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18 February 2009

To: All Members of the Full Council

Dear Member,

Full Council - Monday, 23rd February, 2009

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:

5. **TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE COUNCIL HELD ON 9 FEBRUARY 2009. (PAGES 1 - 14)**
11. **TO CONSIDER THE REPORT OF THE CHIEF FINANCIAL OFFICER IN RESPECT OF FINANCIAL PLANNING FOR 2009/10 - 2011/12 AND TO AGREE THE COUNCIL TAX FOR 2009/10 (PAGES 15 - 36)**

Yours sincerely

Ken Pryor
Deputy Head of Local Democracy and Member Services

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**MINUTES OF THE FULL COUNCIL
MONDAY, 9 FEBRUARY 2009**

Councillors Dobbie (Mayor), Adamou, Adje, Aitken, Alexander, Allison, Amin, Basu, Beacham, Bevan, Bloch, Bull, Butcher, Canver, Cooke, Davies, Demirci, Diakides, Dodds, Dogus, Egan, Engert, Goldberg, Gorrie, Griffith, Haley, Hare, B. Harris, C. Harris, Jones, Rahman Khan, Kober, Lister, Mallett, Meehan, Newton, Oakes, Oatway, Patel, Peacock, Reith, Santry, Scott, Stanton, Thompson, Vanier, Weber, Whyte, Williams, Wilson and Winskill.

Apologies Councillor Baker, Beynon, Edge, Mughal and Reid

MINUTE NO.	SUBJECT/DECISION	ACTION BY
CNCL87.	<p>TO RECEIVE APOLOGIES FOR ABSENCE</p> <p>Apologies for lateness were received from Councillor Demirci and for absence from Councillors Baker, Beynon, Edge, Mughal and Reid.</p>	
CNCL88.	<p>TO ASK THE MAYOR TO CONSIDER THE ADMISSION OF ANY LATE ITEMS OF BUSINESS IN ACCORDANCE WITH SECTION 100B OF THE LOCAL GOVERNMENT ACT 1972</p> <p>See Minute 93.</p>	
CNCL89.	<p>DECLARATIONS OF INTEREST</p> <p>Members were asked by the Mayor to declare any personal interest in respect of items on the agenda. In accordance with Part 2 of the Members Code of Conduct set out in the Council's Constitution, any Member disclosing a personal interest which was also prejudicial would be asked to withdraw from the Chamber during consideration of the item and neither were they to seek to improperly influence a decision on the said item.</p> <p>Councillor Khan declared a personal interest in Item 12 – Financial Planning as he was a member of the Local Government Pension Scheme (LGPS).</p> <p>Councillor Adje declared a personal interest in Item 12 – Financial Planning as he was an employee of the London Fire and Emergency Planning Authority for which a portion of the precept was paid to, and also as a member of the LGPS.</p> <p>Councillor Butcher declared a personal interest in Item 12 – Financial planning, as he was an appointed Member of the London Fire and Emergency Planning Authority for which a portion of the precept was paid to.</p>	

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	<p>Councillor Aitken declared a personal interest in Item 12 – Financial Planning as he was a tenant of Homes for Haringey.</p> <p>Councillor Lister declared a personal interest in Item 12 – Financial Planning as he was employed as a full time official of Unison, and a member of the LGPS.</p>	
<p>CNCL90.</p>	<p>TO ASK MEMBERS WHETHER THEY NEED TO MAKE A DECLARATION IN ACCORDANCE WITH SECTION 106 OF THE LOCAL GOVERNMENT FINANCE ACT 1992 IN RELATION TO UNPAID COMMUNITY CHARGE OR COUNCIL TAX LIABILITY WHICH IS TWO MONTHS OR MORE OUTSTANDING.</p> <p>Members were reminded of the need to consider whether they needed to make a declaration in accordance with Section 106 of the Local Government Finance Act 1992 in relation to unpaid community charge or council tax liability, which was two months or more outstanding.</p> <p>No such declarations were made.</p>	
<p>CNCL91.</p>	<p>TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE COUNCIL HELD ON 19 JANUARY 2009.</p> <p>RESOLVED:</p> <p>That the minutes of the meeting of the Council held on 19 January 2009 be signed as a true record subject to the inclusion of Councillor Goldberg in those attending.</p>	
<p>CNCL92.</p>	<p>TO RECEIVE SUCH COMMUNICATIONS AS THE MAYOR MAY LAY BEFORE THE COUNCIL</p> <p>1. It was with great sadness that the Mayor reported the death of former Mayor Maureen Dewar who passed away today. The Mayor advised that Maureen had been a Councillor from 1971 until 1986 and then again from 1987 until 2002. She was elected as the Deputy Mayor in 1998 and the Mayor in 1999. The Mayor expressed on behalf of the Council his sincere condolences to Maureen’s family.</p> <p>Councillors Meehan, Aitken, and Thompson spoke in memory of former Mayor Maureen Dewar.</p> <p>The meeting stood and observed one minute’s silence in memory of Maureen Dewar.</p> <p>2. The Mayor reported that he had joined colleagues, MP’s, leaders and community representatives to commemorate the Holocaust on Sunday 25th January at Bruce Castle Museum. The Mayor reported that the theme was ‘Stand Up to Hatred’ with many</p>	

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	<p>moving addresses, especially from Nia Reynolds and Morris Beckman. The highlight of the afternoon was the unveiling of the new bench in the Holocaust Memorial Garden. The Mayor expressed his thanks to all who joined in this solemn and important occasion and to Rabbi David Mason from Muswell Hill Synagogue and the mayor's chaplain - Fr Simon Clarke the Parish Priest for Noel Park, for their prayers.</p> <ol style="list-style-type: none"> 3. The Mayor reported that he had attended the GLA Holocaust Memorial Commemoration at City Hall on 27 January with the Mayor of London, members of the GLA and fellow Mayors. 4. The Mayor thanked the staff and children of North Haringay, Lancasterian and Risley primary schools for organizing the special assemblies to mark the Holocaust Memorial. 5. The Mayor advised that he had attended the launch of Haringey's Lesbian, Gay, Bisexual and Transgender History exhibition at Bruce Castle Museum On Wednesday 4 February 2009. The exhibition had a number of historical articles, one or two of which the Mayor had donated from his time as Mayor in 1996. 6. On behalf of the Council the Mayor gave his congratulations to the Council's tactical Enforcement Team for their partnership work on Problem Social Clubs in the Borough. The Mayor reported that at the LGC Awards on 5 February, Haringey was the runner up and highly commended for their innovative work and stakeholder engagement. 7. The Mayor concluded that he had opened that morning the new state of the art mortuary in Haringey with Cllr Nilgun Canver. This facility was the second underground mortuary in Europe, and the Mayor paid tribute to the expertise and innovative thinking of the council and our contractors. 	
<p>CNCL93.</p>	<p>TO RECEIVE THE REPORT OF THE CHIEF EXECUTIVE</p> <p>The Mayor agreed to the admission of this item as urgent business. The report could not be circulated earlier as information was awaited from recent party Group meetings. It was urgent in order to permit changes to be made to Council body appointments.</p> <p>RESOLVED</p> <p>That Councillor Jones replace Councillor Egan on the Overview and Scrutiny Committee.</p>	
<p>CNCL94.</p>	<p>TO RECEIVE THE REPORT OF THE MONITORING OFFICER AND HEAD OF LEGAL SERVICES</p> <p>There were no matters to report.</p>	

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<p>CNCL95.</p>	<p>TO MAKE APPOINTMENTS TO OUTSIDE BODIES</p> <p>There were no matters to report.</p>	
<p>CNCL96.</p>	<p>TO CONSIDER REQUESTS TO RECEIVE DEPUTATIONS AND/OR PETITIONS AND, IF APPROVED, TO RECEIVE THEM</p> <p>The Chief Executive reported that one deputation request which had been rejected on the basis that the issues raised had either been dealt with or were the subject of separate processes. There were no petitions.</p>	
<p>CNCL97.</p>	<p>TO CONSIDER A "STATE OF THE BOROUGH" REPORT BY THE LEADER OF THE COUNCIL.</p> <p>The Leader of the Council, Councillor Claire Kober, gave the following "State of the Borough" address:</p> <p>Mr Mayor it gives me immense pride to stand here this evening and to make this state of the borough address.</p> <p>I have discussed the contents with my cabinet colleagues, directors and partners. I am also pleased to have met with the new chairs of the Youth Council – Funmi and Areeb – to discuss their views on the borough.</p> <p>It is clear that across Haringey, the council and partners provide many vital services which our residents value highly, some of which I will highlight this evening along with the challenges which we currently face.</p> <p>Mr Mayor, although I have been Leader only a short time I am acutely aware that the difficulties we face as a borough are more profound than ever in the history of Haringey.</p> <p>With the country having recently moved into recession many residents feel less confident about their own financial situation. Growing fears about the credit crunch, the extent of the economic downturn, and job uncertainty are all pressing issues which are preoccupying many of those in the borough.</p> <p>As a local council we need to meet this challenge head on.</p> <p>I say that it is through providing clear political leadership which understands and is prepared for the challenges ahead.</p> <p>At the end of the summer in partnership with Citizens Advice, HAVCO, Age Concern and the Pension Service we launched the 'Claim it' campaign.</p> <p>We advised in excess of 600 people at over a dozen events. Over 40 per cent of those who attended found that they were entitled to additional benefits or tax credits and supported in making a claim.</p>	

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We continue to deliver strong economic regeneration programmes tackling worklessness. Through the Haringey Guarantee, our Apprenticeships Programme and Families into Work, over 200 people, many facing significant barriers into employment, have been helped into work since September 2006.

I am pleased that last month, along with other boroughs in the capital, we signed up to London Council's pledge to expand the number of apprenticeships on offer in our city.

This is action delivering for people when they need it most. We recently launched our ten point economic plan to support local people and businesses in the current climate.

But there is clearly more to be done and we will shortly be coming forward with a range of proposals to intensify the Council's efforts to stimulate the local economy, support businesses and support residents who find themselves out of work.

Later this month I will meet local traders in our key shopping areas to discuss with them what more the council can do to support them through these difficult and unprecedented times.

We need to also anticipate other possible effects of the recession such as an increase in acquisitive crime and think seriously how we ward off such threats.

It is important also Mr Mayor that the Council ensures that money spent is spent wisely.

Working together, over the past three years the political and managerial leadership have provided over £25m of savings – over 10% of our net budget.

This is through a combination of measures including reducing the cost of the back office support functions, procuring goods and services more effectively, improving our income levels and cutting out unnecessary waste.

A focus on reducing sickness absence has generated a reduction of nearly 20% in absence to 8.65 days on average per employee.

Last year saw the agreement of a single set of employment terms for staff. This year we will implement much of the local settlement ensuring equal pay and conditions for our staff, benefiting frontline and lower paid workers.

Because of these efforts to make the Council more efficient we are able to propose a Council Tax increase of 1.95% for the coming year. This is one of the lowest increases in Council tax in Haringey over the last 15 years.

Mr Mayor, we have already discussed in this chamber on a number of

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occasions the tragic events surrounding the death of Baby P. The case, along with the subsequent Joint Area Review, provides this council with a fundamental challenge to ensure that our safeguarding practices and arrangements are not only fit for purpose but become an exemplar for modern social work practice.

Let me reiterate to members the commitment I have to ensure that as one Council we respond to the criticisms outlined in JAR and that our action plan in response sets the bar as high as it can be.

I welcome the new director of the Children's Service and new Assistant Director of Safeguarding. But the improvements required in the service will require not just the hard work and commitment of our social workers and senior officers but the input of all councillors.

I would ask all members to consider how they can contribute to the scrutiny session on the JAR action plan next week. The action plan will provide the framework for the Council to move forward and deliver profound and lasting change.

Mr Mayor, the Cabinet member for Children and Young People and I understand the complexities and challenge of delivering improved child protection services in the borough, and Mr Mayor we are determined to deliver.

Our focus on safeguarding in the borough is vital but it will not be at the cost of driving up educational performance in our schools across the borough.

The trend is clear – over the last three years Haringey schools have improved at twice the national average.

Better qualified young people are more likely to move onto further and higher education and secure a decent job.

Our recently released exam results for 2008 show increases above the national average:

- The percentage of young people with 5+A* to C including English and Maths has increased by 4.6% against a national increase of 0.9%
- The percentage of young people with at least 1 qualification has increased by double the national rate
- Key Stage 2 to Key Stage 4 improvement is the fourth highest in the country
- Our schools have continued to succeed in Ofsted inspections. We have the joint highest number of schools in London who have achieved an overall outstanding grade in Ofsted inspections over a 3 year period.

Mr Mayor I am delighted to report to Council that at the end of January CONEL was awarded Learning and Skills Beacon Status. This prestigious award officially recognises the very top performers in further education, and confirms CONEL's status as one of the leading colleges

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in the country.

Mr Mayor we understand the challenge of delivering first class educational opportunities and we will continue to deliver.

We know from resident's surveys, area assemblies and surgeries that residents want us to address concerns over crime and community safety, and improve our local environment and green spaces.

I am pleased to report that the cleanliness of our streets has improved significantly since 2006/07.

- The percentage of streets with unacceptable levels of litter has decreased from 40% in 2006/07 to the current level of 25.4%.
- Recycling rates have improved.
- In addition Haringey was named the Most Improved Transport Borough in London. Judges were impressed with the significant improvements to road safety, introduction of innovative home zones, school travel plans and promoting walking and cycling.
- Haringey now has 12 Green Flags for its parks.

Mr Mayor it is encouraging to see the improvements over recent times in community safety:

- Overall crime is down by 6.2%. With partnership support, rapid response and close working with victims, 'personal robbery' has been brought down by 26%.
- Through targeted interventions such as Operation Blunt and strong partnership work, knife crime is also down in the borough by 18% and gun crime by 28%. These compare to annual targets of 5.5% and 5% respectively.
- The use of the Hearthstone domestic violence facility rose from 813 to 1,264 during the past financial year.
- The numbers of problematic drug users in effective treatment has increased by 6% over the past 6 months. This is recognised as a particularly challenging target and one we are performing well against.

These improvements are due to the hard work of officers and Cabinet member working in partnership with the police and other local stakeholders.

These improvements Mr Mayor have made concern about crime fall from 54% to 46% in the last Residents' Survey – for the first time in several years.

These achievements demonstrate that through clear leadership the authority responds to local concerns. It is important that we highlight and celebrate these successes but that this does not become a cause for complacency.

That is why Mr Mayor as part of the forthcoming budget proposals the

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Council is investing in local priorities.

- Significant investment of £2 million pounds will be made in improving street lighting across the borough
- Investments will also be made in rolling out the Council's estate recycling scheme – to ensure that our recycling offer is available to residents across Haringey.
- We will also be investing additional resources in improving enforcement across the borough during the next year.

We understand the challenge of promoting a sustainable future for Haringey's environment and making Haringey a safe place, we are delivering and we will continue to do so.

This year so far we have reduced the number of people in temporary accommodation by 700 households and a further 250 reductions are projected by the end of the year.

This will continue to be our focus for 09/10.

We are creating 2,500 affordable homes through significant regeneration schemes at Hale Village as part of the Tottenham Hale Master plan.

Our Haringey Heartlands regeneration scheme involves plans for a further 2,500 new homes around underused utilities land in Wood Green and Hornsey.

Our Decent Homes programme delivered by Homes for Haringey has delivered improvements to over 1300 properties with resident satisfaction rates running at 94%. By the end of the financial year works will have been carried out to 1800 homes. This programme will continue into the next financial year.

It will be important Mr Mayor that during the coming year, as the delivery of the decent homes programme is realised, we think how we can provide a step change in housing in the borough and provide a long term solution to meet housing needs.

We understand the challenge of providing decent and affordable housing, we are delivering and we will continue to do so.

Effective adult social care is a vital part of the Council's work. I am pleased Mr Mayor that during the past year we were awarded two stars in November 2008 by the Commission for Social Care Inspection.

It is vital that we see continued improvements in performance but that we also focus on the issues of quality in the services we deliver.

Also we must renew as a Council our commitment to delivering the personalisation of services during the coming year. This will be vital to achieving our vision of modern adult social care which is responsive to the requirements and aspirations of service users.

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	<p>At the heart of the Council's work must be our commitment to community cohesion. It is vital that in this area of work we provide responsive leadership in developing the community engagement framework during the coming twelve months.</p> <p>This must build on the successful launch of the Community Cohesion Forum in March 2008 and the highly successful conference in October showcasing local good practice around intergenerational initiatives and the signing of the community cohesion pledge.</p> <p>We will continue to work tirelessly on diversity and cohesion issues.</p> <p>Mr Mayor it is clear that the last year has been tough for Haringey – we have faced challenges none of us would have wished for.</p> <p>In responding to this we have to be honest.</p> <p>We have to recognise where we have failed, we have to recognise our mistakes and we have to learn from them.</p> <p>We have to promote as members a culture and Council which is comfortable with change and open to change and open to the challenges we face.</p> <p>Mr Mayor we must also be honest in recognising and celebrating that significant progress has been made by the Council over the last three years and that with common purpose and commitment, together as one Council, one partnership, one Haringey, we can and will succeed in meeting together the challenges we face.</p> <p>The Leader of the Opposition spoke in response.</p> <p>RESOLVED:</p> <p>That the Leader of the Council's "State of the Borough" report be received and agreed.</p>	
<p>CNCL98.</p>	<p>TO RECEIVE REPORTS FROM THE FOLLOWING BODIES</p> <p><u>Cabinet report No.10 – 2008/09</u></p> <p>Councillor Kober introduced the Cabinet Report 10- 2008/09 – Financial Planning 2009/10 to 2011/12 and moved the following two alterations to the report:</p> <ol style="list-style-type: none"> 1. We wish to continue investing in the Child Poverty Strategy and are proposing to spend another £100k in 2009/10 in addition to the £100k we have already committed this year. This will include: <ul style="list-style-type: none"> ▪ funding a benefits campaign manager, based with the Citizen's 	

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Advice Bureau, to identify the best methods of increasing benefit take in the borough and targeting those families most in need;

- providing additional support to the Reaping the Benefits campaign, in the form of running evening advice sessions, in eight different venues in some of our most deprived areas
- organising further 'Claim It' events through out the year and additional on-going publicity to raise the profile of this;
- production leaflets and publicity materials for residents on how to claim benefits including in work credit, out of work benefits and free school meals. These will be distributed to target families at schools, children's centres, GP and health centres and libraries.

2. The quality of the street environment remains a vital issue for residents in the borough, who tell us that crime and clean streets should be priorities for improvement.

We are proposing an investment of £160k per year in the Environmental Crime Service which will improve outcomes for residents, by directing resources towards the areas of greatest need, and enabling a proactive approach to tackling environmental problems.

By reshaping the service we will increase its effectiveness and visibility. Every ward will have a named warden, giving us the flexibility to respond to priorities in a local area. The warden will work with local residents and councillors, and with partner agencies, to coordinate service interventions and to address key issues using a problem-solving approach which will deliver sustained improvements.

Councillor Gorrie MOVED 2 amendments to the report as follows:

Amendment 1

Proposal to Devolve Planning Decisions and Advice paid for by reducing the number of issues of Haringey People

We propose dividing the Borough into four "Planning Areas".

Planning Committee

The existing Planning Committee System has one committee covering the whole Borough and considering approximately 100 major applications a year. The Committee and support costs approximately £18k pa. The new proposal is to establish a Planning Committee for each of the four "Planning Areas" while maintaining a Borough wide committee for key strategic applications with Borough wide impact. Initial costings indicate a revised annual cost of £102k.

Planning Advice

The four "Planning Areas" and their Planning Committees will be supported by weekly planning advice surgeries in each area. These will likely operate from 3-7pm in convenient and central local community

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facilities such as libraries and other Council facilities. Annual Planning department costs are forecast to increase by £27k with a possible requirement for £8k in one off capital equipment costs. The proposed surgeries would cover all planning applications, including major applications, and provide a 1 to 1 advice service for residents on applications and enforcement.

Revenue Cost increase:

Planning Committee	£ 84k
Planning Advice	<u>£ 27k</u>
 Total	 £111K

The above increase in budgeted revenue costs would be offset by a saving from reducing the number of issues of "Haringey People" from ten a year to four a year. The current costs of Haringey People are shown as £372k with £114k of notional income giving a net cost of £258k. The 2009/10 budget includes a proposal to increase advertising revenue by £42k making net costs £216k for the ten issues. Four issues a year would therefore cost £86k which would represent a saving of £130k.

The £19k surplus savings are assumed to be contingency for either additional costs in operating the devolved planning scheme or increases in "Haringey People" costs as a result of any lost economies of scale.

This amendment would make planning advice, enforcement and decision making more accessible to residents while reducing the unnecessary excess of "Haringey People".

Amendment 2 :

Proposal to operate without a central Council Chamber and moving all Civic Centre users out of the Civic to be paid for by reducing the number of Cabinet Members.

It is proposed:

1. That all the 200+ meetings currently held each year in the Civic Centre Council Chamber are held in alternative suitable locations around the Borough. More than 15 possible venues have been identified ranging from the Bernie Grant Centre to Bruce Castle to Hornsey Town Hall to Alexandra Palace.
2. That alternative accommodation is identified for the approximately 250 Committee Meetings held in the Civic Centre each year. Potentially a third of these could likely be accommodated in River Park House with the limited balance being relocated to other locations such as Woodside House.
3. A suitable alternative location is identified for the Registrars Services.

This proposal is estimated to result in a £93k per year increase in revenue costs. The mobile Council Chamber approach is forecast to

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require capital expenditure of £200k.

The original plans for Woodside House as the Civic Centre replacement required an estimated £12m capital spend on Woodside House to refurbish the facility and build a new Council Chamber. This plan was put on hold in late 2008.

The 2009/10 to 2011/12 Budget assumes the sale of the first part of the Civic Centre and includes capital expenditure of £1m on the Civic Centre replacement project. The remaining £11m cost of the new Civic Centre would be spent in subsequent years.

The new proposal would change the use of the £1m Capital expenditure to cover, first the £200k of equipment and furniture, and secondly the start of the tactical refurbishment, modifications and redesign of existing facilities needed to support Committee meetings that could not be housed in River Park House plus the need for alternative locations for the Registrars Service.

Property Services have estimated an additional £4.2m (£5.2m in total) may be required to complete the alternative accommodation for the Registrars Service and committee rooms. This compares to the £11m to complete the Civic Centre rebuild approach.

The £93k annual cost increase provides a potential future capital expenditure saving to the Borough of £6.8m.

The above increase in budgeted revenue costs would be offset by a saving of £100k from reducing by three the Cabinet posts, thus reducing the SRAs, on-costs and associated Officer Support costs.

This amendment would take the Council out into the Borough, be paid for by reducing the cost of Members to residents and potentially avoid £6.8m of unnecessary capital expenditure in the future.

A debate ensued and other Members contributed to the discussion.

In respect of amendment 1 - On a vote there being 18 for, and 32 against, the amendment was declared LOST.

In respect of amendment 2 - On a VOTE there being 18 for, and 32 against, the amendment was declared LOST.

In respect of the report and alterations as MOVED by Councillor Kober - On a vote there being 32 for, and 18 against, it was:

RESOLVED:

1. That the Cabinet Report 10- 2008/09 – Financial Planning 2009/10 to 2011/12 be received and adopted and that the following recommendations contained in the appendix to report number 10 be agreed:

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- i. To agree the changes and variations set out at paragraph 9.3 and appendix B of the report.
- ii. To note the outcome of the consultation processes set out at paragraph 11 of the report.
- iii. To agree the new investment proposals set out in appendix D of the report.
- iv. To agree the revised and new savings proposals set out in appendix E of the report.
- v. To agree the proposals for the children's services (DSG) budget set out in appendix F of the report.
- vi. To agree the proposals for the HRA budget set out in appendix G of the report.
- vii. To approve the housing rent increase at an average of £4.78 per week (6.1%).
- viii. To approve the housing tenant service charge increase at an average of £1.94 per week.
- ix. To agree the proposals for the capital programme and funding set out in appendices H and J and the capital resource allocation policy at appendix I of the report.
- x. To agree the treasury management strategy and policy and prudential limits set out in appendix K of the report.
- xi. To agree the proposed general fund budget requirement of £408.834m, subject to the decisions of precepting and levying authorities, and the consequences for council tax levels;
- xii. To agree a way forward in respect of additional resources required for investment in children's services as set out in paragraphs 12.2 and 12.3 of the report.
- xiii. To note that the final decision on budget and council tax for 2009/10 will be made at the Council meeting on 23 February 2009.

2. That in wishing to continue investing in the Child Poverty Strategy another £100k be spent in 2009/10 in addition to the £100k we have already committed this year. This will include:

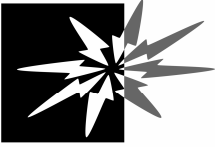
- funding a benefits campaign manager, based with the Citizen's Advice Bureau, to identify the best methods of increasing benefit take in the borough and targeting those families most in need;
- providing additional support to the Reaping the Benefits campaign, in the form of running evening advice sessions, in eight different venues in some of our most deprived areas
- organising further 'Claim It' events through out the year and additional on-going publicity to raise the profile of this;
- production leaflets and publicity materials for residents on how to claim benefits including in work credit, out of work benefits and free school meals. These will be distributed to target families at schools, children's centres, GP and health centres and libraries.

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	<p>3. That, in noting that the quality of the street environment remains a vital issue for residents in the borough who have told the authority that crime and clean streets should be priorities for improvement, an investment of £160k per year in the Environmental Crime Service will be made which will improve outcomes for residents, by directing resources towards the areas of greatest need, and enabling a proactive approach to tackling environmental problems.</p> <p>4. That by reshaping the service this will increase its effectiveness and visibility and every ward will have a named warden, giving the flexibility to respond to priorities in a local area. The warden will work with local residents and councillors, and with partner agencies, to coordinate service interventions and to address key issues using a problem-solving approach which will deliver sustained improvements.</p>	
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COUNCILLOR ALAN DOBBIE

Mayor



Haringey Council

Agenda Item

Council*On 23 February 2009*

Report title:	Financial planning 2009/10 to 2011/12
Report of:	Chief Financial Officer and Director of Corporate Resources
Wards affected:	All
<p>1. Purpose</p> <p>1.1 To agree the final budget and council tax for 2009/10.</p>	
<p>2. Introduction by Cabinet Member for Resources</p> <p>2.1 Having regard to various reports which were subsequently approved by Council and the budget debate at Full Council on 9 February, this report finalises the budget for 2009/10 and the Council Tax as set out in the relevant appendix. I commend the report and recommendations as set out to Council for final noting and adoption.</p>	
<p>3. Recommendations</p> <p>3.1 To note the final settlement and agree the way forward as outlined in the report in respect of the budget changes agreed at Council on 9 February, the position on levying authorities and the late additional specific grants.</p> <p>3.2 To agree the proposal and provision in respect of children and families as set out in paragraphs 8.16 and 8.17.</p> <p>3.3 To agree the business unit cash limits set out in appendix C.</p> <p>3.4 To note the Greater London Authority precept.</p> <p>3.5 To agree the reserves policy attached at appendix E.</p> <p>3.6 To pass the budget resolution in the specified format as set out in appendix F and the consequent increase in council tax of 1.95%.</p>	

Report authorised by: Gerald Almeroth, Chief Financial Officer
Contact officer: Gerald Almeroth, Chief Financial Officer Telephone: 020 8489 3823
4. Executive Summary 4.1 This report finalises the 2009/10 budget and council tax. The budget is recommended as previously approved. The Haringey element of the council tax is proposed to increase by 1.95%.
5. Reasons for any change in policy or for new policy development (if applicable) 5.1 The budget is designed to deliver the Council's existing policy framework.
6. Local Government (Access to Information) Act 1985 The following background papers were used in the preparation of this report: <ul style="list-style-type: none">• Report of the Director of Corporate Resources and Chief Financial Officer to Council on 9 February 2009• Final Local Authority Finance Revenue Support Grant for 2009/10 The final local authority finance settlement is accessible at: http://www.local.communities.gov.uk/finance/0910/grant.htm

7 Background

7.1 Council on 9 February 2009 agreed the general fund budget and a total budget requirement of £408.834m including dedicated schools grant. This was subject to the decisions of levying and precepting authorities.

7.2 This report considers:

- the final settlement and other changes;
- decisions of levying and precepting authorities;
- the robustness of the Council's budget process, and;

- the adequacy of the Council's reserves.

7.3 The report concludes by presenting the budget resolution to set the council tax for 2009/10.

7.4 The report is supported by five appendices:

- appendix A sets out the gross budget trail;
- appendix B tracks the resource shortfall over the budget process;
- appendix C sets out the service cash limits;
- appendix D estimates the potential financial impact of known risks;
- appendix E sets out the reserves policy, and;
- appendix F is the formal budget resolution.

8 Key developments

8.1 Final settlement and other changes

8.1.1 The final settlement was announced on 21 January 2009. It confirms the proposals as per the consultation in the provisional settlement announcement on 26 November 2008. The formula based revenue support grant figures are the same as previously reported in the three year settlement issued in 2008/09. There are a number of changes in specific grants that have a small impact and the most significant items are in the following two paragraphs.

8.1.2 The Local Authority Business Growth Incentive (LABGI) scheme was in its third year in 2008/09 and was the final year of any significant grant payments. An amount of £100m was held back following legal challenges by a small number of local authorities on the methodology used for the first two years. The government announced the provisional release of this sum on 4 February 2009 and the Council's allocation from this is £270k. The consultation period on this ends on 19 February. It is recommended that this is added to the contingency on a one-off basis for 2009/10.

8.1.3 The Chancellor's pre-budget report 2008 announced that the government were setting aside resources over the next two years to ensure support services for the unemployed can still be delivered effectively during the economic downturn. This included funding for additional administration costs to respond to additional work load of council tax and housing benefit claims. The Department of Work and Pensions have stated that this must be used solely for this purpose. The amount of additional grant for Haringey in 2009/10 is £310k. This has been added to the contingency budget to be allocated in due course.

8.1.4 At the Council meeting on 9 February 2009, Members agreed two amendments to the budget. These were investments for Environmental Enforcement of £160k per annum and a continuation of the £100k for 2009/10 in respect of investing in the Child Poverty strategy. These are added to the budget and funded from the contingency line. Overall, the contingency line remains at over £2m in the base budget over the next two years.

- 8.1.5 As previously reported the final cash amount for dedicated schools grant (DSG) will not be known until the formal January pupil count is completed. Early indications are that this shows a slight reduction in pupil numbers. A budget adjustment will be proposed when the final figures are confirmed.
- 8.1.6 Members are aware of the special circumstances in respect of the service for children and families and the need to consider additional resources at a late stage in the budget process as reported to previous meetings of the Cabinet and Council. A provision is set aside in the 2009/10 budget in this report to meet the estimated resource requirement of implementing the draft children and families action plan following the joint area review inspection. This is an estimated provision based on the initial work done to date and represent figures towards the top of the range. The final action plan is due to be submitted to the Secretary of State by the end of February. A provision of £4.2m is included, partially offset by an assumption of use of external grants and contributions, giving a net cost of £2m to be funded by a one-off contribution from balances in 2009/10. In 2010/11 and onwards savings will need to be identified to offset this additional cost.
- 8.1.7 When the final action plan is agreed it will be necessary to review the detailed resource requirements against the timescales and plans. The provision also includes an increased element for a higher level of looked after children in 2009/10 based on the latest estimates.

8.2 Levying bodies

- 8.2.1 The Board of the North London Waste Authority met on 11 February 2009. The levy for household waste plus the non-household waste disposal cost has increased for Haringey by 18% in overall terms for 2009/10. The overall cost of the NLWA funded by the boroughs has increased by 15%. This is slightly below the level previously reported in the budget process. The NLWA budget proposals report further above inflation increases in the following years again slightly below the provisions set aside in the Council's financial planning. It is recommended that no adjustments are made at this time and the position will be reviewed in the budget process next year.
- 8.2.2 The levy from the London Pensions Fund Authority in respect of residual employer liabilities is to increase by an estimated £110k (27%) in respect of the pension fund deficit as reported previously. There is a consultation being carried out on this, which will report later this month. A prudent approach has been adopted and the full provision is included. Other levies have not increased significantly above inflation. It is proposed that overall the increases in levies can be managed within the proposed agreed budget.

8.3 The Greater London Authority precept

- 8.3.1 The Greater London Authority (GLA) set its precept on 13 February 2008. The band D rate set by the GLA is £309.82, which represents a freeze on the precept for the current year and is in line with the GLA consultation as reported to Members previously.

8.4 Consequential changes

- 8.4.1 The overall impact of the above factors is that the Council's total budget requirement is amended slightly to £408.833m. Of this it is estimated that £165.575m of this will be funded by the dedicated schools grant leaving a net budget requirement of £243.258m.
- 8.4.2 The Haringey element of the band D council tax is £1,184.32 (an increase of 1.95%) and the overall band D council tax, including the GLA precept, is £1,494.14 (an increase of 1.5%). The final budget trail and resource shortfall tracker are at appendices A and B respectively.
- 8.4.3 The Council operates a medium term financial planning process and therefore considers draft budgets and council tax levels for the years 2009/10 to 2011/12. Those budgets are shown as balanced, but include a significant level of target savings, which will need to be delivered over the period.

9 Robustness of the budget process

- 9.1 The Chief Financial Officer is required by section 25 of the Local Government Act 2003 (the 2003 Act) to report on the robustness of the estimates made for the purposes of final budget calculations.
- 9.2 The Council's budget process is defined at the strategic level by the Council's key priorities aligned to the Community Strategy. These priorities are given effect in the Council Plan through the business planning process. The business planning process is underpinned at the detailed level by a pre-business plan review (PBPR) for each business unit.
- 9.3 In the planning process this year the PBPR's covered:
- vision and progress on current objectives;
 - financial and service performance in the current year, including where services stand on demonstrating value for money in line with our matrix of performance, efficiency and perception;
 - progress on the implementation of agreed efficiency savings and impact of previously agreed investments;
 - monitoring of risks through our risk management process;
 - external factors and influences, including new legislation, national policy or demographic changes;
 - other key management issues, including customer focus and SMART working issues around people planning, technology and physical assets;
 - new strategic service objectives for 2009/10 and the following two years against Council priorities, and;
 - new efficiency savings and investment proposals.

The draft documents were subject to detailed review at officer and Cabinet Member level including at internal budget challenge meetings before the wider public consultation process.

- 9.4 The PBPR's were considered in the budget scrutiny process at Overview and Scrutiny Committee and were the basis for wider consultation on the budget options. They were then used to derive the Cabinet's budget proposals for 2009/10.
- 9.5 The PBPR process is complemented by the regular cycle of budget management and performance review. This involves detailed monthly evaluation of budget and performance information at both officer and Cabinet Member level. The Council's risk management process also underpins, and is reflected in, all the above activities. The final budget package was the subject of an equalities impact assessment the results of which will feed into the final business plans for implementation from April 2009.
- 9.6 The product of these analyses and review activities were summarised in the report to the Council on 9 February, which agreed the Council's budget (subject to the final matters set out in this report). That report also set out the major financial risk areas, which needed to be taken into consideration. The Chief Financial Officer is satisfied that the above constitutes a robust process for the derivation of the calculations set out in this report.

10 Adequacy of reserves

- 10.1 Section 25 of the 2003 Act also requires the Chief Financial Officer to report on the adequacy of proposed reserves. To ensure that resource decisions are soundly based and consistent, the reserves policy is appended for approval.
- 10.2 In consideration of the reserves position, it is first necessary to consider budget management information in respect of the current year. The report of the Chief Executive to the Cabinet meeting on 24 February 2009 is projecting a net overspend of £1.2m for general fund revenue services, a projected underspend of £0.4m on DSG and a balanced position on HRA. There was also a projected capital underspend of £8.4m mainly in relation to Building Schools for the Future. The general fund revenue overspend relates mainly to Children's Services and this has been taken into account in the budget plans.
- 10.3 The report to Cabinet also notes that the Council is performing well with 84% of the 94 indicators achieving or close to target at the end of December.
- 10.4 The following paragraphs comment on each of the reserves:
- 10.5 General fund general reserve
- 10.5.1 The judgement on the adequacy of the general fund general reserve needs to reflect the risk management and financial control processes that are in place, and the residual risk of emergencies or unexpected events. For this purpose identification of the key risks is done in three ways:

- identification of risks during the financial planning and budget setting process as set out in the report to Council on 9 February 2008;

- risk assessment of the agreed investment and savings proposals in the agreed budget package, and;
- key risks identified, monitored and managed through the Council's risk management strategy and included in the latest corporate risk register.

10.5.2 The calculation of the potential financial impact of these assessed risks has been done and in the light of this, it is regarded that £10m is an appropriate target level for the general fund general reserve over the three-year financial planning period combined with the £10m risk reserve as shown below. The risks set out in appendix D assess a potential financial impact at £19.6m; the Chief Financial Officer therefore regards the £20m as a prudent level to set aside.

10.5.3 The £10m target balance for this reserve represents 4% of the Council's net budget requirement for 2009/10.

10.6 HRA reserve

10.6.1 The judgement on the adequacy of the HRA general reserve needs to reflect the risk management and financial control processes that are in place, and the residual risk of emergencies or unexpected events.

10.6.2 In the light of this, £5m is regarded as an appropriate target level for the HRA general reserve over the three-year financial planning period. There is significant growth of nearly £2m in 2009/10 and a future year target of £2m of savings to be identified. The Chief Financial Officer therefore considers this reserve target to be a prudent level. This represents approximately 5% of the HRA turnover for 2009/10, broadly the same as last year.

10.7 Schools reserve

10.7.1 The amount in the schools reserve is a consequence of the funding and spending of individual schools. A proportion of it reflects earmarked funding for future schools projects. The current level of the reserve represents 5% of the schools core funding. The projection for 2009/10 will not be known until individual schools budgets are finalised, which is subject to the pupil count data.

10.8 Services reserve

10.8.1 It is Council policy that service under and over spends are retained by the relevant service subject to approval by the Cabinet in the year end financial outturn report. This reserve earmarks those funds to be carried forward to the following financial year.

10.9 Insurance reserve

10.9.1 The insurance reserve is kept under review by the Head of Audit and Risk Management with the assistance of the Council's insurance adviser. A key variable is the split between this reserve and the level of insurance provision held elsewhere in the balance sheet. An actuarial review was carried out on this reserve and it concluded that this reserve was over-provided. A release

of £3m has been reported to Members in the previous budget reports. The Chief Financial Officer is satisfied that the reserve constitutes adequate protection in respect of the self-insured risk. This self-insurance reserve is in addition to the separately procured insurance with the London Authorities Mutual Limited and other smaller external insurance provision.

10.10 PFI reserve

10.10.1 The PFI reserve reflects the new arrangements following the suspension of services within the PFI contract. The opening figure reflects the remaining element after taking into account the pre-payment previously included elsewhere in the balance sheet. The reserve will be used to manage the lifecycle fund requirements for schools during the suspended services period.

10.11 Infrastructure reserve

10.11.1 The infrastructure reserve is a key financing resource for the programmes of renewal of assets for IT and property. This assists in spreading the costs of core replacement of assets as well as managing asset improvement programmes. It is current policy that revenue and capital underspends in these services are transferred to this reserve for future use. The table below reflects in particular the current phasing of the accommodation strategy.

10.11.2 The infrastructure reserve will remain in place to spread the cost of future infrastructure renewal programmes.

10.12 General fund risk reserve

10.12.1 The risk reserve is specifically earmarked for managing potential risks in light of the product of the Council's risk management process.

10.12.2 This reserve is managed alongside the general fund general reserve as set out above and guards against the financial consequences of the residual risk of emergencies or unexpected events. Future consideration will be given to any potential losses arising from the Council's exposure to Icelandic banks as the administration processes progress. At present there is insufficient information to determine the impairment, but the Chief Financial Officer considers that the level of the overall reserves the Council has as being at a prudent level.

10.13 Financing reserve

10.13.1 The financing reserve is a key tool for managing the impact of financial plans from one year to another. This reserve requires balances to be at different levels year to year depending on the demand as identified through previous and current budget plans. The current year budget process identified requirements for capital financing in 2009/10 in particular. The balance on the financing reserve at 1 April 2009 is estimated to be £12m.

10.14 Debt repayment reserve

10.14.1 This reserve is used to set aside money that the Council has for repaying outstanding debt in the future. The decision on whether this is used to repay debt or utilised for other purposes will be made by Members. The sum included here largely reflects early repayment of a debt to the Council by Middlesex University.

10.15 HRA major repairs reserve

10.15.1 The balance on this reserve represents the amount unspent of the major repairs allocation (MRA) and will be used for future housing capital spend.

Overall

10.16 The estimates of the opening and closing position of the general, HRA and other earmarked reserves for 2009/10 are as follows:

	At April 2009	Change 09/10	At March 2010
	£m	£m	£m
General:			
General fund general reserve	8	4	12
HRA general reserve	5	1	6
Earmarked:			
Schools	6	0	6
Services	0	0	0
Insurance	12	(3)	9
PFI	4	0	4
Infrastructure	2	(1)	1
General fund risk	10	0	10
Financing	12	(6)	6
Debt repayment	10	0	10
Housing repairs	2	(2)	0
Total	71	(7)	64

The table reflects the planned use of balances for the general fund and HRA as agreed in the financial strategy. The general fund general reserve (balances) is estimated to be £10m in March 2010 and £10m at March 2011. In overall terms the Chief Financial Officer considers the level of reserves for the Council to be adequate in light of the overall arrangements as set out in this report.

11 Cash limits and budget resolution

11.1 The net service cash limits for 2009/10 and the formal budget resolution are at appendices C and D respectively. The cash limits shown are before capital charges and overhead allocations.

12 Summary and conclusions

- 12.1 This report finalises the 2009/10 budget and proposes a council tax rise of 1.95%. The level of reserves is also reported and considered to be adequate.

13 Comments of the Head of Legal Services

- 13.1 The Head of Legal Services confirms that this financial planning report is part of the budget strategy and fulfils the Council's statutory requirements in relation to the budget.

Gross Budget Trail	2009/10 £'000	2010/11 £'000	2011/12 £'000
Budget brought forward	399,578	408,833	420,493
<u>Changes and variations</u>			
Inflation	8,090	8,510	8,900
Changes agreed in previous years budget process	(1,402)	4,495	0
Changes agreed on 15 July 2008			1,000
Changes and variations in this report (see appendix b)	(2,719)	(1,426)	2,759
Final grant settlement changes (specific grant)	(581)	581	
<u>Investments</u>			
2007/08 process	0	40	0
2008/09 process	1,030	530	(300)
Proposed investments in 2009/10 process	5,490	129	54
	6,520	699	(246)
<u>Savings</u>			
2007/08 process	(3,847)	(2,745)	0
2008/09 process	(4,512)	(3,722)	0
Proposed net savings in 2009/10 process	(1,223)	(1,316)	(7,130)
	(9,582)	(7,783)	(7,130)
<u>Dedicated schools grant (DSG)</u>			
Passporting of DSG	5,578	6,533	6,024
Prior year adjustment for actual pupil numbers	(620)		
	4,958	6,533	6,024
<u>Balances</u>			
Contribution to / (from) balances 2007/08 process	5,725	(2,645)	
Contribution to / (from) balances 2008/09 process	246	696	
Contribution to / (from) balances 2009/10 process	(2,000)	2,000	
Gross Council budget requirement	408,833	420,493	431,800
Less dedicated schools grant (specific grant)	(165,575)	(172,108)	(178,132)
Net Council budget requirement	243,258	248,385	253,668
Funding			
Council tax (see below)	100,738	103,760	106,873
Government revenue support grant & redistributed NNDR	142,520	144,625	146,795
	243,258	248,385	253,668
Resource shortfall/(excess)	0	0	0
Council tax			
	£	£	£
Council tax (LBH)	1,184.32	1,219.85	1,256.44
Council tax base (after provision for non-recovery)	85,060	85,060	85,060
Precept	100,738,259	103,760,441	106,872,786
Rate of council tax increase (Haringey element)	1.95%	3.0%	3.0%
GLA rate of council tax increase	0.0%	n/a	n/a
Combined council tax increase	1.5%	n/a	n/a
£ per week increase (Haringey element)	£0.44	£0.68	£0.70

Resource Shortfall Tracker	2009/10 £'000	2010/11 £'000	2011/12 £'000	Total £'000
Position at end of 2008/09 process	0	0	0	0
<u>Update for 2009/10 process</u>				
- inflation			8,900	8,900
- increase assumption in formula grant at 1.5%			(2,169)	(2,169)
- increase assumption in council tax at 3%			(3,144)	(3,144)
			<u>3,587</u>	<u>3,587</u>
<u>Changes and variations 15 July 2008</u>				
- pension fund employers contributions			1,000	1,000
	<u>0</u>	<u>0</u>	<u>1,000</u>	<u>1,000</u>
Proposed investment fund	1,500	1,500		3,000
Position as at 15 July 2008	1,500	1,500	4,587	7,587
<u>Changes and variations</u>				
- increased energy prices above inflation	500			500
- NLWA waste disposal levy increase	500	500	800	1,800
- London Pension Fund Authority levy increase	110	87	61	258
- insurance premium savings (self-insurance fund)	(300)			(300)
- concessionary fares estimated cost increase		318	730	1,048
- use of previous concessionary fares contingency		(2,000)		(2,000)
- use of previous general contingency sums	(1,500)	(1,500)		(3,000)
- reduction of general inflation assumption to 2%	(1,200)	(1,200)		(2,400)
- new general contingency	1,421	619		2,040
- increase in employers national insurance 0.5%			668	668
- homelessness provision adjustment	(2,250)	1,750	500	0
	<u>(2,719)</u>	<u>(1,426)</u>	<u>2,759</u>	<u>(1,386)</u>
<u>Investments</u>				
Proposed new investments and growth	3,230	229	54	3,513
Less previously agreed investment fund	(1,500)	(1,500)		(3,000)
Roll forward of previously agreed investments			(300)	(300)
Additional investments agreed at Council 9 Feb 2009	260	(100)		160
	<u>1,990</u>	<u>(1,371)</u>	<u>(246)</u>	<u>373</u>
<u>Investments in children and families</u>				
Provision for additional resources - JAR action plan	4,200	(1,000)		3,200
Less estimated contributions / use of grant	(2,200)	1,000		(1,200)
	<u>2,000</u>	<u>0</u>	<u>0</u>	<u>2,000</u>
<u>Savings</u>				
Proposed new savings	(1,714)	(1,424)	(2,008)	(5,146)
Changes to pre-agreed savings	491	2,108	(1,400)	1,199
Savings to be identified		(2,000)	(3,722)	(5,722)
	<u>(1,223)</u>	<u>(1,316)</u>	<u>(7,130)</u>	<u>(9,669)</u>
<u>Council Tax</u>				
1.95% increase in 2009/10 (previously assumed 3%)	1,033	32	30	1,095
<u>Final grant settlement (specific grants)</u>				
LABGI one-off backdated grant	(271)	271		0
Additional housing benefit admin subsidy	(310)	310		0
	<u>(581)</u>	<u>581</u>	<u>0</u>	<u>0</u>
<u>Use of balances</u>				
Contribution to / (from) balances	(2,000)	2,000		0
Position as at 23 February 2009	0	0	0	0

REVENUE CASH LIMITS 2009/10	Net
BUSINESS UNIT	£'000
Benefits and Local Taxation	996
Corporate Finance & Director	5,027
Corporate Procurement	1,014
Property Services	9,694
Legal	(1,001)
Access and Customer Focus	21,272
TOTAL CORPORATE RESOURCES	37,002
Human Resources & Assistant Chief Executive	2,829
Organisational Development & Learning	1,427
Local Democracy	1,640
TOTAL PEOPLE AND ORGANISATIONAL DEVELOPMENT	5,896
Adult Social Care & Director	53,697
Recreation Services	5,042
Learning, Libraries and Culture	4,761
Strategic Services	3,142
TOTAL ADULTS, CULTURE AND COMMUNITY SERVICES	66,642
Community Safety	1,548
Partnerships	5,377
Policy, Performance & Director	2,925
Communications	1,180
TOTAL POLICY, PERFORMANCE, PARTNERSHIPS AND COMMUNICATIONS	11,030
Change for Children	4,616
Children and Families	47,541
School Standards and Inclusion	13,216
Business Support and Development	4,253
Individual Schools Budget	145,943
TOTAL CHILDREN AND YOUNG PEOPLE	215,569
Planning, Regeneration and Economy & Director	4,386
Front Line Services	25,116
Housing Services	4,503
TOTAL URBAN ENVIRONMENT	34,005
Non Service Revenue (including capital financing costs, levies etc)	35,908
TOTAL NON SERVICE REVENUE	35,908
Chief Executive & Electoral Services	2,781
TOTAL CHIEF EXECUTIVE	2,781
Less Dedicated Schools Grant	(165,575)
TOTAL CASH LIMIT GENERAL FUND	243,258
Housing Revenue Account	(670)
CASH LIMIT INCLUDING HRA	242,588

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Adequacy of Reserves – Risk Assessment

Three key assessment areas:

1. identification of risks during the financial planning and budget setting process as set out the report to Council on 9 February;
2. risk assessment of the agreed investment and savings proposals in the agreed budget package, and;
3. key risks identified, monitored and managed through the Council's risk management strategy and included in the corporate risk register.

	Budget exposure	Risk	Residual
	£m	%	£m
1. Budget process			
- Homelessness	10.0	Low to medium risk / 10% to 50% residual impact	
- Employment costs	1.0		
- Supporting people (grant reduction)	1.0		
- Asylum	1.0		
- Looked after children	14.0		
- Adult social care	46.0		
- Waste disposal	6.5		
- Interest earnings	4.0		
- Alexandra Palace and Park	1.7		
	85.2		10.7
2. Savings & investment proposals			
- total savings in 2009/10	9.6	Low to med / 10% to 50%	2.9
- total investments in 2009/10	6.5	Very low risk of negative financial impact	0.0
			2.9
3. Corporate Risk Register (not already dealt with in 1. above)		Impact score (from risk register)	
- Corporate IT systems		7	
- Highways infrastructure		5	
- Strategic sites programme		9	
- Strategic asset projects		7	
- Business continuity plans		8	
			3.0
4. Unidentified risks			3.0
Grand total			19.6

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Haringey Council

Reserves policy

Background

- 1 Sections 32 and 43 of the Local Government Finance Act 1992 require local authorities to consider the level of reserves when setting a budget requirement. Section 25 of the Local Government Act 2003 requires the Chief Financial Officer (Section 151 Officer) to report formally on the adequacy of proposed reserves when setting a budget requirement. The accounting treatment for reserves is set out in the Code of Practice on Local Authority Accounting.
- 2 CIPFA has issued Local Authority Accounting Panel (LAAP) Bulletin No.55, Guidance Note on Local Authority Reserves and Balances. Compliance with the guidance is recommended in CIPFA's Statement on the Role of the Chief Financial Officer in Local Government.
- 3 This note sets out the Council's policy for compliance with the statutory regime and relevant non-statutory guidance.

Overview

- 4 The Council's overall approach to reserves will be defined by the system of internal control. The system of internal control is set out, and its effectiveness reviewed, in the annual Statement of Internal Control and in the future incorporated within the Annual Governance Statement. Key elements of the internal control environment are objective setting and monitoring, policy and decision-making, compliance with statute and procedure rules, risk management, achieving value for money, financial management, and performance management.
- 5 The Council will maintain:
 - a general fund general reserve;
 - a housing revenue account (HRA) general reserve; and
 - a number of earmarked reserves.

General fund general reserve

- 6 The purpose of the general reserve is to manage the impact of emergencies or unexpected events. Without such a reserve, the financial impact of such events could cause a potential financial deficit in the general fund, which would be severely disruptive to the effective operation of the authority. The reserve should mitigate against immediate service reductions if there were any unforeseen financial impacts.

- 7 The level of the general reserve is a matter for the Council to determine having had regard to the advice of the S151 Officer. The level of the reserve will be a matter of judgement which will take account of the specific risks identified through the various corporate processes. The level will be expressed as a target cash sum over the period of the general fund medium-term financial strategy. The level will also be expressed as a percentage of general fund requirement (to provide an indication of financial context).

HRA general reserve

- 8 The purpose of the HRA general reserve is similar to the general fund general reserve above except applied to the HRA.

Earmarked reserves

- 9 The purpose of earmarked reserves is to enable sums to be set aside for specific purposes or in respect of potential or contingent liabilities where the creation of a provision is not required.
- 10 The Council will maintain the following earmarked reserves:
1. schools reserve: the net unspent balance of delegated funds managed by schools;
 2. services reserve: the net unspent balance of service budgets where the Cabinet has agreed that such sums should be carried-forward for use in subsequent years;
 3. insurance reserve: funds set aside to meet internally-insured liabilities where the creation of a provision is not required;
 4. PFI reserve: funds set aside from specific PFI grant from the government to meet payments to be made to the Council's secondary schools PFI provider; this will be required to manage lifecycle funds during the suspended services period;
 5. infrastructure reserve: specific funds set aside for the planned maintenance and renewal of infrastructure assets for IT and Property including the transfer of revenue and capital underspends from year to year;
 6. risk reserve: funds set aside in respect of key financial risks identified through the risk management process, where the creation of a provision is not required;
 7. financing reserve: a reserve to enable multiple-year medium-term financial strategies in the context of the annual budgeting and accounting cycle;

8. debt repayment reserve: used to set aside money that the Council has for repaying outstanding debt in the future or resolving other debt issues, and;
9. major repairs reserve: the balance on this reserve represents the amount unspent of the major repairs allocation (MRA) and will be used to meet housing capital expenditure in future years

Management and control

- 11 The schools reserve, the insurance reserve, and the PFI reserve are clearly defined and require no further authority for the financing of relevant expenditure.
- 12 The use of all other reserves requires budgetary approval in the normal way.
- 13 All reserves are reviewed as part of the budget preparation, financial management and closing processes.

Reporting and review

- 14 The Council will consider a report from the S151 Officer on the adequacy of the reserves in the annual budget-setting process. The report will contain estimates of reserves where necessary. The General Purposes Committee will consider actual reserves when approving the statement of accounts each year.
- 15 The Council will review the reserves policy on an annual basis.

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COUNCIL TAX RESOLUTION

1. That it be noted that on 19 January 2009 Full Council agreed the amount of 85,060 as the council tax base for the year in accordance with regulation 3 of the Local Authorities (Calculation of Council Tax base) Regulations 1992 made under Section 33(5) of the Local Government Finance Act 1992.
2. That the following amounts now be calculated by the Council for the year 2009/10 in accordance with the Sections 32 to 36 of the Local Government Finance Act 1992.
 - (a) £857,612,218 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2) of the Act.
 - (b) £614,354,000 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3) of the Act.
 - (c) £243,258,218 being the amount by which the aggregate at 2(a) above exceeds the aggregate at 2(b) above, calculated by the Council, in accordance with the Section 32(4) of the Act, as its budget requirement for the year.
 - (d) £142,520,218 being the aggregate of the sums which the Council estimates will be payable for the year into its general fund in respect of redistributed non-domestic rates, revenue support grant, additional grant, or SSA reduction grant increased by the amount of the sums which the Council estimates will be transferred in the year from its collection fund to its general fund in accordance with Section 97(3) of the Local Government Act 1998 or reduced by the amount of sums which the Council estimates will be transferred in the year from its general fund to its collection fund in accordance with Section 97(4) of the Local Government Finance Act 1998 and increased by the amount of any sum which the Council estimates will be transferred from its collection fund to its general fund pursuant to the Collection Fund (Community Charges) directions under Section 98(4) of the Local Government Finance Act 1998 made on 7 February 1994 or reduced by the amount of any sum which the Council estimates will be transferred from its general fund to its collection fund pursuant to the Collection Fund (Community Charges) directions under Section 98(5) of the Local Government Finance Act 1998 made on 7 February 1994.
 - (e) £1,184.32 being the amount at 2 (c) above less the amount at 2(d) above, all divided by the amount at 1 above, calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its council tax for the year.

(f) Valuation Bands

	£
A	789.56
B	921.14
C	1,052.73
D	1,184.32
E	1,447.39
F	1,710.70
G	1,973.87
H	2,368.65

Being the amounts given by multiplying the amount at 2(e) above the number which, in the proportion set out in Section 5(l) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number in which that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(l) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

3. That it be noted that for 2009/10 the amounts in precepts issued to the Council, in respect of the Greater London Authority and its functional bodies, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

Valuation Bands

	£
A	206.55
B	240.97
C	275.40
D	309.82
E	378.67
F	447.52
G	516.37
H	619.64

4. That having calculated the aggregate in each case of the amounts at 2(f) and 3 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2009/10 for each of the categories of dwellings shown below.

Valuation Bands

	£
A	996.11
B	1,162.11
C	1,328.13
D	1,494.14
E	1,826.06
F	2,158.22
G	2,490.24
H	2,988.29