

## NOTICE OF MEETING

# ENVIRONMENT AND COMMUNITY SAFETY SCRUTINY PANEL

**Thursday, 15th December, 2022, 6.30 pm - Woodside Room -  
George Meehan House, 294 High Road, N22 8JZ (watch the live  
meeting, [here](#) the recording [here](#))**

**Councillors:** Scott Emery, Culverwell, George Dunstall, Tammy Hymas, Michelle Simmons-Safo (Chair), Joy Wallace and Alexandra Worrell

**Co-optees/Non-Voting Members:** Ian Sygrave (Haringey Association of Neighbourhood Watches) (Co-Optee)

**Quorum:** 3

### 1. FILMING AT MEETINGS

Please note that this meeting may be filmed or recorded by the Council for live or subsequent broadcast via the Council's internet site or by anyone attending the meeting using any communication method. Although we ask members of the public recording, filming or reporting on the meeting not to include the public seating areas, members of the public attending the meeting should be aware that we cannot guarantee that they will not be filmed or recorded by others attending the meeting. Members of the public participating in the meeting (e.g. making deputations, asking questions, making oral protests) should be aware that they are likely to be filmed, recorded or reported on.

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The chair of the meeting has the discretion to terminate or suspend filming or recording, if in his or her opinion continuation of the filming, recording or reporting would disrupt or prejudice the proceedings, infringe the rights of any individual or may lead to the breach of a legal obligation by the Council.

### 2. APOLOGIES FOR ABSENCE

### 3. ITEMS OF URGENT BUSINESS

The Chair will consider the admission of any late items of urgent business (late items will be considered under the agenda item where they appear. New items will be dealt with as noted below).

#### **4. DECLARATIONS OF INTEREST**

A member with a disclosable pecuniary interest or a prejudicial interest in a matter who attends a meeting of the authority at which the matter is considered:

- (i) must disclose the interest at the start of the meeting or when the interest becomes apparent, and
- (ii) may not participate in any discussion or vote on the matter and must withdraw from the meeting room.

A member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Register of Members' Interests or the subject of a pending notification must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal interests and prejudicial interests are defined at Paragraphs 5-7 and Appendix A of the Members' Code of Conduct

#### **5. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS**

To consider any requests received in accordance with Part 4, Section B, Paragraph 29 of the Council's Constitution.

#### **6. MINUTES (PAGES 1 - 12)**

To approve the minutes of the previous meeting on 14<sup>th</sup> November.

#### **7. PARKS UPDATE**

To follow

#### **8. LEISURE UPDATE**

To follow

#### **9. UPDATE ON THE SUMMER MAJOR EVENTS PROGRAMME**

To follow

#### **10. CABINET MEMBER QUESTIONS WITH THE CABINET MEMBER COMMUNITIES AND CIVIC LIFE**

Verbal update.

To undertake a Q&A session with the Cabinet Member on the parts of her portfolio relevant to the scrutiny panel:

Parks & Leisure.

**11. SCRUTINY OF THE 2023/24 DRAFT BUDGET AND 5 YEAR MEDIUM TERM FINANCIAL STRATEGY 2023/2028 (PAGES 13 - 90)**

**12. WORK PROGRAMME UPDATE (PAGES 91 - 96)**

**13. NEW ITEMS OF URGENT BUSINESS**

To consider any items admitted at item 3 above.

**14. DATES OF FUTURE MEETINGS**

16<sup>th</sup> March 2023

Philip Slawther, Principal Committee Co-ordinator

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Fiona Alderman

Head of Legal & Governance (Monitoring Officer)

George Meehan House, 294 High Road, Wood Green, N22 8JZ

Wednesday, 07 December 2022

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## **MINUTES OF MEETING Environment and Community Safety Scrutiny Panel HELD ON Monday, 14th November, 2022, 6.30 pm**

### **PRESENT:**

**Councillors: Scott Emery, Culverwell, George Dunstall, Hymas, Simmons-Safo (Chair), Wallace and Alexandra Worrell**

**ALSO ATTENDING: Ian Sygrave (Co-Optee)**

### **169. FILMING AT MEETINGS**

The Chair referred Members present to agenda Item 1 as shown on the agenda in respect of filming at this meeting, and Members noted the information contained therein'.

### **170. APOLOGIES FOR ABSENCE**

Apologies for absence were noted from Cllr Adam Jogee, Cabinet Member for Economic Development, Jobs and Community Cohesion.

### **171. ITEMS OF URGENT BUSINESS**

The Panel was advised that as Cllr Jogee was unable to attend the meeting, Agenda Item Nine would be withdrawn.

### **172. DECLARATIONS OF INTEREST**

There were no declarations of interest.

### **173. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS**

The Panel received a deputation on Low Traffic Neighbourhoods from Alexander Charalambous. The main points put forward as part of the deputation were noted as:

- Following the introduction of LTNs, two mile journeys that used to take ten minutes now took over an hour.
- LTN's had increased pollution as the closure of roads under the scheme had increased stationary traffic. Cyclists and pedestrians breathed in increased amounts of pollution as they moved past this traffic.
- Schools on 'sacrificial' roads were also seeing increased levels of pollution from standing traffic
- Local businesses were down anything up to 100%
- Cars are being drive additional unnecessary miles in order to skirt the LTN.

- It was suggested that those living on affected roads were being discriminated against. Previously, traffic congestion was evenly spread but now disproportionately impacted the poorer sections of our communities.
- The deputation speaker questioned the extent to which Haringey had carried out a fair consultation, given that that consultations were weighted to those inside the LTNs who were disproportionately a white British demographic and were the likely beneficiaries of the LTNs. However, these people have still submitted objections.
- 10,000 people in total had raised objections to date and the objections of disability organisations and special schools were ignored. Schools were disproportionately within sacrificial roads. The depute commented that LTNs had been done to residents rather than for or in consultation with.
- One of the justifications for LTNs was reduction in car traffic but, it was suggested that, Haringey had taken its data from a discredited report. In the ten inner London Boroughs that introduced them, LTN's had in fact increased the number of miles driven by cars in 2020 by an average of 11.4% compared with 8.9% for the two inner London boroughs who did not implement LTNs.
- There is no data to show that Haringey is monitoring carbon emissions, no baseline data before the LTNs, no documented plan to show Haringey is monitoring emissions during the LTN trial. Without this there is no objective basis with which to determine whether carbon emissions and air pollution have increased or decreased. The speaker suggested that if there were plans to monitor this then the Panel should be pushing for this to be publically available.
- A further justification for LTNs was increased physical activity but 65% of Haringey residents were physically active which was higher than the national average. How would this be measured and in what time frame?
- 71% of serious accidents in built-up areas happened on 30MPH or main roads but LTNs closed 20 MPH back roads and push that traffic on to these more dangerous roads. It was suggested that a far better idea would be to keep all roads open and make them all 20MPH. This would also help encourage active travel as all roads are safer.
- The community was not against the goals of the LTNs but no evidence was submitted to show how the schemes would meet their stated goals. It was suggested that data used by the administration was out of date and inaccurate.
- The spokesperson requested that the LTNs should be paused to allow a full and proper consultation to be carried out. Clear aims for the LTNs should be set out and measurements agreed. Discussions should be held with the community in order to agree how best to achieve the stated goals.

In response to the deputation, the Chair welcomed the detailed submission given by the speaker and commented that she felt it carried the weight of sentiment from the majority of the community. The Chair stated that she recognised that there were some significant constraints involved with the implementation of the LTNs and that she had similar conversations with her work colleagues at St Ann's hospital. The Chair advised that she would raise the deputation with the Cabinet Member and would provide a response in writing to Mr Charalambous, outlining the actions that would she would take forward on behalf of the scrutiny panel.

In addition to the above deputation, the Panel also received a large number of public questions on LTNs, which were submitted prior to the meeting. It was agreed before the meeting that written responses would be provided at the meeting for the first 15 questions that met the necessary criteria and excluded questions that were largely duplicates. The Clerk called out the name of the questioners in turn and they were invited to ask their questions. The Chair then read out a written response to each question.

### **Question 1**

How are you assessing the impact of this LTN on the local residents, business and commuters.

Response:

The trial LTNs are subject to comprehensive monitoring. Details of monitoring for each LTN are provided in published Monitoring Strategies on the Council's Streets for People webpages. All data collected to date is published on Haringey My Maps and residents can download the raw data as provided by our contractors. Once some time has passed to allow the scheme to bedded in, we will also launch residents' perception surveys which will give residents and businesses a further chance to have their say on the trial schemes. We will keep communication channels open throughout the trials. The Council will appoint a third party consultant to analyse the monitoring data and prepare a summary Monitoring Report before the end of the trial period

### **Question 2**

Why did they not think of the results of doing this? By doing this, did they not consider the inconvenience to motorists who do not know as well as the visitors of residents.

Response:

The Council's decision to proceed with the trial LTNs was informed by an extensive listening exercise with residents, businesses and other stakeholders, High-Level Transport Assessments assessing the potential impact of each of the LTNs on the highways network, as well as an Equalities Impact Assessment assessing the likely impacts of the proposed LTNs on groups with protected characteristics

### **Question 3**

Why did the consultations documents for the St Ann's LTN only have option A or option B why was there no box to say no to both

Response:

You are correct that the survey did not provide an option to specifically reject both options A and B. However, it did provide the opportunity to provide feedback on both options on a scale of 1 (negative) to 5 (positive). It was therefore possible to indicate a negative view of both proposals within the same survey.

### **Question 4**

Why was option A implemented when Haringey Councils own report states that option A was not well received, and that option B was the more popular choice and if this was the case why was Option B not implemented?

Response:

With respect to the St Ann's LTN, there was a more positive consultation response to Option A than Option B. 62% of respondents were positive about Option A with 32% negative. 34% of respondents were positive regarding Option B and 43% were negative.

### **Question 5**

The public consultation for the Bounds Green LTN was conducted by Sustrans, which is a cycling advocacy group. Do councillors deem this at all appropriate?

Response:

While we note that Sustrans does promote walking and cycling, and is a custodian of the National Cycle Network, it is also the case that organisation has a transport consultancy arm which offers a range of quality transport planning, design and public engagement services to local authorities. Sustrans was commissioned by the Council as it was the best placed consultant to support the Council with engagement on, and design development of, the LTNs.

### **Question 6**

Why are there no exemptions in place for us residents who simply want to drive freely around our area/bottom of our road. We are not rat running on our own roads. The technology clearly exists for BB holders to be considered, put in the system and made exempt. Us residents who have already had to qualify for residents' status for the CPZ parking zones should already be in a database somewhere already? Why can't our VRMs not be matched up with your new LTN/ANPR systems?

Response:

The Council considers that an approach of exempting all residents from their home LTN would conflict with the primary objectives of LTNs and therefore this option was discounted. The Council has a comprehensive exemptions approach to help meet the needs of residents with access and disability needs.

### **Question 7**

So many streets/households did NOT have an information pack delivered including myself, houses with multiple flats, Kitchener Rd, Handsworth Rd, Dongola Rd, Clonmell Rd and Broadwater Farm estate to name a few? Many were promised redelivery and to date still haven't received the leaflet. Can you tell us who you used to deliver these leaflets and explain why so many households were missed out in the direct LTN zone? Hundreds are left unaware of the whole thing and not everyone can access the stuff online. This seems deliberate on your part not to inform people properly.

Response:

LBOX communications hand delivered letters and leaflets to addresses within consultation area. All deliveries were geo-tracked and reports provided by the delivery company did not indicate any large areas not being covered. We understand that some individual addresses may have been omitted for a number of reasons and whenever reported a redelivery was arranged.

**Question 8**

Is there Air Quality data/measurements for the immediate and adjacent area of the trial LTN, before LTN introduced (and planned for after).

Response:

Yes. The Council has air quality monitoring in place using both diffusion tubes and air quality sensors. Further information is available in the Monitoring Strategy for each LTN which can be viewed on the Council's website. All data is available on Haringey My Maps. Monitoring was initiated ahead of implementation and will continue throughout the scheme trial.

**Question 9**

Is there Traffic data/measurements (both quantity and routing) for before LTN introduced (and planned for after).

Response:

The Council has a comprehensive monitoring programme in place in relation to traffic. Further information is available in the Monitoring Strategy for each LTN which can be viewed on the Council's website. All data is available on Haringey My Maps. Monitoring was initiated ahead of implementation and will continue throughout the scheme trial.

**Question 10:**

How are we to get to our families or our elders if you block entrance to the roads. Some of us a lot of us look after sick, our in-firmed, our people who are unable to go the distance. How are we the drivers to get to them.

Response:

The Local Government Association's guidance on consultation sets out that "Consultation is technically any activity that gives local people a voice and an opportunity to influence important decisions. It involves listening to and learning from local people before decisions are made or priorities are set." The Council carried out three rounds of engagement/consultation in advance of a decision to approve the making of experimental traffic management orders to implement the LTNs. This was not statutory consultation bound by legal requirements rather it consisted of an extensive listening and learning exercise. The Council took account of all feedback received in reaching its decision and the feedback influenced key aspects of the approved schemes, including design and the subsequently approved exemptions approach. The LTN consultation reports provide full details of consultation feedback and the Council's response. In relation to the experimental traffic management order, the Local Authorities' Traffic Orders (Procedure) (England and Wales) Regulations

1996 set out the statutory requirements for consultation relating to the making of traffic management orders (which are the legal documents that the Council used to give effect to the trial LTNs). The Regulations require the Council to consult certain consultees (Regulation 6) and also include specific provisions relating to the publication of proposals (Regulation 7). The Council has complied in full with these requirements for the LTNs. Indeed, it has gone significantly beyond the statutory requirements in terms of the engagement and consultation it carried out. During the first six month period in which the experimental traffic management order is in force, it is subject to a statutory public objection period.

**Question 11:**

How are we to get to our families or our elders if you block entrance to the roads. Some of us a lot of us look after sick, our in-firmed, our people who are unable to go the distance. How are we the drivers to get to them.

Response:

All addresses within the LTNs continue to be accessible by car although we acknowledge drivers may need to use a different route to access their destination. The Council has an exemptions approach in place which helps meet the needs of residents with access and disability needs. Please refer to our website for details.

**Question 12:**

Will the Councillors define what the success criteria are for the three Haringey LTNs (Bounds Green, St Ann's and West Green/Bruce Grove), including specific targets for demonstrating success? And if no specific targets can be given, why not and when will you be able to specify detailed targets? Additionally, will the Councillors confirm that if the specific targets are not achieved in 18 months from implementation that the LTNs will be scrapped?

Response:

Any future decision on LTNs will be considered in light of all relevant considerations, including feedback received during the trial, formal objections to the traffic orders giving effect to the trial and evidence collected as part of the monitoring process.

**Question 13:**

Have the architects of this scheme ever actually travelled down west green road? If so, how can they in sound mind justify increasing the pressure on a road which is already prone to severe delays? This is surely just going to result in more stationary traffic on the road, increasing pollution and thereby negating a key aim of the scheme?

Response:

The scheme has been designed by the Council with support from expert consultants and all parties involved are familiar with the borough and its roads. The potential impacts of the LTNs were assessed via High-Level Transport Assessments. In regard to West Green Road, specific assessment was carried out looking at the cumulative impact of the St Ann's LTN and Bruce Grove West Green LTN. The Council is closely

monitoring the impacts of the LTNs on traffic and air quality as set out in the Monitoring Strategies published on the Council's website. At the moment, there is insufficient post-implementation data available. However, once some time has passed to allow the scheme to bed in, the Council will appoint a third party consultant to analyse the feedback received to date including formal objections received during the first six month period, and monitoring data, together with feedback received following further engagement to be undertaken with stakeholders. A Monitoring Report for each LTN will subsequently be produced which will help inform future decisions on the scheme. The Council is aware of specific issues with congestion on West Green Road since the introduction of the St Ann's LTN which has negatively impacted bus journey times. We are working with London Buses/ TfL road network planners to identify ways of mitigating these delays, improving bus operation. The traffic signals in the West Green Road area have already been optimised to improve efficiency of traffic flow.

**Question 14:**

What is the purpose of all these restrictions? These roads have never been congested long enough for car emissions to be polluting the streets, never had accidents on them and have been short cuts to save people like myself time and money to get to where we need to be.

Response:

Haringey is embarking on a programme of implementing LTNs to deliver the objectives set out in the adopted 2018 Transport Strategy and the adopted 2022 Walking and Cycling Action Plan. LTNs are needed across the borough to 1) reduce pollution, especially NO2 and particulate matter, which can affect lung function and breathing, worsening respiratory diseases including asthma in children and chronic obstructive pulmonary disease (COPD) in adults; 2) improve health outcomes related to inactivity; 3) reduce motor traffic collisions; 4) reduce carbon emissions in our attempt to avoid catastrophic climate change and finally 5) reclaim neighbourhood streets for pedestrians and communities and to make safe welcoming, inclusive spaces for all residents. The rationale for specific schemes are provided in the related Cabinet reports from 7 December 2021.

**Question 15:**

Where is the argument and examples that this clears air pollution rather than just moving it?

Response:

The ultimate goal of the LTNs is to reduce traffic both within the LTNs and on the boundary roads of the LTNs. Evidence from Waltham Forest has shown LTNs can reduce air pollution within both LTNs and on their boundary roads. The Council is carrying out comprehensive monitoring of air quality to understand what impacts the trial LTNs are having on air pollution. Details of air quality monitoring are provided in the Monitoring Strategies for each LTN and data collected to date is published on Haringey My Maps.

As per, the Committee Procedure Rules, the following supplementary questions were allowed:

- a. The deputation spokesperson advised the Panel that he believed that some of the information contained in the responses to the questions was inaccurate.
- b. The Panel was asked why, in light of comments about people not being consulted, the consultation letter was not sent out to everybody in the borough along with their annual Council Tax statement? Concerns were also raised about the fact that residents could not find any useful information about the LTNs on the website. It was also queried whether the company that carried out the consultation was asked to consult a percentage of residents or what that methodology used was? A further question was why the west of the borough had been omitted from any of the LTN trials?
- c. A resident advised the Panel that she had a disabled child who needed to travel by taxi as his parents could not care for him whilst travelling if they were driving a car. The Panel was asked, in light of this, why those with similar care needs did not receive a blanket exemption from all LTNs? It was argued that the no left turn on Seven Sisters Road had added around £5 to a typical taxi journey and that this had a financial impact on their family. The resident gave an example of her child being stuck in traffic for two hours due to the congestion caused by the LTNs and that the child had suffered a seizure as a result. It was commented that Haringey had adopted a social model of disability, which involved removing barriers to those with disability. LTNs, it was suggested, literally involved putting barriers in peoples way. The resident advised that her local area was effectively an experiment and questioned why they should be the subject of this experiment, given that it involved some of the poorest and most vulnerable parts of the borough.
- d. In response to the above comment, the Chair acknowledged her own experiences of speaking to residents and advocated the need for people who provide domiciliary care to be able to use cars to reach their patients.
- e. The Chair advised that she would speak to the Cabinet Member and would provide a response in writing to the supplementary questions.

#### **174. MINUTES**

##### **RESOLVED**

That the minutes of the previous meeting on 5<sup>th</sup> September were agreed as a correct record.

#### **175. HARINGEY CRIME PERFORMANCE AND PRIORITIES OVERVIEW**

*\*Clerks Note- The meeting was adjourned for a short while following a disturbance by a member of the public who had been present in the Westbury room observing the meeting. The meeting was adjourned at 19:41 and re-adjourned at 19:50.\**

The Committee received a presentation and accompanying cover report which provided an overview of Haringey's crime performance and the local priorities for the



Community Safety Partnership. The Panel were invited to provide comments on these priorities as well as current community safety issues in general. The update also included information relating to domestic violence and hate crime, which Panel members had requested at a previous meeting. The presentation was provided jointly by officers from the Community Safety team and also by the North Area BCU Commander, Detective Chief Superintendent Caroline Haines (Police). The following arose during the discussion of this agenda item:

- a. The Panel raised concern about a perceived lack of visibility for local Safer Neighbourhood Team officers and were keen that that a visible local police presence at a ward level was maintained. The Panel also commented on the importance of tackling drug-related crime to local residents. In response, the Borough Commander acknowledged that there was a feeling in the community of police not being visible enough. The Borough Commander set out that there was a commitment to two ward officers and a PSCO per ward (as part of the Safer Neighbourhood Team), however it was acknowledged that resources were also stretched across the frontline. As a result, police officers could be called away centrally to undertake other policing duties, which were referred to as 'abstractions'. The Borough Commander acknowledged the influence of drugs on the proliferation of crime and advised that the police were working closely with the Council to provide weeks of action, which would increase visibility within a targeted location for that week.
- b. The Panel raised concerns about Stop and Search and the harm that could be done, particularly around disproportionality towards young black men. The Panel questioned how the value of the use of Stop and Search was measured against the harm that it caused to individuals. In response, the Borough Commander advised that her officers did a lot of work across the community and also with new police recruits to make sure they were aware of the disproportional elements of Stop and Search, particularly the impact on young black men. The Borough Commander advised that they regularly reviewed the data around Stop and Search, both in terms of its effectiveness and also in terms of disproportionality. The Panel was advised that the key for police colleagues was to minimise disproportionality where possible. Enhanced training was undertaken with the Haringey Independent Stop and Search Monitoring Group for new recruits, which had also been extended to a pan-London community training initiative to improve trust and confidence in policing.
- c. The Borough Commander also identified that the BCU deployed a number of external resources including TSG and BTCF to tackle violent crime. These officers were specially briefed and trained on Stop and Search. The Borough Commander advised that she held a meeting with key stakeholders in the community monitoring group and the independent advisory group, along with others from trusted partners to get feedback on trust and confidence in policing and the use of Stop and Search.
- d. The Panel sought clarification around evidence for the efficacy of Stop and Search in taking weapons off the street, compared to other types of interventions. In response, the Borough Commander advised that this was difficult to measure as the police did not have an indicator around trust and confidence as a result of a Stop and Search intervention. Instead the data was more qualitative and that this had to be weighed up against data on the fear of crime and the reduction of high harm crimes, such as knife crime.

- e. The Chair questioned how the police worked with the community and which parts of the community it sought to engage with. In response, the Borough Commander advised that times had changed in policing since the 1990s and that the model of the BCU was a much broader geographic area than the old Tottenham division. In terms of how priorities were identified, it was noted that much of this was pulled out from the public attitudes survey as well as what the community advisory groups told the police. The Borough Commander advised that they focused on high harm wards and were also very much driven by the data, as well as feedback from local communities. In relation to resources being spread thin, the Borough Commander advised that she had made herself as visible in the borough as she could.
- f. The Panel noted that the new Commissioner of the Met. Had made a commitment that all burglary incidents would receive a police visit and it was questioned how well Haringey was doing in relation to burglaries and how long before a 100% target might be reached. In response, the Borough Commander acknowledged the impact of burglaries on victims and that she envisaged that Haringey would be adhering to those targets. The Panel were advised that the Borough Commander would provide a written response on this to the Members. **(Action: Borough Commander)**.
- g. In relation to a question on school visits, the Borough Commander advised that visits did take place and that there was a dedicated officer attached to each school. In relation to its success in reducing disproportionality of young black men in prison, the Borough Commander advised that it was a much more complex problem than just engagement with schools and that a much more wider programme of engagement was required.
- h. The Panel sought assurances about whether social services would be involved with a child who was brought into a custody suite. In response, the Panel was advised that the custody worker would identify the most appropriate solution and one of these would be contacting social services. In addition, anytime a young person had an interaction with police, a Merlin report would be generated which would be processed by the multi-agency hub which also had links into social services.
- i. The Panel questioned the level of effectiveness for judicial orders and how this could potentially be effected by a lack of visibility, particularly in terms of the number of police stations being cut. In response, the Borough Commander advised that it was hard to measure how effective a judicial order was as you would never know the reason why a crime was not committed again, it could be the order, or it could be something else. The Borough Commander advised that where orders were breached, the police prioritised risk and harm and the activity would be tasked into the operations room which ran on a 24/7 basis. Therefore this was not connected to whether a police officer was visible or not, but rather based on a phone call to 999 or 111.
- j. The Panel requested a further breakdown on the hate crime data, so that it showed different segments within hate crime including racially motivated hate crime, homophobic hate crime and antisemitism, for example. The Borough Commander agreed to share this data with members. **(Action: Borough Commander)**.
- k. The Panel queried how the statistics had been complied in the presentation in relation to the ward boundary changes, given that the new ward boundaries had not been changed on the police IT systems. In response, officers advised

that the data in the pack was based on the old ward boundaries and that future reports would reflect the new ward boundaries, future reports would also backdate the data to May when the changes came into effect. It was acknowledged that the ward level figures may change following this, but that the total number of crimes would stay the same.

- I. In relation to whether this would impact how long this might impact the ability to undertake comparisons on a ward level basis, officers advised that they were exploring ways to see how a like for like comparison could be done going forwards.

The Chair thanked the Borough Commander and officers for their time.

## **RESOLVED**

That the Haringey Crime Performance and Priorities Overview was noted.

### **176. UPDATE ON HARINGEY COMMUNITY GOLD**

The Panel received a report, which provided an update on the Haringey Community Gold (HCG) Scheme, including an overview of the scheme, timelines and the latest outcomes. The report was introduced by Eduardo Araujo, Senior Tottenham Community Safety Manager as set out in the agenda pack at pages 29 to 36. The following arose during the discussion of the report:

- a. The Panel sought assurances around the stated £71k carry forward from the scheme and what this would be spent on, in response officers clarified that this was the savings accrued over the three years of the scheme.
- b. The Panel questioned whether HCG had any activities in place to tackle young people and in-work poverty. In response, officers advised that on the ground this would likely be a navigation service, which would pinpoint people towards where they could receive support. Officers advised that they had, for example had been able to direct young people to support with food poverty. Officers also advised that there were also a number of qualitative outputs that would come to fruition as the scheme matured
- c. In relation to a question around partners, officers advised that there were six named partners, along with 75 other organisations that they worked with.
- d. The Chair questioned whether HCG had linked in with the Bridge of Hope organisation who had large partners such as Costco and also had clear outputs around health and wellbeing, including for young people. The Chair agreed to share the contact details for the organisation with officers. **(Action: Chair).**

## **RESOLVED**

Noted.

### **177. CABINET MEMBER QUESTIONS - CABINET MEMBER FOR ECONOMIC DEVELOPMENT, JOBS & COMMUNITY COHESION**

This agenda item was withdrawn.

**178. WORK PROGRAMME UPDATE**

**RESOLVED**

That the Panel noted the draft work programme.

**179. NEW ITEMS OF URGENT BUSINESS**

N/A

**180. DATES OF FUTURE MEETINGS**

15 December 2022

16 March 2023

CHAIR: Councillor Michelle Simmons-Safo

Signed by Chair .....

Date .....

**Report for:** Budget Scrutiny Panels

- Adults and Health Scrutiny Panel, 8<sup>th</sup> December 2022
- Housing and Regeneration Scrutiny Panel, 12<sup>th</sup> December 2022
- Environment and Community Safety Scrutiny Panel, 15<sup>th</sup> December 2022
- Children and Young People Scrutiny Panel, 3rd January 2023
- Overview and Scrutiny Committee, 12th January 2023
- Overview and Scrutiny Committee, 19th January 2023

**Item number:**

**Title:** Scrutiny of the 2023/24 Draft Budget and 5 Year Medium Term Financial Strategy 2023/2028

**Report authorised by:** Jon Warlow, Director of Finance and Section 151 Officer

**Lead Officer:** Frances Palopoli, Head of Corporate Financial Strategy & Monitoring

**Ward(s) affected:** N/A

**Report for Key/  
Non Key Decision:** N/A

**1. Describe the issue under consideration**

- 1.1 To consider and comment on the Council's 2023/24 Draft Budget and 5 Year Medium Term Financial Strategy (MTFS) 2023/2028 proposals relating to the Scrutiny Panels' remit.

**2. Recommendations**

- 2.1 That the Panels consider and provide recommendations to Overview and Scrutiny Committee (OSC), on the Council's 2023/24 Draft Budget and 5 Year Medium Term Financial Strategy (MTFS) 2023/2028 proposals relating to the Scrutiny Panels' remit.

**3. Background information**

- 3.1 The Council's Overview and Scrutiny Procedure Rules (Constitution, Part 4, Section G) state: "The Overview and Scrutiny Committee shall undertake scrutiny of the Council's budget through a Budget Scrutiny process. The procedure by which this operates is detailed in the Protocol covering the Overview and Scrutiny Committee".
- 3.2 Also laid out in this section is that "the Chair of the Budget Scrutiny Review process will be drawn from among the opposition party Councillors sitting on the Overview and Scrutiny Committee. The Overview and Scrutiny Committee

shall not be able to change the appointed Chair unless there is a vote of no confidence as outlined in Article 6.5 of the Constitution”.

#### **4. Overview and Scrutiny Protocol**

- 4.1 The Overview and Scrutiny Protocol lays out the process of Budget Scrutiny and includes the following points:
- a. The budget shall be scrutinised by each Scrutiny Review Panel, in their respective areas. Their recommendations shall go to the OSC for approval. The areas of the budget which are not covered by the Scrutiny Review Panels shall be considered by the main OSC.
  - b. A lead OSC member from the largest opposition group shall be responsible for the co-ordination of the Budget Scrutiny process and recommendations made by respective Scrutiny Review Panels relating to the budget.
  - c. Overseen by the lead member referred to in paragraph 4.1.b, each Scrutiny Review Panel shall hold a meeting following the release of the December Cabinet report on the Draft Budget/MTFS. Each Panel shall consider the proposals in this report, for their respective areas. The Scrutiny Review Panels may request that the Cabinet Member for Finance and/or Senior Officers attend these meetings to answer questions.
  - d. Each Scrutiny Review Panel shall submit their final budget scrutiny report to the OSC meeting on 19th January 2023 containing their recommendations/proposals in respect of the budget for ratification by the OSC.
  - e. The recommendations from the Budget Scrutiny process, ratified by the OSC, shall be fed back to Cabinet. As part of the budget setting process, the Cabinet will clearly set out its response to the recommendations/proposals made by the OSC in relation to the budget.

#### **5. 2023/24 Draft Budget and MTFS 2023/28**

- 5.1 The report (attached as Appendix B) sets out details of the draft General Fund (GF) Budget for 2023/24; the Medium Term Financial Strategy (MTFS) 2023/28; the draft HRA Budget 2023/24 and its draft Business Plan including estimated income (funding) and expenditure adjustments, as well as the draft capital programmes for both funds.
- 5.2 The Chancellor's Autumn Statement was only very recently made on 17 November 2022, which will have wide reaching implications for both the Council's General Fund and its HRA. The Provisional Local Government Finance Settlement (PLGFS) is not expected until week commencing 19<sup>th</sup> December, and it is not until this is received that we will be able to understand all the key financial consequences to the General Fund of the recent announcements. Therefore, the details here represent a positional statement on the Council's budgets and longer term financial plans, with the final balanced position being reported to Cabinet on 7 February 2023. This report

recommends that the draft budget proposals here are released for public consultation and Scrutiny consideration.

- 5.3 Next year's Budget comes on the back of two years of the Covid 19 pandemic whose legacy is still very much being felt, particularly in the care services where the incidence of complexity and acuity of those presenting to the Council for services has increased putting additional strain on the finite resources. This is despite adding growth totalling £13.7m into these service budgets for 2022/23 alone; £6.6m for Children's and £7.1m for Adults.
- 5.4 Despite these pressures the Council set a balanced Budget for this year, 2022/23, and in doing so was clear that a markedly different approach had been taken to the financial planning process. This was to enable the Council to have more time and space to determine the new programme of change required to address the structural c£20m budget gap in the medium term, and in doing so made use of one-off funding from the Strategic Budget Planning reserve. It also allowed the Council to better focus this year, in a difficult post pandemic environment, on the delivery of the already agreed sizeable 2022/23 savings programme of £12m and any existing savings plans slipped from 2021/22.
- 5.5 It became clear early on in this year that the financial situation had worsened for most local authorities, this Council included, and this has been key in shaping the approach to the financial planning work for 2023/24. Strategies have been aimed at driving efficiencies from focussing on getting the basics right, collecting all the income due to the Council, improving commissioning strategies, implementing 'Digital First' to modernise customer services and minimise transactional costs, and putting a challenge to the existing and proposed capital programme.
- 5.6 The number of identified pressures, unknowns and overall volatility is concerning and makes setting a balanced 2023/24 Budget challenging. Furthermore, many of the issues are outside the Council's direct control. The financial planning process to date has sought to acknowledge and respond to these factors but due to timings and matters still evolving, this cannot as yet be finalised. This draft Budget incorporates the Council's current best estimate of the level of government funding for 2023/24. The detailed draft funding allocations following the Chancellor's Statement will be announced in the Provisional Local Government Funding Settlement in late December, after this report is published. It is clear though that this is the start of a challenging period. Therefore, it is essential that a strong focus is maintained on decisions impact on the sustainability of the future years of the MTFS.

- 5.7 While the draft General Fund Budget is not yet finalised, it is significantly updated from the original forecasts for 2023/24. It now provisionally includes additional new growth of £14.8m, with £6.0m for Adults and £4.9m for Children's. This has been made possible by assumptions of £9.8m net additional budget savings coupled with other service and corporate adjustments. The delay in detailed Government announcements on the likely level of funding for 2023/24 for the Sector has prevented the Council from finalising its Budget proposals. At this interim point, the Council is however c.£3m from a balanced position. This continues to assume a contribution of £5.5m from the Strategic Planning Reserve and a further c.£4m of other one-off solutions in 2023/24.
- 5.8 The Final Budget for 2023/24 and Medium Term Financial Strategy (MTFS) 2023/28 to Cabinet on 7 February 2023 will include its response to the consultation received and Overview and Scrutiny's recommendations, to go onto Full Council on 2 March 2023. The report will include a recommendation on the level of Council Tax, taking regard of the Chancellor's recently announced flexibility on Council Tax referendum thresholds and additional Adult Social Care precepts.
- 5.9 The Council's Fees and Charges for 2023/24 will also be presented to the 7<sup>th</sup> February Cabinet meeting, recognising that they are part of the outstanding budget deliberations.

### **Capital**

- 5.10 Our capital programme also provides important opportunities to address our communities' needs, however the Council's finances are tightly constrained, so affordability is a key consideration in this year even more than previously.
- 5.11 The draft capital programme continues to invest for the long term, though increased costs are making it increasingly difficult to achieve self-financing business cases for those schemes where this is expected.

### **HRA**

- 5.12 Like the General Fund, it has been an extremely challenging year for the HRA. The HRA financial plan contains a long-term assessment of the need for investment in assets, such as new homes development, major works and other cyclical maintenance requirements, as well as forecasts on income streams such as rents, in line with rent standards, and future developments. The recent increases in energy cost, inflation and interest rates rises presents a level of challenge and difficulty in delivering our capital programmes now and the viability of our HRA in the medium to long term.



- 5.13 On 17 November 2022, the government announced in the Autumn Statement 2022 that social housing rent increases for 2023/24 would be capped at 7%, to help tenants with the increased cost of living. The rent increase in this report has been modelled on the recently announced rent increase cap of 7% and the February report will make a recommendation for the actual rent increase to be implemented for 2023/24.
- 5.14 The council will continue to let most of its new lettings for its homes at the relevant formula rent and the HRA financial plan is built on that basis. The challenges presented by adverse economic changes, including the increased cost of borrowing and inflation mean that the Council has had to consider how best to sustain a strong new build programme. To do so, it is now recommended that the Council lets some of the new homes funded by Building Council Homes for Londoners (BCHFL) grant at London Affordable Rent.
- 5.15 The Council must agree an HRA Budget and longer-term plan which are prudent and sustainable. However, due to very high level of uncertainty related to some of the key assumptions underpinning the current plan, particularly interest rates, this represents a provisional HRA budget/MTFS at this time. A final HRA budget/MTFS will be presented in February.

### **Dedicated Schools Budget**

- 5.16 For schools, the indicative Dedicated Schools Budget (DSB) funding, which is ring fenced for the delivery of education services, is also outlined. This includes the concerning implications of the on-going budget pressure on the High Needs Block (HNB) from legislative changes to service provision responsibilities introduced in the 2014 Children and Families Act.
- 5.17 Haringey has been invited to join the Department for Education (DfE) Safety Valve Programme, which targets local authorities with the highest DSG deficits to identify plans to bring spend more in line with agreed budgets over the short to medium term. When a local authority can demonstrate sufficiently that their plans create lasting sustainability, including reaching an in-year balanced budget, the DfE will enter into an agreement with the authority to provide financial support to address the cumulative deficit. Final proposals were submitted to the DfE on 6th October 2022 and are currently still subject to Ministerial approval. In addition, an application for DfE capital funding to invest in key proposals to support Haringey's Safety Valve programme has also been submitted.
- 5.18 The Autumn Statement announced additional funding for schools at a national level. The implications for Haringey will not be known until after this report is published.

### **Sections of the Report Relevant to the Various Panels/Committee**

The Draft Budget and MTFS report is a comprehensive document covering not just the General Fund Revenue and Capital position but also the HRA and DSG. The body of the report, therefore, does not provide detailed proposals for each Directorate; these are set out in the appendices.

However, the following itemises where reference is made in the body of the report.

**5.19 Housing and Regeneration**

- 6.20 – 6.22 Homelessness Prevention Grant (HPG)
- 8.19; 8.20; 8.31 - Capital

**5.20 Environment and Community Safety**

- 7.53 – New Savings
- 8.18; 8.30 - Capital

**5.21 Children and Young People**

- 1.3; 1.7 – Prior and current year growth proposals
- 7.38 – Policy Priorities
- 8.16; 8.28 – Capital
- 1.16; 10.0 - DSB

**5.22 Overview and Scrutiny Committee**

- 7.17 – 7.37 – Corporate Budget Growth / Pressures assumptions
- 7.51 – Re-profiled Corporate Saving (Digital)
- 8.21; 8.32 - Capital

**6. Explanation of Appendices**

- 6.1 As an aide memoire to assist with the scrutiny of budget proposals, possible key lines of enquiry are attached at Appendix A. This report is specifically concerned with Stage 1 (planning and setting the budget) as a key part of the overall annual financial scrutiny activity.
- 6.2 Appendix B is the Draft 2023/24 Budget and 2023/28 MTFS considered by Cabinet on 6th December 2022. This report sets out details of the draft General Fund (GF) Budget for 2023/24; the Medium Term Financial Strategy (MTFS) 2023/28; the draft HRA Budget 2023/24 and it's draft Business Plan including estimated income (funding) and expenditure adjustments, as well as the draft capital programmes for both funds.
- 6.3 Appendix C provides details of the new revenue budget savings proposals relevant to each Panel/Committee.
- 6.4 Appendix D provides details of the new revenue budget growth proposals relevant to each Panel/Committee.
- 6.5 Appendix E lists the previously agreed MTFS savings relevant to each Panel/Committee.

- 6.6 Appendix F provides details of the new capital investment proposals relevant to each Panel/Committee. Details of the proposed funding source are clearly identified. The Council's Capital Programme provides a framework for spend but does not constitute the approval to spend on specific projects. Approval to spend on particular projects is usually granted by cabinet decisions (e.g., contract awards). All capital projects must be fully financed before proceeding. Sources of funding/finance can be external, such as grants, or S106/CIL, or if no external funding is available, the Council can borrow to fund the project.
- 6.7 Where the Council does have to borrow to finance a project, there is an ongoing cost to the Council's revenue budget to repay the debt and pay interest on the borrowing costs: a rule of thumb for an average project is that for each £1m of capital financed by borrowing there is a £61k per annum revenue cost. Many of the schemes within the capital programme are 'self-financing': these schemes are funded by borrowing however, they will generate an ongoing revenue betterment to the Council, which will offset the costs of borrowing once the scheme is completed.
- 6.8 Appendix G lists the total proposed 2023/2028 capital programme relevant to each Panel/Committee, comprised of the existing programme and any new projects included in this draft Budget as listed in Appendix F.
- 6.9 Attention is also drawn to the 2022/23 Quarter 2 Finance Update Report presented to Cabinet on 6th December 2022 which provides a summary of the in-year budget implications facing the authority and which has informed the 2023/24 Draft Budget proposals now presented. The Council's 2022/23 Budget Book provides details of service budgets for the current year.

## **7. Contribution to strategic outcomes**

- 7.1 The Budget Scrutiny process for 2023/24 will contribute to strategic outcomes relating to all Council priorities.

## **8. Statutory Officers comments**

### **Finance**

- 8.1 There are no financial implications arising directly from this report. Should any of the work undertaken by Overview and Scrutiny generate recommendations with financial implications then these will be highlighted at that time.

### **Legal**

- 8.2 There are no immediate legal implications arising from this report.
- 8.3 In accordance with the Council's Constitution (Part 4, Section G), the Overview and Scrutiny Committee should undertake scrutiny of the Council's budget through a Budget Scrutiny process. The procedure by which this operates is detailed in the Protocol, which is outside the Council's constitution, covering the Overview and Scrutiny Committee.

### **Equality**

- 8.4 The draft Borough Plan sets out the Council's overarching commitment to tackling poverty and inequality and to working towards a fairer Borough.
- 8.5 The Council is also bound by the Public Sector Equality Duty under the Equality Act (2010) to have due regard to the need to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act
  - Advance equality of opportunity between people who share those protected characteristics and people who do not
  - Foster good relations between people who share those characteristics and people who do not.
- 8.6 The three parts of the duty applies to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status applies to the first part of the duty.
- 8.7 COVID-19 and the ongoing cost of living crisis have widened existing inequalities with adverse impacts experienced by protected groups across many health and socioeconomic outcomes. A focus on tackling inequality underpins the Council's priorities and this will be embedded in the upcoming corporate delivery plan. The Council is committed to targeting its interventions to reduce inequality despite the financial constraints detailed in this report. This commitment is evident through ongoing investment in policies that seek to improve outcomes for individuals with protected characteristics, such as Free School Meals, SEND Transport and addressing increased complexity in adult social care.
- 8.8 Any comments received will be taken into consideration and included in the Budget report presented to Cabinet on 7th February 2023.

## **9. Use of Appendices**

Appendix A – Key lines of enquiry for budget setting

Appendix B – 2023/24 Draft Budget and 2023/2028 Medium Term Financial Strategy Report (presented to Cabinet 6<sup>th</sup> December 2022)

Appendix C – 2023/24 New Revenue Savings Proposals

Appendix D – 2023/24 New Revenue Growth Proposals

Appendix E – Previously Agreed Revenue Savings

Appendix F - 2023/24 New Capital Budget Proposals

Appendix G – 2023/2028 Proposed Capital Programme

## **10. Local Government (Access to Information) Act 1985**

Background papers: 2022/23 Quarter 2 Finance Update Report - Cabinet 6<sup>th</sup>  
December 2022

<https://www.minutes.haringey.gov.uk/documents/s136640/12%202022-23%20Finance%20Update%20Quarter%202.pdf>

2022/23 Budget Book

<https://www.haringey.gov.uk/local-democracy/performance-and-finance/council-budget/council-budget-2022-23>

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### **Financial Scrutiny: Understanding your Role in the Budget Process**

This document summarises issues and questions you should consider as part of your review of financial information. You might like to take it with you to your meetings and use it as an aide-memoir.

#### **Overall, is the MTFS and annual budget:**

- A financial representation of the council's policy framework/ priorities?
- Legal (your Section 151 Officer will specifically advise on this)?
- Affordable and prudent?

#### **Stage 1 – planning and setting the budget**

Always seek to scrutinise financial information at a strategic level and try to avoid too much detail at this stage. For example, it is better to ask whether the proposed budget is sufficient to fund the level of service planned for the year rather than asking why £x has been cut from a service budget.

Possible questions which Scrutiny members might consider –

- Are the MTFS, capital programme and revenue budget financial representations of what the council is trying to achieve?
- Does the MTFS and annual budget reflect the revenue effects of the proposed capital programme?
- How does the annual budget relate to the MTFS?
- What level of Council Tax is proposed? Is this acceptable in terms of national capping rules and local political acceptability?
- Is there sufficient money in “balances” kept aside for unforeseen needs?
- Are services providing value for money (VFM)? How is VFM measured and how does it relate to service quality and customer satisfaction?
- Have fees and charges been reviewed, both in terms of fee levels and potential demand?
- Does any proposed budget growth reflect the council's priorities?
- Does the budget contain anything that the council no longer needs to do?
- Do service budgets reflect and adequately resource individual service plans?
- Could the Council achieve similar outcomes more efficiently by doing things differently?

#### **Stage 2 – Monitoring the budget**

It is the role of “budget holders” to undertake detailed budget monitoring, and the Executive and individual Portfolio Holders will overview such detailed budget monitoring. Budget monitoring should never be carried out in isolation from service performance information. Scrutiny should assure itself that budget monitoring is being carried out but should avoid duplicating discussions and try to add value to the process. Possible questions which Scrutiny members might consider –

- What does the under/over spend mean in terms of service performance? What are the overall implications of not achieving performance targets?
- What is the forecast under/over spend at the year end?
- What plans have budget managers and/or the Portfolio Holder made to bring spending back on budget? Are these reasonable?
- Does the under/over spend signal a need for a more detailed study into the service area?

### **Stage 3 – Reviewing the budget**

At the end of the financial year you will receive an “outturn report”. Use this to look back and think about what lessons can be learned. Then try to apply these lessons to discussions about future budgets. Possible questions which Scrutiny members might consider –

- Did services achieve what they set out to achieve in terms of both performance and financial targets?
- What were public satisfaction levels and how do these compare with budgets and spending?
- Did the income and expenditure profile match the plan, and, if not, what conclusions can be drawn?
- What are the implications of over or under achievement for the MTFS?
- Have all planned savings been achieved, and is the impact on service performance as expected?
- Have all growth bids achieved the planned increases in service performance?
- If not, did anything unusual occur which would mitigate any conclusions drawn?

How well did the first two scrutiny stages work, were they useful and how could they be improved?



Report for: Cabinet – 6 December 2022

Item number: To be added by the Committee Section

Title: 2023-24 Budget and 2023-2028 Medium Term Financial Strategy

Report authorised by: Jon Warlow, Director of Finance

Lead Officer: Frances Palopoli, Head of Corporate Financial Strategy & Monitoring

Ward(s) affected: All

Report for Key/  
Non Key Decision: Key

## 1. Describe the issue under consideration

- 1.1. This report sets out details of the draft General Fund (GF) Budget for 2023/24; the Medium Term Financial Strategy (MTFS) 2023/28; the draft HRA Budget 2023/24 and its draft Business Plan including estimated income (funding) and expenditure adjustments, as well as the draft capital programmes for both funds.
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have more time and space to determine the new programme of change required to address the structural c£20m budget gap in the medium term, and in doing so made use of one-off funding from the Strategic Budget Planning reserve. It also allowed the Council to better focus this year, in a difficult post pandemic environment, on the delivery of the already agreed sizeable 2022/23 savings programme of £12m and any existing savings plans slipped from 2021/22.

- 1.5. It became clear early on in this year that the financial situation had worsened for most local authorities, this Council included, and this has been key in shaping the approach to the financial planning work for 2023/24. Strategies have been aimed at driving efficiencies from focussing on getting the basics right, collecting all the income due to the Council, improving commissioning strategies, implementing 'Digital First' to modernise customer services and minimise transactional costs, and putting a challenge to the existing and proposed capital programme.
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### **Capital**

- 1.10. Our capital programme also provides important opportunities to address our communities' needs, however the Council's finances are tightly constrained, so affordability is a key consideration in this year even more than previously.
- 1.11. The draft capital programme continues to invest for the long term, though increased costs are making it increasingly difficult to achieve self-financing business cases for those schemes where this is expected.

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### **Dedicated Schools Budget**

- 1.16. For schools, the indicative Dedicated Schools Budget (DSB) funding, which is ring fenced for the delivery of education services, is also outlined. This includes the concerning implications of the on-going budget pressure on the High Needs Block (HNB) from legislative changes to service provision responsibilities introduced in the 2014 Children and Families Act.

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- 1.18. The Autumn Statement announced additional funding for schools at a national level. The implications for Haringey will not be known until after this report is published.

## 2. Cabinet Member Introduction

- 2.1. Next year's budget is being developed against a backdrop of unprecedented economic uncertainty and high inflation. We know this is a really tough time for our residents with the cost of living crisis, and also businesses and communities and so we are absolutely focused on getting information, advice and support to those that need it most and achieving the best possible outcomes with the limited resources available to us.
- 2.2. For **2023/24** the emphasis has been on building on the Administrations ambitions of becoming a **competent, radical and collaborative** Council. Strategies cover:
- Looking to drive efficiencies from focussing on getting the basics right
  - Generating all the income due to the council
  - Improving commissioning strategies
  - Implementing 'Digital First' to modernise customer services and minimise transactional costs
- 2.3. Despite all the financial challenges that the Council is facing, this draft Budget for 2023/24:
- Ensures we can continue to meet the significant need of our most vulnerable residents – through further, year on year additional investment in Children's and Adult's services. (£10.9m in 2023/24)
  - Drives value for money through a significant efficiency agenda – with every area of the council contributing. (c£19m in savings and additional income)
  - Provides financial advice and support to residents who need it including through Council Tax Reduction, our Financial Support Team; and the Haringey Support Fund.
  - Maintains critical support for our children and young people with little direct funding by Central Government – including Free School Meals for an additional 650 children who are just above the entitlement threshold; Putting the funding for the Rising Green Youth Hub on a long-term footing.

- 2.4. Our capital programme also provides important opportunities to address our communities' needs, however the Council's finances are tightly constrained, so affordability is a key consideration in this year even more than previously. However, the draft capital programme continues to invest for the long term and we intend to put investment in:
- doubling the planned investment in the Active Life in parks programme and the Parks Asset Management for 2023/24
  - public realm including cycling and walking infrastructure, roads, pavements and street lights
  - parks and green spaces
  - school buildings
  - additional properties to be used for high quality, temporary accommodation
  - significant on-going investment in Council homes and delivery of the new Council homes agenda
- 2.5. I am pleased that this Budget update is assuming considerable additional investment in our care services with £11.9m growth in those Directorates. Though I do recognise that elsewhere the Authority faces the challenge of making considerable savings and that we still have a budget gap of c. £3m.

### 3. Recommendations

3.1. It is recommended that Cabinet:

- a) Note the draft General Fund revenue and capital budget proposals and financial planning assumptions set out in this report and note that they will be refined and updated after the final Local Government Finance Settlement is received in January 2023 and to incorporate further budget changes as required;
- b) Note the Draft General Fund 2023/24 Budget and MTFS 2023-28 detailed in this report and Appendix 1;
- c) Note the Draft revenue and capital budget growth proposals summarised in Sections 7 and 8 and Appendices 2 and 5 and note the draft revenue savings proposals summarised in Section 7 and Appendix 3;
- d) Note the Draft General Fund Capital Programme for 2023/24 to 2027/28 as set out in Appendix 4;
- e) Note the Draft Housing Revenue Account (HRA) Revenue and Capital Programme proposals and HRA Business Plan as set out in Section 9;
- f) Note the 2023/24 Draft Dedicated Schools Budget (DSB) and update on the DSG reserve position set out in Section 10;
- g) Note that the detailed proposals will be submitted to Overview and Scrutiny Committee / Panels in December 2022 and January 2023 for scrutiny and comments;



h) Agree to commence consultation on the 2023/24 Budget and MTFS 2023-28;

i) Note that an updated General Fund and HRA 2023/24 Budget and MTFS 2023-28 will be presented to Cabinet on 07 February 2023 to be recommended for approval to the Full Council meeting taking place on 02 March 2023;

j) Delegate the final decision on whether or not to participate in the proposed 8 borough business rates pool from 1 April 2023 to the Director of Finance in conjunction with the Lead Member for Finance and Local Investment.

k) Agree that some of the new homes delivered under the GLA's 2016-23 Affordable Homes Programme, 'Building Council Homes for Londoners' be let at London Affordable Rent (LAR) levels.

#### **4. Reasons for decision**

- 4.1. The Council has a statutory requirement to set a balanced budget for 2023/24 and this report forms a key part of the budget setting process by setting out the forecast funding and expenditure for that year at this point. Additionally, in order to ensure the Council's finances for the medium term are maintained on a sound basis, this report also sets out the funding and expenditure assumptions for the following four years in the form of a Medium Term Financial Strategy. It should be noted that the final version of this will be presented to Full Council on 2 March 2023

#### **5. Alternative options considered**

- 5.1. The Cabinet must consider how to deliver a balanced 2023/24 Budget and sustainable MTFS over the five-year period 2023-28, to be reviewed and ultimately adopted at the meeting of Full Council on 02 March 2023.
- 5.2. The Council has developed the proposals contained in this report in light of its forecasts for future income levels and service demand. These take account of the Council's priorities, the extent of the estimated funding shortfall, the estimated impact of wider environmental factors such as inflation and legacy Covid-19 pandemic, and the Council's overall financial position. It is this appraisal that has led to these options being presented in this report.
- 5.3. These proposals will be subject to consultation, both externally and through the Overview and Scrutiny process, and the outcomes of these will inform the final budget proposals.
- 5.4. The Housing Revenue Account section of the report includes a consideration of the challenges presented by adverse economic changes on the HRA, including the increased cost of borrowing and inflation, meaning that the Council has had to consider how best to be able to maintain financial sustainability and continue a strong new build programme. A number of options have been modelled, including for some new homes, changing from formula rent to Shared Ownership or London Living Rent or London Affordable

Rent. The option which best ensures the long-term sustainability of the HRA is to use London Affordable Rent for some homes.

## 6. Funding Assumptions

6.1. The Council has access to five main sources of funding:

- Business Rates
- Council Tax
- Grants
- Fees & Charges
- Reserves

Business Rates and Grants are largely driven by the outcome of Spending Reviews (SR) and the Local Government Finance settlement.

6.2. The following paragraph provides an update on recent Government announcements on grant and other support to Local government along with wider economic factors impacting on budgetary assumptions. This is then followed by a section on each of the main sources of funding which set out the assumptions made in this draft Budget and MTFS.

### **Autumn Budget Statement and other Government Announcements**

6.3. The Chancellor gave his Autumn Budget Statement on 17 November. This came very late in the Council's Budget planning process and the implications of his announcement will need time to work through. Furthermore, the detail of actual funding allocations will not be available until the Provisional Local Government Finance Settlement (PLGFS) is published which is not expected until the week of 19 December.

6.4. The key announcements likely to impact Haringey budgets (directly or indirectly) are:

- **Council Tax Threshold** – increased core CT threshold to 3% and Adult Social Care (ASC) precept to 2%
- **Household Support Fund** – extended to 31.3.2024 with £1bn available nationally
- **Delay to Dilnot social care charging reforms to October 2025** – funding earmarked for the implementation will be maintained within local government
- **Adult social care and hospital discharge** - £1bn for 2023/24 and £1.7bn 2024/25 (national figures) with funding to be shared between the NHS and Local Authorities.
- **Schools** - Increase to the Spending Review 2021 levels of per pupil funding in real terms. £2.76bn 23/24; £2.76bn 24/25 at a national level. Will impact on DSG funding
- **Social Housing Rent cap** – 7% ceiling for 2023/24 only. Will impact on the HRA
- **Levelling Up Agenda** – the Statement made clear that this is an on-going Government commitment. Most likely to manifest through re-distribution of funding per authority as part of the PLGS

### **Business Rates and Revenue Support Grant**

- 6.5. When the new localised business rates system was introduced in 2013, it set a 'baseline' for each local authority against which growth could be measured. It was recognised that the baseline would need to be re-visited after a number of years to ensure that the incentive to grow businesses in local areas was maintained.
- 6.6. The intention was for business rates baselines to be reset from April 2020 however, both SR19 and SR20 confirmed annual delays. SR21 was silent on the reset and it wasn't implemented for 2022/23. The Government has confirmed that it is pressing ahead with a revaluation in 2023 and it is unlikely that there will be departmental capacity to progress the reset alongside this. The draft Budget now assumes a reset in 2024 rather than 2023. As Haringey is a top up authority, even if this assumption proves incorrect, it is expected that a similar level of funding will accrue from a redistribution of business rates income in the form of additional/alternative grant.
- 6.7. Revenue Support Grant (RSG) and the amount provided to local government is just one part of the overall amount of funding determined during a Spending Review. However, for local authorities, since the introduction of the Business Rate Retention Scheme, Revenue Support Grant is the primary source of funding from central government and is calculated via the Settlement Funding Assessment (SFA) which consists of the local share of business rates, and Revenue Support Grant. The SFA is uprated year on year in line with the change in the small business multiplier (generally the September RPI) although for some years this has been CPI.
- 6.8. Both the 2023 business rates revaluation and the transfer of some business types from the local lists to the central lists are assumed to have a neutral impact on the budget.
- 6.9. The Council participated in the London Pool for three years (2018/19 – 2020/21). London chose not to continue the Pool in 2021/22 due to the significant impact that the Covid 19 pandemic had had on the business community and therefore forecast revenues. Pooling was revisited for 2022/23 and, while a London-wide pool was not deemed viable, a smaller pool consisting of Haringey and 7 other London boroughs was put into place for this year.
- 6.10. Modelling was undertaken during September which showed that the continuation of this 8 Borough pool is expected to have a similar financial benefit in 2023/24 to the current year c. £1.5m/£2.0m. The Council has therefore already supported in principle the continuation of the smaller pool. The final decision to proceed or not does not need to be taken until 28 days after the publication of the provisional local government finance settlement and to enable final due diligence to be built into the process, as last year it is proposed that the final decision to participate in the pool is delegated to the Director of Finance in consultation with the Lead Member. Given the uncertainty over the actual financial benefit, and indeed if government confirm agreement, nothing has yet been built into the Budget/MTFS model.



- 6.11. Currently, the MTFS assumes an 8% inflationary increase in business rates income including RSG, in 2023/24. Given the late timing of Government announcements overall funding across these budget heads has been assumed broadly flat for 2024/25+ in this draft Budget. These figures will be revised for the final Budget presented in February.
- 6.12. In terms of net growth in the business rates taxbase / hereditaments, the planning assumption across the MTFS period is that there will be no net growth. This is in line with the previous assumptions.
- 6.13. The forecast income from business rates related income, including revenue support grant, is shown in table 6.1 below.

Table 6.1

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Revenue Support Grant	£'000	£'000	£'000	£'000	£'000	£'000
RSG	(22,797)	(24,624)	(23,262)	(23,722)	(24,197)	(24,197)
NNDR Top Up Grant	(60,770)	(63,100)	(73,392)	(70,192)	(70,192)	(72,192)
NNDR Income & Fees	(21,218)	(19,192)	(22,291)	(22,737)	(23,192)	(23,192)
Section 31 Grants	(6,737)	(16,160)	(4,000)	(5,283)	(6,631)	(6,631)
Bus Rates Pool Benefit	(2,000)	-	-	-	-	-
NNDR (Surplus)/Deficit	225	271	-	-	-	-
<b>Total</b>	<b>(113,298)</b>	<b>(122,805)</b>	<b>(122,945)</b>	<b>(121,934)</b>	<b>(124,211)</b>	<b>(126,211)</b>

- 6.14. There continues to be uncertainty around the business rates regime beyond 2023/24. A reset of the baseline is still assumed to take place although no actual date has been set; wider reforms to the existing system have been expected for some years but again, no date or definite decisions have been announced.

### Council Tax

- 6.15. The detailed financial modelling in this draft budget was prepared in advance of the Chancellor's Statement. The following assumptions were made about Council Tax:-
- A 1.99% increase in Council Tax in 2023/24 and for each subsequent year
  - A 1% increase in ASC Precept for 2022/23 to 2024/25 inclusive, as announced in the SR21
  - The tax base is forecast to grow by 1.5% in 2023/24 responding to the upswing in building activity post pandemic whereafter assumed growth returns to 1% pa to the end of the MTFS planning period
  - The collection rate is assumed to continue on a post pandemic improvement and is forecast at 96.0% in 2023/24 before increasing to 97.00% in the subsequent years. These assumptions will be kept under review between now and the final budget report to assess any negative impact of the cost of living crisis. Further ahead, the Council must aspire to increase collection rates.
  - The Council Tax Collection Fund account surplus was refined and reduced as part of last year's financial planning process to reflect the forecast impact of the C19 pandemic on revenues. This has now been further amended to remove any surplus beyond 2024/25.
- 6.16. The resulting projections for Council Tax income and Band D rates are set out in Table 6.2 below. These figures are subject to confirmation of the council tax

base, which is due to be finalised in January 2023 and formal Council ratification of Council Tax Rates in March 2023.

Table 6.2

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000	£'000	£'000
Taxbase before collection rate	80,151	82,823	84,065	84,906	85,755	86,613
Taxbase change	3.50%	1.50%	1.00%	1.00%	1.00%	1.00%
Taxbase for year	82,823	84,065	84,906	85,755	86,613	87,479
Collection Rate	95.75%	96.00%	97.00%	97.00%	97.00%	97.00%
<b>Taxbase after collection rate</b>	<b>79,303</b>	<b>80,702</b>	<b>82,359</b>	<b>83,182</b>	<b>84,015</b>	<b>84,855</b>
Council Tax increase	1.99%	1.99%	1.99%	1.99%	1.99%	1.99%
Social Care precept	1.00%	1.00%	1.00%	0.00%	0.00%	0.00%
Band D rate	1,484	1,529	1,574	1,606	1,637	1,670
<b>Council Tax Before Surplus</b>	<b>117,696</b>	<b>123,353</b>	<b>129,649</b>	<b>133,550</b>	<b>137,570</b>	<b>141,710</b>
<b>Previous Year (Estimated) Surplus</b>	<b>1,950</b>	<b>1,950</b>				
<b>Council Tax Yield</b>	<b>119,646</b>	<b>125,303</b>	<b>129,649</b>	<b>133,550</b>	<b>137,570</b>	<b>141,710</b>

## Grants

- 6.17. The Council receives a number of grants in addition to its main funding allocation. The Council is mostly allowed to use these grants to fund any council services, but some are ring-fenced, which means they can only be spent on specific services. As described earlier, it is expected that many of these grant figures will change before February.

## Social Care Grants

- 6.18. The SR21 announced that specific grants would remain 'cash flat' and this draft Budget and MTFS assumes that this doesn't change. Table 6.3 shows Social Care related grants and assumptions.

Table 6.3

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Revenue Support Grant</b>						
Better Care Fund (BCF) - (CCG Contribution)	6,047	6,388	6,388	6,388	6,388	6,388
Improved & Add'l Imp Better Care Fund (iBCF)	9,806	9,847	9,847	9,847	9,847	9,847
Social Care Support Grant	11,905	12,045	12,045	12,045	12,045	12,045
Mkt Sustainability & Fair Cost of Care Fund	775	tbd	tbd	tbd	tbd	
<b>Total</b>	<b>28,533</b>	<b>28,280</b>	<b>28,280</b>	<b>28,280</b>	<b>28,280</b>	<b>28,280</b>

- 6.19. It should also be noted that all these social care grants have been allocated directly against the relevant service budget heads rather than being kept corporately.

## Housing Prevention Grant (HPG)

- 6.20. The Government has been consulting on the funding arrangements for the HPG for 2023/24 onwards with the stated aim of deriving a new funding formula based on current homelessness pressures, with the aim of ensuring that funding is distributed fairly to local authorities and is driven by a current picture of need.
- 6.21. The final methodology has not yet been confirmed by Government. They are though proposing to mitigate against any financial losses or gains in the short-term, by introducing transitional arrangements and capping the percentage

change in funding for each local authority at 5% in 2023/4 and 10% in 2024/25.

- 6.22. This draft Budget has made no adjustments to the existing grant funding level of £8.4m. This will be kept under review and an update provided in February.

### Core Grants

- 6.23. The current assumptions about the level of Core grants anticipated to be received in 2023/24 and across the remainder of the MTFS are set out below:
- Revenue Support Grant (RSG) is a core grant but fundamentally linked to the Business Rates system and so discussed in the Section above.
  - The Local Council Tax Support Administration grant and the Housing Benefit Admin grant are assumed to be cash flat but continue across the MTFS;
  - The Public Health (PH) grant is currently still assumed as cash flat across the MTFS however in recent years some uplift has been applied. Announcements of the final value are normally received after the final budget reports but it must be noted that this grant is ring-fenced to PH activity;
  - New Homes Bonus, Lower Tier Services Grant and the 2022/23 Service Grant – the current MTFS already assumed that these grants would be phased out. This continues to be the thinking however, based on the last SR21 announcements, the draft MTFS assumes that a similar level of cash flat funding as received in 2022/23 will continue across the whole period. This funding is one of the greatest risks regarding any further decisions at central government level around the Levelling up agenda. Final figures will be included in the February report.
- 6.24. Table 6.4 shows the Core grant values across the MTFS period currently assumed.

**Table 6.4**

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Grant	£'000	£'000	£'000	£'000	£'000	£'000
Council Tax Support Admin Grant	(457)	(457)	(457)	(457)	(457)	(457)
Housing Benefit Admin Grant	(1,351)	(1,351)	(1,351)	(1,351)	(1,351)	(1,351)
Public Health Grant	(20,353)	(20,353)	(20,353)	(20,353)	(20,353)	(20,353)
New Homes Bonus (NHB) / Replacement Funding	(1,208)	(1,208)	(1,208)	(1,208)	(1,208)	(1,208)
2022/23 Service Grant / Replacement Funding	(5,652)	(5,652)	(5,652)	(5,652)	(5,652)	(5,652)
Lower Tier Services Grant / NHB Replacement	(796)	(796)	(796)	(796)	(796)	(796)
<b>Total</b>	<b>(29,817)</b>	<b>(29,817)</b>	<b>(29,817)</b>	<b>(29,817)</b>	<b>(29,817)</b>	<b>(29,817)</b>
RSG	(22,797)	(24,624)	(23,262)	(23,722)	(24,197)	(24,197)
<b>Total (inc. RSG)</b>	<b>(52,614)</b>	<b>(54,441)</b>	<b>(53,079)</b>	<b>(53,539)</b>	<b>(54,013)</b>	<b>(54,013)</b>

### Fees and Charges

- 6.25. The Council's policy in relation to varying external income requires service managers to review the level of fees and charges annually as part of budget setting and that charges should generally increase by the rate of inflation to maximise allowable income.

- 6.26. The setting of fees and charges, along with raising essential financial resources, can contribute to meeting the Council's objectives. Through the pricing mechanism and wider market forces, outcomes can be achieved, and services can be promoted through variable charging policies and proactive use of fees to promote or dissuade certain behaviours.
- 6.27. In the main, fees and charges are set at a level where the full cost of provision is recovered through the price structure. However, in many circumstances those charges are reduced through subsidy to meet broader Council priorities.
- 6.28. Each year the Council reviews the level of its fees and charges through consideration of a report by the Cabinet and its Regulatory Committee where it is a requirement that they are considered and approved outside of the Executive.
- 6.29. The proposed 2023/24 fees and charges will be presented to Cabinet in February 2023.

### **Use of Reserves**

- 6.30. The Council's (Non-Earmarked) General Fund Balance is held to cover the net impact of risks and opportunities and other unforeseen emergencies. The funds held in the General Fund Reserve can only be used once and therefore are not a recurring source of income that can meet permanent budget gaps.
- 6.31. In setting a balanced budget for 2022/23 the Council agreed to use £4.7m of the Strategic Budget Planning reserve which had been previously earmarked for this purpose, in anticipation of the timescales that would be associated with responding to future budget changes. Last year's MTFS assumed the balance of this reserve, a further £5.5m, would be utilised to balance the 2023/24 Budget, again in recognition of the need to part smooth the step-up in savings requirements. The draft 2023/24 Budget now presented still assumes the need to draw down on this £5.5m.
- 6.32. The March 2023 Full Council report will provide a more comprehensive review of the overall sufficiency of Council reserves as part of the S151 statement included in the Final Budget/MTFS report. However, it should be recognised here that the need to maintain sufficient levels of reserves to help the authority cope with unforeseen changes in circumstances must be more important now than ever before.

## Summary of Funding Assumptions

- 6.33. A summary of the currently assumed funding levels and sources is set out in Table 6.5 below.

**Table 6.5**

	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28
Funding Source	£'000	£'000	£'000	£'000	£'000	£'000
Council Tax	(117,884)	(123,353)	(129,649)	(133,550)	(137,570)	(141,710)
Council Tax Surplus	(1,925)	(1,950)	-	-	-	-
RSG	(22,797)	(24,624)	(23,262)	(23,722)	(24,197)	(24,197)
Top up Business Rates	(60,770)	(63,100)	(73,392)	(70,192)	(70,192)	(72,192)
Retained Business Rates	(21,218)	(19,192)	(22,291)	(22,737)	(23,192)	(23,192)
Section 31 Grants	(6,737)	(16,160)	(4,000)	(5,283)	(6,631)	(6,631)
NNDR Surplus/(Deficit) - C19 impact	225	271	-	-	-	-
NNDR Pool	(2,000)	-	-	-	-	-
New Homes Bonus	(1,208)	(1,208)	(1,208)	(1,208)	(1,208)	(1,208)
Public Health	(20,353)	(20,353)	(20,353)	(20,353)	(20,353)	(20,353)
Other core grants	(8,256)	(8,256)	(8,256)	(8,256)	(8,256)	(8,256)
<b>Total External Funding</b>	<b>(262,924)</b>	<b>(277,925)</b>	<b>(282,410)</b>	<b>(285,300)</b>	<b>(291,598)</b>	<b>(297,738)</b>
Contributions from Reserves	(4,564)	(5,500)	-	-	-	-
<b>Total Funding</b>	<b>(267,487)</b>	<b>(283,425)</b>	<b>(282,410)</b>	<b>(285,300)</b>	<b>(291,598)</b>	<b>(297,738)</b>

## 7. General Fund Revenue Assumptions

### 7.1. 2022/23 Financial Performance – General Fund Revenue

- 7.2. The 2022/23 Budget Update report, also part of this Cabinet agenda, provides an update on the Qtr2 budget position. It continues to differentiate between the base budget pressures and forecast non-delivery of MTFS savings.
- 7.3. Already at Qtr1, services were forecasting £15.7m variance from the agreed budget. The forecast at Qtr2 has stayed relatively constant, now showing £16.1m an increase of £0.4m compared to Qtr1.
- 7.4. The £16.1m consists of £8.1m base budget pressures and £8.0m non-delivery of agreed savings. The base budget pressures are largely driven by the two care services as they continue to report not only increased demand but also increased complexity and acuity which has a big impact on the cost of the care package. This pressure is being offset by underspends elsewhere.
- 7.5. Challenges in delivering the agreed MTFS savings is being felt across most Directorates and arise mainly due to capacity in the service, reassessment of the original proposals or wider environmental changes. Where it is not possible to achieve plans in this year, savings have been re-profiled into future years; where genuinely not deliverable because the original assumptions are no longer viable or are unable to deliver to the value originally intended, this has been recognised and they have been written out of the draft Budget.

- 7.6. It is not clear at this point the extent that the cost of living crisis will have on residents ability to pay council tax and other fees and charges and businesses ability to pay business rates. This will be reviewed in detail as part of the closure of the 2022/23 accounts when existing provisions for bad debt are re-calculated.
- 7.7. The impact of the persistent high levels of inflation is playing into the base budget pressures. The 2022/23 Budget was set including prudent assessments of pay and general inflation rates, albeit these were necessarily constrained by the availability of funding. The nationally negotiated pay settlement was c.1.2% higher than budgeted for which is adding an additional pressure of c. £1.6m to 2022/23 and will also impact on the 2023/24 budgets. Inflationary pressure on index linked contracts is manifesting as supply side costs linked to foreign currencies where the pound sterling has fallen. Borrowing costs have risen due to these wider economic factors and this is also being closely tracked as we progress through the year.
- 7.8. The number of identified pressures and overall volatility is concerning and makes forecasting in year open to considerable challenges. Furthermore, many of the issues are outside the direct control of Council.
- 7.9. Despite this, the financial planning process to date has sought to acknowledge and respond to these factors and to ensure that as far as possible they are addressed in the draft Budget for 2023/24.
- 7.10. **The 2023/24 Budget and 2023/28 MTFs Strategy**
- 7.11. It became clear early on in this year that the financial situation had worsened for most local authorities, this Council included, and this has been key in shaping the approach to the financial planning work for 2023/24. There has been a further step-up in finance and budget dialogue with managers throughout the Council, mirrored by Cabinet members.
- 7.12. Strategies are aimed at driving efficiencies from focussing on getting the basics right, collecting all the income due to the Council, improving commissioning strategies, implementing 'Digital First' to modernise customer services and minimise transactional costs, and putting a challenge to the existing and proposed capital programme.
- 7.13. The number of identified pressures, unknowns and overall volatility is concerning and makes setting a balanced 2023/24 Budget challenging. Furthermore, many of the issues are outside the Council's direct control. The financial planning process to date has sought to acknowledge and respond to these factors but due to timings and matters still evolving, this cannot as yet be finalised. This draft Budget incorporates the Council's current best estimate of the level of government funding for 2023/24.
- 7.14. The detailed draft funding allocations following the Chancellor's Statement will be announced in the Provisional Local Government Funding Settlement in



late December, after this report is published. It is clear though that this is the start of a challenging period. Therefore, it is essential that a strong focus is maintained on decisions impact on the sustainability of the future years of the MTFS.

- 7.15. For 2023/24 the emphasis has been on building on the Administrations ambitions of becoming a **competent, radical and collaborative** Council. Strategies will cover:
- Looking to drive efficiencies via focussing on doing things well
  - Recognising that optimising Value for Money (VFM) (Efficiency, Effectiveness and Economy) is central to protecting services
  - Looking to improving income collection
  - Fees and charges review work
  - Digital – to improve and modernise customer services, making it easier for residents to access services and to minimise transactional costs
  - Tight control on the Capital programme
- 7.16. For 2024/25+, given the poor forecasts for local authority finances, the Council must plan early for the change work and other measures necessary to ensure our services meet needs and commitments while maintaining financial sustainability.
- 7.17. **Budget Growth / Pressures**
- 7.18. The main corporate assumptions across the MTFS period are outlined below followed by a section focussing on the policy priorities and service specific items.
- 7.19. **Pay Inflation**
- 7.20. The pay deal for 2022/23 has recently been agreed at a flat rate / employee. This amounted to an average 5.4% increase which is c. £1.6m above the funding set aside for this purpose.
- 7.21. Although inflation continues in double digits currently, the forecast in the Autumn statement is for this to only fall back to c. 7.4% during the course of 2023/24. This draft Budget, assembled before this update, currently assumes 4% for 2023/24 before reverting back to more stable 2% across the remainder of the MTFS period.
- 7.22. **Non-Pay Inflation**
- 7.23. The impact of inflationary increases in the demand led services is addressed as part of the overall annual demand modelling exercise. This draft Budget has assumed a 5% inflationary increase for the social care purchasing budgets for 2023/24 which totals £5.0m. This budgetary increase is currently assumed to be offset by an equal level of savings. These will focus on improved commissioning and efficiencies; looking to reduce or eliminate the need for out-of-borough care and build internal capacity; increased integration and collaboration across the social care sector.

- 7.24. For all other non-pay inflation, the assumption continues that the services will broadly have to manage within existing budgets, thus absorbing any inflationary pressures. However, in recognition that some contracts include inflation-linked increases and utility costs continue to be volatile and difficult to predict an annual allowance is built into the budget to address these items should they arise.
- 7.25. Due to the current inflation levels, pressure on energy costs and volatility of the sterling, services are forecasting significantly higher needs and as such c.£4.0m has been provided for 2023/24. Due to the various services impacted, the % increases vary from 14% to 25%. From 2024/25 the budget allowance returns to a more stable figure of c. £1.5m pa.
- 7.26. **Employer Pension Contributions**
- 7.27. The latest triennial valuation, covering the period 2023/24 - 2025/26, confirmed no change required for 2023/24 but that the Council would need to increase its contribution rate by 0.5% across each of the years 2024/25 & 2025/26. This is estimated to have a £0.6m budgetary impact each year and has been built into the draft Budget.
- 7.28. No assumptions have been made about the financial impact of the next triennial valuation (2026-2028).
- 7.29. **Treasury & Capital Financing**
- 7.30. The GF Budget and MTFS were updated to reflect the implications of the updated capital programme but subsequently interest rate costs have risen markedly as described in the Treasury section below (Section 8). The current estimates indicate that this could push treasury costs to be c. £3m higher than currently modelled in this updated Budget for 2023/24. The degree of volatility and uncertainty associated with markets at this moment is such that this needs to be reviewed between now and February. This represents one of the significant budget risks.
- 7.31. These figures may also require revision depending on the outcome of consultation and scrutiny of the capital investment proposals between now and the final Cabinet report in February 2023 & the final Treasury Management Strategy Statement presented to Full Council later that month. Government funding announcements with further detail following the Autumn budget statement SR21 may also cause some of these figures to be revisited (for example where it becomes clear that grant funding will be made available to fund certain capital schemes).
- 7.32. **Levies**
- 7.33. The current assumption that all Levy costs except the North London Waste Authority (NLWA) levy will remain broadly in line with the 2022/23 figures across the period.



- 7.34. The NLWA has seen significant increased income and cost savings so far this financial year. Less waste and higher recycling rates are forecast compared with the budget. On the back of this, the NLWA waived the November 2022 levy payment to each authority which represented £0.655m for Haringey. Due to the rising value of electricity, London Energy Ltd is also earning considerably more for electricity. NLWA are indicating that this additional income, coupled with retained surpluses, will be applied to reduce the 2023/24 levy.
- 7.35. Their next meeting will take place after the publication of this draft Budget report with final figures confirmed in February 2023 and therefore the impact of any benefit will be built into the final Budget report.
- 7.36. **Contingency**
- 7.37. The Council holds a single corporate contingency largely to manage any slippage to the agreed budget reduction programme in any one year as well as addressing unforeseen circumstances which cannot realistically be built into budget plans. This Budget assumes that the contingency for 2023/24 and across the remainder of the MTFS is £7.4m.
- 7.38. **Policy Priorities**
- 7.39. Despite the challenges outlined in this report, this draft Budget for 2023/24:
- Ensures we can continue to meet the significant need of our most vulnerable residents – through further, year on year additional investment in Children’s and Adult’s services. (£6m in 2023/24)
  - Drives value for money through a significant efficiency and reform agenda – with every area of the council contributing. (c£19m in savings and additional income)
  - Provides financial advice and support to residents who need it including through Council Tax Reduction, our Financial Support Team; and the Haringey Support Fund.
  - Maintains critical support for our children and young people with little direct funding by Central Government – including Free School Meals for an additional 650 children who are just above the entitlement threshold; Putting the funding for the Rising Green Youth Hub on a long-term footing.
- 7.40. **Service Growth Budget Adjustments**
- 7.41. The existing MTFS contains a level of growth assumed which has been reviewed and still be required.
- 7.42. The financial planning process this year again sought to identify and address existing budget challenges that could not be mitigated by services as well looking ahead and estimating new requirements largely driven by demographic change, inflation and the cost of living crisis.

- 7.43. Appendix 2 details the proposed additions by Directorate and these are summarised in the table below.

Growth	2023/24	2024/25	2025/26	2026/27	2027/28	Total
Culture Strategy & Engagement	1,130	(334)	(165)	(187)	(134)	310
Environment & Neighbourhoods	2,546	-	-	-	-	2,546
Adults, Health & Communities	6,000	-	-	-	-	6,000
Children's Services	4,875	312	-	-	-	5,187
Placemaking & Housing	230	(230)	-	-	-	-
<b>Total</b>	<b>14,781</b>	<b>(252)</b>	<b>(165)</b>	<b>(187)</b>	<b>(134)</b>	<b>14,043</b>

- 7.44. Attention is drawn to the c.£11.0m growth being added to the social care which is on top of the sums already built into the current MTFS.
- 7.45. The growth in the other Directorates is largely addressing recurring base budget pressures.

#### 7.46. Budget Reduction Proposals / Savings

- 7.47. The Council has previously agreed £1.394m savings to be delivered across the period 2023-2026 as outlined in the table below.

Management Area	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/ £'000	2027/28 £'000	Total £'000
Culture Strategy & Engagement	6					6
Environment & Neighbourhoods	(1,370)	1,360	170			160
Adults, Health & Communities	586	12				598
Children's Services	130	230				360
Placemaking & Housing	100	100	70			270
Corporate Budgets						-
<b>Total</b>	<b>(548)</b>	<b>1,702</b>	<b>240</b>	<b>-</b>	<b>-</b>	<b>1,394</b>

- 7.48. The 2022/23 financial planning process did not propose any additional savings, instead acknowledged that the new and any brought forward delivery programme for 2022/23, which became £20m, was challenging.
- 7.49. As is the practice at this Council, existing savings plans have been reviewed and challenged robustly to ensure that they can still be met as originally agreed and if not, looks to re-profile. If after all actions have been explored, the savings targets are still acknowledged to be undeliverable, they are proposed to be written out of the financial plans.
- 7.50. This outcome of this process is shown in the table below and the implications built into this draft Budget. In total c.£8.9m of savings won't be delivered as planned, though nearly £3m of these will be in later years.

Amended Savings	2023/24	2024/25	2025/26	2026/27	2027/28	Total £'000
Culture Strategy & Engagement	2,967	(525)	(1,860)			582
Environment & Neighbourhoods	490					490
Adults, Health & Communities	5,421	(486)				4,935
Children's Services						-
Placemaking & Housing						-
<b>Total</b>	<b>8,878</b>	<b>(1,011)</b>	<b>(1,860)</b>	-	-	<b>6,007</b>

- 7.51. It should be noted that the major adjustment in Culture, Strategy and Engagement relates to the cross-council Digital Together saving. This programme has now been refocussed and requires a wider timeframe to deliver; hence it has been re-profiled out across 2024/25 & 2025/26. In Adults, Health and Communities, the majority of the final year of a challenging savings programme has been removed but has been replaced by a similar level of new proposals (see below).
- 7.52. The table below sets out the new savings proposals in this budget, by Directorate across the period. It can be seen that the majority of these are planned for delivery in 2023/24.
- 7.53. The main components of the Environment and Neighbourhoods proposals relate to parking and highways and are based on our current policy of implementing LTNs. We have committed to reviewing the operation of the LTN schemes and if changes are made as part of that process, these projections will be adjusted to reflect that. Appendix 3 provides further details of the proposals

New Savings	2023/24	2024/25	2025/26	2026/27	2027/28	Total £'000
Culture Strategy & Engagement	(1,157)	(870)	(210)	(5)	(5)	(2,247)
Environment & Neighbourhoods	(6,614)	869	(1,289)	6	(44)	(7,072)
Adults, Health & Communities	(8,462)	(3,055)	159	100	-	(11,258)
Children's Services	(1,500)	-	-	-	-	(1,500)
Placemaking & Housing	(370)	(10)	-	-	-	(380)
<b>Total</b>	<b>(18,103)</b>	<b>(3,066)</b>	<b>(1,340)</b>	<b>101</b>	<b>(49)</b>	<b>(22,457)</b>

- 7.54. Overall, the impact of the above proposals delivers a net savings programme totalling £15.0m across the MTFS with the majority (£9.8m) to be delivered in 2023/24. This is seen in the table below.

Net Savings Proposed 2023-2028	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/ £'000	2027/28 £'000	Total £'000
Culture Strategy & Engagement	1,816	(1,395)	(2,070)	(5)	(5)	(1,659)
Environment & Neighbourhoods	(7,494)	2,229	(1,119)	6	(44)	(6,422)
Adults, Health & Communities	(2,455)	(3,529)	159	100	-	(5,725)
Children's Services	(1,370)	230	-	-	-	(1,140)
Placemaking & Housing	(270)	90	70	-	-	(110)
Corporate Budgets	-	-	-	-	-	-
<b>Total Savings</b>	<b>(9,773)</b>	<b>(2,375)</b>	<b>(2,960)</b>	<b>101</b>	<b>(49)</b>	<b>(15,056)</b>

7.55. It should be noted that these figures do not reflect any un-delivery of 2022/23 savings which would add to these totals.

7.56. **Summary Revenue Budget Position 2023/24 – 2027/28**

7.57. After taking into account the proposed amendments to existing plans and funding, the new savings and growth proposals discussed in the sections above, the current draft revenue Budget position for next year and across the MTFS period is set out in the table below. The proposed 2023/24 General Fund Budget currently has a budget gap of £3.1m after the planned application of £5.5m from the Strategic Budget Planning reserve. Work will continue to ensure completion of a balanced final Budget.

	2022/23 Budget	2023/24 Draft Budget	2024/25 Projected	2025/26 Projected	2026/27 Projected	2027/28 Projected
Directorate	£'000	£'000	£'000	£'000	£'000	£'000
Adults, Health & Communities	109,648	114,586	114,135	117,082	120,003	120,003
Children's Services	52,006	57,300	57,590	57,610	57,630	57,230
Culture, Strategy & Engagement	31,581	34,763	33,034	30,799	31,157	31,018
Environment & Neighbourhood	14,785	12,387	16,902	19,043	19,049	19,005
Placemaking & Housing	8,000	7,148	6,433	6,363	6,333	6,333
Chief Executive	287	295	295	295	295	295
Corporate Governance	1,531	1,809	1,809	1,809	1,809	1,809
Finance	45,086	52,774	66,760	75,581	83,630	91,664
<b>Council Cash Limit</b>	<b>262,924</b>	<b>281,062</b>	<b>296,958</b>	<b>308,582</b>	<b>319,906</b>	<b>327,357</b>
Planned Contributions from Reserves	(4,564)	(5,500)				
Further Savings to be Identified	-	(3,138)	(14,548)	(23,282)	(28,308)	(29,619)
<b>Total General Fund Budget</b>	<b>258,360</b>	<b>272,425</b>	<b>282,410</b>	<b>285,300</b>	<b>291,598</b>	<b>297,738</b>
Council Tax	(117,884)	(123,353)	(129,649)	(133,550)	(137,570)	(141,710)
Council Tax Surplus	(1,925)	(1,950)	-	-	-	-
RSG	(22,797)	(24,624)	(23,262)	(23,722)	(24,197)	(24,197)
Top up Business Rates	(60,770)	(63,100)	(73,392)	(70,192)	(70,192)	(72,192)
Retained Business Rates	(21,218)	(19,192)	(22,291)	(22,737)	(23,192)	(23,192)
Section 31 Grants	(6,737)	(16,160)	(4,000)	(5,283)	(6,631)	(6,631)
NNDR Surplus/(Deficit)	225	271	-	-	-	-
NNDR Growth	(2,000)	-	-	-	-	-
<b>Total Main Funding</b>	<b>(233,107)</b>	<b>(248,108)</b>	<b>(252,594)</b>	<b>(255,483)</b>	<b>(261,781)</b>	<b>(267,922)</b>
New Homes Bonus	(1,208)	(1,208)	(1,208)	(1,208)	(1,208)	(1,208)
Public Health	(20,353)	(20,353)	(20,353)	(20,353)	(20,353)	(20,353)
Other core grants	(8,256)	(8,256)	(8,256)	(8,256)	(8,256)	(8,256)
<b>Total Core/Other External Grants</b>	<b>(29,817)</b>	<b>(29,817)</b>	<b>(29,817)</b>	<b>(29,817)</b>	<b>(29,817)</b>	<b>(29,817)</b>
<b>Total Income</b>	<b>(262,924)</b>	<b>(277,925)</b>	<b>(282,410)</b>	<b>(285,300)</b>	<b>(291,598)</b>	<b>(297,738)</b>

7.58. After taking into account the proposed amendments to existing plans and funding, the new savings and growth proposals discussed in the sections above, the current draft revenue Budget position for next year and across the MTFS period is set out in the table below. The proposed 2023/24 General Fund Budget currently has a budget gap of £3.1m after the planned

application of £5.5m from the Strategic Budget Planning reserve. Work will continue to ensure completion of a balanced final Budget.

**7.59. Review of assumptions and risks 2023/24 – 2027/28**

7.60. The Council's Section 151 Officer has a statutory responsibility to assess the robustness of the Council's budget and to ensure that the Council has sufficient contingency/reserves to provide against known risks in respect of both expenditure and income. This formal assessment will be made as part of the final report on the Council's budget in March 2023 and will draw on independent assessments of the Council's financial resilience where available however, it is critical that this report outlines the assumptions and approach to risk taken when arriving at the budget proposals included in the draft Budget & MTFS.

7.61. Given the increased financial pressure that is falling upon this council's budget and the uncertain national political and economic picture, this statutory role is acquiring more and more significance. The number and breadth of potential risks and level of uncertainty, particularly around the legacy impact of the Covid-19 pandemic, inflationary levels, cost of living crisis and levels of Government funding, underlines the need to maintain both a budgeted resilience contingency and keep general and earmarked reserves at current levels.

7.62. The main uncertainties and risks identified to date which my impact on the Council's budget for 2023/24 and over the period of the MTFS are:

- Detailed grant funding figures for 2023/24 and beyond have yet to be announced and are subject to the final local government settlement expected in January 2023; and it is likely that current assumptions will need significant revisions.
- The ongoing economic impact of inflation and the war in Ukraine is likely to continue to put pressure on costs and supply chain.
- Level of interest rates and their subsequent impact on borrowing costs.
- These will continue to place stress on individuals and businesses manifesting in the cost of living crisis.
- While significant progress has been made working with the DfE on the Safety Valve programme, final confirmation of support has yet to be received; furthermore, delivery of the agreed strategy will be challenging.
- The Levelling Up agenda and associated funding distribution methodologies could be negative for this Council's funding allocations.
- Planned actions to increase Council managed temporary accommodation options do not progress at the pace expected.
- The Council's savings programmes do not deliver the required savings, do not deliver savings quickly enough.
- Any further deterioration in the forecast 2022/23 position including non-delivery of in year savings
- The ability to retain and attract suitably qualified and skilled workforce hampers the delivery of the Council's ambitions.

## 8. Council's Capital Strategy and Capital Programme 2023/24 – 2027/28

- 8.1 This capital strategy report gives a high-level overview of how capital expenditure, capital financing, and treasury management activities contribute to the provision of public services in Haringey. It also provides an overview of how the risks of the capital programme are managed and the implications for future financial sustainability.
- 8.2 The current economic environment has impacted the capital programme in a number of ways. Inflation and the subsequent Bank of England response in raising interest rates has meant that the interest that the Council pays on the borrowing that it undertakes to fund the capital programme (both the existing capital programme and the proposed additions) has increased significantly. The increase in inflation has impacted the cost of raw materials and the tightness in the supply chain for capital works (labour and materials) has added both cost and time to schemes. In addition, the increased costs are making it increasingly difficult to achieve self-financing business cases for those schemes where this is expected.
- 8.3 Looking forward, the Council's capital investment proposals include continued investment in the school estate. The budget proposals include the potential development of Edwards Drive into a centre for adults with learning difficulties as well as funding for the locality's strategy.
- 8.4 There is increased investment in the infrastructure of the borough's parks and streets. The proposals double the planned investment in the Active Life In Parks programme and the Parks Asset Management for 2023/24. Historically the Council received significant funding from TfL to support the highways of the borough. The pandemic hit TfL's finances hard, and it has not been able to provide the level of support to borough's as it used to. The Council's proposals allow for funding of the type of work previously funded by TfL in 2023/24 to be met by Council borrowing. In future years it has been assumed that external grant will be available to fund these works. There is also significant new investment in the Cycling & Walking Action Plan in 2023/24 and again in future years the investment is dependent on the Council identifying external funding.
- 8.5 The Council is continuing to invest in its economic infrastructure with funding for the construction for the Wards Corner, the Gourley Triangle and the Selby Urban Village schemes. Progression to construction will be subject to a successful business case for each scheme. There is also additional investment in school streets and investment in School Clean Air Zones and investment in the Council's commercial and operational property.
- 8.6 The Council is also investing in its digital offering to ensure that our customers receive the best possible service as well enhancements to its digital infrastructure.
- 8.7 The Council continues to invest in housing through its new homes programme. This expenditure is contained within the housing revenue account (HRA).



## Background

- 8.8 Capital expenditure in local government is defined in statute and accounting practices/codes and as such must be complied with. Within these rules, capital budgets and capital expenditure decisions offer the opportunity for the Council to profoundly affect the lives of its residents, businesses, and visitors in both the immediate and the longer term.
- 8.9 Capital programmes can shape the local environment (e.g. through the provision of new housing, traffic schemes or regeneration schemes); positively impact people's lives (e.g. through creating appropriate housing for adults with learning difficulties or investment in parks and open spaces); transform the way the Council interacts with local residents (e.g. through the libraries investment programme or proposals for locality provision); and deliver fit for purpose schools.
- 8.10 The key objectives for the Council's capital programme are to deliver the borough plan and assist the Council in meeting the service and financial challenges that it continues to face.

## Capital expenditure and financing

- 8.11 Capital expenditure is where the Council spends money on a project, with the view to derive societal, service and economic benefit from the expenditure, for a period longer than twelve months. This can also include spending on assets owned by other bodies, and loans and grants to other bodies enabling them to buy assets.
- 8.12 The table below shows a high-level summary of the Council's outline capital spending in the medium-term i.e., for the financial years 2023/24-2027/28, which shows the continued and growing capital investment that is being undertaken to support the achievement of the borough plan objectives and to improve people's lives.

Table 8.1: Capital expenditure plans overview 2023/24 - 2027/28

	2022/23 Budget (£'000)	2023/24 Budget (£'000)	2024/25 Budget (£'000)	2025/26 Budget (£'000)	2026/27 Budget (£'000)	2027/28 Budget (£'000)	Total (£'000)
<b>Previously Agreed</b>							
<b>General Fund Account (GF)</b>	259,670	245,718	164,279	101,153	41,119		<b>811,939</b>
<b>Housing Revenue Account (HRA)</b>	276,900	453,834	323,065	228,633	227,953		<b>1,510,385</b>
<b>Total =</b>	<b>536,570</b>	<b>699,552</b>	<b>487,344</b>	<b>329,786</b>	<b>269,072</b>		<b>2,322,324</b>
<b>Proposed</b>							
<b>General Fund Account (GF)</b>		289,385	196,864	207,825	232,451	15,355	<b>941,880</b>
<b>Housing Revenue Account (HRA)</b>		262,962	289,102	322,107	305,880	246,218	<b>1,426,269</b>
<b>Total =</b>		<b>552,347</b>	<b>485,966</b>	<b>529,932</b>	<b>538,331</b>	<b>261,573</b>	<b>2,368,149</b>

8.13 The capital programme is composed of individual directorate programmes. Within these directorate totals there are schemes and within most schemes there are individual projects. For instance, Scheme 302, Borough Roads, will contain individual projects on individual roads.

8.14 Where additional funding is proposed for an existing scheme, this will be added to the scheme rather than creating a new scheme. A full list of proposed additions to the capital programme are contained in appendix 5.

8.15 About 20% of the capital programme, down from a 33% last year, is composed of schemes that are wholly funded by Council borrowing and not self-financing or met from external resources. These schemes largely reflect the statutory duties of the council. In large part these schemes are not able to attract external resources to either supplement or supplant Council borrowing as they are core to the Council's operation.

There are a range of schemes within the General Fund capital programme that will only proceed, if they are estimated to result in a net reduction in expenditure. That reduction will include the cost of financing the borrowing and contribute to the MTFS through making savings or increasing income. These schemes are known as self-financing schemes. The decision to proceed with these schemes will follow the production of a detailed business case that supports the investment and identifies reductions in expenditure.

8.16 The Children's Services capital programme is largely reliant on Council borrowing. For the period 2023/24-2027/28 the Council is planning to spend £74.5m, of which approximately £25.1m is funded through government grant leaving a borrowing requirement of £49.4m. The cost of the increased borrowing investment in schools falls on the Council's revenue account through increased borrowing costs.



- 8.17 The Adults, Health & Communities Services capital programme is £92.6m, of which much of the programme is self-financed at £75.9m. In addition, there is £11m of grant funded expenditure.
- 8.18 Within the Environment & Neighbourhoods directorate, the proposed capital programme for the period 2023/24-2027/28 is broadly estimated at £89.4m of which approximately £23.4m is externally funded.
- 8.19 The Placemaking & Housing capital programme has an estimated value of £600m, of which £232m is funded externally and £303.4m is self-financing. Council borrowing in this part of the capital programme is proportionately lower than in others at £64.6m. The majority of this borrowing is to match fund schemes in the South Tottenham Regeneration projects, the Wood Green Regeneration Strategy and the Corporate Landlord remediation works.
- 8.20 The basic premise for the Placemaking & Housing programme is to provide a funding envelope within the budget and policy framework (through the creation of enabling budgets) which equips the council with the ability to respond to opportunities in a timely way. This means that this capital programme is both front loaded and prone to reporting slippage.
- 8.21 The Culture, Strategy & Engagement capital programme is estimated at £91.2m with the majority, £72.3m funded through self-financing. £52.9m of this self-financing relates to the Civic Centre refurbishment and £20.1m relates to the Bruce Castle Museum restoration work.
- 8.22 The inclusion of a scheme within the capital programme is not necessarily permission to spend. Most schemes will be subject to the completion of an approved business case that validates the high-level cost and time estimates contained within the programme. An integral part of the business case will be an assessment of the risks that a project faces and once a project is agreed, the review of the risk register is a standing item on the agenda for the project's governance arrangements.
- 8.24 Service managers bid annually as part of the Council's budget setting process. The bids are assessed against their response to need in relation to the Council's priorities, the asset management plan and meeting the objectives of the medium-term financial strategy (MTFS). In addition, schemes have been considered for their contribution to economic recovery, to growth, and to jobs.
- 8.25 The Housing Revenue Account (HRA) is a ring-fenced account, which ensures that the Council's housing activities are not subsidised by the Council's non-housing activities. It also ensures that the Council's non-housing activities are not subsidised by its HRA. HRA capital expenditure is recorded separately.
- 8.26 The Capital Programme for 2023/24 has considered and been reviewed to ensure that it delivers in line with the Council's Carbon Reduction ambition. There are no projects that will increase the carbon footprint of the Council. There are several projects however, where there is the opportunity that these can be designed to ensure that at the delivery stages Zero Carbon requirements will be delivered. These include:

- Land Purchases for future development. At the development stage these projects will have to deliver on site the zero carbon requirements for Planning and the long-term asset owners and occupiers.
- Construction works (such as the Parkland Walk Bridge). The procurement for these works will include carbon within the selection for materials and contractors works.
- Road Safety Programme and Highways Maintenance. To deliver transport infrastructure that is safe and supports active travel options.
- School's capital Maintenance – the Council has just completed its Energy Action Plan for its schools, and this capital funding will deliver this through including carbon reduction measures (insulation, glazing, low carbon heating) within these programmes.
- Local Business Space Energy Improvements – With local SME's struggling with energy costs the Council will review its commercial portfolio and improving the energy efficiency levels, the heating and lighting systems
- Street Light upgrades – continuing the upgrades of lights to LED and new street light columns that can house electric vehicle charging points in the base.
- Parks Improvements – creating new biodiversity areas, tree planting, activity areas and active travel options in and around our parks.
- Active and health spaces around our schools - We are increasing the funding for our successful School Streets programme and introducing Healthy Schools Zones to improve air quality in our most polluted schools of the borough. Creating safe space and infrastructure to encourage active travel options.
- Delivering on our Walking and Cycling Action Plan - funding to successfully deliver on the Council's active travel ambition with improved and new infrastructure.

The table below details the proposed capital expenditure plans by directorate.

Table 8.2: Capital expenditure plans by directorate

	2023/24 Budget (£'000)	2024/25 Budget (£'000)	2025/26 Budget (£'000)	2026/27 Budget (£'000)	2027/28 Budget (£'000)	Total (£'000)
<b>Children's Services</b>	33,694	24,671	14,301	1,831	0	<b>74,496</b>
<b>Adults, Health &amp; Communities</b>	46,973	11,515	17,771	14,377	2,000	<b>92,637</b>
<b>Environment &amp; Neighbourhoods</b>	23,539	21,578	19,268	15,391	4,069	<b>83,845</b>
<b>Placemaking &amp; Housing</b>	133,622	114,281	144,265	198,676	8,886	<b>599,730</b>
<b>Culture, Strategy &amp; Engagement</b>	51,557	24,820	12,220	2,176	400	<b>91,173</b>
<b>Total General Fund (GF)</b>	<b>289,385</b>	<b>196,864</b>	<b>207,825</b>	<b>232,451</b>	<b>15,355</b>	<b>941,880</b>
<b>Housing (HRA)</b>	<b>262,962</b>	<b>289,102</b>	<b>322,107</b>	<b>305,880</b>	<b>246,218</b>	<b>1,426,269</b>
<b>Overall Total</b>	<b>552,347</b>	<b>485,966</b>	<b>529,932</b>	<b>538,331</b>	<b>261,573</b>	<b>2,368,149</b>

8.27 Appendix 4 includes the previously agreed schemes plus any changes since the last budget (up to and including the December 2022 Cabinet), plus the new schemes and adjustments proposed. This indicates how each scheme is financed:

H is for schemes that are funded by borrowing,

S is for schemes that are funded by the borrowing but where there are compensating savings are made in service budgets,

E is for schemes that are funded by an external party, and

Where there is more than one letter, this indicates that the scheme is funded from more than one source with the source contributing the most indicated first.

Appendix 5 provides details of the new and adjusted schemes. The following paragraphs provide a high-level description of each directorate's new capital proposals.

## 8.28 Children's Services

There is one new scheme, the Safety Valve scheme, of £7m (subject to a successful application to the Department for Education) proposed for Children's Services. If successful, this would part fund the creation of in borough specialist provision for children special educational need and disabilities (SEND). This would provide high quality provision at a lower cost through not sending children out of borough. The site or sites for the provision have not been identified at this time.

## 8.29 Adult, Health and Communities

There are two new schemes proposed for the area. The first, Edwards Drive, which is intended to develop much needed supported living facilities with integrated on-site health and care services for learning disabled adults. The Council would need to acquire the property from the NHS. The budget for this is £21m and is subject to a successful business case. The second scheme is to

take forward the Council's localities strategy to bring integrated services from a range of providers (the Council, NHS, voluntary sector) into 4-6 hubs and has a budget of 3m

### 8.30 Environment & Neighbourhoods

The existing Environment & Neighbourhood capital programme is designed to make the borough a cleaner and safer place where residents can lead active and healthy lives. The proposed new capital schemes build on these priorities with additional investment.

A previously significant source of funding for the borough's infrastructure was grants received from Transport for London (TfL). Due to the financial situation of TfL these grants have largely ceased. Even though these grants have ceased the works still need to be undertaken.

It is proposed to invest a further £1m in the road casualty reduction initiative with Council borrowing, £0.8m, as there was very limited funding provided by Transport for London (TfL), £0.2m.

Additional investment is proposed of £3.495m for investment in a range of road and pavement infrastructure which is being funded by the Council through borrowing as there was no TfL funding allocated.

There is a proposal to double the amount of investment in the Active Life in Parks programme, by £0.23m, and to double the investment in the Parks Asset Management, by £0.3m. In addition, there is additional investment in the Parkland Walk Bridges programme. The programme also allows for the continuation of investment in street lighting and borough roads in future years.

The level of funding for the borough roads scheme and the accident reduction scheme are included in the programme as being funded by Haringey borrowing in 2023/24, with a slight downward adjustment compared to the existing budget. In future years it has been assumed that there will be external funding provided to undertake the works.

### 8.31 Placemaking & Housing

There is a significant increase in the investment proposed for the Wards Corner scheme (£66m), the Gourley Triangle scheme (£108m), the Selby Urban Village scheme (£46.7m) and the SME intensification scheme (£11.4m). The proposed investment is in addition to existing budgets and subject to successful business cases. The investments are included within the capital programme on the basis that they are self-financing.

The Walking & Cycling Action Plan is included in the capital programme. In 2023/24 the three elements, Cycle Route Delivery, £1.75m, LTN Delivery, £1.2m, and Cycle Parking (Hangers) Delivery are funded through SCIL and limited TfL funding. The expenditure in future years will proceed if funding is identified.

Also included are proposals for the expansion of school streets, £0.4m, investment for Clean Air School Zones, £0.4m which are funded by borrowing. The expenditure in future years will proceed if funding is identified.

Further investment in the Council's assets are proposed for the operational buildings and the commercial portfolio.

### 8.32 Culture, Strategy & Engagement

The initial proposals contain further investment in the Council's IT assets. The move from an analogue telephone system to a digital one by BT (known as the Big Switch Off) will mean the replacement of existing lines in a range of buildings and services. The proposals also allow for continued investment in the IT estate such as the laptop refresh.

### 8.33 Financing

All capital expenditure must be financed from either an external source (government grant or other contributions), the Council's own resources (revenue, reserves, or capital receipts) or debt (borrowing, leasing, Private Finance Initiative). The Council's capital programme has moved to a financing strategy that seeks to ensure that investment via the capital programme is self-financing or funded from external resources wherever possible. The draft capital programme for 2023/24-2027/28 is analysed in the table below and shows that the majority of schemes being proposed (80%) are either self-financing or funded via external resources:

**Table 8.3: Financing Strategy**

	<b>General Fund Borrowing</b>		<b>External</b>	<b>Total</b>
	<b>Met from General Fund</b>	<b>Self Financing met from Savings</b>		
	<b>(£'000)</b>	<b>(£'000)</b>	<b>(£'000)</b>	<b>(£'000)</b>
Children's Services	43,672	5,700	25,124	<b>74,496</b>
Adults, Health & Communities	5,708	75,923	11,006	<b>92,637</b>
Environment & Neighbourhoods	54,938	6,779	22,128	<b>83,845</b>
Placemaking & Housing	64,285	311,435	224,010	<b>599,730</b>
Culture, Strategy & Engagement	18,842	72,331	0	<b>91,173</b>
<b>Total</b>	<b>187,444</b>	<b>472,168</b>	<b>282,268</b>	<b>941,880</b>

- 8.34 The self-financing schemes will normally only proceed if they produce a reduction in expenditure that includes reductions enough to cover the cost of financing the investment. This is necessary to ensure that the investment contributes to meeting the financial challenges that the Council faces. It is noted however, that in some limited circumstances, that schemes may proceed even if they do not produce a reduction in expenditure enough to cover the cost of financing the investment.
- 8.35 As debt needs to be repaid the Council is required by statute to set aside from its revenue account an annual amount sufficient to repay borrowings. This is known as the minimum revenue provision (MRP). The MRP for the period is set out below:

Table 8.4: Estimated MRP

	2022/23 Forecasts (£'000)	2023/24 Forecasts (£'000)	2024/25 Forecasts (£'000)	2025/26 Forecasts (£'000)	2026/27 Forecasts (£'000)	2027/28 Forecast (£'000)
MRP	13,368	19,145	25,586	29,282	33,918	37,948

- 8.36 The Council's underlying need to borrow to finance its capital programme is measured by the capital financing requirement (CFR). This increases when new debt financed capital expenditure is incurred and reduces when MRP is made. The increase in MRP in 2022/23 is partially due to the end of the MRP holiday and was addressed in detail in the Treasury Management Strategy considered by Council in February 2021.

Table 8.5: Prudential Indicator: Estimates of Capital Financing Requirement

	2022/23 Budget (£'000)	2023/24 Budget (£'000)	2024/25 Budget (£'000)	2025/26 Budget (£'000)	2026/27 Budget (£'000)	2027/28 Budget (£'000)
CFR	1,375,493	1,540,063	1,901,188	2,293,138	2,568,101	2,713,322

### Asset Management

- 8.37 The Asset Management Plan is the subject of a separate report and will be considered at the February Cabinet.

### Asset Disposals

- 8.38 When a capital asset is no longer needed, it may be sold, and the proceeds (known as capital receipts) can be spent on new assets or can be used to repay debt. Repayments of grants, loans and non-treasury investments also generate capital receipts. The Council is currently permitted by legislation to spend capital receipts to deliver cost reductions and/or transformation. This is known as the flexible use of capital receipts and this flexibility is currently due to expire on the 31st March 2025.



- 8.39 As stated above, capital receipts can be used to fund capital expenditure or repay debt. The budget assumption is that capital receipts will not fund capital expenditure or debt repayment. It is anticipated that the capital receipts received in the MTFS period covered by the flexibility (up to 31st March 2025) will be used to deliver cost reductions and/or transformation. There is a separate policy statement and schedule of proposed initiatives to utilise capital receipts flexibly.

### **Treasury Management**

- 8.40 The Council has a separate Treasury Management Strategy Statement (TMSS) that outlines in detail the Council's treasury management matters. The Capital Strategy document repeats some of the information contained within the TMSS but places the information in the context of the capital programme and Borough Plan.
- 8.41 Treasury management is the management of the Council's investments, cash flows, its banking and capital market transaction and the effective control of the risks associated with those activities. Surplus cash is invested until required in accordance with the guidelines contained on the approved TMSS, while a short term liquidity requirements can be met by borrowing. This is to avoid excess credit balances or overdrafts at the bank. The Council is typically cash rich in the short term as cash revenue income is received before it is spent but cash poor in the long-term as capital expenditure is incurred before it is financed. The revenue cash surpluses are offset against capital cash shortfalls to reduce borrowing.

### **Borrowing Strategy**

- 8.42 The council's main objectives when borrowing is to achieve a low but certain cost of finance while retaining flexibility should its plans change in the future. These objectives are often in conflict as the Council seeks to strike a balance between cheap short-term loans and long-term fixed loans where the future cost is known, but higher.
- 8.43 Projected levels of the Council's total outstanding debt (which comprises borrowing, PFI liabilities and leasing) are shown below and compared to the capital financing requirement.

Table 8.6: Prudential Indicator: Gross Debt and the Capital Financing Requirement

	31/3/22 Actual (£'000)	31/3/23 Budget (£'000)	31/3/24 Budget (£'000)	31/3/25 Budget (£'000)	31/3/26 Budget (£'000)	31/3/27 Budget (£'000)	31/3/28 Budget (£'000)
Borrowing Debt	700,415	1,204,505	1,362,827	1,700,076	2,064,552	2,309,280	2,423,369
PFI & Lease Debt	26,701	19,471	17,421	12,690	9,802	8,849	8,849
<b>Total Debt</b>	<b>727,116</b>	<b>1,223,976</b>	<b>1,380,247</b>	<b>1,712,766</b>	<b>2,074,353</b>	<b>2,318,129</b>	<b>2,432,218</b>
Capital Financing Requirement	972,537	1,375,493	1,540,063	1,901,188	2,293,138	2,568,101	2,713,322

8.44 Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. As can be seen from the above, the Council expects to comply with this requirement.

#### Affordable Borrowing Limit

8.45 The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower operational boundary is also set as a warning level should debt approach the limit.

Table 8.7: Prudential Indicator: Authorised limit and operational boundary for external debt

	2022/23 limit (£'000)	2023/24 limit (£'000)	2024/25 limit (£'000)	2025/26 limit (£'000)	2026/27 limit (£'000)	2027/28 limit (£'000)
Authorised limit – borrowing	1,286,022	1,452,642	1,818,497	2,213,336	2,489,252	2,634,473
Authorised limit – PFI & leases	25,702	22,995	16,751	12,938	11,681	11,681
<b>Authorised limit – total external debt</b>	<b>1,311,724</b>	<b>1,475,637</b>	<b>1,835,249</b>	<b>2,226,274</b>	<b>2,500,932</b>	<b>2,646,154</b>
Operational boundary - borrowing	1,236,022	1,402,642	1,768,497	2,163,336	2,439,252	2,584,473
Operational boundary – PFI & leases	23,366	20,905	15,228	11,762	10,619	10,619
<b>Operational boundary – total external debt</b>	<b>1,259,387</b>	<b>1,423,547</b>	<b>1,783,726</b>	<b>2,175,098</b>	<b>2,449,871</b>	<b>2,595,092</b>

8.46 Although capital expenditure is not charged directly to the revenue account, interest payable on loans and MRP are charged to revenue, offset by any investment income receivable. The net annual charge is known as financing costs. This is compared to the net revenue stream i.e., the amount funded from Council Tax, business rates and general government grants.



8.47 The table below shows the net estimated capital financing costs based on the capital programme and the revised set of assumptions. The table also shows how these forecasts compare to the budget that is currently built into the MTFS plan.

**Table 8.8: Estimated Capital Financing Costs**

	2022/23 Forecas t	2023/24 Forecas t	2024/25 Forecas t	2025/26 Forecas t	2026/27 Forecas t	2027/28 Forecas t
	£000	£000	£000	£000	£000	£000
MRP - pre 2008 expenditure	2,283	5,019	5,019	5,019	5,019	5,019
MRP - post 2008 expenditure	11,085	14,126	19,566	24,263	28,899	32,928
<b>Total MRP</b>	<b>13,368</b>	<b>19,145</b>	<b>24,586</b>	<b>29,282</b>	<b>33,918</b>	<b>37,948</b>
Interest Costs (General Fund)	11,274	19,345	25,090	29,492	32,050	33,281
<b>Total Gross Capital Financing Costs (GF)</b>	<b>24,642</b>	<b>38,490</b>	<b>49,676</b>	<b>58,774</b>	<b>65,968</b>	<b>71,228</b>
Offsetting Savings for self financing schemes	-8,835	-14,713	-21,788	-30,162	-36,196	-37,620
<b>Total Net Capital Financing Costs (GF)</b>	<b>15,807</b>	<b>23,777</b>	<b>27,887</b>	<b>28,612</b>	<b>29,773</b>	<b>33,608</b>

  

<b>Existing MTFS Budgets</b>	<b>13,208</b>	<b>20,308</b>	<b>24,124</b>	<b>27,974</b>	<b>31,574</b>	<b>35,674</b>
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<b>Interest Costs (HRA)</b>	<b>14,861</b>	<b>18,979</b>	<b>28,599</b>	<b>38,365</b>	<b>46,548</b>	<b>52,019</b>
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**Table 8.9: Proportion of financing costs to net revenue stream**

	2022/23 Forecast (£'000)	2023/24 Forecast (£'000)	2024/25 Forecast (£'000)	2025/26 Forecast (£'000)	2026/27 Forecast (£'000)	2026/27 Forecast (£'000)
Financing Costs General Fund	15,807	23,777	27,887	28,612	29,773	33,608
Proportion of net revenue stream	6.01%	8.56%	9.87%	10.03%	10.21%	11.29%
Financing Costs HRA	14,861	18,979	28,599	38,365	46,548	52,019
Proportion of net revenue stream	13.12%	15.73%	21.62%	27.16%	30.95%	32.84%

8.47 It can be seen that over the MTFS period the General Fund ratio increases. The ratio also increases for the HRA. This level of ratio has been modelled into the current version of the evolving HRA business plan and capital programme.

## Governance

- 8.48 Decisions on treasury management investment and borrowing are made on a daily basis and are delegated to the Director of Finance. There is a further sub-delegation to members of the Director of Finance's staff to facilitate day-to-day operations. Whoever is making the decision(s) will need to act in line with the treasury management strategy as approved by full Council.

## 9. Housing Revenue Account (HRA)

- 9.1 The HRA is the Council's record of the income and revenue expenditure relating to council housing and related services. Under the Local Government and Housing Act 1989, the HRA is ring-fenced and cannot be subsidised by increases in council tax. Equally, any surplus in the HRA or balances held in reserves cannot be transferred to the General Fund. Since April 2012, the HRA has been self-financing. Under self-financing Councils retain all the money they receive from rent and use it to manage and maintain their homes.

### Draft HRA Financial Plan Overview

- 9.2 The 30-year HRA financial plan contains a long-term assessment of the need for investment in assets, such as new homes development, Major works (Haringey standard) and other cyclical maintenance requirements, as well as forecasts on income streams such as rents, in line with rent standards, and future developments.
- 9.3 The Plan includes the modelling of the revenue and capital implications of all planned work in the HRA to deliver Borough Plan priorities and provided the basis for understanding the affordability of current capital programme delivery plans and assessing options to ensure a viable HRA over a longer period. It considered the build costs, inflation, exposure to housing market and delivery capacity within the Council.
- 9.4 The recent increases in energy cost, inflation and interest rates rises presents a level of challenge and difficulty in delivering our capital programmes now and the viability of our HRA in the medium to long term. The Council must agree an HRA Budget and longer-term plan which are prudent and sustainable. However, due to very high level of uncertainty related to some of the key assumptions underpinning the current plan, particularly interest rates, this represents a provisional HRA budget/MTFS at this time. A final HRA budget/MTFS will be presented in February.
- 9.5 The plan recognises that to undertake the proposed extensive development programme, the HRA must be viable now and in the future. It also recognises that there will be ongoing gateway reviews to update and test viability before future programme phases are released. One of the measures of viability of the HRA is the annual revenue contribution to capital outlay (RCCO), which reduces the need to external borrowing. RCCO is the revenue surplus after expenditure; and it is key in assessing the HRA resilience. The financial plan, as in prior years, assumes an ongoing £8m minimum annual surplus. This provides an appropriate level of in year financial cover, in recognition of the

risks such as changes in government policies, operational factors those associated with an extensive development programme. The plan also assumes a working balance of £20m.

- 9.6 Given the current economic situation, this December's positional update of the plan showed some years of RCCO below the £8m minimum year on year. Further measures and mitigations are being considered to address this before the final version is submitted to Cabinet in February.

**The main sources of income to the HRA are Rents and Service Charges.**

#### **Housing rents**

- 9.7 The Council is required to set the rent increases in council-owned homes every year but there are strict limits for existing tenants. From 2020/21, the government has permitted Local Authorities in England to increase existing tenants' rents by no more than the Consumer Price Index (CPI), at September of the previous year, plus 1%.
- 9.8 On 17 November 2022, the government announced in the Autumn Statement 2022 that social housing rent increases for 2023/24 would be capped at 7%, to help tenants with the increased cost of living. The rent increase in this report has been modelled on the recently announced rent increase cap of 7% and the February report will make a recommendation for the actual rent increase to be implemented for 2023/24.
- 9.9 The Government is expected to give a new directive to the Regulator of Social Housing. The Regulator will publish revised guidance for social housing rent setting for 2024/25 onwards.

#### **Rents on New Builds**

- 9.10 The maximum weekly rent allowed by the government for a tenant granted a new tenancy in a social rent home is formula rent (subject to national rent cap).
- 9.11 The council will continue to let most of its new lettings for its homes at the relevant formula rent and the HRA financial plan is built on that basis.
- 9.12 The challenges presented by adverse economic changes, including the increased cost of borrowing and inflation mean that the Council has had to consider how best to be able to maintain financial sustainability and continue a strong new build programme. A number of options have been modelled, including for some new homes, changing from formula rent to Shared Ownership or London Living Rent or London Affordable Rent. The option which best ensures the long-term sustainability of the HRA is to use London Affordable Rent for some new homes. This is because, as a social housing product, this tenure qualifies for £100k per unit funding from the Building Council Homes for Londoners 2016-23 Grant Funding regime.
- 9.13 It is therefore recommended that some of the new homes delivered under the GLA's 2016-23 Affordable Homes Programme, 'Building Council Homes for Londoners' will be let at London Affordable Rent (LAR) levels. This is presently

estimated to apply to over 800 future properties. London Affordable Rent will not be applied to new homes at High Road West or Broadwater Farm as the Council intends to honour the landlord offer that has previously been made to residents there ahead of the Estate ballots. It will also not affect any homes that have either been completed and let or where lettings are in process.

### London Affordable Rent

- 9.14 London Affordable Rent was introduced by the Mayor of London in 2016 as a social housing product for new affordable homes funded by Building Council Homes for Londoners (BCHFL) grant. It reflects the 2015/16 formula rent cap (i.e. the maximum level of social rent) uprated by CPI plus one per cent every year. These rents are at the same level anywhere in London. LAR homes are let by councils on secure tenancies, and by other registered providers.
- 9.15 The BCHFL grant programme allocated grant on the basis that homes for low-cost rent would be let at London Affordable Rent (LAR) rather than formula rent. The historically relatively low level of grant – a flat rate of £100,000 per unit – reflected that expectation.
- 9.16 The increasingly challenging financial environment has led to a reassessment of the Council's planned use formula rents for these BCHFL properties. that decision. If the Council lets homes funded by BCHFL at formula rent, the current programme would no longer be financially viable.
- 9.17 Letting homes at LAR would support a financially viable programme. But it would also be genuinely affordable to tenants. Other than its near-equivalent formula rent, LAR is by some distance the cheapest kind of rent available.
- 9.18 The table below shows London Affordable Rents for 22/23.

	22/23 rents
Bedsit and 1-bedroom	£168.34
2 bedrooms	£178.23
3 bedrooms	£188.13
4 bedrooms	£198.03
5 bedrooms	£207.93
6 or more bedrooms	£217.82

- 9.19 Formula rent for new-build council homes would be at or close to the formula rent cap. LAR is 8.1% more than the formula rent cap: For 2022/23 that represents £12.61pw more for a one-bedroom home, £13.36 for a two-bed, £14.10 for a three-bed, and £14.85 for a four bed. Rents caps for 23/24 are still to be set.
- 9.20 LAR is significantly less than the Local Housing Allowance rate. This means that any tenant entitled to Housing Benefit, or the housing element of Universal Credit would have their housing costs covered.

- 9.21 There is a small number of Haringey households (just over 500) who are currently affected by the benefit cap – including ten who are council tenants and 24 who are housing association tenants. Half the housing association tenants affected by the cap are paying rents considerably higher than LAR.
- 9.22 A small cohort of households on the Housing Register would be affected by the benefit cap whether they bid for a new home at formula rent cap or LAR. There is likely to be another small cohort of households with three or more children who would be affected by the benefit cap if they moved into a new LAR home where they would remain unaffected if they moved into a home let at formula rent. Those households would need to find all or a part of the difference between LAR and formula rent from their existing benefits. However, since all relets on existing Council homes will be at formula rent levels, it is likely that these households will also be able to move into cheaper Council homes.

### **Formula rent**

- 9.23 The national formula for setting social rent is intended to enable LAs to set rents at a level that allows them to meet their obligations to their tenants, maintain their stock (to at least Decent Homes Standard) and continue to operate a financially viable HRA, including meeting their borrowing commitments.
- 9.24 The formula is complex and uses national average rent, relative average local earning, relative local property value, and the number of bedrooms to calculate the formula rent.
- 9.25 Formula rents are subject to a national social rent cap. The rent cap is the maximum level to which rents can be increased to in any one financial year, based on the size of the property. Where the formula rent would be higher than the rent cap for a particular property, the national social rent cap must be used instead. As stated above, rent caps for 2023/24 are yet to be published:

<b>Number of bedrooms</b>	<b>Rent cap 2022/23</b>
1 and bedsits	£155.73
2	£164.87
3	£174.03
4	£183.18
5	£192.35
6 or more	£201.50

### **Rents in Existing Council Homes - General Needs & Sheltered/Supported Housing**

- 9.26 The government, through the Regulator, prescribes the formula for calculating social housing rents. These rents are also called formula rents and exclude service charges. formula rents are allowed to increase annually

- 9.27 The formula is complex and uses the average earnings for Greater London and the value of the property in 1999, and the number of bedrooms to calculate the formula rent for 2000/01, as the base year. From 2001/02, formula rents have increased by inflation annually. However, in 2016/17 until 2019/20, formula rents reduced by 1% annually, as prescribed in the Welfare Reform and Work Act 2016. From 2020/21, formula rents have increased annually by CPI plus 1%.
- 9.28 Individual council rents are below the formula rents in many properties. This is because historically Haringey rents were set lower than the formula rent. In contrast, many social housing landlords, particularly Housing Associations, have historic rents that were set higher than formula rent. To create a level playing field, the government introduced rent restructuring in the early 2000s in order to converge actual rents towards the formula rent. The government abandoned rent restructuring in 2015/16, when it imposed a 1% rent reduction for four years, under the Welfare Reform and Work Act 2016. The Council complied with the legislation and the 1% rent reduction ended in 2019/20.
- 9.29 Since 2020/21, the rent payable by existing council tenants have increased by CPI inflation plus 1%. The current rent for 2022/23, approved by Cabinet on 8 February 2022, was set at the 2021/22 rent uplifted by 4.1%. The rent increase is due to the CPI rate in September 2021 of 3.1% plus 1% allowed by the government.
- 9.30 The CPI at September 2022 is 10.1%. Without the proposed rent ceiling, rents in council-owned housing would increase by 11.1% (CPI plus 1%) and the HRA would receive additional rental income of £11.6m in 2023/24.
- 9.31 After applying the 7% rent ceiling, the additional income to the HRA from tenant's rents in 2023/24 at £7.7m will be reduce by £3.9m lower than would have been raised if government had maintained the previous rent setting formula.to £7.7m. The updated HRA business plan has the reduced level of rent increase.
- 9.32 The rents for existing general needs and sheltered / supported housing tenants have been calculated to increase by no more than 7%. On this basis, the proposed average weekly rent will increase by £7.73 from £110.49 to £118.22 in 2023/24.
- 9.33 There is a range of rents across different sizes of properties. The table below sets out the proposed average weekly rents by property size if the maximum rent increase for 2023/24 is set at 7% with effect from 3 April 2023 (the first Monday in April).



Table 1

Number of Bedrooms	Number of Properties	Current average weekly rent 2022/23	Proposed average weekly rent 2023/24	Proposed average rent increase	Proposed percentage increase
Bedsit	130	£89.64	£95.91	£6.27	7.0%
1	5,288	£94.94	£101.59	£6.65	7.0%
2	5,173	£110.65	£118.40	£7.75	7.0%
3	3,706	£126.70	£135.57	£8.87	7.0%
4	608	£144.25	£154.35	£10.10	7.0%
5	110	£168.75	£180.56	£11.81	7.0%
6	15	£175.36	£187.64	£12.28	7.0%
7	2	£165.93	£177.55	£11.62	7.0%
<b>All dwellings</b>	<b>15,032</b>	<b>£110.49</b>	<b>£118.22</b>	<b>£7.73</b>	<b>7.0%</b>

- 9.34 The government is expected to continue allowing Local Authorities to charge formula rents when council homes are re-let following a vacancy.

#### **Rents in Temporary Accommodation**

- 9.35 All properties acquired since 1 April 2019 for housing homeless households held in the HRA are leased to Haringey Community Benefit Society (HCBS) and let by HCBS at Local Housing Allowance (LHA) rent levels.
- 9.36 The HRA financial plan includes these rental incomes for a period of 7 years. From year eight, it recognises incomes from these properties at formula rent, with the normal annual rent increases of CPI, as these properties are assumed will revert to the HRA after 7 years of lease.
- 9.37 From 3rd April 2023, all other council-owned properties used as temporary accommodation under a Council non-secure tenancy will have proposed rent increase of 7%.

#### **Tenants' Service Charges**

- 9.38 In addition to rents, tenants pay charges for services they receive which are not covered by the rent. The Council's policy has been to set tenants' service charges at the start of each financial year to match budgeted expenditure.
- 9.39 Service charges must be set at a level that recovers the cost of the service, and no more than this. Charges are calculated by dividing the budgeted cost of providing the service to tenants by the number of tenants receiving the service. Therefore, a flat rate is charged to tenants receiving each service and the weekly amount is fixed. The amount tenants pay increases where the cost of providing the service is anticipated to increase. Equally, charges are reduced when the cost of providing the service reduces or where there has been an over-recovery in the previous year.

Tenants currently pay for the following services, if applicable.

- Concierge
- Grounds maintenance
- Caretaking
- Street sweeping (Waste collection)
- Light and power (Communal lighting)
- Heating\*
- Estates road maintenance
- Door entry system maintenance
- Sheltered housing cleaning service
- Good neighbour cleaning service
- Converted properties cleaning
- Window cleaning service.
- TV aerial maintenance

Tenants living in sheltered and supported housing also pay the following additional support charges:

- Sheltered Housing Charge
- Good Neighbour Charge
- Additional Good Neighbour Charge

9.40 The applicable charges for 2023/24 will be calculated and presented for Cabinet approval in February 2023 when the budgeted costs of providing each service is agreed.

9.41 This will follow the consideration by Cabinet in February 2023 and will include:

- Council housing rent charges for 2023/24
- Proposed weekly tenants service charges for 2023/24
- HRA hostel rent charges for 2023/24

9.42 The heating tariffs will be approved by cabinet as part of the budget to be presented to cabinet in February.

#### **Rent consultation**

9.43 There is no requirement for tenant consultation because Haringey Council's rents are set in accordance with government rent standard and no new charges are being introduced for the tenants' service charges. However, tenants must be given at least four weeks' notice before the new rents for 2023/24 start on 3 April 2023.

#### **HRA Expenditure**

9.44 Significant items of expenditure in the HRA include the management cost, repairs cost, capital financing charge and depreciation. These four items constitute about 76% of the total HRA expenditure. The capital financing charge is the interest on HRA loans and internal funding and is budgeted at £2m above the 2022/23 level due to higher interest rate forecast for next year's potential borrowings. Depreciation is a cash charge to the HRA to reflect the need to finance the placement of components within HRA homes over time. The sum charges to the HRA are transferred into the Major Repairs Reserve



(MRR). The Major Repairs Reserve is used to build up capital sums that can be used to finance the capital programme.

- 9.45 The proposed HRA capital programme supports the delivery of over £2bn investment in our existing stock over the next 30 years, and the delivery of over 3000 new council homes by March 2031.
- 9.46 There are of course risks such as the impact of the current inflation and interest rate rises on collection of rent, capacity to build, and overall sustainability of the HRA.
- 9.47 The impact of these meant that this iteration of the HRA budget/MTFS forecasts revenue contribution to capital outlay (RCCO) below the set minimum of £8m for later years in the MTFS period. There are further measures and mitigations being considered to bring the RCCO to the acceptable level. The HRA capital programme also assumes an increased working balance of £20m.
- 9.48 This is a complex plan and Members should be aware that further changes are anticipated before the final budget package is presented in February. A finalised version will be presented to Cabinet and Full Council for approval in February 2023 and March 2023 respectively.

**Draft HRA 5 Years MTFS (2023/24-2027/28)**

- 9.49 This report sets out the proposed HRA 5 years Budget/MTFS in the Table below. It accommodates the scale of development presently assumed within the business and financial planning in terms of its impact of the future years HRA revenue position. It also takes into consideration the current inflation and interest rates and its impact in next year's rent charges. The HRA budget for 2023/24 is a balanced budget with a revenue contribution to capital (RCCO) of £8.87m. However, the later years RCCO as presently modelled is below the target minimum for the HRA and the further work before February will look to address this.

Table - Draft HRA 5-Year Revenue Budget (2023/24 – 2027/28)

Housing Revenue Account (HRA)	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Income & Expenditure	2023-24	2024-25	2025-26	2026-27	2027-28	5 Years
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income</b>						
Dwellings Rent Income	(98,570)	(108,477)	(116,572)	(124,725)	(131,822)	(580,166)
Void Loss	1,892	1,085	1,166	1,247	1,318	6,708
Hostel Rent Income	(1,791)	(1,855)	(1,920)	(1,986)	(2,055)	(9,607)
Service Charge Income	(12,084)	(12,639)	(13,304)	(14,000)	(14,647)	(66,674)
Leaseholder Income	(7,881)	(8,106)	(8,337)	(8,574)	(8,816)	(41,714)
Other Income (Garages /Aerials/Interest)	(2,230)	(2,271)	(2,312)	(2,355)	(2,398)	(11,566)
<b>Total Income</b>	<b>(120,664)</b>	<b>(132,263)</b>	<b>(141,279)</b>	<b>(150,393)</b>	<b>(158,420)</b>	<b>(703,019)</b>
<b>Expenditure</b>						
Repairs	22,974	23,237	24,459	25,738	26,929	123,337
Housing Management	25,314	23,355	23,188	22,660	22,051	116,568
Housing Demand	2,012	2,113	2,155	2,198	2,242	10,720
<b>Housing Management cost</b>	<b>50,300</b>	<b>48,705</b>	<b>49,802</b>	<b>50,596</b>	<b>51,222</b>	<b>250,625</b>
Estates Costs	11,203	11,240	11,465	12,068	12,699	58,675
Provision for Bad Debts (Tenants)	3,010	3,281	1,430	1,500	1,561	10,782
Provision for Bad Debts (Leaseholders)	189	195	200	206	212	1,002
<b>Estate Costs and Bad Debt Provision</b>	<b>14,402</b>	<b>14,716</b>	<b>13,095</b>	<b>13,774</b>	<b>14,472</b>	<b>70,459</b>
Other Costs (GF Services)	4,622	4,853	4,950	5,049	5,150	24,624
Other Costs (Property/Insurance)	2,026	2,127	2,170	2,213	2,257	10,793
Capital Financing Costs	18,979	28,599	38,365	46,548	52,019	184,510
Contribution to Major Repairs (Depreciation)	21,457	22,443	23,632	24,865	26,020	118,417
<b>Revenue Contributions to Capital</b>	<b>8,878</b>	<b>10,820</b>	<b>9,265</b>	<b>7,348</b>	<b>7,280</b>	<b>43,591</b>
<b>Total Expenditure</b>	<b>120,664</b>	<b>132,263</b>	<b>141,279</b>	<b>150,393</b>	<b>158,420</b>	<b>703,019</b>
<b>HRA (Surplus) / Deficit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

### Draft HRA 5 Years Capital Programme (2023/24 – 2027/28)

- 9.50 This represents the capital implications of the new draft HRA financial plan where there is a strong emphasis on meeting the needs of homeless households while ensuring that the needs of the existing stock are met. It also focuses on the delivery of new homes, renewal of BWF estate, carbon reduction in existing stock, and fire safety of the entire stock.
- 9.51 The HRA MTFS is geared towards maximising the use of other available resources and use of borrowing as last resort, while maintaining a working balance of £20m. The MTFS capital programme funding assumes a mix of grant funding, S106 monies, revenue contribution and prudential borrowing. The total capital investment in 2023/24 is £263m, fully funded from revenue contribution, grants, RTB retained receipt, Major Repairs Reserve and borrowing.

Table 9.4 - Draft HRA 5 Year Capital Programme (2023/24 – 2027/28)

Housing Revenue Account (HRA)	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Investment & Financing	2023-24	2024-25	2025-26	2026-27	2027-28	5 Years
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Capital Investment</b>						
Major Works (Haringey Standard)	41,443	40,922	41,941	62,742	64,075	251,123
Carbon Reduction Works (Affordable Energy)	7,283	6,367	6,495	6,624	6,757	33,526
Fire Safety Works	5,470	7,573	7,577	7,729	6,757	35,106
Broadwater Farm Works	21,209	16,115	16,437	16,767	17,102	87,630
<b>Total Existing Stock Investment</b>	<b>75,405</b>	<b>70,977</b>	<b>72,450</b>	<b>93,862</b>	<b>94,691</b>	<b>407,385</b>
New Homes Build Programme	162,803	175,370	195,917	173,111	82,237	789,438
New Homes Acquisitions	3,306	21,093	31,428	15,926	45,620	117,373
TA Acquisitions	21,448	21,662	22,312	22,981	23,670	112,073
<b>Total Capital Investment</b>	<b>262,962</b>	<b>289,102</b>	<b>322,107</b>	<b>305,880</b>	<b>246,218</b>	<b>1,426,269</b>
<b>Capital Investment Financing</b>						
Grants (GLA)	62,411	27,807	40,869	40,818	38,964	210,869
Major Repairs Reserve	21,457	22,444	23,632	24,865	26,021	118,419
Revenue Contributions	8,878	10,820	9,265	7,348	7,280	43,591
RTB Capital Receipts	9,556	9,651	9,921	10,259	10,609	49,996
Leaseholder Contributions to Major Works	7,979	7,941	6,373	6,176	6,020	34,489
S.106 Contributions	3,500	0	0	0	0	3,500
Market Sales Receipts	0	2,964	4,714	72,129	44,118	123,925
Borrowing	149,181	207,475	227,333	144,285	113,206	841,480
<b>Total Capital Financing</b>	<b>262,962</b>	<b>289,102</b>	<b>322,107</b>	<b>305,880</b>	<b>246,218</b>	<b>1,426,269</b>

### Major Works – Haringey Standard

- 9.52 The major works investment standard has been designed to ensure that the Council maintains its statutory and legal duties and keeps homes safe and warm. It comprises internal, external and works to communal areas, including all items affecting decency. Despite the challenging economic circumstances, the Council is maintaining the expenditure of its Major Works Programmes at its current level.
- 9.53 The Asset Management Strategy sets out the Council's target to achieve 100% decent homes, and how this will be achieved.
- 9.54 The Council has agreed to work with partners to deliver these works for the long term, through a Partnering Contract. This Partnering Contract will run for ten years and is divided into four separate contracts over four geographical areas. Works under the Partnering Contract are expected to start in late 2023. The Partnering Contract has been designed to deliver value for money; ensure that the Council's objectives to meet decent homes, as well as the other workstreams listed below, are met; contribute to wider corporate priorities in particular to bring good quality jobs and training opportunities to Haringey residents; and finally to ensure that those who are awarded large contracts by the Council are committed to Haringey and the success of the borough for the longer-term. The costs in this proposed capital programme budget recognises the estimated cost of the partnering contract.

### **Carbon Reduction Works**

- 9.55 The budget provision would support extensive measures contained in the Council energy action plan. Despite the challenging economic circumstances, the Council is maintaining the expenditure on carbon reduction works at its current level.
- 9.56 The Council is finalising its Energy Action Plan which will set out how it will deliver the objectives of both the Climate Change Action Plan and the Affordable Energy Strategy. These are to reduce carbon emissions from the Council's housing stock so that the whole stock reaches an average EPC of Band B by 2035 and Band A by 2041, where technically feasible. In turn this will contribute to the objective to minimise energy costs for Council tenants and reduce fuel poverty.
- 9.57 The proposed approach is to firstly improve the fabric of the property. This means upgrading, where necessary, walls, roofs, windows, floors, and doors so as to reduce the need to expend energy to heat homes. The next stage is to incorporate low and zero-carbon heat and power. The worst performing homes will be targeted first. Works will be incorporated with the major works programme to minimise cost to the HRA and disruption to residents. The proposed HRA capital budget supports these works, but external funding is also sought whenever applicable.

### **Fire Safety Works**

- 9.58 The proposed budget is to ensure that all housing stock continues to meet changing statutory requirements. The budget has been refreshed to ensure that the requirement of the recent Fire Safety (England) Regulations 2022 are met. The programme includes front entrance door replacements, window infill panel replacements, Automatic Fire Detection (AFD) to street properties, automatic Fire detection and compartmentation works to timber clad buildings, Intrusive Fire Risk Assessments (FRA) and follow up works.

### **Broadwater Farm Works**

- 9.59 The council is setting aside significant capital expenditure for the regeneration of the Broadwater Farm estate and has reprofiled expenditure in line with our latest estimates. In 2018 the council identified structural faults with a number of buildings that has led to the development of comprehensive programme of improvement. This programme includes:

- The construction of 294 new homes, all at council rent, with 30% family sized units with three beds or more (contained in the new homes budget, below)
- The refurbishment of 800 homes, covering sustainability, fire safety and mechanical and electrical
- Improvements to the public realm and green spaces, tackling the legacies of the streets in the sky design from the 60s

### **New Homes Build and Acquisition**

- 9.60 This Financial plan continues to provide for financial resources to meet the Council's commitment to the delivery of high-quality Council homes for social housing. This is an integral part of the Council's core HRA business, with a delivery programme that is viable in the long term. The total estimated cost of new build homes and acquisition in the financial plan is £907m over the period of the MTFS.
- 9.61 Over the past four years, the Council has established a housing delivery programme that is committed to delivering 3,000 new council homes for council rent by 2031. These are the first new council homes in Haringey for forty years.
- 9.62 The current Housing Delivery Programme comprises 3,600 homes on 87 sites that have either been completed, or started on site, or are under active development. 3,000 of those homes are currently planned as homes for letting at council rent.
- 9.63 Construction works for over 1,500 council homes have now started on site. 184 council homes have been completed and let at council rent.
- 9.64 The need for genuinely affordable homes in Haringey – as across the country – is urgent. More than 11,000 households are currently waiting for social housing on the Council's housing register. Just over 2,000 of these households are significantly overcrowded, and more than 2,500 are homeless and living in Temporary Accommodation.
- 9.65 Cabinet has so far included 80 sites of Council land with potential for development in the programme. Most are held in the HRA; others are in the General Fund and will need to be appropriated at cost into the HRA.
- 9.66 Sites in the HRA are underused land, generally on housing estates, typically garages, car parking spaces, or land between existing blocks. General Fund land ranges from the conversion of former shops into homes to large sites such as the former waste management depot at Ashley Road.
- 9.67 As an integral part of the programme, the Council also actively seeks opportunities to acquire homes to let as Council homes.
- 9.68 Climate change, carbon management, and sustainability are integral to the design of our new generation of Council homes. The Council targets zero-carbon for each of our developments.
- 9.69 More than 10% of new homes are fully wheelchair accessible, with a target of 20%. As part of the programme, through the Bespoke Homes programme we are actively identifying households on the housing register with specific accessibility needs in order to design new homes for their individual needs.



### Existing Homes Acquisitions – Temporary Accommodation (TA)

- 9.70 The Council's TA acquisition programme is based on the purchase of homes and subsequent leasing to the Haringey Community Benefit Society ('the CBS') to provide housing to households in housing need nominated to it by Haringey Council. This scheme will generate adequate rental income to cover the cost of capital and associated cost. There is also a General Fund (GF) saving generated by the provision of homes to homeless households in the HRA via reduction in the use of privately-owned temporary accommodation in GF. This Financial plan has a reduced allocation over the MTFs period for this scheme compared to prior years. This is because of the restriction the new guidance on use of RTB retained receipts has placed on the Council's ability to use these receipts for the purpose of acquiring existing homes. The new guidance means that the Council has a capped number of acquisitions in any year. The RTB retained receipts is now being applied to new build homes to match the acquisitions.

## 10. Dedicated Schools Budget (DSB)

- 10.1 Schools budgets are substantially funded from the ring-fenced Dedicated Schools Grant and two other funding streams (Pupil Premium and Post 16 Grant) which are, in effect, passported to schools. Spending must be consistent with the requirements of the prevailing schools and early years funding regulations. There are requirements for Schools Forum to act as a decision-making and/or a consultative role in determining budget levels for each year.
- 10.2 The financial position reported at Quarter 2 2022-23 sets out the forecast year end position. This highlights the budget pressures in the High Needs Block which is estimated to add an additional £3.7m to the existing deficit of £21.6m to give a forecast deficit of £25.3m by the end of 2022-23.
- 10.3 Table 10.1 below sets out Haringey's Dedicated Schools Grant allocations for 2021-22, the minimum rebased DSG baseline allocation for 2022-23 and the provisional National Funding Formula (NFF) allocation for 2023-24.

**Table 10.1 Haringey's Dedicated Schools Grant Allocation**

Gross Dedicated Schools Grant	2021-22 £m	2022-23 £m	2023-24 Provisional NFF £m
Schools Block	211.75	**218.50	**219.56
Central School Services Block	2.91	2.78	2.71
Early Years Block ***	21.04	20.15	20.15
High Needs Block	44.46	51.35	54.42
<b>Total DSG</b>	<b>280.16</b>	<b>292.78</b>	<b>296.84</b>

\*\* The 2022-23 Schools Block had an additional £5.979m Schools Supplementary grant. The Supplementary Grant was rolled into the 2023-24 DSG.

\*\*\* The Early Years Block allocation for 2022-23 has not yet been announced but is assumed to be at the same rate for 2023-24

10.4 In previous years, the teachers pay and pension grants were paid as separate grants.

10.5 Overall, Haringey's provisional NFF allocation for 2023-24 is an increase of 0.49% equivalent to £1.061m. This is based on the October 2021 pupil census numbers and the final allocation will be based on the October 2022 pupil census numbers. Bearing in mind the pupil numbers will change from year to year, the cash impact of this provisional funding by block is:

- Schools Block - uplift of 0.49% equivalent to £1.061 m.
- Central School Services Block - has lost -2.5% equivalent to £0.07m.
- Early Years Block – Not applicable as the funding is to be announced.
- High Needs Block – uplift of 5.98% equivalent to £3.07m.

10.6 The actual financial position for the Dedicated Schools Grant is dependent on the final school's finance settlement for 2023-24, which is due in December 2022.

10.7 The Schools Forum will consider these figures at their January 2023 meeting.

10.8 The DfE have consulted on the implementation of the hard National Funding Formula from 2023-24, which focuses on reforms to the School Block and Central School Services Block. The Council supports a funding system that continues to enable local discretion on the allocation of schools funding so that decisions being made are more responsive to the needs of schools.

#### DSG Reserves

10.9 As at Quarter 2, the DSG Reserves is expected to close with a cumulative deficit of £25.3m at the end of 2022-23. The pressure is in the High Needs Block (HNB) and is mainly due to the increase in the number of children with Education, Health and Care Plans (EHCPs) within the borough. The HNB funding allocation has increased by over 15.5% in 2022-23 compared to 2021-22, however the estimated increase in costs due to the increase EHCPs is greater than the funding available.

**Table 10.2 2022-23 Year End DSG reserves forecast**

Blocks	Opening DSG deficit at 01/04/2022 £m	Q2 2022-23 Forecast £m	Forecast closing DSG deficit 2022-23 £m
Schools Block	0.00	0.00	0.00
Central School Services Block	0.00	0.00	0.00
Early Years Block **	0.90	0.00	0.00
High Needs Block	-21.60	-3.70	-25.30
<b>Total DSG</b>	<b>-20.70</b>	<b>-3.70</b>	<b>-25.30</b>

\*\* The Early Years Block has not yet been announced, however projected to be all passported to providers

- 10.10 The pressure on the DSG budget is acknowledged by government as a national issue. The DSG cumulative deficit currently totals £20.7m, forecast to be £25.3m by the end of 2022/23. Factoring assumptions on demand growth, mitigation of demand growth, inflation estimates and grant income projections the DSG is forecasting a cumulative deficit of over £80m by 2027/28 if no mitigating actions are taken. This deficit is forecasted solely within the High Needs Block.
- 10.11 The Department for Levelling Up, Housing and Communities (DLUHC), requires DSG deficits to be held in a separate reserve in local authorities' accounts. Regulations are in force to allow this accounting treatment up to and including the accounts for 2022/23. The forecasted cumulative deficit needs to be addressed as once the regulations to show deficits separately are removed, this will impact the Council's General Fund, resulting in a profound impact on statutory services in other areas
- 10.12 The DfE began the Safety Valve intervention programme in 2020/21 and have extended this programme in 2022/23, targeting the local authorities with the highest DSG deficits. The programme requires local authorities to develop and agree to substantial plans for reform to their high needs budget and escalating demands on SEND services, with an expectation to deliver an in-year balanced budget over the next 5 years. When a local authority can demonstrate sufficiently that their DSG management plan creates lasting sustainability and delivers good outcomes for children and young people, including reaching an in-year balanced budget, the DfE will enter into an agreement with the authority to provide financial support with funds to address the cumulative deficit, subject to Ministerial approval. Final proposals to address the pressures in the HNB were submitted to the DfE on 6th October 2022. Proposals were underpinned by the SEND strategy and Written Statement of Action with robust financial remodelling and have been endorsed by Cabinet and shared with key stakeholders. Subject to approval, Haringey would then enter the Safety Valve programme
- 10.13 An application for DfE capital funding to support Haringey's Safety Valve programme has also been submitted to invest in key proposals to deliver revenue savings to the DSG.

## 11. Consultation & Scrutiny

- 11.1 The Council, as part of the process by which it sets its budget, seeks the views and opinions of residents and service users which is used to inform the final decision of the Council when setting the budget.
- 11.2 As such a formal consultation is being planned, the result of which is expected in January, and will be shared with Cabinet to enable them to consider and reflect any amendments in the final February report.



- 11.3 Statutory consultation with businesses will also take place during this period and any feedback will be considered and, where agreed, incorporated into the final February report.
- 11.4 Additionally, the Council's budget proposals will be subject to a rigorous scrutiny review process which will be undertaken by the Overview and Scrutiny Panels and Committee during December/January. The Overview and Scrutiny Committee will then meet in January 2023 to finalise its recommendations on the budget package. These will be reported to Cabinet for their consideration. Both the recommendations and Cabinet's response will be included in the final Budget report recommended to Full Council in March 2023.
- 12. Statutory Officer Comments (Director of Finance (procurement), Head of Legal and Governance, Equalities) Finance**
- 12.1 This financial strategy begins the process of ensuring that the Council's finances are aligned to the delivery of the Council's priorities and the administration's manifesto commitments in the medium term. In addition, it is consistent with proper arrangements for the management of the Council's financial affairs and its obligation under section 151 of the Local Government Act 1972.
- 12.2 Ensuring the robustness of the Council's 2023/24 budget and its MTFS 2023/24 – 2027/28 is a key function for the Council's Section 151 Officer. This includes ensuring that the budget proposals are realistic and deliverable. As the MTFS report is primarily financial in its nature, comments of the Chief Financial Officer are essentially contained throughout the report.
- 12.3 The draft General Fund Budget 2023/24 still shows a gap of c£3m despite the £18.1m new savings proposal and a planned draw down from reserves of £5.5m. This is a concerning position to be in particularly this late in the annual process but not unexpected considering the national economic outlook. It must be recognised that the nation is still in a difficult post pandemic environment and with the unprecedented inflation rate coupled with the cost of living and the uncertainties around the wider economic outlook it is has been very challenging setting the 2023/24 budget. The Chancellor's Autumn statement was announced on 17th November after the draft budget had been assembled. Work continues to ensure a balanced 2023/24 budget and a balanced 2023/24 budget will be presented to Cabinet in February.
- 12.4 The formal Section 151 Officer assessment of the robustness of the council's budget, including sufficiency of contingency and reserves to provide against future risks will be made as part of the final budget report to Council in March.

## **Procurement**

- 12.5 Strategic Procurement notes the contents of this report and will continue to work with services to enable cost reductions.

## **Head of Legal & Governance**

- 12.6 The Head of Legal & Governance has been consulted in the preparation of this report and makes the following comments.
- 12.7 The Local Authorities (Standing Orders) (England) (Regulations) 2001 and the Budget and Policy Framework Procedure Rules at Part 4 Section E of the Constitution, set out the process that must be followed when the Council sets its budget. It is for the Cabinet to approve the proposals and submit the same to the Full Council for adoption in order to set the budget. However, the setting of rents and service charges for Council properties is an Executive function to be determined by the Cabinet.
- 12.8 The Council must ensure that it has due regard to its public sector equality duty under section 149 of the Equality Act 2010 in considering whether to adopt the recommendations set out in this report.
- 12.9 The report proposes new savings proposals for the financial year 2023/24, which the council will be required to consult upon and ensure that it complies with the public sector equality duty.
- 12.10 In view of the conclusion reached by the Director of Finance at paragraphs 12.1 to 12.4 above on the ability to set a balanced budget for 2023/24 and the Equalities comments below, there is no reason why Cabinet cannot adopt the Recommendations in this report.

## **Equality**

- 12.11 The Council has a public sector equality duty under the Equality Act (2010) to have due regard to:
- 12.12 Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
- 12.13 Advance equality of opportunity between people who share those protected characteristics and people who do not;
- 12.14 Foster good relations between people who share those characteristics and people who do not.
- 12.15 The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status apply to the first part of the duty.
- 12.16 Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.
- 12.17 This report details the draft Budget for 2023/24 and MTFS to 2027/28, including budget adjustments and capital proposals.
- 12.18 The proposed decision is for Cabinet to note the budget proposals and agree to commence consultation with residents, businesses, partners, staff and other

groups on the 2023/24 Budget and MTFS. The decision is recommended to comply with the statutory requirement to set a balanced budget for 2023/24 and to ensure the Council's finances on a medium-term basis are secured through the four-year Medium-Term Financial Strategy.

- 12.19 COVID-19 and the ongoing cost of living crisis have widened existing inequalities with adverse impacts experienced by protected groups across many health and socioeconomic outcomes. A focus on tackling inequality underpins the Council's priorities and this will be embedded in the upcoming corporate delivery plan. The Council is committed to targeting its interventions to reduce inequality despite the financial constraints detailed in this report. This commitment is evident through ongoing investment in policies that seek to improve outcomes for individuals with protected characteristics, such as Free School Meals, SEND Transport and addressing increased complexity in adult social care.
- 12.20 During the proposed consultation on Budget and MTFS proposals, there will be a focus on considering the implications of the proposals on individuals with protected characteristics, including any potential cumulative impact of these decisions. Responses to the consultation will inform the final package of savings proposals presented in February 2023.
- 12.21 Additionally, budget savings proposals are undergoing an equalities screening process to identify where negative impacts on protected groups may arise. Where such impacts are identified, a full Equalities Impact Assessment will take place to understand the impacts in full and describe the action to mitigate those impacts. At this stage, the assessment of the potential equalities impacts of decisions is high level and, in the case of many individual proposals, has yet to be subjected to detailed analysis. This is a live process, and as plans are developed further, each service area will assess their proposal's equality impacts and potential mitigating actions in more detail. Final EQIAs will be published alongside decisions on specific proposals.
- 12.22 Initial Equality Impact Assessments for relevant savings proposals will be published in February 2023 and reflect feedback regarding potential equality impacts gathered during the consultation. If a risk of disproportionate adverse impact for any protected group is identified, consideration will be given to measures that would prevent or mitigate that impact. Where there are existing proposals on which decisions have already been taken, existing Equalities Impacts Assessments will be signposted.

### 13. Use of Appendices

- Appendix 1 – Summary of Draft Revenue 2022-23 Budget and Medium Term Financial Plan 2023-2028
- Appendix 2 – Summary of new Revenue budget growth proposals
- Appendix 3 – Summary of total agreed Revenue budget reduction proposals 2023-2028
- Appendix 4 – Draft General Fund Capital Programme 2023/24 – 2027/28
- Appendix 5 – New Capital for 2023-24 MTFS Programme

14. Local Government (Access to Information) Act 1985

2022/23 Qtr 1 and Qtr 2 Budget Reports  
2022/23 Budget & MTFS 2022-2027

Ref	Description	2023/24	2024/25	2025/26	2026/27	2027/28	Total
		£'000	£'000	£'000	£'000	£'000	£'000
EN_SAV_001	<p><b><u>Traffic &amp; Route Management Improvements</u></b></p> <p>This savings proposal encompasses the following items :</p> <p>-New 4-5 area Heavy Goods Vehicle Restriction Zones CCTV Enforcement (£574K saving)</p> <p>Annual projected income £624k less ongoing revenue requirement £50k = MTFS £574k</p> <p>-Moving Traffic Cameras Net Income following the instalment of 35 school street cameras.</p> <p>- Rollout of 3 LTN areas. The current MTFS models the financial effect of the current LTNs. Each will be reviewed within the eighteen months statutory period from their implementation, which will determine the future of each scheme. The subsequent years in the draft MTFS include continuing, but reducing, income from the LTNs; this is purely for financial modelling and does not prejudice the outcome of the statutory review process. Future financial plans will be updated as necessary</p> <p>-Increased parking income, generated through improved debt recovery (£500k). It is estimated that £500k can be achieved over a period of 3 years. This will be achieved through business as usual activities.</p>	(6,490)	959	200	50	-	(5,281)
EN_SAV_002	<p><b><u>Savings relating to waste services review</u></b></p> <p>This savings proposal is regarding the waste strategy review and options appraisal (net £1.3m from 25/26)</p>			(1,300)			(1,300)
EN_SAV_003	<p><b><u>Property Licencing Reviews</u></b></p> <p>This proposal refers to 3 types of property licencing schemes - additional, mandatory and selective. This provides for a more accurately costed model of delivery to ensure that expenditure matches revenue. (Net £150k - £50k 24/25 &amp; £100k in 25/26). These schemes are ring-fenced, meaning that costs are net neutral to revenue.</p>		(50)	(100)			(150)

Ref	Description	2023/24	2024/25	2025/26	2026/27	2027/28	Total
		£'000	£'000	£'000	£'000	£'000	£'000
EN_SAV_004	<b><u>Parks and Leisure income/efficiencies improvements</u></b>						
	This savings proposal encompasses the following items: -Events Income Increases in other parks - excluding Finsbury Park (Net £150k) -Property Lease Income Increases (Net £81k) - provisions with existing leases and other parks building allow for rent reviews to generate additional income over the next 5 years (over and above existing MTFS savings) - Not recruiting to existing vacancies within the Parks Service (Net £45k) - Additional Fixed Penalty Notice Enforcement Income from Parks (Net £15k) - Reduced Small Green Space Improvement Programme - (Net £50k)	(124)	(40)	(89)	(44)	(44)	(341)
		<b>(6,614)</b>	<b>869</b>	<b>(1,289)</b>	<b>6</b>	<b>(44)</b>	<b>(7,072)</b>

Ref	Description	2023/24	2024/25	2025/26	2026/27	2027/28	Total
		£'000	£'000	£'000	£'000	£'000	£'000
EN_GR_001	<b><u>Growth to address base budget pressures highlighted in 2022/23</u></b> This growth is made up the following base budget pressures:  - Parking income budget gap - caused by a number of factors such as Resident Permits & Pay for Parking including ULEZ compliance and change to parking behaviours.  - Nuisance Vehicle Removal Budget Gap - Historic budget gaps due to unachieved savings, and an increase in the contract price when last tendered.  - Unachieved Moving Traffic Enforcement Income Budget Gap - failure to achieve the additional income expected, due to increased compliance.  - Anti-social Behaviour Fixed Penalty Notice underachievement of income - base budget pressure caused by a number of factors including income assumptions not being realised, and declining recovery rates.  - School Swimming income - Budget pressure a reflection of reducing uptake.	2,546					2,546

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**MTFS Savings Tracker (2022/23 - 2025/26)**  
**Directorate:Environment & Neighbourhoods**  
**Period: 3**

Red	Saving fully/partially unachievable
Amber	Saving achievable but full/partial slippage required
Green	Saving met in full and on time

		2022-23							2023/24-2025/26		
MTFS Savings Ref	Saving proposal	2021-22 Undelivered	2022/23 £'000s	Total £'000	2022/23 Projected Full Year Savings £'000s	2022/23 Savings surplus/ (shortfall) £'000s	RAG Status (Delivery of 2022/23 Saving)	Comment on Delivery RAG Status & Actions plans to mitigate shortfall	2023/24 £'000s	2024/25 £'000s	2025/26 £'000s
<b>Directorate:Environment &amp; Neighbourhoods</b>											
PL9	Leisure centre concessions	50	70	120	0	(120)	Red	The Council is still negotiating the settlement of costs during the two Covid years. Until this is settled, it is not practical to discuss further savings as there is no firm basis to commence from. Events regarding the future provision of the service may overtake the situation. In-year mitigations through vacancy factor - the saving is undeliverable, options are being explored to remedy.	70		
PL13	Parking Transformation Programme	375		375	188	(188)	Amber	Partial slippage due to timing of CPZ roll-out. Processes of 3 stages (statutory) - consultation, design and implementation - outcome of consultation timing leads to design and implement. Sometimes the public engagement exercise may result in opposing the proposal, and at times did not support the introduction of full time CPZ controls. The service investment plan is reviewed periodically and if necessary new schemes are identified.			
20/25-PL01	Selective Licensing	0	239	239	239	0	Green	Scheme launch to commence 17th October 2022 which will allow us to open up to early applications for landlords. Part A of fee to be collected for this period up to 17th November 2022. Full fee will be paid by all landlords after 17th November 2022.			
20/25-PL03	CCTV enforcement of weight limits and emissions through ANPR/DVLA check	0	300	300	0	(300)	Red	Unachievable - higher than expected compliance - three year savings not achieved. Over the last 3 years, these savings have improved - but never achieved the total £642k savings. The estimated base budget pressure is £300k, requiring Moving Traffic mitigation. The savings are undeliverable, options are being explored to remedy.			
20/25-PL06	Contact Centre Efficiencies	0		0		0		These savings are based on a reduction of call handling staff. In order to achieve the required channel shift, a new microsite is being developed. Project has been delayed but was finally signed off for build last month. Expecting product to be live by December with initial savings being realised after sufficient channel shift results can be evidenced and staff redundancy consultation period undertaken. Mitigated in-year through base budget by rebate on contractual pension contributions; SPI over-achievement			

MTFS Savings Ref	Saving proposal	2021-22 Undelivered	2022/23 £'000s	Total £'000	2022/23 Projected Full Year Savings £'000s	2022/23 Savings surplus/ (shortfall) £'000s	RAG Status (Delivery of 2022/23 Saving)	Comment on Delivery RAG Status & Actions plans to mitigate shortfall	2023/24 £'000s	2024/25 £'000s	2025/26 £'000s
20/25-PL07	Mechanisation of High Street Cleansing	0	150	150	121	(29)	Amber	<p>After extensive investigation and trials, the parameters for these savings were realigned to allow a change of operational strategy rather than reliance on mechanisation. 2x constant presence beats were merged and some main road cleansing operations were reverted to barrow beats rather than coverage by mobile teams.</p> <p>Due to delays in the redundancy process, savings have been realised as of 1 June this year, therefore 5/6ths of annual projected saving. 2x redundant vehicles currently remain on contract awaiting resale/disposal. Saving from April 23 will be at least £325k</p>			
20/25-PL09	Hybrid Mail proposal	77		77	48	(29)	Amber	Methodology of cross service recharge agreed - review of coverage to be undertaken in consideration of Planning team reprofiled budget			
20/25-PL14	Parking Transformation Programme	476	300	776	576	(200)	Amber	<p>Unachieved income on diesel and 2nd subsequent vehicle surcharges - lower uptake of permits - due to economic influences (climate), ULEZ, fuel prices.</p> <p>Drivers</p> <p>Impact of Introduction of ULEZ</p> <p>Impact of Council Transport and clean air policy</p> <p>Introduction of Diesel and 2nd Subsequent vehicles MTFS savings not fully realised (noting consultation of F&amp;C process)</p> <p>Cost of living crisis – may impact on vehicle usage/ownership</p> <p>Pressure mitigated by Moving traffic income</p>			
PL20/1	Remodelling of the proposed Selective Licensing Scheme	0	100	100	100	0	Green	Scheme launch to commence 17th October 2022 which will allow us to open up to early applications for landlords. Part A of fee to be collected for this period up to 17th November 2022. Full fee will be paid by all landlords after 17th November 2022.	-	-	-
PL20/9	Full Cost recovery of services	20	100	120	0	(120)	Red	<p>Negotiations with THFC to recover all match day cleansing costs are ongoing. Bespoke match day cleansing operations, relating to expected crowd attendance, ensures Haringey spends the minimum sum each year to maintain acceptable cleansing standards.</p> <p>Currently investigating alternative income/cost avoidance measures to mitigate undeliverable element of savings..</p> <p>Mitigated in-year through base budget by rebate on contractual pension contributions; SPI over-achievement</p>	70	50	-
PL20/14	Commercial Waste	0	30	30	45	15	Green	Bad debt provision has been increased but still confident that outturn will be £15k over-achievement	35	35	10
PL20/15	Fleet	0	-	0	0	0			50	50	-

MTFS Savings Ref	Saving proposal	2021-22 Undelivered	2022/23 £'000s	Total £'000	2022/23 Projected Full Year Savings £'000s	2022/23 Savings surplus/ (shortfall) £'000s	RAG Status (Delivery of 2022/23 Saving)	Comment on Delivery RAG Status & Actions plans to mitigate shortfall	2023/24 £'000s	2024/25 £'000s	2025/26 £'000s
PL20/18	Crematorium Lease and Parks Property	0	20	20	20	0	Green	achieved	20	20	-
PL20/20	PL12 (Stage 2) Fuel Savings from Electric Vehicles	0	-	0	0	0			-	25	-
PL20/22	Visitors Vouchers Pricing Structure change	99	50	149	149	0	Green	periodic review of system and corresponding charges	50	50	50
PL20/31	Concessionary Fares	(465)	600	135	610	475	Green		(1,800)	-	-
PL20/32	Diesel surcharge - Pay for Parking	0	190	190	95	(95)	Amber	<p>Delayed implementation - Parking have a statutory obligation of consultation and have to submit a separate report of cabinet for approval. The timescales of this process may lead to prices changes being implemented later than April, and as such, only part year effect will be achieved.</p> <p>Drivers Covid19 pandemic – change in customer behaviours, shops closed, stay at home, work from home Economic influence - change in customer behaviour less demand for P&amp;D sessions Decline of High streets attracts less customers to High Street Cost of living crisis – may impact on vehicle usage/ownership</p> <p>Pressure will be mitigated by Moving Traffic income</p>	0	0	0
PL20/33	Residents Permits Pricing Structure	0	0	0	0	0			(10)	210	0
PL20/34	Change 2 hour restrictions to full day	0	0	0	0	0			(40)	270	0
PL20/35	Night Time Enforcement	0	(5)	(5)	(5)	0	Green	Recruitment and enforcement commenced - to be monitored - but assumed achievable	0	80	10
PL20/36	Pay for Parking - Introduce a minimum 1 hour purchasable sessions,	0	0	0	0	0			(10)	110	0
PL20/38	Moving Traffic PCN - expansion of moving traffic enforcement such as virtual road closures to support LTA	0	-	0	0	0			100	360	-
PL20/3	Management of ASB Enforcement & Remodel of ASB & Waste Enforcement	0	100	100	100	0	Green		-	-	-

MTFS Savings Ref	Saving proposal	2021-22 Undelivered	2022/23 £'000s	Total £'000	2022/23 Projected Full Year Savings £'000s	2022/23 Savings surplus/ (shortfall) £'000s	RAG Status (Delivery of 2022/23 Saving)	Comment on Delivery RAG Status & Actions plans to mitigate shortfall	2023/24 £'000s	2024/25 £'000s	2025/26 £'000s
PL20/17	Increase green waste subscriptions	0	15	15	0	(15)	Red	Garden waste subscriptions and income are slightly down compared to last year. Underachieved income mitigated with base budget. Mitigated in-year by over-achievement on commercial waste	15	20	20
PL20/26	NSL contract negotiation	0	300	300	0	(300)	Red	Contract negotiations failed to achieve a net £300k reduction - efforts are now being refocussed in increasing the income levels to mitigate expenditure pressure.- the saving is undeliverable, options are being explored to remedy. - Mitigation through Moving traffic in-year.	-	-	-
PL20/27	Back office services efficiencies.	100	-	100	0	(100)	Red	Original basis of savings has been deferred. Current on-going review as to what can be delivered. Mitigation through Moving traffic in-year.	-	-	-
PL20/28	Introduce Sunday charges - Car Park Pricing Structure	14	-	14	14	0	Green		-	-	-
PL20/29	Introduce Sunday charges - Pay for Parking Pricing Structure	32	10	42	42	0	Green		0	0	0
PL20/30	Targeted recovery of PCNs issued to persistent evaders. Dedicated resources	0	80	80	80	0	Green		80	80	80
20/25-YC09	Maximising income from filming and venue management	0	3	3	3	0	Green				
YC104	Highway Searches	18	0	18	6	(12)	Amber	New income stream dependent on external demand and market conditions. Initial estimates may have been slightly over-optimistic. Vacancy factor mitigation			
<b>Total:Environment &amp; Neighbourhood</b>		<b>796</b>	<b>2,652</b>	<b>3,448</b>	<b>2,431</b>	<b>(1,018)</b>			<b>(1,370)</b>	<b>1,360</b>	<b>170</b>

## New Capital for 2023/24 MTFS Programme

Description of Capital Bids	Funding Source (LBH Borrowing, External, Self Financing borrowing)	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)	2027/28 (£'000)	Total (£'000)
<u>Active Life in Parks</u> Certain assets are at the end of the lifecycle (e.g. paddling pools) and need urgent investment in 2023/24 if they are to reopen for the summer. Other assets such as outdoor gyms continue to be very popular and in demand at other locations around the borough. This bid is seeking to increase the current allocation of £230,000 by £230,000 in 2023/24 to meet the ongoing investment needs to ensure our residents have an equitable access to public outdoor sports, play and fitness facilities.	LBH Borrowing	230	0	0	0	230	460
<u>Parkland Walk footbridge replacement works</u> Parkland Walk is London's longest linear nature reserve and is held up by or goes under seven bridges managed by the Parks Service. Many of the bridge structures have been in place for over 140 years and require major refurbishment or replacement. The current programme of investment (as approved by the Council in March 2022) allows for the refurbishment / replacement of most of the remaining bridges. To complete the refurbishment of all the bridges and to resurface the whole length of the walk (4km), a further £2m will be required in 2027/28. The works are required to prevent the collapse / failure of the bridge structures and ensure that the public can continue to enjoy all the benefits of Parkland Walk.	LBH Borrowing	0	0	0	0	2,000	2,000
<u>Parks Asset Management</u> Parks were a key resource for our residents during the pandemic and helped more than ever to support the public's physical and mental health. As part of the preparation of the new draft Parks and Greenspaces Strategy, a draft Parks Asset Management Plan has been developed. For 2023/24, it is proposed that the total allocation towards Parks Asset Management should be £600,000 per annum - an increase of £300k from the original 2021/22 baseline allocation of £300k. This will allow the continuation of asset replacement, over and above attending to the most immediate health and safety issues and critical improvements to infrastructure.	LBH Borrowing	300	0	0	0	300	600

Description of Capital Bids	Funding Source (LBH Borrowing, External, Self Financing borrowing)	2023/24 (£'000)	2024/25 (£'000)	2025/26 (£'000)	2026/27 (£'000)	2027/28 (£'000)	Total (£'000)
<u>Street Lighting Investment Programme</u> This bid is for the extension of the £1.539m capital provision for investment in the Council's lighting infrastructure in 2026/27 into 2027/28. The current funding level is £1.3m with this lesser figure reflecting the separately funded replacement of street lighting with LED and the provision of a new central management system (CMS) to control each light's performance. By 2026/27, it is expected that a sufficient proportion of LEDs installed in previous years will begin to require replacement, thereby requiring an increase in the current baseline budget (which includes the replacement/upgrade of life-expired lighting columns and other forms of lighting infrastructure)	LBH Borrowing	0	0	0	0	1,539	1,539
<u>Wolves Lane: Market Garden City</u> The project will create a new high quality flagship growing hub at the Wolves Lane Centre in Wood Green for community food education and distribution, skills and employment opportunities, and better connection with nature for local residents. 400sqm of commercial space and 750sqm of community space will be created across three buildings: a community hub (Building A); classroom and offices (Building B); and Distribution, Storage and Workshop (Building C). Further key outputs include 10 new/ safeguarded jobs, 15 businesses receiving support, 280 volunteers, 4300 local people engaged in the project and the creation of 12,000 sqm of public space. The innovative design approach champions low carbon technologies, construction materials and circular economy principles, thereby creating a pilot for future replicable models of sustainable urban food production and construction. A contribution of £160k leverages an additional £571k of match funding from the National Lottery Community Fund and the GLA's Good Growth Fund, and would ensure the scheme remains viable to deliver in full.	LBH Borrowing	160	0	0	0	0	160
		690	0	0	0	4,069	4,759

# APPENDIX 4: 2023/24 - 27/28 DRAFT CAPITAL PROGRAMME

Source of Funding	
H	Haringey Borrowing
S	Self-Financing
E	External

			Source of Funding	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget	2023/24 - 27/28 Total
SCHEME REF	SCHEME NAME	BRIEF DESCRIPTION		£,000	£,000	£,000	£,000	£,000	£,000
119	School Streets	The funding is to support the roll out of the schools streets initiative	H & E	600	600	0	0	0	1,200
301	Street Lighting	This is the annual investment in capital maintenance	H	1,300	1,300	1,300	1,539	0	5,439
302	Borough Roads	This is the annual investment in capital maintenance. Of the budget in years 2024/25 onward, £3.985m is subject to external funding being generated.	H & E	10,029	10,909	10,909	7,858	0	39,705
304	Flood Water Management	This is the annual investment in capital maintenance	H & E	710	0	0	0	0	710
305	Borough Parking Plan	This funding underpins the borough parking plan	H	321	321	321	0	0	963
307	CCTV	This funding underpins the borough CCTV plan	H & E	774	0	0	0	0	774
309	Local Implementation Plan(LIP)	This funding is provided by TfL for infrastructure works called the Local Implementation Plan (LIP)	E	1,000	1,000	1,000	1,000	0	4,000
310	Developer S106 / S278	This funding is provided by developers to offset the deleterious effect of their development so that it is acceptable in planning terms	E	250	250	250	250	0	1,000
311	Parks Asset Management:	This is the annual investment in capital maintenance	H & E	775	300	300	300	0	1,675
313	Active Life in Parks:	This is the annual investment in capital maintenance	H & E	230	230	230	230	0	920
314	Parkland Walk Bridges	Investment in the refurbishment of a number of bridges	H	3,458	2,000	2,000	2,000	0	9,458
322	Finsbury Park	This budget is to cover investment in Finsbury Park funded through the events income	S	600	1,000	0	0	0	1,600
325	Parks Vehicles	This budget is to be used for the procurement of energy efficient park vehicles. It is self-funding and is aimed to reduce carbon emissions.	S	0	360	0	0	0	360

			Source of Funding	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget	2023/24 - 27/28 Total
SCHEME REF	SCHEME NAME	BRIEF DESCRIPTION		£,000	£,000	£,000	£,000	£,000	£,000
328	Street & Greenspace Greening Programme	This is an annual programme of investment in street & greenspace tree planting programme. The programme is used to match fund other external funds and sponsorship opportunities to deliver circa 200-250 trees per year. The current programme is much greater than this due to a large grant from the Urban Tree Challenge Fund and NCIL funding in four wards.	H & E	175	175	75	75	0	500
329	Park Building Carbon Reduction and Improvement Programme	A four year programme to improve the quality of the parks operational estate (13 buildings) including reducing the energy consumption and water usage by installing new technologies to reduce the carbon emissions to Zero in line with the Climate Action Plan targets for 2027.	S	1,050	1,000	750	0	0	2,800
332	Disabled Bay/Blue Badge	This budget is for extensions to existing bays	H	216	0	0	0	0	216
333	Waste Management	To upgrade waste infrastructure in the public realm	H	161	0	0	0	0	161
336	New River Sports & Fitness	This scheme is to improve the street environment within Haringey.	S	420	533	533	533	0	2,019
337	OFM Assets	This scheme's budget is largely to replace the vehicles currently hired from Veolia with Council owned vehicles. Whilst about 17% of the total budget is for the acquisition of OFM security body cameras and radios.	H	200	0	0	6	0	206
338	Road Casualty Reduction	Haringey Council is committed to improving road safety for all users and, in particular, to provide improved conditions for vulnerable road users, cyclists and pedestrians in the Borough. The Council is producing a Road Safety Strategy and Action Plan (RSSAP) to support Vision Zero. The RSSAP will assist in prioritising future infrastructure investment (e.g. locations of new crossings etc) that require an improved facility or safety measures, and make improvements to walking and cycling routes and facilities within the Borough. Expenditure in years 2024/25 onwards are subject to external funding being generated.	H & E	1,600	1,600	1,600	1,600	0	6,400



			Source of Funding	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget	2023/24 - 27/28 Total
SCHEME REF	SCHEME NAME	BRIEF DESCRIPTION		£,000	£,000	£,000	£,000	£,000	£,000
339	Wildflower Meadow Planting	The Council is developing a new Biodiversity Action Plan (BAP) as part of its Parks and Greenspaces Strategy, a key plank of the BAP will be the diversification of the landscape within Haringey to support a greater range of species and habitats. This proposal seeks to support the establishment of a wide range of meadow habitats at different scales.	H	80	0	0	0	0	80
Adjusted Scheme	Borough roads - Highways Asset Maintenance Programme	Scheme 302 has been adjusted to reprofile the activity and spend	H	(500)	0	0	0	0	(500)
Adjusted Scheme	Road Casualty Reduction	Scheme 338 has been adjusted to reprofile the activity and spend	H	(600)	0	0	0	0	(600)
New Bid	Active Life in Parks	See scheme 313 above	H	230	0	0	0	230	460
New Bid	Parkland Walk footbridge replacement works (314)	See scheme 314 above	H	0	0	0	0	2,000	2,000
New Bid	Parks Asset Management	See scheme 311 above	H	300	0	0	0	300	600
New Bid	Street Lighting Investment Programme	This is the annual investment in capital maintenance	H	0	0	0	0	1,539	1,539
New Bid	Wolves Lane: Market Garden City	This scheme provides additional funding to the Wolves Lane Market Garden City to complement significant external investment in the facility	H	160	0	0	0	0	160
<b>Environment &amp; Neighbourhoods</b>				<b>23,539</b>	<b>21,578</b>	<b>19,268</b>	<b>15,391</b>	<b>4,069</b>	<b>83,845</b>

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## Environment & Community Safety Scrutiny Panel

### Work Plan 2022 - 24

<b>1. Scrutiny review projects;</b> These are dealt with through a combination of specific evidence gathering meetings that will be arranged as and when required and other activities, such as visits. Should there not be sufficient capacity to cover all these issues through in-depth pieces of work, they could instead be addressed through a “one-off” item at a scheduled meeting of the Panel. These issues will be subject to further development and scoping. It is proposed that the Committee consider issues that are “cross cutting” in nature for review by itself i.e., ones that cover the terms of reference of more than one of the panels.		
Project	Comments	Priority
Litter/fly tipping	The Panel would like to do a [piece of detailed scrutiny work around litter and fly-tipping and how this could be improved. It’s noted that the Veolia contract is due for renewal and there is an opportunity to link in the with priority setting process for a new waste contract.	

<b>2. “One-off” Items;</b> These will be dealt with at scheduled meetings of the Panel. The following are suggestions for when particular items may be scheduled.	
Date	Potential Items
2022-23	

<b>30 June 2022</b>	<ul style="list-style-type: none"> <li>• Membership and Terms of Reference</li> <li>• Appointment of Non-Voting Co-opted Member</li> <li>• Waste and Recycling Update</li> <li>• Community Safety Update</li> <li>• Work Programme</li> </ul>
<b>05 September 2022</b>	<ul style="list-style-type: none"> <li>• Cabinet Members Questions, Cabinet Member for Climate Action, Environment &amp; Transport, and Deputy Leader of the Council</li> <li>• Low Traffic Neighbourhoods</li> <li>• Walking and Cycling Action Plan</li> <li>• Update on Parking Management It System</li> <li>• Street Trees</li> <li>• Pocket Parks</li> <li>• Work Programme</li> </ul>

<b>14 November 2022</b>	<ul style="list-style-type: none"> <li>• Cabinet Member Questions – Cabinet Member for Economic Development, Jobs &amp; Community Cohesion (to cover areas within the Panel’s terms of reference that are within that portfolio). * <ul style="list-style-type: none"> <li>○ How is the Council encouraging use of brownfield sites in the borough to protect green spaces.</li> <li>○ Interaction between crime and youth service provision</li> </ul> </li> <li>• Police Priorities in Haringey &amp; Community Safety Partnership Update; To invite comments from the Panel on current performance issues and priorities for the borough’s Community Safety Partnership. <ul style="list-style-type: none"> <li>○ Update on Police activities to combat Domestic violence and under reporting of this crime type</li> <li>○ Hate Crime</li> </ul> </li> </ul> <p>* Item withdrawn – to be rescheduled.</p>
<b>15 December 2022 (Budget Meeting)</b>	<ul style="list-style-type: none"> <li>• Cabinet Member Questions – Cabinet Member for Communities and Civic Life</li> <li>• Budget Scrutiny</li> <li>• Update on Leisure Services inc take up discretionary rate.</li> <li>• Parks Performance.</li> <li>• Summer Major Events programme in Finsbury Park</li> </ul>
<b>16 March 2023</b>	<ul style="list-style-type: none"> <li>• Cabinet Member Questions – Cabinet Member for Tackling Inequality &amp; Resident Services <ul style="list-style-type: none"> <li>○ Highways Update and progress around introduction of 20mph speed limits.</li> </ul> </li> <li>• Update on Litter and Fly tipping</li> </ul>

	<ul style="list-style-type: none"> <li>• Update on Recycling Performance</li> <li>• Update on PMIS</li> </ul>
<b>2023/24</b>	
<b>Meeting 1</b>	<ul style="list-style-type: none"> <li>• Terms of Reference</li> <li>• Appointment of Non-Voting Co-opted Member</li> <li>• Cabinet Member Questions</li> </ul>
<b>Meeting 2</b>	<ul style="list-style-type: none"> <li>• Cabinet Member Questions</li> </ul>
<b>Meeting 3</b>	<ul style="list-style-type: none"> <li>• Cabinet Member Questions</li> <li>• Police Priorities in Haringey &amp; Community Safety Partnership Update; To invite comments from the Panel on current performance issues and priorities for the borough's Community Safety Partnership.</li> </ul>
<b>Meeting 4 (Budget)</b>	<ul style="list-style-type: none"> <li>• Budget Scrutiny</li> </ul>

**Meeting 5**

- Cabinet Member Questions

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