal resources will not solely be sufficient and the Council will have to consider increasing its HRA borrowing.

## 9 Housing Rent increases

- 9.1 Under the self-financing regime rents are the main source of income for the HRA and the Council is required to make decisions annually on the level of increases. At its February meeting, Cabinet will be asked to approve the rent increase for 2014/15.



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- 9.2 In November, the Cabinet approved the Housing Investment and Estate Renewal Strategy which sets out the Council's intention to increase investment in its housing stock and to explore opportunities for small scale infill developments and estate renewal. This will support the achievement of the Council priorities of delivering regeneration in priority locations and ensuring everyone has a decent place to live.
- 9.3 Under the self financing regime introduced by the 2011 Localism Act, investment funding for housing comes largely from the Council's own resources with very little central government grant funding being available. The Council therefore has developed its financial strategy for the HRA in line with its investment aims. This strategy is to maximise revenue income from rents and other charges and reduce costs through finding efficiencies. The revenue surpluses generated are then available for direct capital investment in the housing stock.
- 9.4 Given this principle it is proposed that the Council should increase rents in real terms following the principles of the government rent restructuring policy. The rent restructuring framework was introduced by the previous government and works to gradually increase council housing rents in real terms (i.e. above inflation) while reflecting differences between different areas and types of dwelling and without increasing rents excessively in any single year.
- 9.5 Haringey has been following this framework for several years. Last year the Council approved a variation for new tenancies on void properties. For these properties the limits on the rent increase in any single year will not apply and the rent is increased in one step to the target level indicated by the rent restructuring policy.
- 9.6 Although Councils are not required to follow rent restructuring the government calculations underpinning the self financing model assume that they will. Setting a rent below the level indicated by the rent restructuring framework will restrict the income to the HRA and is likely to make it difficult to fund the investment needs of the stock.
- 9.7 Cabinet is, therefore, asked to continue to follow their established policy for rent increases in 2014/15, except for re-let void properties, reflecting the September 2013 RPI announcement and to use the additional revenue generated to help fund the increased capital programme outlined above.
- 9.8 If the Council continues to follow rent restructuring then the average weekly dwelling rent will increase by **£4.90 or 4.98%**. The average weekly rent will increase from **£98.23 to £103.13**. The additional income to the HRA from applying this increase is £4m a year; were the Council not to implement the full increase the loss of rent would be £810k per annum for each 1% reduction applied.
- 9.9 Because rent restructuring takes into account individual factors for each property such as the existing rent and the capital value, there is considerable variation in the size of the increase for each dwelling. The following tables illustrate this range.



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Table One: Potential weekly dwelling rents for 2014/15 with caps and limits applied

Number of Bedrooms	Number of Properties	Minimum Rent	Maximum Rent	Average Rent
		£	£	£
Bedsit	157	67.84	114.89	83.23
1	5,624	57.68	136.38	88.24
2	5,392	80.44	148.83	103.24
3	3,984	76.34	155.57	118.48
4	616	88.47	167.14	134.04
5	102	104.64	169.69	154.52
6	10	134.79	177.79	161.79
7	2	137.05	174.44	155.75
8	1	176.32	176.32	176.32
<b>All dwellings</b>	<b>15,888</b>	<b>57.68</b>	<b>177.79</b>	<b>103.13</b>

Table Two: Percentage increase in weekly dwelling rents for 2014/15

Number of Bedrooms	Minimum Increase	Maximum Increase	Average Increase
Bedsit	1.88%	6.85%	5.14%
1	1.57%	7.43%	4.96%
2	1.63%	6.35%	5.03%
3	2.61%	6.49%	4.94%
3+	0.61%	6.10%	4.86%
<b>All dwellings</b>	<b>0.61%</b>	<b>7.43%</b>	<b>4.98%</b>

Table Three: Range of changes

Potential Rent Increase	Number of Properties	% of Total
Less than £4.00	3,492	21%
Between £4.00 and £5.00	5,364	34%
Between £5.00 and £6.00	5,077	32%
Between £6.00 and £7.00	1,675	11%
Between £7.00 and £9.00	280	2%
<b>Total</b>	<b>15,888</b>	<b>100%</b>



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## 10 Service charges

10.1 In addition to rents, tenants pay separate charges for specific services that they receive. Charges are currently made for the following services:

- Concierge services;
- Caretaking;
- Grounds maintenance;
- Street sweeping;
- Light and power;
- District heating; and,
- Water.

10.2 Homes for Haringey are still in the preparation stages of setting their budgets therefore it is not yet possible to provide the proposed services charges for 2014/15. These will be presented to Cabinet for approval in February 2014.

## 11 HRA Revenue Budget and MTFP 2014-17

11.1 As part of the Council's budget strategy to generate efficiency savings, Homes for Haringey have been asked to reduce that element of the Company Budget within their full control by **£3.2m**; this will include charges made by the Council for corporate and support services which will rise by inflation. Further reductions of 5% are planned for 2015-16 and 2016-17.

11.2 Homes for Haringey are still working on proposals for achieving the savings and these will be reported to Cabinet in February 2014.

11.3 In order to make the necessary staffing reductions, Homes for Haringey will incur transition costs, including redundancy and early retirement costs. Provision has been made in the MTFP for these costs to be met from the HRA reserve. An estimate of £3m has been made which is shown as falling in 2013-14 but the exact timing will depend on the timetable for making savings. The estimate will be updated for the February Cabinet.

11.4 Homes for Haringey are an admitted body in the Local Government Pension Scheme. Following the recent actuarial valuation of the risks and liabilities on their part of the fund, the actuary recommends that the employer contribution should rise. The exact amount of the increase is still the subject of discussion with the actuary. The finalised increase will be taken account of in the HRA MTFP as an unavoidable growth pressure.

11.5 There is also an additional £1m new growth for activity to support the HRA Investment and Estate Renewal Strategy reported to Cabinet in November.

11.6 Within the managed accounts there is a need to make an increased provision for bad debts. The level of bad debt has been increasing over recent years and this is expected to continue to worsen following Welfare Reform Act changes including the benefits cap, the under occupation penalty and the payment of housing support to the tenant rather than the landlord under Universal Credit.

11.7 There is also £2.4m of funding that has been transferred from the capital programme



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to revenue within the managed account. This is not new spending but is a change in classification following a review of capitalisation.

- 11.8 The net result of these changes is a revenue surplus of **£10.3m**. This together with £4m of the brought forward balance on the HRA reserve will be invested into the expanded HRA programme. It is **recommended** that Cabinet agree the Housing MTFP as set out in **Appendix 6** to this report.

### 12 Dedicated Schools Budget (DSB)

- 12.1 The DSB encompasses the Dedicated Schools Grant, post 16 funding provided by the Education Funding Agency (EFA) and the Pupil Premium. A report on the proposed DSB strategy will be presented to Schools Forum on 2 December with further reports to Forum on 16 January and 26 February 2014.
- 12.2 The Pupil Premium will increase in 2014-15 to £1,300 per eligible pupil (confirmed for primary schools but not yet for secondary schools) and £1,900 for Looked After Children. The estimated sum for maintained school pupils and Looked After Children for 2014-15 is therefore £14.7m

### Dedicated Schools Grant (DSG)

- 12.3 The Dedicated Schools Grant is a ring-fenced government grant that can only be used in support of the Schools Budget as defined in the School and Early Years Finance Regulations. The Schools Budget consists of delegated budgets allocated to individual schools, Pupil Referral Units (PRUs) and Early Years Provision in Private, Voluntary and Independent (PVIs) providers, and a budget for other provision for pupils which local authorities fund centrally, which now includes the bulk of high needs provision, including post-school provision up to age 25.
- 12.4 The DSG covers all pupils in maintained schools and academies, funding for the latter being 'recouped' from the Council's allocation.
- 12.5 There were significant changes to the DSG in 2013-14, most notably:
- a. The splitting of the grant into three notional blocks, the Schools Block (SB), Early Years Block (EYB) and High Needs Block (HNB);
  - b. The simplification of the schools funding formula in preparation for a national formula planned for April 2015;
  - c. Changes in the way special schools, special units and alternative providers are funded, replacing comprehensive planned place funding with a 'Place Plus' approach. This provides a fixed amount of delegated funding per place plus a 'top-up' paid by a commissioner when placing pupils;
  - d. Delegation of some central services to schools with the possibility of de-delegation from maintained schools only. This replaces the former Schools Budget element of the Local Authority Central Spend Equivalent Grant (LACSEG); and,
  - e. Increased power for the Schools Forum over what budgets a Local Authority (LA) can retain from the School and Early Years Blocks.

- 12.6 The indicative DSG settlement will be announced on 18 December.

### Schools Block (SB)



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12.7 Schools Forum on 24 October endorsed the Council's proposal for the 2014-15 Schools Funding Formula. This proposes a re-balancing of budgets between the Basic Entitlement (the per-pupil allocation received regardless of the individual characteristics of the pupil) and funding for deprivation and Additional Educational Needs (AEN). The final approval of the formula will be made in a separate report to Cabinet on this agenda.

12.8 The SB is calculated using pupil numbers recorded in the Schools Census on 3 October 2013 and following a data cleansing exercise by the Department for Education (DfE); the numbers to be used will be published on 10 December 2013. This number is multiplied by the Guaranteed Unit of Funding of £5,878.44, which is the same as in 2013-14.

### **High Needs Block (HNB)**

12.9 The HNB is allocated as a cash sum and covers all funding for pupils with Special Educational Needs (SEN) other than that included in delegated mainstream school budgets. It includes funding for special schools, special units and alternative providers using the place-plus approach set out above; funding for pupils placed in other local authority or private provision and centrally provided services. It also incorporates funding for the extended duty of providing for students in FE establishments with Special Educational Needs (SEN) up to the age of 25.

12.10 A working party of the Schools Forum have been reviewing the budgets in this area and will report back to the Schools Forum. A significant concern is the uncertainty around the costs of the new responsibilities for students up to the age of 25 with SEN which began in September 2013.

### **Early Years Block**

12.11 The main element of this block is calculated using the January early years census prior to the start of the financial year and modified by the census during the year. The indicative allocation will therefore use the January 2014 count. This is multiplied by the Guaranteed Unit of Funding of £5,345 (as in 2013-14). Based on summer term numbers we expect January 2014 numbers to be higher than January 2013 numbers by approximately 90 FTE generating an additional £0.48m. Offset against this will be the loss of £0.9m transitional funding following the removal of the former 90% funding guarantee for three year olds.

12.12 In preparing for the loss of the guarantee and the requirement to increase part-time take-up Cabinet agreed to the reduction in the number of full-time places provided in nursery schools and classes starting in September 2012. Full-time numbers will be reduced further in September 2014.

12.13 Based on current take-up of three and four year old places the reduction in full-time places will not fully cover the loss of the three year old guarantee. The gap in 2014-15 with the current take-up will be £0.256m and in 2015-16 £0.156m. An increase in take-up of part-time places will reduce this shortfall. The EYB has a one-off contingency of £0.545m as a result of claw-backs relating to 2012-13 that can be rolled forward to meet this shortfall in 2014-15. The EYB also has a contingency of £0.36m for in-year pupil growth of which an estimated £0.25m will be drawn down in 2013-14 and which can be reduced in the longer term if increases in part-time take-



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up is insufficient to cover the funding gap.

- 12.14 An additional funding element is for the new responsibility to provide places for two year olds from deprived backgrounds introduced in September 2013. Funding for 2014-15 is provided through the DSG based on planned numbers at a rate of £5.28 per hour and will not be subject to claw-back if actual numbers are lower. Funding will be based on actual numbers for 2015-16 onwards. Providers are funded through a formula agreed by Cabinet.

### **Free School Meals for Infant Age Pupils.**

- 12.15 The Government plans to provide a free school meal for all pupils in Reception to Year 2 classes. It is expected that the Chancellor's Autumn Statement will set out the planned funding arrangements.

## **13 2015/16 onwards**

- 13.1 The MTFP approved by Council in February 2013 estimated that the funding gap for 2015/16 would be £20.3m. This was based on the trajectory of spending cuts that had been implemented in SR10. An estimated gap of £21m for 2016/17 was also calculated and reported to Cabinet in December 2012, based on the same set of assumptions.
- 13.2 The Government announced the results of the 2013 spending review, SR13, on the 26 June 2013. The spending review proposed a 10% reduction in Local Government funding for 2015/16, together with a wide range of additional funding streams to 'balance' this core funding reduction. Additionally, it was announced that £3.8bn funding was to be made available nationally to enable Local Government and the NHS to pool budgets for Adult Social Care.
- 13.3 Modelling the 10% decrease, the impact on the Council was a £3.4m reduction in funding, including a £600k estimated reduction in Education Services Grant by the Department for Education.
- 13.4 In July 2013, DCLG published the technical consultation for the 2015/16 funding settlement, and it was immediately apparent that the headline 10% reduction in funding was misleading, and understated the true extent of the reductions.
- 13.5 Analysis showed that the national funding total was £1bn less than expected, and the additional funding streams announced in SR13 to 'balance' the reduction were in fact being top-sliced from core funding. Although the Government has not been able to provide an exact breakdown of the constituent parts of the 'missing' £1bn, in the main they consist of:
- Collaboration and efficiency fund - £100m
  - Social Care Cap implementation (Dilnot) - £335m
  - Independent living fund - £188m
  - New Homes Bonus top slice (safety net) - £45m
  - New Homes Bonus top slice - £300m.



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13.6 The effect of these adjustments has been an average reduction in funding for local authorities of 13.1% across the country. After taking into account forecast inflation of 1.8%, this equates to a real terms reduction of 14.9%.

13.7 Also, in line with previous year's funding reductions since the 2010 emergency budget, Haringey, along with all other Councils with high levels of deprivation, is to receive a higher reduction in RSG than the national average.

### **Growth and investment**

13.8 A number of legislative and environmental changes have introduced cost pressures into both 2015/16 and 2016/17, including:

**Actuarial valuation** – the Haringey pension scheme, like most others in the country, is subject to pressure from extended life expectancy. £1m in 2014/15 had already been provided for increased employer's contributions, but a further £500k has been built in for both 2015/16 and 2016/17 to allow for actuarial increases. This is subject to change once the finalised valuation results are known.

**Flat rate pension scheme** – the government will be legislating to introduce a single national flat rate pension scheme, and it is estimated that this will cost the Council £1.8m in increased national insurance contributions as it will lose existing opt-out rebates. This sum has been built in to 2016/17 in the MTFP.

**New Homes Bonus** - In line with 2014/15, New Homes Bonus has been introduced and ring fenced in the MTFP. However, in 2015/16, the government will apply a top-slice to NHB in order to fund economic growth, and the money will be transferred to the Greater London Authority. The MTFP assumes that this £722k reduction in NHB will be met by the General Fund.

13.9 Taking all this analysis into account, and updating the Council's MTFP financial model for planned changes to levies and indicative allocations for growth, the funding gap for 2015/16 is now estimated to be **£34m**.

13.10 Initial projections based on Treasury figures have also been developed for 2016/17, based on a similar trajectory of spending cuts. This has resulted in an estimated gap of **£29m**. This figure also includes projected pay awards, inflation and levies.

13.11 The definitive impact at individual council level will not be known until the Local Government Finance settlement planned to be released in mid December 2013. This will provide details on the 2014/15 settlement and provisional details for 2015/16. Based on current estimates, savings of circa **£63m** are required to bring the 2014-2017 MTFP into balance.

## **14 Local Context**

14.1 Allocation of resources to deliver outcomes while at the same time managing the pressure of centrally dictated funding cuts will be driven by local priorities and specific opportunities and initiatives.

14.2 The Council's Corporate programmes and priorities: Haringey 54k; Tottenham Regeneration, Customer Services Transformation, Zero Based Budgeting, and Corporate Infrastructure projects will need to respond and flex in line with the funding challenges the Council continues to face.



## DRAFT

### **15 Comments of the Chief Finance Officer and financial implications**

15.1 As the report is primarily financial in its nature, comments of the Chief Financial Officer are contained throughout the report.

### **16 Head of Legal Services and legal implications**

16.1 *To be included in the final version of the report.*

### **17 Equalities and Community Cohesion Comments**

17.1 Equalities issues are a core part of the Council's financial and business planning process.

### **18 Head of Procurement Comments**

18.1 Not applicable

### **19 Policy Implication**

19.1 The Medium Term Financial Plan represents the resource framework for delivery of Council Policy and objectives.

### **20 Use of Appendices**

20.1 Appendix 1 – MTFP updated version November 2013

20.2 Appendix 2 – Revenue Investment proposals

20.3 Appendix 3 – Savings proposals

20.4 Appendix 4 – General Fund Capital Programme (corporate resources)

20.5 Appendix 5 – HRA Capital Programme

20.6 Appendix 6 – HRA Medium Term Financial Plan 2014-2017

20.7 Appendix 7 – Proposed Amendments to apportionment of NLWA levies

### **21 Local Government (Access to Information) Act 1985**

21.1 The following background papers were used in the preparation of this report:

- Financial Planning 2013-14 to 2015-16 – Cabinet 12 February 2013
- Financial Outturn 2012-13 and Budget 2014-15 – Cabinet 18 June 2013

21.2 For access to the background papers or any further information please contact Neville Murton, Head of Finance (BAS) on 0208 489 3176 or Barry Scarr, Interim Head of Corporate Finance, on 0208 489 3743.

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HARINGEY COUNCIL MEDIUM TERM FINANCIAL PLAN TO MARCH 2017

Appendix 1

	2013/14 Revised Base Budget £'000	Pre-Agreed Growth £'000	New Growth £'000	Pre-Agreed Savings £'000	New Savings £'000	Funding Adjustments £'000	Slippage £'000	2014/15 Revised Base Budget £'000	Pre-Agreed Growth £'000	New Growth £'000	Pre-Agreed Savings £'000	Funding Adjustments £'000	Slippage £'000	2015/16 Revised Base Budget £'000	New Growth £'000	Funding Adjustments £'000	Slippage £'000	2016/17 Revised Base Budget £'000
<b>Service Areas (excluding Corporate Recharges and Capital Financing Costs)</b>																		
Total Strategy and Performance	5,213	0	0	(609)	(156)	0	0	4,448	(130)	0	(190)	0	0	4,128	0	0	0	4,128
Total Adults and Housing	92,055	650	995	(4,258)	0	0	710	90,152	950	910	(365)	0	(710)	90,937	1,720	0	0	92,657
Total Place & Sustainability	44,209	500	400	(3,998)	(680)	0	108	40,539	0	(200)	(400)	0	(130)	39,809	0	0	(940)	38,869
Total Public Health	17,815	592	0	(577)	(243)	0	0	17,588	0	0	0	0	0	17,588	0	0	0	17,588
Total Children & Young People's Services	59,833	0	0	(5,017)	(175)	0	480	55,121	0	1,122	0	0	(480)	55,763	(1,122)	0	0	54,641
Sub-Total	219,125	1,742	1,395	(14,459)	(1,254)	0	1,298	207,848	820	1,832	(955)	0	(1,320)	208,225	598	0	(940)	207,883
<b>Corporate Services</b>																		
Total Corporate Resources	7,479	(330)	0	(885)	(350)	0	0	5,914	0	0	0	0	0	5,914	0	0	0	5,914
Total Chief Executive	22,046	310	150	(1,982)	(689)	0	91	19,926	(410)	250	(160)	0	(91)	19,515	0	0	0	19,515
Total Non Service Revenue	27,189	3,350	0	(5,338)	0	(59)	0	25,142	1,023	0	0	0	0	26,165	2,800	0	0	28,965
Total Contingencies and Provisions	12,237	6,000	0	(3,500)	0	1,069	0	15,806	5,000	500	0	0	0	21,306	5,500	1,084	0	27,890
Sub-Total	68,951	9,330	150	(11,705)	(1,039)	1,010	91	66,788	5,613	750	(160)	0	(91)	72,900	8,300	1,084	0	82,284
<b>Total Funding Requirement</b>	<b>288,076</b>	<b>11,072</b>	<b>1,545</b>	<b>(26,164)</b>	<b>(2,293)</b>	<b>1,010</b>	<b>1,389</b>	<b>274,636</b>	<b>6,433</b>	<b>2,582</b>	<b>(1,115)</b>	<b>0</b>	<b>(1,411)</b>	<b>281,125</b>	<b>8,898</b>	<b>1,084</b>	<b>(940)</b>	<b>290,167</b>
<b>Funding Sources</b>																		
Core Grants	29,992	0	0	0	0	975	196	31,163	0	0	0	(2,018)	0	29,145	0	(2,572)	0	26,573
New Homes Bonus	3,095	0	0	0	0	1,069	0	4,164	0	0	0	(722)	0	3,442	0	1,084	0	4,526
Revenue Support Grant	107,662	0	0	0	0	(21,480)	0	86,182	0	0	0	(24,921)	0	61,261	0	(20,850)	0	40,411
Returned Top Slice/ Capitalisation	800	0	0	0	0	179	0	979	0	0	0	372	0	1,350	0	372	0	1,722
Council Tax	75,240	0	0	0	0	0	0	75,240	0	0	0	0	0	75,240	0	0	0	75,240
Retained Business Rates	18,577	0	0	0	0	1,165	0	19,742	0	0	0	554	0	20,296	0	629	0	20,925
Top Up	52,710	0	0	0	0	1,719	0	54,429	0	0	0	1,527	0	55,956	0	1,735	0	57,690
Surplus/(Deficit) on Collection Fund	(3,570)	3,570	0	0	0	2,000	0	2,000	0	0	0	(2,000)	0	0	0	0	0	0
Contribution from/(to) Reserves	3,570	(3,570)	0	0	0	0	737	737	0	0	0	0	(737)	0	0	0	0	0
<b>Total Available Funding</b>	<b>288,076</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(14,373)</b>	<b>933</b>	<b>274,636</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(27,208)</b>	<b>(737)</b>	<b>246,690</b>	<b>0</b>	<b>(19,603)</b>	<b>0</b>	<b>227,087</b>
<b>Budget Gap</b>	<b>0</b>							<b>0</b>						<b>34,435</b>				<b>63,079</b>

Note: Pre-agreed savings also includes June 2013 Cabinet agreed savings

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<b>Growth Proposals for consideration</b>				
	<b>2014/15 £'000</b>	<b>2015/16 £'000</b>	<b>2016/17 £'000</b>	<b>Total £'000</b>
<b>Adults &amp; Housing</b>	995	910	1,720	<b>3,625</b>
<b>Public Health</b>	0	0	0	<b>0</b>
<b>Children's Services</b>	0	1,122	(1,122)	<b>0</b>
<b>Place &amp; Sustainability</b>	400	(200)	0	<b>200</b>
<b>Chief Executive's Service incl. Legal</b>	150	250	0	<b>400</b>
<b>Strategy &amp; Performance</b>	0	0	0	<b>0</b>
<b>Corporate Resources</b>	0	0	0	<b>0</b>
<b>Base Budget Growth Total</b>	<b>1,545</b>	<b>2,082</b>	<b>598</b>	<b>4,225</b>

## Growth Proposals - Adults &amp; Housing

	Directorate/Service Area	Ref	Proposed Use of Investment & Justification (KPIs etc)	2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000	Why is this needed? / What outcomes will be achieved? (e.g. impact on P.I.)
	<b>Adults &amp; Housing</b>							
	<b>Business Unit</b>							
1	Adults Services	AH - 1	Care Purchasing budget growth to meet new demand from the increasing population (Older People with Physical Difficulties) .		545	550	<b>1,095</b>	Haringey population is increasing and there are high demand pressures. This option does not address current budget gap but the service is taking action to manage this down. These figures assume population growth of 1.5% to 2% per year
2	Adults Services	AH - 2	Care Purchasing budget growth to meet new demand from the increasing population and clients transferring from NHS funding (Mental Health needs)		130	120	<b>250</b>	Further clients are expected to transfer from Continuing Health Care to Local Authority provision. Haringey is an area of high Mental Health need and this is expected to grow in line with population
3	Adults Services	AH - 3	To fund Young People in Transition - revised estimates	0	235	1,050	<b>1,285</b>	This is needed to meet the needs of Young people with disabilities in transition from Children's Services
4	Community Housing Services	AH-4	To meet cost pressures and impact of welfare reform	995	0	0	<b>995</b>	This is used to provide temporary accommodation for homeless families. Growth is needed to meet additional need, rising housing costs and address income shortfalls resulting from Welfare Reforms such as the overall benefits cap.
	<b>Total Adults &amp; Housing</b>			<b>995</b>	<b>910</b>	<b>1,720</b>	<b>3,625</b>	

<b>Growth Proposals - Children's Services</b>								
	Directorate/Service Area	Ref	Proposed Use of Investment & Justification (KPIs etc)	2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000	Why is this needed? / What outcomes will be achieved? (e.g. impact on P.I.)
	Children and Young People							
	<b>Business Unit</b>							
1	Children's Services		Haringey 54,000		1,122	(1,122)	0	Haringey 54,000 is designed to deliver transformational change and long term budget savings to support delivery of the MTFP.
	<b>Total Children's Services</b>			0	1,122	(1,122)	0	

## Growth Proposals - Place &amp; Sustainability

	Directorate/Service Area	Ref	Proposed Use of Investment & Justification (KPIs etc)	2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000	Why is this needed? / What outcomes will be achieved? (e.g. impact on P.I.)
	<b>Place &amp; Sustainability</b>							
	<b>Business Unit</b>							
1	Planning and Housing	PS-1	Enforcement - Industrial Units	400	(200)		<b>200</b>	There is a need to increase the resources allocated to HMO licensing and enforcement, due to a dramatic rise in private renting in the Borough, with a consequent increase in the sharing of accommodation and conversion of industrial units. The additional resources identified will ensure that safety standards are met and landlords take more responsibility for Anti-Social Behaviour issues
	<b>Total Place &amp; Sustainability</b>			<b>400</b>	<b>(200)</b>	<b>0</b>	<b>200</b>	

Growth Proposals - Chief Executive								
	Directorate/Service Area	Ref	Proposed Use of Investment & Justification (KPIs etc)	2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000	Why is this needed? / What outcomes will be achieved? (e.g. impact on P.I.)
	Place & Sustainability							
	Business Unit							
1	Chief Executive	CE-1	Customer Services training & communications	150	(150)	0	0	This will fund one-off training, change and communications activity required to effectively deliver and embed the Customer Services Transformation activities
2	Chief Executive	CE-2	Customer Services systems & processes	0	400	0	400	This will be required to fund the annual ITsystem maintenance / support costs for the proposed new system to be purchased to enable the benefits of the Customer Services Transformation programme to be delivered.
	<b>Total Chief Executive</b>			<b>150</b>	<b>250</b>	<b>0</b>	<b>400</b>	

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<b>Additional savings</b>				
	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>Totals</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Public Health</b>	243	0	0	243
<b>Corporate Resources</b>	350	0	0	350
<b>Children and Young People</b>	175	0	0	175
<b>Place &amp; Sustainability</b>	680	0	0	680
<b>Strategy &amp; Performance</b>	156	0	0	156
<b>Chief Executive (incl. Legal)</b>	689	0	0	689
<b>TOTAL</b>	<b>2,293</b>	<b>0</b>	<b>0</b>	<b>2,293</b>

Additional Savings - Public Health										
Item	Directorate	Detailed Efficiency & Saving proposal	2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000	Impact on Performance (Service Delivery)	No. of Staff Affected	No. of Posts Deleted (FTE)	Equality Impact Assessment Required
1	Public Health	Health Intelligence	50	0	0	50	No immediate impact on front line services but in the long term ability to plan and commission effectively could be reduced.	0		tbc
2	Public Health	Family Nurse Partnership	24	0	0	24	This contract provides support to first time parents under 19. The reduction in funding will be managed to ensure impact on front line services is minimal but there is a small risk to performance.	0		tbc
3	Public Health	School Curriculum Development	30	0	0	30	This will reduce support to schools to educate Children about healthy living.	0		tbc
4	Public Health	Offer the increase in PH grant as a saving rather than commission new services.	25	0	0	25	There will be no changes to existing services but new opportunities for investing to save will be foregone.	0		tbc
5	Public Health	Savings achieved via substance misuse retender	20	0	0	20	No impact on services as savings will be achieved through competitive tendering	0		tbc
6	Public Health	Social isolation project	30	0	0	30	Social isolation is a risk factor for ill health. Reducing services to combat it may have an impact on health and social care use, especially in relation to mental health	0		tbc
7	Public Health	Health promotion for adults and prevention of obesity	24	0	0	24	Obesity is a risk factor for ill health and there is a high prevalence in Haringey. Reducing services to combat it may have an effect on health and social care use.	0		tbc
8	Public Health	Evaluation of Prevention Services	40	0	0	40	No immediate impact on front line services but over time will reduce the evidence base for effective commissioning and policy.	0		tbc
	<b>Total Public Health</b>		<b>243</b>	<b>0</b>	<b>0</b>	<b>243</b>		<b>0</b>	<b>0</b>	

<b>Additional Savings - Corporate Resources</b>										
Item	Service	Detailed Efficiency & Saving proposal	New saving 2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000	Impact on Performance (Service Delivery)	No. of Staff Affected	No. of Posts Deleted (FTE)	Equality Impact Assessment Required
1	Corporate Finance	Newly identified savings from new banking contract	80	0	0	80	None expected	0		No
2	Corporate Finance	Reduced debt refinancing costs (through reduced Minimum Revenue Provision contribution due to a draw down from Debt Redemption Reserve)	200	0	0	200	None expected	0		No
3	Audit & Risk Management	Insurance payback (one-off)	70	0	0	70	None expected	0		No
	<b>Total Corporate Resources</b>		<b>350</b>	<b>0</b>	<b>0</b>	<b>350</b>				

Additional Savings - CYPS										
Item	Service	Detailed Efficiency & Saving proposal	New saving 2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000	Impact on Performance (Service Delivery)	No. of Staff Affected	No. of Posts Deleted (FTE)	Equality Impact Assessment Required
1	Children and Families	It is proposed to raise income by utilising adoption assessments where there are no Haringey children to match and charging other LA's for out of borough matches.	100	0	0	100	No impact on service delivery and improved use of resources.	None		Not required
2	Prevention and Early Intervention	Staffing reduction and Income generation by offering support services to schools and Academies from alternative providers.	75	0	0	75	Minimal impact on performance.	1		Not required
	<b>Total Children's Services</b>		<b>175</b>	<b>0</b>	<b>0</b>	<b>175</b>				

Additional Savings - Place and Sustainability										
Item	Service	Detailed Efficiency & Saving proposal	New saving 2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000	Impact on Performance (Service Delivery)	No. of Staff Affected	No. of Posts Deleted (FTE)	Equality Impact Assessment Required
1	Property	Increase in disposal fee income generated by increased level of disposals as an outcome of the Accommodation Strategy	100	0	0	100	None	0	0	n
2	PRE	Reduction in grant support to North London Strategic Alliance in line with proposals to reduce size of the body.	15	0	0	15	None	0	0	n
3	SFL	Increased income from planned traffic management infrastructure improvements.	100	0	0	100	None	0	0	y
4	SFL	Increased Parking income from extended hours of late night CCTV enforcement in Town Centres following succesful trial in Muswell Hill	50	0	0	50	None	0	0	y
5	Leisure	Additional Dignity contract income arising from contractual conditions	35	0	0	35	None	0	0	n
6	SFL	Increased income due to increased level of enforcement of HGV weight restrictions on residential roads by mobile cameras.	280	0	0	280	None	0	0	y
7	SFL	HRA funding of disposal costs of waste removed from void properties / Council dwellings	100	0	0	100	None	0	0	n
<b>Total Place &amp; Sustainability</b>			<b>680</b>	<b>0</b>	<b>0</b>	<b>680</b>				

Additional Savings - Strategy and Performance										
Item	Service	Detailed Efficiency & Saving proposal	New saving 2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000	Impact on Performance (Service Delivery)	No. of Staff Affected	No. of Posts Deleted (FTE)	Equality Impact Assessment Required
1	Strategy & Business Intelligence	Delete posts and reduce non-salary budgets to achieve £80k additional saving	80	0	0	80	S&BI is under review as part of the recent Council restructure. This review will need to identify this additional saving. This will be split as £60k salary reduction and £20k non-salary budgets.	tbc		tbc
2	Communications	Reductions in supplies and services budgets	70	0	0	70	Unplanned pressures will be harder to manage within reduced resources. This will inevitably lead to a reduction in the marketing and information material produced to promote council services	0		tbc
3	LDMS (Committee Services)	Governance review changes which would have a reduction in cost to overtime and administrative costs.	6	0	0	6	None expected	0		No
<b>Total Strategy &amp; Performance</b>			<b>156</b>	<b>0</b>	<b>0</b>	<b>156</b>				

Additional Savings - Chief Executive										
Item	Service	Detailed Efficiency & Saving proposal	New saving 2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000	Impact on Performance (Service Delivery)	No. of Staff Affected	No. of Posts Deleted (FTE)	Equality Impact Assessment Required
1	RBCS	Savings from transformation programme in RBCS	300	0	0	300	Some impact on performance but primarily delivered through efficiency measures.	tbc	tbc	yes
2	ITS	Subject to Cabinet agreeing renewal of Corelogic Frameworki (Social Care system) – contract	80	0	0	80	No impact on performance as the current annual contract has been reduced by £80k via negotiation with provider	0		no
3	ITS	Contract cost management reductions	50	0	0	50	There is a risk of inflationary increases against contracts not being covered by budget. Inflationary increases have been minimised over the last couple of years due to robust negotiation with suppliers. It is unlikely they will be able to hold these for another year (contractual obligation).	0		no
4	HR/OD	Reduction of 2 FTE's. Average FTE saving is £53,600	110	0	0	110	Restructure required to operate through a priority filter process of a) statutory and legal requirements 2) corporate plan activities 3) discretionary elements. Risk that discretionary elements may not be delivered.	tbc		yes
5	Corporate Legal	Reduce the disbursement budget further over and above pre-agreed savings	149	0	0	149	This further reduction is based on the 13/14 YE projection at P6 which indicates this furthe sum can be saved. This relies on work levels not significantly increasing, particularly in the area of child care proceedings.	0		tbc
	<b>Total Chief Executive</b>		<b>689</b>	<b>0</b>	<b>0</b>	<b>689</b>				

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<b>Capital Programme 2014/15 to 2016/17 - Proposed programme</b>							
<b>Ref.</b>	<b>Directorate</b>	<b>Business Unit</b>	<b>Capital Project Title</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>Total</b>
1	Place & Sustainability	Tottenham Regeneration	Tottenham Regeneration	500	4,800	0	<b>5,300</b>
2	Place & Sustainability	OS&CS Single Front Line	Street lighting investment programme	400	400	400	<b>1,200</b>
3	Place & Sustainability	OS&CS Single Front Line	Planned carriageway and footway works	2,000	500	500	<b>3,000</b>
4	Place & Sustainability	OS&CS Single Front Line	Road safety and structures	150	150	150	<b>450</b>
5	Place & Sustainability	OS&CS Single Front Line	Parking infrastructure	300	300	300	<b>900</b>
6	Place & Sustainability	OS&CS Single Front Line	Tree planting programme	65	70	75	<b>210</b>
7	Place & Sustainability	OS&CS Leisure	Bruce Castle		141	849	<b>990</b>
8	Place & Sustainability	OS&CS Asset Mgt	Council buildings condition works	750	750	750	<b>2,250</b>
9	Place & Sustainability	Property & Capital Projects	Capital programme delivery	50	50	50	<b>150</b>
10	Place & Sustainability	Strategy and Regen	Stroud Green - Finsbury Park	50	20		<b>70</b>
11	Place & Sustainability	Property & Capital Projects	Smart Working Project	1,075	17	0	<b>1,092</b>
12	Place & Sustainability	Property & Capital Projects	Reprovision of civic functions	100	1,000	1,900	<b>3,000</b>
13	Place & Sustainability	Property & Capital Projects	Hornsey Town Hall	1,784	2,672	1,451	<b>5,907</b>
14	Place & Sustainability		Dilapidations	300			<b>300</b>
15	Place & Sustainability		Asset disposals	100	100	100	<b>300</b>
16	Adults & Housing	Adult Social Care	Aids & adaptations	700	700	700	<b>2,100</b>
17	Adults & Housing	Housing	Compulsory purchase - empty properties	500	500	500	<b>1,500</b>
18	Corporate Resources	Alexandra Park & Palace	Alexandra Palace annual Infrastructure programme	500	500	500	<b>1,500</b>
19	Corporate Resources	Alexandra Park & Palace	Alexandra Palace regeneration	250	350	350	<b>950</b>
20	Corporate Resources	Alexandra Park & Palace	Alexandra Palace (HLF)		1,292	3,876	<b>5,168</b>
21	Corporate Resources	IT	IT capital programme	250	250	250	<b>750</b>
22	Corporate Resources	Central Procurement Unit	ReFit energy efficiency programme	757	0	0	<b>757</b>
23	Assistant Chief Executive	Transformation	Customer Service Transformation	2,000	1,080	600	<b>3,680</b>
<b>Total proposed programme</b>				<b>12,581</b>	<b>15,642</b>	<b>13,301</b>	<b>41,524</b>

## Proposed HRA Capital Programme

<b>Programme</b>	<b>2014/15</b>	<b>2015/16</b>	<b>2016/17</b>	<b>TOTAL</b>
Mechanical & Electrical	2,500	3,500	3,500	9,500
Asbestos Removal	160	160	160	480
Boiler Replacements	5,500	5,500	5,500	16,500
Lift Improvements	2,100	1,000	1,000	4,100
Structural Works	200	200	200	600
Capitalised Repairs and Minor Works	1,600	1,600	1,600	4,800
Extensive Void Works	500	500	500	1,500
Professional Fees	2,000	2,000	2,000	6,000
Decent Homes Works	37,980	32,938		70,918
Successor Programme			25,000	25,000
Disabled Adaptations	1,200	1,200	1,200	3,600
Estate Improvements	1,000	1,000	1,000	3,000
Energy Conservation	100	100	100	300
Security/CCTV	500	1,000	1,000	2,500
Stock Survey	250	-	-	250
Fire Safety	1,000	3,000	3,000	7,000
Planned Preventative Maint	-	4,000	4,000	8,000
Internal Communal Flooring	200	800	800	1,800
Supported Living	500	500	500	1,500
Extensions/Conversions	600	600	600	1,800
Infill/Small Sites	5,420	8,130	-	13,550
<b>Planned Expenditure</b>	<b>63,310</b>	<b>67,728</b>	<b>51,660</b>	<b>182,698</b>
Decent Homes Grant	25,480	-	-	25,480
MRA	19,338	19,319	19,319	57,976
HRA surplus	14,366	16,000	15,000	45,366
RTB Receipts	1,626	2,439		4,065
Leaseholder Contributions	2,500	2,000	2,000	6,500
Borrowing (within Cap)		27,970	15,341	43,311
<b>Sources of Funding</b>	<b>63,310</b>	<b>67,728</b>	<b>51,660</b>	<b>182,698</b>

HRA Summary	2013/14	2014/15		2015/16		2016/17	
	Current Budget £000s	Increase / (Decrease) £000s	Draft Budget £000s	Increase / (Decrease) £000s	Draft Budget £000s	Increase / (Decrease) £000s	Draft Budget £000s
Rental Income	(82,048)	(1,678)	(83,726)	(1,966)	(85,692)	(2,008)	(87,700)
Non Dwelling Rents	(2,396)	(29)	(2,425)	0	(2,425)	0	(2,425)
Leasehold Service Charge Income	(6,350)	0	(6,350)	0	(6,350)	0	(6,350)
Tenant Service Charge Income	(10,113)	650	(9,463)	(294)	(9,757)	(303)	(10,060)
Miscellaneous Income	(5,925)	(604)	(6,529)	(523)	(7,052)	(423)	(7,475)
Housing Management Costs	5,785	494	6,279	450	6,729	364	7,093
Repairs & Maintenance	124	2,432	2,556	0	2,556	0	2,556
Bad Debt Provision	1,524	720	2,244	250	2,494	500	2,994
Service Charge Costs	6,722	219	6,941	147	7,088	127	7,215
<b>Total Managed Accounts</b>	<b>(92,677)</b>	<b>2,204</b>	<b>(90,473)</b>	<b>(1,936)</b>	<b>(92,409)</b>	<b>(1,743)</b>	<b>(94,152)</b>
Temporary Accommodation	(1,233)	(41)	(1,274)	(41)	(1,315)	(41)	(1,356)
Community Alarm	203	38	241	(4)	237	(4)	233
Supported Housing	196	32	228	14	242	14	256
Other Property Costs	2,314	(275)	2,039	8	2,047	10	2,057
HIERS/RegenerationTeam	225	385	610	0	610	0	610
Feasibility Studies of Estate Renewal	550	150	700	0	700	0	700
Consultation and comms re Estate Renewal		500	500	0	500	0	500
Place and Sustainability Recharges	740	170	910	0	910	0	910
Housing GF Recharges	2,418	0	2,418	0	2,418	0	2,418
Bad Debt Provision - Hostels	62	2	64	2	66	0	66
Pension Contributions Increase		2,100	2,100	0	2,100	0	2,100
Corp Democratic Core	695	17	712	18	730	18	748
Capital	35,048	0	35,048	1,400	36,448	800	37,248
Homes for Haringey Management Fee	38,986	(3,087)	35,899	(1,692)	34,207	(1,662)	32,545
<b>Total Retained Accounts</b>	<b>80,204</b>	<b>(9)</b>	<b>80,195</b>	<b>(296)</b>	<b>79,900</b>	<b>(865)</b>	<b>79,035</b>
<b>TOTAL HOUSING REVENUE ACCOUNT</b>	<b>(12,473)</b>	<b>2,195</b>	<b>(10,278)</b>	<b>(2,232)</b>	<b>(12,509)</b>	<b>(2,608)</b>	<b>(15,117)</b>
<b>Planned Opening HRA Balance</b>	<b>(19,002)</b>		<b>(17,808)</b>		<b>(13,720)</b>		<b>(10,229)</b>
In Year Surplus	(12,473)		(10,278)		(12,509)		(15,117)
Capital Programme	10,667		14,366		16,000		15,000
Funding for Staff Redundancies (if required.)	3,000						
<b>Planned Closing Balance</b>	<b>(17,808)</b>		<b>(13,720)</b>		<b>(10,229)</b>		<b>(10,346)</b>

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### Additional Savings - Communities

Item	Directorate	Detailed Efficiency & Saving proposal	New saving 2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000	Impact on Performance (Service Delivery)	No. of Staff Affected	No. of Posts Deleted (FTE)	Equality Impact Assessment Required
1	Place and Sustainability	Leisure: Additional Dignity contract income arising from contractual conditions	35	0	0	35	None	0	0	n
	<b>Total Communities</b>		<b>35</b>	<b>0</b>	<b>0</b>	<b>35</b>		<b>0</b>	<b>0</b>	

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