Ayshe Simsek,
Democratic Services
and Scrutiny Manager

020 8489 2929

ayshe.simsek@haringey.gov.uk

22 November 2021

To: All Members of the Full Council

Dear Member,

Full Council - Monday, 22nd November, 2021

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

7. TO RECEIVE THE REPORT OF THE CHIEF EXECUTIVE (PAGES 1 - 2)

11. TO RECEIVE REPORTS FROM THE FOLLOWING BODIES (PAGES 3 - 16)

14. TO ANSWER QUESTIONS, IF ANY, IN ACCORDANCE WITH COUNCIL RULES OF PROCEDURE NOS. 9 & 10 (PAGES 17 - 30)

To receive the responses to written questions

15. TO CONSIDER THE FOLLOWING MOTIONS IN ACCORDANCE WITH COUNCIL RULES OF PROCEDURE NO. 13 (PAGES 31 - 38)

Amendments to Motions C and D.

Yours sincerely

Ayshe Simsek,
Democratic Services and Scrutiny Manager
0208 489 2929

This page is intentionally left blank

Agenda Item 7

Report for: Full Council 22 November 2021

Title: **Change to Appointments to Committees 2021/22**

Authorised by: Fiona Alderman, Head of Legal and Governance & Monitoring Officer

Lead Officer: Ayshe Simsek Democratic Services and Scrutiny Manager 0208 489 2929 ayshe.simsek@haringey.gov.uk

Ward(s) affected: All

Report for Key/ Non-Key Decision: Non-Key Decision

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

1.1 At Annual Council on 27 May, appointments were made to Committees, a responsibility reserved to it by the Constitution.

1.2 On the 10th of September, Cllr Sarah James resigned from the Pensions Committee and Board, leaving a vacancy.

1.3 The Labour Group Chief Whip has indicated that Cllr Dana Carlin should fill this vacancy.

2. Cabinet Member Introduction

N/A

3. Recommendations

3.1 It is recommended that Councillor Carlin be appointed to the Pensions Committee and Board.

4.Background information

4.1 The Annual General Meeting of the Full Council makes appointments to Committees and Sub-Committees in accordance with Article 4.02(l) of the Constitution. In line with the provisions of the Local Government and Housing Act 1989 and the Local Government (Committees and Political Groups) Regulations 1990, Committees are constituted in accordance with the Council’s political balance.

4.2 The membership of the Pensions Committee and Board must be constituted in accordance with the provisions of the Local Government and Housing Act 1989 and the Local Government (Committees and Political Groups) Regulations 1990 in terms of political balance. The Labour group has 73.2% of the total number of seats and the Liberal Democrat group have 26.8%.

4.3 Where practicable, the allocation of seats on Committees should be in line with the proportion of seats on the Council held by the political groups. The rule about proportionate allocation of seats on bodies overall takes precedence over the rule about proportionate allocation on any individual body. The number of seats on the Pensions committee and Board is 6 with 4 seats allocated to the Labour group and 2 seats allocated to the Liberal Democrat group according to political proportionality.

5. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance and Procurement

5.1 There are no financial implications arising from the report.

Head of Legal and Governance & Monitoring Officer

5.2 The report sets out those Council bodies to which the political balance rules apply. The 1989 Act requires political balance in the distribution of seats on committees to be undertaken “so far as is reasonably practicable” thus recognising that a mathematically precise split between political parties cannot always be achieved.

5.3 In section 15 of the Local Government and Housing Act 1989, principle (b) states that a party with a majority on full Council shall have a majority of seats on each individual body. This principle takes precedence over principles (c) and (d)which require political groups to be represented on the ordinary committees taken as a whole and on the bodies individually in proportion to their representation on Full Council.

5.4 Principle (c) concerning proportionate allocation of seats across all the ordinary committees of the council takes precedence over the principle (d) concerning proportionate allocation on any individual body.

6. Use of Appendices

None

7. Local Government (Access to Information) Act 1985

7.1 Background documents:

- *Appointments to Cttees 2021- 22*
- *Haringey Council’s Constitution*

7.2 The background papers are located at River Park House, 225 High Road, Wood Green, London N22 8HQ.

7.3 To inspect them or to discuss this report further, please contact Ayshe Simsek on 0208 489 2929.

REPORT OF THE CORPORATE COMMITTEE 01/2021-22

FULL COUNCIL 22 November 2020

Chair: Councillor Peter Mitchell

INTRODUCTION

1.1 This report from the Corporate Committee arises from consideration of the attached report at Appendix 1 considered at the meeting on 16 November 2021 and asks Full Council to consider the following:

- Treasury Management Update Mid-Year Report 2021/22.

1.2 The full recommendations for each item are included in this Council report and the attached appendices.

SUMMARY

<u>Treasury Management Update Mid-Year Report 2021/22</u>

2.1 We considered a report on the Treasury Management Update Mid-Year Report 2021/22 which provided an update on the Council's treasury management activities and performance in the first half of the financial year to 30 September 2021 in accordance with the CIPFA Treasury Management Code of Practice.

2.2 Overall responsibility for the Council's treasury management remains with Full Council and the Council approved the Treasury Management Strategy Statement on 1 March 2021. The Corporate Committee is responsible for monitoring treasury management activity and monitors this through the receipt of quarterly reports.

2.3 We noted that the CIPFA Code recommended that members were informed of treasury management activities at least twice a year. The Corporate Committee was responsible for monitoring treasury management activity, and this was achieved through the receipt of quarterly/annual reports. This report was the monitoring report for the first half of 2020/21.

2.4 The Director of Finance reported that all treasury management activities undertaken during the year complied fully with the CIPFA Code of Practice and the Authority's approved Treasury Management Strategy.

2.5 The borrowing update, set out in section 4 of the appendix, was highlighted to members. It was noted that, on 30 September 2021, the Authority held £597.2 million of loans as part of its strategy for funding previous and current year's capital programmes. It was explained that there had been additional borrowing of £41 million, compared to 31 March 2021, with £11 million of long term and £30 million of short term borrowing. It was noted that this reflected the council's strategy to balance low interest costs and ensuring that we were securing beneficial, long term costs. It was anticipated that there would be more long-term borrowing later in the year, in line with Treasury Management Strategy.

2.6 In response to a question about the process for repaying Lender's Option Borrower's Option (LOBO) loans that the council had held for a number of years, it was explained that LOBO loans gave lenders the option to raise interest rates at set dates. It was noted that, if they raised the interest rates, the council could accept the new rate or could repay the loan at no additional cost, although it was typically expensive to exit. It was noted that no banks had exercised their option during the first half of the year and the chances of lenders deciding to exercise this option remained low.

2.7 It was enquired whether the council was taking advantage of opportunities to repay loans, given the currently low interest rates. The Committee heard that there was a policy which stated that, if it was possible to agree a deal with a material net saving, the council would do this. It was noted that this was checked periodically with the council's advisor but that opportunities had not yet materialised. It was added that the Council's general borrowing strategy was to lock in the currently available low rates for the longer term, to safeguard against potential future interest rate rises, and that the interest rate environment in general was kept under constant review in conjunction with the Council's advisers.

WE RECOMMEND

That Full Council is asked:

To note the Treasury Management activity undertaken during the first half of the financial year to 30 September 2021 and the performance achieved which is attached as Appendix 1 to this report.

To note that all treasury activities were undertaken in line with the approved Treasury Management Strategy.

Appendix 1 - Treasury Management Update Mid-Year 2021/22

1. Introduction

1.1. The Authority has adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice* (the CIPFA Code) which requires the Authority to approve treasury management semi-annual and annual reports.

1.2. The Authority's treasury management strategy for 2021/22 was approved at a full Council meeting on 1 March 2021. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk remains central to the Authority's treasury management strategy.

1.3. The 2017 Prudential Code includes a requirement for local authorities to provide a Capital Strategy, a summary document approved by full Council covering capital expenditure and financing, treasury management and non-treasury investments. The Authority's Capital Strategy, complying with CIPFA's requirement, was approved by full Council on 1 March 2021.

2. External Context (provided by the Council's treasury management advisor, Arlingclose)

Economic background

2.1. The economic recovery from coronavirus pandemic continued to dominate the first half of the financial year. By the end of the period over 48 million people in the UK had received their first dose of a COVID-19 vaccine and almost 45 million their second dose.

2.2. The Bank of England (BoE) held Bank Rate at 0.10% throughout the period and maintained its Quantitative Easing programme at £895 billion, unchanged since the November 2020 meeting. In its September 2021 policy announcement, the BoE noted it now expected the UK economy to grow at a slower pace than was predicted in August, as the pace of the global recovery had shown signs of slowing and there were concerns inflationary pressures may be more persistent.

2.3. Within the announcement, Bank expectations for GDP growth for the third (calendar) quarter were revised down to 2.1% (from 2.9%), in part reflecting tighter supply conditions. The path of CPI inflation is now expected to rise slightly above 4% in the last three months of 2021, due to higher energy prices and core goods inflation.

2.4. Government initiatives continued to support the economy over the quarter but came to an end on 30th September 2021. The latest labour market data showed that in the three months to July 2021 the unemployment rate fell to 4.6%. The employment rate increased, and economic activity rates decreased, suggesting an improving labour market picture.

2.5. Annual CPI inflation rose to 3.2% in August, exceeding expectations for 2.9%, with the largest upward contribution coming from restaurants and hotels. The Bank of England now expects inflation to exceed 4% by the end of the calendar year owing largely to developments in energy and goods prices. The easing of restrictions boosted activity in the second quarter of calendar year, helping push GDP up by 5.5% over the quarter. Household consumption was the largest contributor.

2.6. The US economy grew by 6.3% in Q1 2021 (Jan-Mar) and then by an even stronger 6.6% in Q2 as the recovery continued. The Federal Reserve maintained its main interest rate at between 0% and 0.25% over the period but in its most recent meeting made suggestion that monetary policy may start to be tightened soon. The European Central Bank maintained its base rate at 0%, deposit rate at -0.5%, and asset purchase scheme at €1.85 trillion.

Financial Markets

2.7. Monetary and fiscal stimulus together with rising economic growth and the ongoing vaccine rollout programmes continued to support equity markets over most of the period, albeit with a bumpy ride towards the end. The Dow Jones hit another record high while the UK-focused FTSE 250 index continued making gains over pre-pandemic levels. The more internationally focused FTSE 100 saw more modest gains over the period and remains below its pre-crisis peak.

2.8. Inflation worries continued during the period. Declines in bond yields in the first quarter of the financial year suggested bond markets were expecting any general price increases to be less severe, or more transitory, than was previously thought. However, an increase in gas prices in the UK and EU, supply shortages and a dearth of HGV and lorry drivers with companies willing to pay more to secure their services, has caused problems for a range of industries and, in some instance, led to higher prices.

2.9. The 5-year UK benchmark gilt yield began the financial year at 0.36% before declining to 0.33% by the end of June 2021 and then climbing to 0.64% on 30th September. Over the same period the 10-year gilt yield fell from 0.80% to 0.71% before rising to 1.03% and the 20-year yield declined from 1.31% to 1.21% and then increased to 1.37%. The Sterling Overnight Rate (SONIA) averaged 0.05% over the quarter.

Credit Review

2.10. Credit default swap spreads were flat over most of period and are broadly in line with their pre-pandemic levels. The gap in spreads between UK ringfenced and non-ringfenced entities continued to narrow, but Santander UK remained an outlier compared to the other ringfenced/retail banks.

2.11. Over the period Fitch and Moody's upwardly revised to stable the outlook on several UK banks and building societies on our counterparty list, recognising their improved capital positions compared to last year and better economic growth prospects in the UK.

2.12. The successful vaccine rollout programme is credit positive for the financial services sector in general and the improved economic outlook has meant some institutions have been able to reduce provisions for bad loans. While there is still uncertainty around the full extent of the losses banks and building societies will suffer due to the pandemic-related economic slowdown, the sector is in a generally better position now compared to earlier this year and 2020.

2.13. At the end of the period Arlingclose had completed its full review of its credit advice on unsecured deposits. The outcome of this review included the addition of NatWest Markets plc to the counterparty list together with the removal of the suspension of Handelsbanken plc. In addition, the maximum duration for all recommended counterparties was extended to 100 days.

3. Local Context

3.1. On 31st March 2021, the Authority had net borrowing of £555.9m arising from its revenue and capital income and expenditure. The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. These factors are summarised in Table 1 below.

Table 1: Balance Sheet Summary

Type of Liability	31.03.21 Actual** £m
General Fund CFR	505.5
HRA CFR	332.3
Total CFR **	**837.8**
Less: *Other debt liabilities	(28.2)
Borrowing CFR – comprised of:	**809.6**
- External borrowing	555.9
- Internal borrowing	253.7

* finance leases, PFI liabilities and transferred debt that form part of the Authority's total debt
** subject to audit

3.2. Lower official interest rates have lowered the cost of short-term, temporary loans and investment returns from cash assets that can be used in lieu of borrowing. The Authority continued to pursue its long-standing strategy of keeping borrowing and investments below their underlying levels, sometimes known as internal borrowing, in order to reduce risk.

3.3. The treasury management position on 30th September 2021 and the change over the quarter is shown in Table 2 on the following page.

Table 2: Treasury Management Summary

Type of Borrowing / Investment	31.03.21 Balance (£m)	Movement (£m)	30.09.21 Balance (£m)	30.09.21 Rate (%)
Long-term borrowing	496.9	11.3	508.2	3.22
Short-term borrowing	59.0	30.0	89.0	0.11
Total borrowing	**555.9**	**41.3**	**597.2**	**2.75**
Long-term investments	0.0	0.0	0.0	0.00
Short-term investments	5.0	(5.0)	0.0	0.00
Cash and cash equivalents	12.0	6.7	18.7	0.01
Total investments	**17.0**	**1.7**	**18.7**	0.01
Net borrowing	**538.9**	**39.6**	**578.5**	

4. Borrowing Update

4.1. Local authorities can borrow from the PWLB provided they can confirm they are not planning to purchase 'investment assets primarily for yield' in the current or next two financial years, with confirmation of the purpose of capital expenditure from the Section 151 Officer. Acceptable use of PWLB borrowing includes service delivery, housing, regeneration, preventative action, refinancing and treasury management.

4.2. Competitive market alternatives may be available for authorities with or without access to the PWLB. However, the financial strength of the individual authority and borrowing purpose will be scrutinised by commercial lenders. Further changes to the CIPFA Prudential Code expected in December 2021 are likely to prohibit borrowing for the primary purpose of commercial return, even where the source of borrowing is not the PWLB.

4.3. The Authority is not planning to purchase any investment assets primarily for yield within the next three years and so is able to fully access the PWLB.

Changes to PWLB Terms and Conditions from 8th September 2021

4.4. The settlement time for a PWLB loan has been extended from two working days (T+2) to five working days (T+5). In a move to protect the PWLB against negative interest rates, the minimum interest rate for PWLB loans has also been set at 0.01% and interest charged on late repayments will be the higher of Bank of England Base Rate or 0.10%.

Municipal Bonds Agency (MBA)

4.5. The MBA is continuing to work to deliver a new short-term loan solution, available in the first instance to principal local authorities in England, allowing them access to short-dated, low rate, flexible debt. The minimum loan size is expected to be £25 million. Importantly, local authorities will borrow in their own name and will not cross guarantee any other authorities.

4.6. If the Authority were to consider future borrowing through the MBA, it would first ensure that it had thoroughly scrutinised the legal terms and conditions of the arrangement and taken proper advice on these.

UK Infrastructure Bank

4.7. £4bn has been earmarked for lending to local authorities by the UK Infrastructure Bank which is wholly owned and backed by HM Treasury. The availability of this lending to local authorities, for which there will be a bidding process, is yet to commence. Loans will be available for qualifying projects at gilt yields plus 0.60%, which is 0.20% lower than the PWLB certainty rate.

Borrowing strategy during the period

4.8. On 30th September 2021, the Authority held £597.2m of loans (an increase of £41.3m compared to 31st March 2021) as part of its strategy for funding previous and current years' capital programmes. Outstanding loans on 30th September 2021 are summarised in Table 3 below.

Table 3: Borrowing Position

	31.03.21 Balance £m	Net Movement £m	30.09.21 Balance £m	30.09.21 Weighted Average Rate %	30.09.21 Weighted Average Maturity (years)
Public Works Loan Board	371.9	11.3	383.2	2.73	26.65
Banks (LOBO)	125.0	0.0	125.0	4.72	38.69
Local authorities (short-term)	59.0	30.0	89.0	0.11	0.38
Total borrowing	**555.9**	**41.3**	**597.2**	**2.75**	**25.25**

4.9. The Authority's chief objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Authority's long-term plans change being a secondary objective.

4.10. With short-term interest rates remaining much lower than long-term rates and with surplus of liquidity continuing to feature in the local authority to local authority market, the Authority considered it to be more cost effective in the near term to use short-term loans to satisfy liquidity requirements during the first half of the year. The net movement in temporary short-term loans is shown in Table 3 above.

4.11. Having considered the appropriate duration and structure of the Authority's borrowing in consultation with the Authority's treasury advisor Arlingclose, the Authority decided to take some advantage of the fall in external borrowing rates and borrowed £15m of medium-term Equal Instalments of Principal (EIP) loans from the PWLB, at an average of 1.40% which will provide longer-term certainty and stability to the debt portfolio.

4.12. The Authority has a significant capital programme which extends into the foreseeable future. A large proportion of this will be financed by borrowing, which the Authority will have to undertake in the current and coming years. In line with the approved Treasury Management Strategy, additional long-term borrowing is anticipated to be raised over the remaining course of the 2021/22 financial year.

4.13. Any borrowing which is taken prior to capital expenditure taking place, and reducing the extent of the Authority's internal borrowing, would have to be invested in the money markets at rates of interest significantly lower than the cost of borrowing, creating an immediate cost for revenue budgets. The Authority's borrowing decisions are not predicated on any one outcome for interest rates and a balanced portfolio of short and long-term borrowing is maintained.

4.14. Arlingclose undertakes a weekly 'cost of carry' analysis which informs the Authority on whether it is financially beneficial to undertake long-term borrowing now or delay this for set time periods based on PWLB interest rate forecasts.

LOBO Loans

4.15. The Authority continues to hold £125m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. No banks exercised their option during the first half of the year.

5. Treasury Investment Activity

5.1. The Authority holds invested funds, representing income received in advance of expenditure plus balances and reserves held. During the year, the Authority's investment balances ranged between £14.7 and £50.1 million due to timing differences between income and expenditure. The investment position is shown in table 4 on the following page.

Table 4: Treasury Investment Position

Investments	31.03.21 Balance £m	Net Movement £m	30.09.21 Balance £m	30.09.21 Rate of Return %	30.09.21 Weighted Average Maturity (Days)
Money Market Funds	0.0	18.7	18.7	0.01	1
UK Government:					
- Local Authorities	5.0	(5.0)	0.0	0.00	0
- Debt Management Office	12.0	(12.0)	0.0	0.00	0
Total investments	**17.0**	**1.7**	**18.7**	**0.01**	**1**

5.2. Both the CIPFA Code and government guidance require the Authority to invest its funds prudently, and to have regard to the security and liquidity of its treasury investments before seeking the optimum rate of return, or yield. The Authority's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

5.3. Ultra-low short-dated cash rates which have been a feature since March 2020 when Bank Rate was cut to 0.10% have resulted in the return on sterling low volatility net asset value money market funds (LVNAV MMFs) being close to zero even after some managers have temporarily waived or lowered their fees. At this stage net negative returns are not the central case of most MMF managers over the short-term, and fee waivers should result in MMF net yields having a floor of zero, but the possibility cannot be ruled out.

5.4. Deposit rates with the Debt Management Account Deposit Facility (DMADF) are also largely around zero.

5.5. The progression of risk and return metrics are shown in the extracts from Arlingclose's quarterly investment benchmarking in Table 5 below.

Table 5: Investment Benchmarking – Treasury investments managed in-house

	Credit Score	Credit Rating	Bail-in Exposure	Weighted Average Maturity (Days)	Rate of Return
31.03.2021	**3.91**	**AA-**	**0%**	**8**	**0.28%**
30.09.2021	**4.80**	**A+**	**100%**	**1**	**0.01%**
Similar Local Authorities	**4.83**	**A+**	**79%**	**26**	**0.09%**
All Local Authorities	**4.69**	**A+**	**69%**	**10**	**0.08%**

Scoring: AAA = highest credit quality = 1; D = lowest credit quality = 26

Aim = A- or higher credit rating, with a score of 7 or lower, to reflect current investment approach with main focus on security

Non-Treasury Investments

5.6. The definition of investments in CIPFA's revised Treasury Management Code now covers all the financial assets of the Authority as well as other non-financial assets which the Authority holds primarily for financial return. This is replicated in the Investment Guidance issued by the Department for Levelling Up, Housing and Communities (DLUHC) in which the definition of investments is further broadened to also include all such assets held partially for financial return.

Treasury Performance

5.7. Treasury investments generated an average rate of return of 0.01% in the first half of the financial year. The Authority's treasury investment income for the year is likely to be less than the budget forecast due to a lower than anticipated average rate of return.

5.8. Borrowing costs for 2021/22 are forecast at £16.4m (£10.4m HRA, £6.0m General Fund) against a budget of £24.8m (£16.2m HRA, £8.6m General Fund). In prior years, these budgets have underspent due to a number of factors, including: the current lower interest rate environment reducing interest costs for the Council, and delays in the capital programme's delivery. Should slippage in the Council's capital programme occur, it will reduce the borrowing requirement, and reduce this forecast.

6. Compliance

6.1. The Director of Finance reports that all treasury management activities undertaken during the year complied fully with the CIPFA Code of Practice and the Authority's approved Treasury Management Strategy.

6.2. Compliance with the authorised limit and operational boundary for external debt is demonstrated in Table 6 below.

Table 6: Debt Limits

	30.09.21 Actual £m	**2021/22 Operational Boundary £m**	**2021/22 Authorised Limit £m**	**Complied?**
Borrowing	597.2	1,157.4	1,207.4	Yes
PFI and Finance Leases	28.2	28.2	31.0	Yes
Total debt	**625.4**	**1,185.6**	**1,238.4**	**Yes**

6.3. Since the operational boundary is a management tool for in-year monitoring it is not significant if the operational boundary is breached on occasions due to variations in cash flow, and this is not counted as a compliance failure, however, Haringey's debt remained well below this limit at all points during first half of the year.

Treasury Management Indicators

6.4. The Authority measures and manages its exposures to treasury management risks using the following indicators.

Security

6.5. The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

	30.09.21 Actual	2021/22 Target	Complied?
Portfolio average credit score	4.80 (A+)	7.0 (A-)	Yes

Liquidity

6.6. The Authority has adopted a voluntary measure of its exposure to liquidity risk by monitoring the amount of cash available to meet unexpected payments within a rolling three-month period, without additional borrowing.

	30.09.21 Actual	2021/22 Target	Complied?
Total cash available within 3 months	18.7	10.0	Yes

Interest Rate Exposures

6.7. This indicator is set to control the Authority's exposure to interest rate risk. The upper limits on the one-year revenue impact of a 1% rise or fall in interests was:

Interest rate risk indicator	30.09.21 Actual	2021/22 Target	Complied?
Upper limit on one-year revenue impact of a 1% rise in interest rates	£0.20m	£2m	Yes
Upper limit on one-year revenue impact of a 1% fall in interest rates	£0.20m	£2m	Yes

6.8. The impact of a change in interest rates is calculated on the assumption that maturing loans and investment will be replaced at current rates.

Maturity Structure of Borrowing

6.9. This indicator is set to control the Authority's exposure to refinancing risk. The upper and lower limits on the maturity structure of all borrowing were:

	30.09.21 Actual	Upper Limit	Lower Limit	Complied?
Under 12 months	17.04%	50%	0%	Yes
12 months and within 24 months	2.34%	40%	0%	Yes
24 months and within 5 years	5.92%	40%	0%	Yes
5 years and within 10 years	4.52%	40%	0%	Yes
10 years and within 20 years	14.67%	40%	0%	Yes
20 years and within 30 years	7.54%	40%	0%	Yes
30 years and with 40 years	24.53%	50%	0%	Yes
40 years and within 50 years	23.44%	50%	0%	Yes
50 years and above	0.00%	40%	0%	Yes

6.10. Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

6.11. The Authority has used short term borrowing (under 1 year in duration) from other local authorities extensively in recent years, as an alternative to longer term borrowing from PWLB, due to lower interest rates, and corresponding revenue savings. Short term borrowing exposes the Authority to refinancing risk: the risk that rates rise quickly over a short period of time and are at significantly higher rates when loans mature, and new borrowing has to be raised. With this in mind, the Authority has set a limit on the total amount of short-term local authority borrowing, as a proportion of all borrowing.

Short term borrowing	**Limit**	**30.09.21**	**Complied?**
Upper limit on short-term borrowing from other local authorities as a percentage of total borrowing	30%	15%	Yes

Principal Sums Invested for Periods Longer than a year

6.12. The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end were:

	2021/22	**2022/23**	**2023/24**
Actual principal invested beyond year end	Nil	Nil	Nil
Limit on principal invested beyond year end	£10m	£10m	£10m
Complied?	Yes	Yes	Yes

7. **Revisions to CIPFA Codes**

7.1. In February 2021 CIPFA launched two consultations on changes to its Prudential Code and Treasury Management Code of Practice. These followed the Public Accounts Committee's recommendation that the prudential framework should be further tightened following continued borrowing by some authorities for investment purposes. In June, CIPFA provided feedback from this consultation.

7.2. In September CIPFA issued the revised Codes and Guidance Notes in draft form and opened the latest consultation process on their proposed changes. The changes include:

- Clarification that (a) local authorities must not borrow to invest primarily for financial return (b) it is not prudent for authorities to make any investment or spending decision that will increase the Capital Financing Requirement, unless directly and primarily related to the functions of the authority.

- Categorising investments as those (a) for treasury management purposes, (b) for service purposes and (c) for commercial purposes.

- Defining acceptable reasons to borrow money: (i) financing capital expenditure primarily related to delivering a local authority's functions, (ii) temporary management of cash flow within the context of a balanced budget, (iii) securing affordability by removing exposure to future interest rate rises and (iv) refinancing current borrowing, including replacing internal borrowing.

- For service and commercial investments, in addition to assessments of affordability and prudence, an assessment of proportionality in respect of the authority's overall financial capacity (i.e., whether plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services.

- Incorporating Environmental, Social and Governance (ESG) issues as a consideration within Treasury Management Practice (TMP) 1 Risk Management.

- Additional focus on the knowledge and skills of officers and elected members involved in decision making

Prudential Indicators

- New indicator for net income from commercial and service investments to the budgeted net revenue stream.

- Inclusion of the liability benchmark as a mandatory treasury management prudential indicator. CIPFA recommends this is presented as a chart of four balances – existing loan debt outstanding; loans CFR, net loans requirement, liability benchmark – over at least 10 years and ideally cover the authority's full debt maturity profile.

- Excluding investment income from the definition of financing costs

8. **<u>Outlook for the remainder of 2021/22 (provided by the Council's treasury management advisor, Arlingclose)</u>**

8.1. The table below shows the latest interest rate forecast produced by Arlingclose.

	Dec-21	Mar-22	Jun-22	Sep-22	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24
Official Bank Rate													
Upside risk	0.00	0.15	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Arlingclose Central Case	0.10	0.10	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside risk	0.00	0.00	0.15	0.15	0.15	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40

8.2. Arlingclose expects Bank Rate to rise in Q2 2022. This expectation is driven as much by the Bank of England's desire to move from emergency levels as by fears of inflationary pressure. Investors have priced in multiple rises in Bank Rate to 1% by 2024. While Arlingclose believes Bank Rate will rise, it is by a lesser extent than expected by markets.

8.3. The global economy continues to recover from the pandemic but has entered a more challenging phase. The resurgence of demand has led to the expected rise in inflationary pressure, but disrupted factors of supply are amplifying the effects, increasing the likelihood of lower growth rates ahead. This is particularly apparent in the UK due to the impact of Brexit.

8.4. While Q2 UK GDP expanded more quickly than initially thought, the recent supply disruption will leave Q3 GDP broadly stagnant. The outlook also appears weaker. Household spending, the driver of the recovery to date, is under pressure from a combination of retail energy price rises, the end of government support programmes and soon, tax rises.

8.5. Inflation rose to 3.2% in August. A combination of factors is likely to drive this to over 4% in the near term. While the transitory factors affecting inflation, including the low base effect of 2020, are expected to unwind over time, the MPC has recently communicated fears that these transitory factors will feed longer-term inflation expectations that require tighter monetary policy to control. This has driven interest rate expectations substantially higher.

8.6. The supply imbalances are apparent in the labour market. While wage growth is currently elevated due to compositional and base factors, stories abound of higher wages for certain sectors, driving inflation expectations. It is uncertain whether a broad-based increased in wages is possible given the pressures on businesses.

8.7. Government bond yields increased sharply following the September FOMC and MPC minutes, in which both central banks communicated a lower tolerance for higher inflation than previously thought. The MPC in particular has doubled down on these signals in spite of softer economic data. Bond investors expect higher near-term interest rates but are also clearly uncertain about central bank policy.

8.8. The MPC appears to be playing both sides, but has made clear its intentions to tighten policy, possibly driven by a desire to move away from emergency levels. While the economic outlook will be challenging, the signals from policymakers suggest Bank Rate will rise unless data indicates a more severe slowdown.

This page is intentionally left blank

Full Council Written questions: 22 Nov 2021

Written questions		
Cllr	**Question**	**Response**
1. Cllr Dixon to Cllr Diakides	Given 250-266 St Ann's Road (bought by the council for £3.85 million in 2004) was valued at £3 million last year, and enjoys an annual rental income of £285,000 (market value actually circa £300,000 pa), do you regret giving this council-owned site away for a pound to the Bridge Renewal Trust just thirteen years after purchasing it, when it could have raised either much-needed funds for the council, or provided further options in the council's housebuilding and accommodation strategy?	New Deal for Communities (NDC) was a Central Government-led regeneration programme for the regeneration of some of the UK's most deprived neighbourhoods. The Bridge NDC was a £50 million 10 year regeneration programme based in the South Tottenham and Seven Sisters area that ran from 2001-2011. During the period of its existence, the New Deal For Communities fully funded a range of community-based schemes, including the purchase by the Council of a 125-year leasehold interest for the ground and first floors of 250 – 266 St Ann's Road London N15 for the purpose of setting up the Laurels Healthy Living Centre ("the Laurels") that would provide integrated health care services to the community. The Bridge Renewal Trust ("the Trust") was set up in July 2009 as the successor body of the Bridge New Deal for Communities (NDC) to ensure continued benefits for local residents. The intention was always that the leasehold interest in the property would also offer benefits to the community as the rental income would contribute to the Trust's sustainability in the longer term. On 22 June 2011, the Council agreed a 10-year funding arrangement with the Trust ("Funding Agreement"), effective from March 2011, that implemented this intention with the rental income paid by the NHS to the Council passed on to the Trust as a grant, supporting the development of a sustainable asset-based successor body. The transfer of the leasehold interest from the Council to the Trust during the ten-year Funding Agreement period delivered on

		the original intentions of the New Deal for Communities recognising the funding for the lease came directly from central government grant funding through the NDC and therefore the role of the Council was to facilitate the wider vision of the legacy.
2. Cllr Barnes to Cllr Bevan	In October, London Councils announced plans to retrofit all of the capital's council homes to an average Energy Performance Certificate rating of B by 2030. Could you please outline how this will be achieved?	Haringey has a £101m programme to retrofit council homes in the borough. The London Council's Action Plan on Retrofitting has set out a number of recommended actions and targets for social housing in terms of energy. The London Councils team and the boroughs involved are currently developing the implementation strategy for London alongside costings. The implementation plan will also make recommendations for the boroughs. However, in advance of this implementation plan the Council has already undertaken its own high-level analysis into its social housing stock. We are now developing a unit-by-unit analysis of the measures and the cost for the delivery of this ambition. This analysis will be folded into the Homes for Haringey maintenance strategy to complement planned works and where there are no planned works, standalone projects will be designed for implementation. It should be noted that to deliver on this ambition the Council has already allocated capital funding of £101m, which alongside national funding, not only will enable this to be delivered, but also shows that Haringey is committed to the borough's Net Zero Carbon goal.
3. Cllr Hinchcliffe to Cllr Hakata	Will Haringey Council commit to conduct a comprehensive environmental audit of the events being held in its parks, especially Finsbury Park?	The Council has no plans to undertake a standalone environmental audit at this time. The Council's emerging Parks and Greenspaces Strategy has Climate Change and Sustainability as one of its three key

		aims. Therefore, in any future review of the Outdoor Events Policy, consideration can be given to the environmental impact.
4. Cllr Emery to Cllr Hakata	Why is Haringey advertising the Trees for Streets programme as new when the same scheme has been operating in the borough under a different name for many administrations - is this not misleading residents?	Haringey entered into partnership with Trees for Streets in July. We are one of the first boroughs to pilot their National Street Tree Sponsorship Scheme, which has enabled us to present a simpler and more accessible route to tree sponsorship, a more active sponsorship model, and ensure that this offer is better communicated. This partnership has significantly updated and improved our offer to residents. For many years, the Council operated a manual handwritten form on the Council's website. Sponsors then had to be sent a Council invoice for their contribution. This resulted in limited uptake of the opportunity to sponsor a tree (less than 20 trees pa). The Council's new partnership and membership of the National Street Tree Sponsorship Scheme modernises the system to a slick, online customer journey with online payment options. The new scheme also offers the resident the opportunity to take on the watering of the sponsored tree, thereby reducing the total amount of sponsorship required. The partnership includes increased marketing of the scheme to residents and businesses alongside Trees for Streets fundraising for street tree-planting in low canopy areas of the borough. To date we have achieved 150 new trees under this scheme. This makes Haringey the most successful borough in this pilot scheme, with more than double the number of trees achieved compared to the next most successful borough. This number also represents an increase of 750% over the previous scheme.

		The platform allows us to develop new opportunities such as crowdfunding for groups of residents to come together to sponsor one or more trees.
5. Cllr Ross to Cllr Hakata	Given the potential environmental and financial cost, why are lights continuing to be left on all night, every night, in council buildings such as River Park House after staff have vacated for the day?	The responsibility for turning off lights in Council buildings once officers have left is either with the Council's security team or with the service manager in the case of smaller buildings. It is of course our policy to reduce energy consumption wherever possible. In the light of the concern raised in this question, the instructions to ensure this task is completed each night is being reissued to the officers concerned.
6. Cllr Chenot to Cllr Hakata	When will Haringey allow an e-bike operator to operate in the borough?	The Haringey Transport Strategy (adopted March 2018) sets out the council's support for bike hire and electric vehicle schemes. Consistent with this, the Council was one of the first in London to agree in principle to the making of a pan-London bylaw to regulate dockless vehicles (which would include e-bikes) on the highway and/or public places. The Council's Draft Walking and Cycling Action Plan, recently published for consultation, contains a commitment to a shared bike trial (which would include e-bikes). It is important, however, that any scheme that does come forward in the borough is properly managed, safe for all road and pavement users including pedestrians and supports the Council's wider aims of fairness, affordability and prioritising an 'active' element to travel. Haringey participates in an all-borough working group, along with TfL, observing the operations of bike hire schemes across the capital. This is providing important learning about how a successful scheme could work in Haringey in the future.

7. Cllr Cawley-Harrison to Cllr Diakides	Since May 2018, Haringey Council has awarded contracts totalling almost £20 million under circumstances where contract standing orders have been waived. Given this lack of due process, how can residents have faith that their money is being spent wisely?	Waivers are only considered in exceptional circumstances and are not intended to be a routine process for procuring goods works and services. In most cases, waivers will consider value for money. This may not always be simply lowest price, but there are other associated cost implications i.e. • If a new IT system being implemented is delayed, we may need to award a new contract (where it is not possible to extend the current one) to retain the current system until the new one is in place. It would not be feasible or possible to migrate to an alternate system whilst waiting for the new one to be completed. • Works being carried out on a property may reveal some hidden issues. Enabling the main contractor to resolve these issues would be more cost effective than halting the project, which may incur additional delays and costs whilst undertaking a procurement. Additional considerations need to be given around urgency, especially in light of Covid, where the Council needed to act swiftly to ensure public health and the safety of our workforce and residents was protected. There are also occasions whereby competition is absent from the market and only one provider can provide those services. This generally arises in the health and care sectors where there may only be one provider locally or in London that can meet the needs. It is the responsibility of Directors, Strategic Procurement, Finance and Legal colleagues (where applicable), to ensure a compliant process is followed that is in the best interest of the Council and its residents. This includes overall value for money.

8. Cllr da Costa to Cllr Ahmet	Could you confirm that the administration is currently on track to fail to achieve three of the five key pledges they were elected on, and subsequently referenced in council documentation, namely: 1000 new homes at council rents Extend council tax relief to 100% of our least well-off residents Provide a free school meal for every primary school child	This administration set out to take on inequality in Haringey – and that is what we've done. Building council homes, extending council tax relief and expanding Free School Meals. We are becoming a fairer borough. We've done it after 10 years of austerity and enormous cuts to local government budgets. <u>New council homes</u> There are now 409 new council homes that have started on site. We are on course for 1,000 starts and 200 completions by the end of March 2022. For a council that wasn't building homes in 2018 we now have one of the boldest council housebuilding programmes anywhere in the country. <u>Council Tax Reduction Scheme</u> The Council Tax Reduction Scheme (CTRS) is a means-tested discount on Council Tax bills. The CTRS scheme is funded by the Council. It is assessed individually based on each claimant's circumstances and can be awarded up to a maximum of 100% of Council Tax. This ensures that Council Tax relief goes to 100% of our least well-off residents. Groups with a maximum entitlement of 100% include pensioners, those receiving disability benefits and families with children. Couples and single people of working age without children can claim up to 80.2% of their bill. Cabinet has proposed four changes to the scheme to take effect next year and the consultation on these has just closed. A report on the proposed changes will be submitted to full Council in March.

		The proposed improvements to the scheme will simplify and stabilise the scheme for working age claimants: • Simplifying the claims process by awarding CTRS automatically when residents start receiving Universal Credit. • Simplifying the scheme by extending the period an award of CTRS can be backdated from six months to twelve months. • Simplifying the scheme by publishing a revised version written in plain English so that it is easier to understand and to improve transparency. • Stabilising entitlement for residents. This will simplify by ignoring small changes in their circumstances. <u>Free School Meals</u> To set some context, the number of children who can claim free school meals from the government has fallen dramatically in the last ten years. Less than a fifth of Haringey pupils now receive a free school meal, down from a third in 2010. Ending child hunger is a key commitment of the Council and this presents a challenge for us and for authorities across the country. Since the local elections in 2018 we have taken several steps to ensure children in our borough are not hungry. We have done this whilst facing the hugest social challenge of the pandemic and lockdowns. Faced with increasing poverty and child hunger money has been allocated, including from the Covid winter fund, to provide Free School Meals (FSM) vouchers for all eligible families across every single holiday to ensure no child eligible for FSM goes hungry. The winter grant was also used to support families using our pre-school provision who were in need- this included food vouchers and fuel support. This money continues to be committed for the Christmas and February 2022 breaks too. The Holiday Activities and Food programme (HAF) has

		also enabled us to provide free school meals for all eligible children and this is set to continue. In order to extend access to free school meals further, in January 2021, Cabinet approved a report to initiate an expansion of eligibility for free school meals to defined groups of primary school pupils who are not currently eligible for free school meals from Summer Term 2021. We have committed additional funding for this purpose and several hundred additional children are now receiving free school meals across our primary schools as a result of this investment. Our guiding ambition is to create a fairer and more equal borough. This additional support for families has been rolled out in our schools and is a firm step to extend eligibility. The provision of FSM in our schools is constantly under review as we aim to extend eligibility as far as we can. To support this, we have committed funding from the new Household Support Fund to ensure all children receiving a free school meal during term time will receive equivalent funding to ensure they are supported during the holidays. This includes the children who are receiving FSM via council funding, and also pre-school children who are outside the FSM eligibility framework.
9. Cllr Palmer to Cllr Diakides	Given that the council allowed a musician to become tenant-landlord at 141 Station Road in a decision which was "undertaken on an informal basis", with no paper trail, an internal audit will surely fail to provide any insight. Therefore, will you commit to holding an external, independent	An internal audit review has been commissioned to review the letting of 141 Station Road. It is internal audit's role to independently examine how decisions are made, what process is followed and whether there are appropriate checks and balances in the management of council operations.

	investigation into how this was allowed to happen?	Internal audit has access to all information and involved parties.
10. Cllr Connor to Cllr Diakides	Last month, the Ham & High revealed that the investigation into the purchase of Alexandra House had not yet begun. Has it begun now, and if not, why not?	The Council's internal audit plan for 2021/22 includes an audit of the Council's arrangements for the acquisition and disposal of assets. This audit has already commenced and will examine a sample of property transactions including the purchase of Alexandra House.
11. Cllr Morris to Cllr Hakata	Many London Boroughs, including neighbouring Camden, have been praised for their swift rollout of cycling infrastructure. Meanwhile, Haringey has been called out by the likes of the Healthy Streets Scorecard for talking the talk, but failing to walk the walk, and our cycling infrastructure is amongst the worst in London. Why has the rapid rollout of cycling infrastructure still not happened since you became Cabinet lead for this area?	We want active travel to be the default choice for short journeys in our borough and we have ambitious plans to achieve this. These plans are laid out in detail in our recently published draft Walking & Cycling Action Plan (WCAP) which is now open for public consultation. We look forward to residents shaping our plans. The WCAP includes plans for over 30 new cycle lanes to cover the whole borough. We are already in the process of making several temporary cycle lanes permanent and will be constructing many more over the coming year. We have undertaken a trailblazing engagement and co-design exercise for three large Low-Traffic Neighbourhoods. These will begin to be phased in from the beginning of next year, subject to cabinet approval. Low Traffic Neighbourhoods serve to create a safer environment for cyclists in their local area, allowing them to connect easily with North-South and East-West strategic cycle routes on main roads.

12. Cllr Dennison to Cllr Diakides	Since 2018, how much apprenticeships funding has had to be returned to the government because it wasn't used?	Government funding for apprenticeships can only be used to cover the cost of training (20% of apprentices' working hours are dedicated to working towards their qualifications). The wages for apprentices, like all other council staff wages, have to be funded from the council's General Fund. All apprentices at Haringey are paid London Living Wage. We have expanded the number of apprentice posts in Haringey significantly in recent years. As of August, the total number of apprentices employed by Haringey had nearly quadrupled - rising from 25 to 94 over the last two financial years. The funding that we are not able to use is: 2019/20 (from June) - £658k 2020/21 - £713k 2021/22 (to September) - £230k
13. Cllr Ogiehor to Cllr Hakata	Haringey previously received £1million of funding from TfL to improve uptake of walking and cycling in the borough. What projects has this been spent on, how much remains in place, and which projects have had to receive further financial support from Haringey because the original implementation was inadequate?	In the past two years the Council has secured over £2m towards active and safe travel in the borough. To date, this funding has delivered: • Pavement widening to enable social distancing in town centres, on approaches to stations and outside schools • Improvements to the borough's cycle network including temporary cycleways and the extension of/improvement of Cycle Superhighway 1 (CS1) • The delivery of 11 School Streets as part of the Council's wider School Streets programme to enable social distancing, tackle air pollution and provide safer walking and cycling routes to schools.

		The funding is also being used to progress three Low Traffic Neighbourhood proposals (Bounds Green, Bruce Grove/West Green and St Ann's) which are intended to help protect neighbourhoods from rat-running, traffic, air pollution and road danger.
14. Cllr Rossetti to Cllr Brabazon	Over the past three years, councillors have been asking for, and the administration have been promising, a new Library Strategy. Despite capital projects and money being spent in refurbishing, there is still no Strategy that will set the direction of the service over the next few years. When, if ever, can we expect the Library Strategy to be released?	We are committed to coproducing a Library Strategy with our local residents and stakeholders. This will build on our major programme of capital investment - across all 9 libraries in Haringey - and on our innovative pilots, which test out new ways of working and recognise the contribution of libraries to civic and community life. We wanted to learn from these pilots before moving to co-produce a strategy, particularly mindful of the impact of library closures during the pandemic. We are already organically developing new local partnerships through our pilots, for example at Wood Green Library where we have established a Community Newsroom, and at Stroud Green and Harringay where we have refurbished the upper floor as Reading Rooms for community use. We are very aware of the primacy of reading and of books to our wider aims to develop prevention and early intervention and are nurturing our strategic development from these roots. Our approach will build on a set of core principles which include participation and inclusivity; collaboration and co-production; prevention and early intervention; reading and literacy; strengths and community-based assets. We are meeting regularly with the Friends Groups and our strategy will be developed in partnership with them. At the heart of our evolving

		strategy is the redevelopment of the libraries to encourage diverse uses and wider membership underpinned by active Friends Groups and a proactive publicity campaign.
15. Cllr Hare to Cllr Bevan	I understand that Homes for Haringey is carrying out a new programme of works on Victorian / Edwardian / pre-war street properties which have been converted into flats. These works include installing sprinkler or fire notification devices to communal areas as small as 2-4 m/sq, which does not appear to be a mandatory building regulation requirement, and replacing existing traditional timber doors with modern ones. Why are Homes for Haringey enforcing this work on leaseholders, and will they be able to opt out?	Homes for Haringey (HfH) are not installing sprinklers into any existing properties. HfH are installing interlinked smoke and heat detection into street properties where this is recommended by Fire Assessors. All properties require a 30-minute fire door and if the fire risk assessor cannot satisfy themselves that a property flat entrance door meets this requirement, then a replacement door will need to be installed. When replaced the appropriate costs are passed on leaseholders in accordance with the lease requirements.
16. Cllr Chiriyankandath to Cllr Diakides	Last month Research for Action published a national database of the LOBO (Lender Option Borrower Option) debt of councils. It showed Haringey ranking 21st of the 210 councils with the most LOBO debt, currently paying nearly £6 million a year in interest (i.e. c.5% of what the borough collects in Council Tax). As things stand Haringey therefore stands to pay out £230 million in interest over the next four decades. What is being done to address this drain on the Council's account,	The Council currently holds 6 individual Lender Option, Buyer Option (LOBOs) loans, totalling £125m. This makes up roughly 20% of the council's current external borrowing. LOBOs are loans where the lender has the option to propose an increase in the interest rates at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. The Council has a policy in place which allows the Director of Finance (S151 officer) to take the option to repay the LOBO loans at no cost, should the opportunity to do so arise. However, due to the current low

	including consideration being given to following other councils in exiting LOBO loans early with a reduced penalty fee?	interest rate environment, the likelihood of lenders exercising their options remains very low. This is unlikely to change unless interest rates rise significantly. Officers are aware that some councils have successfully restructured their LOBO loans. Restructuring a LOBO loan typically involves paying a premium to the lender, to compensate them for interest foregone at the contractual rate and whether it is beneficial or not depends on the particular factors associated with those loans. This Council's policy is to exit LOBO agreements if the costs of replacing the loans, including all premium, transaction and funding costs, generate a material net revenue saving for the Council, over the life of the loan in net present value terms. This is in line with the Council's approved Medium Term Financial Strategy. Officers periodically consult with the Council's treasury advisor, Arlingclose, to assess any potential opportunities to restructure any of the outstanding LOBO loans. Should any such opportunity arise in the future, officers will progress the option in consultation with Arlingclose.

This page is intentionally left blank

Amendment to Motion C

Calling on government to support local climate action

Proposed by Cllr Hinchcliffe
Seconded by Cllr Rossetti

This Council notes:

- Haringey Council has committed to being a net zero carbon borough by 2041.
- A survey from the Local Government Association (LGA) found that residents trust their council the most to address the climate emergency.
- Haringey Council is best placed to understand and act on unique local environmental issues and is best placed to work with residents to develop creative solutions.
- The government's Environment Bill is not sufficient to address the scale of the climate crisis, but Haringey Council has set ambitious local climate targets and implemented innovative emissions-reducing policies.
- ~~Through initiatives such as retrofitting homes, developing Low Traffic Neighbourhoods, decarbonising the council's fleet of vehicles, and all new council homes being built to the highest energy efficient standards, Haringey Council is making significant progress towards our net zero carbon goal.~~
- Though Haringey Council has made progress in some areas, such as decarbonising the council's fleet of vehicles, new council homes being built to the highest energy efficient standards, and beginning to develop Low Traffic Neighbourhoods, there is still a large amount of work to be done in areas such as active travel and improving the recycling rate.
- As of November 2021, Haringey only has 33 electric charging points per 100,000 people, compared with 180 in Richmond upon Thames, or 107 in Islington.
- That the draft Walking & Cycling Action Plan outlines funding for only 2 of 34 proposed cycle routes, 3 of 25 proposed LTNs, 1 of 8 proposed walking schemes and 26 of 50 proposed school streets.
- The 2021 Healthy Streets Scorecard noted that "Haringey has promised much over the last few years on active travel but there has been little sign of delivery".
- Polling has shown that the vast majority of people want to see schemes such as recycling collection for bulky goods and improved community green spaces implemented.
- With the support of national government, local authorities can create even greater economic, social, and environmental value from the local delivery of low carbon infrastructure and green jobs.
- With more funding and support from national government, Haringey could go further and faster in addressing the climate emergency.

This Council believes:

- Climate change is a social justice issue, and the poorest in society will suffer most if the council does not take action.

- That while central government should provide more funding for councils to take climate action, there is no excuse for not keeping pace with other nearby local authorities, who are far more advanced than Haringey on this issue.

- Pollution and poor air quality are the drivers of the health inequalities in the borough, and cabinet's priorities should reflect this.

This Council resolves:

- To request that the Leader of the Council and the Leader of the Opposition write to the Prime Minister, requesting that government work closely with local authorities to identify and allocate the investment and support that will empower local authorities to address the climate emergency and deliver green infrastructure projects that will make a difference in local communities.

- To introduce Climate Impact Assessments (along the lines of Financial and Equalities Impact Assessments) on Cabinet Reports.

- To increase the average number of trees planted per year to over 300, to cover the number which are felled each year and start increasing the canopy cover.

- To begin investigating the possibility introducing a workplace parking levy.

- To ensure that all council homes approved to be built from this point forwards are net-zero carbon.

- To bring forward funding for all projects outlined in the draft Walking and Cycling Action Plan within the next five years, subject to consultation.

- To rapidly increase the speed of the rollout of electric vehicle charging points, doubling the number of charging points by the end of 2022.

- To urgently review how the council can increase its recycling rate, particularly for residents in flats, which has fallen in recent years, in order to meet the target of 45% of waste being recycled by 2025.

- To include emissions from any of Haringey's waste burned in incinerators as part of the calculations of the council's progress in achieving its net zero target.

Amendment to Motion C

Calling on government to support local climate action

Proposed by Cllr Hinchcliffe
Seconded by Cllr Rossetti

This Council notes:

- Haringey Council has committed to being a net zero carbon borough by 2041.
- A survey from the Local Government Association (LGA) found that residents trust their council the most to address the climate emergency.
- Haringey Council is best placed to understand and act on unique local environmental issues and is best placed to work with residents to develop creative solutions.
- The government's Environment Bill is not sufficient to address the scale of the climate crisis, but Haringey Council has set ambitious local climate targets and implemented innovative emissions-reducing policies.
- Though Haringey Council has made progress in some areas, such as decarbonising the council's fleet of vehicles, new council homes being built to the highest energy efficient standards, and beginning to develop Low Traffic Neighbourhoods, there is still a large amount of work to be done in areas such as active travel and improving the recycling rate.
- As of November 2021, Haringey only has 33 electric charging points per 100,000 people, compared with 180 in Richmond upon Thames, or 107 in Islington.
- That the draft Walking & Cycling Action Plan outlines funding for only 2 of 34 proposed cycle routes, 3 of 25 proposed LTNs, 1 of 8 proposed walking schemes and 26 of 50 proposed school streets.
- The 2021 Healthy Streets Scorecard noted that "Haringey has promised much over the last few years on active travel but there has been little sign of delivery".
- Polling has shown that the vast majority of people want to see schemes such as recycling collection for bulky goods and improved community green spaces implemented.
- With the support of national government, local authorities can create even greater economic, social, and environmental value from the local delivery of low carbon infrastructure and green jobs.
- With more funding and support from national government, Haringey could go further and faster in addressing the climate emergency.

This Council believes:

- Climate change is a social justice issue, and the poorest in society will suffer most if the council does not take action.
- That while central government should provide more funding for councils to take climate action, there is no excuse for not keeping pace with other nearby local authorities, who are far more advanced than Haringey on this issue.

- Pollution and poor air quality are the drivers of the health inequalities in the borough, and cabinet's priorities should reflect this.

This Council resolves:

- To request that the Leader of the Council and the Leader of the Opposition write to the Prime Minister, requesting that government work closely with local authorities to identify and allocate the investment and support that will empower local authorities to address the climate emergency and deliver green infrastructure projects that will make a difference in local communities.
- To introduce Climate Impact Assessments (along the lines of Financial and Equalities Impact Assessments) on Cabinet Reports.
- To increase the average number of trees planted per year to over 300, to cover the number which are felled each year and start increasing the canopy cover.
- To begin investigating the possibility introducing a workplace parking levy.
- To ensure that all council homes approved to be built from this point forwards are net-zero carbon.
- To bring forward funding for all projects outlined in the draft Walking and Cycling Action Plan within the next five years, subject to consultation.
- To rapidly increase the speed of the rollout of electric vehicle charging points, doubling the number of charging points by the end of 2022.
- To urgently review how the council can increase its recycling rate, particularly for residents in flats, which has fallen in recent years, in order to meet the target of 45% of waste being recycled by 2025.
- To include emissions from any of Haringey's waste burned in incinerators as part of the calculations of the council's progress in achieving its net zero target.

~~Withdraw~~ Qualify support for the Edmonton ~~Incinerator~~Energy from Waste plant

Proposer: Councillor Dana Carlin
Seconder: Councillor Sarah Williams

Council notes that:

- Haringey has declared a Climate Emergency, and has committed to becoming net-zero carbon by 2041;
- ~~Residents have not been consulted on the Edmonton Incinerator project since 2015~~ Despite extensive consultation and engagement with local communities (including a community roadshow in St Anne's library on 17 November 2021) there is still considerable community concern about the Energy from Waste plant;
- ~~Renewal of the incinerator would cost over £1 billion, and could produce 700,000 tonnes of carbon dioxide each year;~~ The new Energy Recovery Facility (ERF) has been allocated £683m in funding;
- Incinerators ~~are~~ can be far more polluting than even coal-fired power plants, for example releasing 2.5 times as much CO_2 and three times as much nitrous oxides. Unlike any other UK Energy from Waste facility, the new ERF will use proven technology called 'Selective Catalytic Reduction' (SCR) to reduce NOx emissions. This is the most effective technology in the world for controlling NOx and is used by some of the world's cleanest Energy from Waste plants, including Denmark. It will be the only facility in the UK that uses 'wet/dry scrubbers' in addition to 'baghouse filters' to control acidic gases, dioxins, and particulates. The application of SCR technology will mean the new plant will operate at 60% below emissions targets stipulated by the EU;
- ~~There are no plans for carbon capture facilities to be built alongside the incinerator;~~There have been extensive feasibility-planning and design and business-case work undertaken on the inclusion of Carbon Capture Use and Storage. A timeline for the inclusion of the technology reveals it can be an integral part of the facility by mid-2030s;
- In 2019/20, Haringey had a recycling rate of just 31.2~~0~~%, down from 37% in 2014/15;
- The London Assembly noted in February 2018 that incinerators can negatively affect long-term recycling rates, but the independent think tank Policy Connect investigated and rejected the claim that incineration impedes recycling, concluding that there is simply no evidence to back it up;
- 10,000 premature deaths are already linked to poor air quality each year in London, and 98% of the city's schools are in areas where air pollution exceeds World Health Organisation limits;
- Continued exposure to excessive levels of air pollution has been shown to stunt lung growth in children and worsen chronic diseases. However a recent study headed by Imperial College concluded that there is no evidence of negative impacts on a range of birth outcomes from current Energy from Waste plants. Emissions from the Edmonton plant will be far lower than the majority of plants considered in this study.

Council believes that:

- Industrialised nations like the United Kingdom have a responsibility to reduce their carbon emissions more drastically than developing countries;

- Continuation of the ~~incinerator~~ Energy from Waste project is ~~in~~compatible with both Haringey's and the UK's carbon reduction goals, as the facility will produce Energy from Waste thus reducing reliance on fossil fuels and diverting waste from landfill or export abroad;
- ~~Given UK government CO_2 reduction goals, the incinerator is likely to become obsolete, and possibly illegal, well before the end of its predicted lifespan;~~
- ~~A new incinerator would undermine recycling by causing a demand for waste;~~
- ~~Presenting landfill and incineration as the only two solutions to dealing with waste is misleading and inaccurate;~~
- The future of our country must rely on a circular economy, with an increased focus on reducing waste and on recycling, ensuring we achieve the Mayor of London's target of 50% by 2030;
- ~~Building a new incinerator in Edmonton, close to the border with Tottenham, will worsen both economic and racial health disparities.~~

Council resolves to:

- ~~Pause and reconsider its support for the Edmonton Incinerator project, and lobby other boroughs to do the same;~~ Write to the Chair of the North London Waste Authority (NLWA) asking for their response to the call to 'pause and reconsider' concerning the Energy Recovery Facility;
- Ask the NLWA to investigate including carbon capture sooner than 2030s;
- ~~Consult with local communities on their views on how to dispose of our waste;~~ Together with other North London boroughs, set up a forum to work with local communities to discuss the future of waste disposal with a focus on the concerns regarding the Edmonton facility and methods for increasing recycling rates;
- Work with partners, including environmental campaigners, and ~~on~~ the North London Waste Authority to produce a "less waste, more circular" reuse and recycling programme which aims to achieve a 65% and better recycling rate by the mid-2030s. ~~prepare an alternative plan for waste disposal, which does not involve incineration~~;
- ~~Invest in increasing Haringey's recycling rate.~~

Qualify support for the Edmonton Energy from Waste plant

Proposer: Councillor Dana Carlin
Seconder: Councillor Sarah Williams

Council notes that:

- Haringey has declared a Climate Emergency, and has committed to becoming net-zero carbon by 2041;
- Despite extensive consultation and engagement with local communities (including a community roadshow in St Anne's library on 17 November 2021) there is still considerable community concern about the Energy from Waste plant;
- The new Energy Recovery Facility (ERF) has been allocated £683m in funding;
- Incinerators can be far more polluting than even coal-fired power plants, for example releasing 2.5 times as much CO_2 and three times as much nitrous oxides. Unlike any other UK Energy from Waste facility, the new ERF will use proven technology called 'Selective Catalytic Reduction' (SCR) to reduce NOx emissions. This is the most effective technology in the world for controlling NOx and is used by some of the world's cleanest Energy from Waste plants, including Denmark. It will be the only facility in the UK that uses 'wet/dry scrubbers' in addition to 'baghouse filters' to control acidic gases, dioxins, and particulates. The application of SCR technology will mean the new plant will operate at 60% below emissions targets stipulated by the EU;
- There have been extensive feasibility-planning and design and business-case work undertaken on the inclusion of Carbon Capture Use and Storage. A timeline for the inclusion of the technology reveals it can be an integral part of the facility by mid-2030s;
- In 2019/20, Haringey had a recycling rate of just 31.2%, down from 37% in 2014/15;
- The London Assembly noted in February 2018 that incinerators can negatively affect long-term recycling rates, but the independent think tank Policy Connect investigated and rejected the claim that incineration impedes recycling, concluding that there is simply no evidence to back it up;
- 10,000 premature deaths are already linked to poor air quality each year in London, and 98% of the city's schools are in areas where air pollution exceeds World Health Organisation limits;
- Continued exposure to excessive levels of air pollution has been shown to stunt lung growth in children and worsen chronic diseases. However a recent study headed by Imperial College concluded that there is no evidence of negative impacts on a range of birth outcomes from current Energy from Waste plants. Emissions from the Edmonton plant will be far lower than the majority of plants considered in this study.

Council believes that:

- Industrialised nations like the United Kingdom have a responsibility to reduce their carbon emissions more drastically than developing countries;
- Continuation of the Energy from Waste project is compatible with both Haringey's and the UK's carbon reduction goals, as the facility will produce Energy from Waste thus reducing reliance on fossil fuels and diverting waste from landfill or export abroad;

- The future of our country must rely on a circular economy, with an increased focus on reducing waste and on recycling, ensuring we achieve the Mayor of London's target of 50% by 2030;

Council resolves to:

- Write to the Chair of the North London Waste Authority (NLWA) asking for their response to the call to 'pause and reconsider' concerning the Energy Recovery Facility;
- Ask the NLWA to investigate including carbon capture sooner than 2030s;
- Together with other North London boroughs, set up a forum to work with local communities to discuss the future of waste disposal with a focus on the concerns regarding the Edmonton facility and methods for increasing recycling rates;
- Work with partners, including environmental campaigners, and the North London Waste Authority to produce a "less waste, more circular" reuse and recycling programme which aims to achieve a 65% and better recycling rate by the mid-2030s.;
-