

## NOTICE OF MEETING

# ADULTS & HEALTH SCRUTINY PANEL

**Tuesday 12th December 2023, 6.30 pm - George Meehan House,  
294 High Road, N22 8JZ**

**Members:** Councillors Pippa Connor (Chair), Cathy Brennan, Thayahlan Iyngkaran, Mary Mason, Sean O'Donovan, Felicia Opoku and Sheila Peacock

**Co-optees/Non Voting Members:** Ali Amasyali and Helena Kania

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.

By entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings.

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 Members' Register of 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 interest 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 - 10)**

To approve the minutes of the previous meeting.

#### **7. SCRUTINY OF THE 2024/25 DRAFT BUDGET / 5 YEAR MEDIUM TERM FINANCIAL STRATEGY (2024/25 - 2028/29) (PAGES 11 - 96)**

To scrutinise the revenue and capital proposals relating to the 2024/25 Draft Budget and the Medium Term Financial Strategy for 2024/25 to 2028/29.

Appendix 1 – Key lines of enquiry for budget setting

Appendix 2 – Cabinet report – Budget and MTFs (5<sup>th</sup> December 2023)

Appendix 3 - Q2 2023/24 position (Adults and Health)

Appendix 4 - New Revenue Growth Proposals (Adults and Health)

Appendix 5 - New Revenue Savings Proposals (Adults and Health)

Appendix 6 - Capital Budget Proposals (Adults and Health)

#### **8. WORK PROGRAMME UPDATE (PAGES 97 - 100)**

To consider any additions or amendments to the Panel's current work programme.

## **9. NEW ITEMS OF URGENT BUSINESS**

To consider any items admitted at item 3 above.

## **10. DATES OF FUTURE MEETINGS**

- 22<sup>nd</sup> February 2024

Dominic O'Brien, Principal Scrutiny Officer, [dominic.obrien@haringey.gov.uk](mailto:dominic.obrien@haringey.gov.uk)

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Fiona Alderman

Head of Legal & Governance (Monitoring Officer)

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

Monday, 04 December 2023

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**MINUTES OF THE MEETING OF THE ADULTS & HEALTH  
SCRUTINY PANEL HELD ON THURSDAY 16<sup>th</sup> NOVEMBER 2023,  
6.30 - 9.15pm**

**PRESENT:**

**Councillors: Pippa Connor (Chair), Cathy Brennan, Thayahlan Iyngkaran,  
Mary Mason and Sean O'Donovan**

**Co-Optees: Helena Kania**

**23. 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'.

**24. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Cllr Felicia Opoku, Cllr Sheila Peacock and Ali Amasyali.

Apologies for absence were also received from Cllr Lucia das Neves, Cabinet Member for Health, Social Care & Wellbeing.

**25. ITEMS OF URGENT BUSINESS**

None.

**26. DECLARATIONS OF INTEREST**

Cllr Pippa Connor declared an interest by virtue of her membership of the Royal College of Nursing.

Cllr Pippa Connor declared an interest by virtue of her sister working as a GP in Tottenham.

Cllr Thayahlan Iyngkaran declared an interest by virtue of his membership of the Royal College of Radiologists.

**27. DEPUTATIONS/PETITIONS/ PRESENTATIONS/ QUESTIONS**

None.

## 28. MINUTES

Cllr Connor referred Members of the Panel to the responses received so far on action points from previous meetings, noting that some responses were still outstanding and would be followed up with officers.

The minutes of the previous Adults & Health Scrutiny Panel meeting were approved as an accurate record.

**RESOLVED – That the minutes of the meeting held on 18<sup>th</sup> September 2023 be approved as an accurate record.**

## 29. QUALITY ASSURANCE/CQC OVERVIEW

Jon Tomlinson, Senior Head of Service for Commissioning, Brokerage and Quality Assurance, introduced the report for this item which provided an annual update on the recent quality assurance work and the current challenges faced including upward pressure on costs, recruitment and retention, and increased acuity and demand. Regular meetings were held with both domiciliary care and residential care providers to discuss key issues and a new uplift process had been introduced to reflect the challenges faced by providers. He explained that the Council and the Care Quality Commission (CQC) worked closely with providers to develop action plans when issues had been identified through the quality assurance process. In Haringey, the majority of providers had been assessed as being in the 'good' or 'outstanding' categories and the general approach of the Council was not to commission providers that were assessed as requiring improvement, although there were cases where there were already residents using those services.

David Harris, Operations Manager for Islington, Camden & Haringey at the CQC, explained that his role covered a range of health and social care services and that, from January, there would be an allocated CQC inspector for adult social care in Haringey. With regard to the report, he concurred that there was a lot of pressure in the system at present and noted that there were particular concerns about the demand on ambulance services coming into the Whittington and North Middlesex hospitals.

Jon Tomlinson and David Harris then responded to questions from the Panel:

- Cllr Iyngkaran referred to Provider G in Table 1 in the report which was listed as having two open Safeguarding Adult Reviews and 30+ safeguarding concerns. He asked why the Council had lifted its suspension on further placements while the Integrated Care Board (ICB) had continued with a suspension. Jon Tomlinson responded that the Council had developed an action plan with the provider and that all of the required quality assurance actions had been

complied with. The Council had a block contract with the provider and it was deemed appropriate to lift the suspension. Vicky Murphy, Service Director for Adult Social Services, added that the provider had 106 beds, 61 of which were for residential and lower needs nursing. She explained that there were also some intermediate care beds and that the ICB would also spot purchase beds for Continuing Healthcare (CHC). The requirements on CHC had been around intensive nursing support and changes were ongoing in this area. Further information was expected to be available on this in the coming weeks which could be provided to the Panel. **(ACTION)**

- Referring to Table 5 on page 8 of the supplementary agenda pack, Cllr lyngkaran asked why nine of the Out of Borough placements were at uninspected premises. David Harris explained that not every adult social care service was inspected by the CQC (e.g. supported living) and that some services may have registered but not been inspected yet. When registering, they would have to go through a rigorous process including many of the same details as an inspection so they would be a perfectly usable and safe service. Similarly, a change of ownership could also lead to situation where a service had not yet been inspected. Jon Tomlinson added that the Council would also liaise closely with the host authority and would not place anyone with a provider that the host authority had highlighted issues about.
- Referring to page 7 of the supplementary agenda pack, Cllr Connor noted that there were 13 locations in the Borough that Haringey Council did not currently commission and asked whether there was any oversight of self-funding Haringey residents who might be using these services. Jon Tomlinson explained that their quality assurance approach was based on risk due to their current capacity, although they were expecting to be able to expand the quality assurance team early next year. This meant that the quality assurance activities would typically be prompted if issues were raised with the Council or if information was received from other sources such as the CQC, other local authorities or residents/families. Vicky Murphy added that any service providing direct care would also be CQC-regulated, as opposed to services such as supported living services which were not CQC-regulated. The non-commissioned services would be a mix of these two categories. Cllr Connor suggested that clarification on this would be useful in future reports on this topic. **(ACTION)**
- Asked by Helena Kania how many of the 180 Out of Borough placements were outside of the North Central London (NCL) area and how these were monitored in terms of safeguarding, Jon Tomlinson said that typically around one-third of the placements would be outside of NCL. He explained that there would be an annual review for each individual carried out by a social worker and reiterated the close partnership working with the host authorities as previously mentioned. Vicky Murphy added that the host authority would have a statutory responsibility for safeguarding issues. Dr Adi Cooper, Independent Chair of the Haringey Safeguarding Adults Board (HSAB), commented that, when serious safeguarding issues arose, the HSAB would seek assurances from partners that immediate action was being taken to review similar cases. She added that

- a complicating factor was that placements were sometimes made through agencies so there needed to be careful monitoring. There was an added layer of assurance through the HSAB, in the ongoing monitoring reports and in the regular commissioning reports it received from adult social care and the ICB. David Harris commented that closed cultures could often be a factor in serious safeguarding events and that planned routine visits may not be sufficient to understand what was going on and so more unscheduled visits were required.
- Asked by Cllr Mason about the nine providers where risk had been identified and whether others were on the risk borderline, Jon Tomlinson said that, in addition to the nine providers highlighted in the report, there were a similar number where there was a watching brief.
  - Asked by Cllr Mason about reports from family members as a part of assessing risk, Jon Tomlinson explained that the risk register was the main tool used for ensuring an overview of this in conjunction with other identified risk factors. He added that the quality assurance team would always investigate and take action/involve partners where necessary when family members raised concerns about care. Cllr Mason requested that an anonymised version of the risk register be provided to the Panel if possible or alternatively information about how many safeguarding complaints had been raised. Jon Tomlinson agreed to look at what information could be provided on this. **(ACTION)**
  - Asked by Cllr Brennan about the background checks on placements with previously unused providers, Jon Tomlinson said that the team would always do background work with information gathered about CQC registration and other kinds of data in order to have a good understanding of a service before making a placement. He acknowledged that the market was particularly challenging at present and so the brokerage team was working to identify packages to meet the assessed needs of residents.
  - Referring to paragraph 6.12 on page 8 of the report, Cllr Connor asked what difference the Quality Assurance and Contract Monitoring Framework was expected to make to residents. Jon Tomlinson explained that the Framework had only just been launched but that it would help to record and track quality assurance information from the beginning of the process. It would also enable the monitoring of contracts in a more organised and coordinated way. Haringey currently used quite a large number of providers due to the equivalent of spot purchasing but, by moving to more block contracts it would be possible to bring the number of providers down which would be more manageable in terms of quality assurance. The expected increase in the size of the team would also enable more proactive engagement with providers. Cllr Connor proposed that a further update be provided on the Quality Assurance and Contract Monitoring Framework at the quality assurance report to the Panel next year. **(ACTION)**
  - Referring to an individual case that she was aware of, Cllr Connor asked whether investigations into safeguarding complaints were closed after a service user had died. Vicky Murphy confirmed that there was no policy that would require this and that, depending on the nature of the case, further action could be taken, for example as part of a Safeguarding Adults Review or by contributing to a wider system approach. She also indicated that she would be



happy to provide a response regarding the individual case outside of the meeting if required. **(ACTION)**

- Referring to cases in the report of providers that had not yet shown sufficient improvement, Cllr Connor asked what reassurances could be provided for families of residents who remained placed with these providers. David Harris explained that there were different levels of CQC enforcement which included a formal notice of improvements required within a certain timescale which could be followed by requirements for documentary proof of changes or a further inspection. Jon Tomlinson added that an action plan would typically be agreed and that the Council would work with the provider until those improvements were attained. Quality assurance officers would make regular visits during this time in order to help manage the risk level. The social work team may also be involved if necessary to provide additional support to the service user and their family. However, if the provider did not appear to be making progress within the agreed time period, then decommissioning could be necessary. Vicky Murphy added that there was a lot of quality assurance during the social care assessments and that there would be close communication between the quality assurance team and the social work team.

### **30. HARINGEY SAFEGUARDING ADULTS BOARD - ANNUAL REPORT 2022/23**

Dr Adi Cooper, Independent Chair of the Haringey Safeguarding Adults Board (HSAB), presented the Board's annual report for 2022/23 noting that it had continued to be a challenging environment for all partners in maintaining the good work being done in Haringey. The report set out the work that the board had done in terms of meeting statutory duties and priorities and there had been a major project in developing a revised strategic plan after the previous plan had come to an end, with support provided on the formal consultation and co-production from the Joint Partnership Board. The co-production work had aimed to work with representatives of different voices of people with lived experience in the borough to influence the direction of the plan from the beginning.

Dr Adi Cooper described the changing infrastructure below the Board which now included an engagement and partnership group, a practice improvement group and a reconfigured quality assurance group. Over the longer term there would be a greater priority on engagement to inform prevention work. There had also been deep dives on data including on safeguarding referrals from people in supported housing and on neglect and financial abuse. This had been initiated because of variations in the data but the deep dives had not suggested issues with the practice going on.

Other issues described in the report included the joint work with partners such as the regular meetings with the Children's partnership, including on transitional safeguarding. Each year the Board undertook a self-assessment to ensure that it was still effective and that partners were all delivering on their responsibilities.

Dr Adi Cooper then responded to questions from the Panel:

- Cllr Brennan described concerns about inadequate communication channels and support in relation to an individual case involving a resident in sheltered housing. Dr Adi Cooper said that, while she could not comment on individual cases, she would be happy to discuss this outside of the meeting to understand the concerns and the agencies involved. Asked by Cllr Connor whether there were any particular improvements that could be made around communications, Dr Adi Cooper said that most Adult Safeguarding Reviews typically identified communications as an issue at some point and also that communication between boroughs were sometimes not as good as could be expected in relation to cross-boundary cases. She noted that there had been an issue in Haringey in the past where communications back to people who had referred concerns to the local authority had been poor, but she felt that this had now improved. Another issue to be considered was the churn in staffing in the public sector which did not make for easy maintenance of relationships and communication. Cllr Mason commented that communications between boroughs could be a particular problem in domestic abuse cases when people moved boroughs.
- Cllr Mason raised concerns about homelessness and the safeguarding concerns associated with this, noting a recent increase in street homelessness cases coming in via the food bank in her area and that local homelessness agencies were struggling to deal with the demand with limited support from statutory agencies. Dr Adi Cooper acknowledged that this was an area of huge concern and increasing need, not just in Haringey but in other London Boroughs. She commented that long-term contributory factors included national policy changes such as the withdrawal of the Supporting People grant that supported vulnerable adults to sustain tenancies, recent actions to fast track some asylum seekers' decision making before they could claim Universal Credit. She added that there was much to be proud of in relation to the work done in recent years in Haringey to raise the profile of safeguarding and the relationship with homeless people, including those in temporary accommodation as well as street homelessness. However, the housing supply in London was nowhere near good enough and the severity of the housing crisis in London was causing safeguarding issues. She said that, as HSAB Chair, she had limited leverage in terms of escalation because her remit was to ensure that partners in Haringey performed their safeguarding duties as well as possible with the resources that they had. She could see that there were colleagues struggling in the current circumstances and that individuals and families were suffering but that there was no easy solution to this. Cllr Mason proposed that, due to the seriousness of the issue and the and the impact of government policy on residents that had been highlighted, a summary of these points should be referred to Full Council/Cabinet. **(ACTION)**

- Helena Kania thanked the HSAB on behalf of the Joint Partnership Board as this had enabled the voices of a lot of a vulnerable people to be heard.
- Helena Kania asked about the new Section 136 arrangements for mental health cases now that police intervention was largely excluded and asked about the new NHS and Police roles and how this was being monitored in terms of safeguarding. Dr Adi Cooper clarified that the specific questions about roles would need to be directed to the agencies in question but added that the Police still had the same duties in relation to any criminal incidents. She explained that, with the Metropolitan Police's implementation of the 'Right Care, Right Person' approach, the Police had been required to report in to HSAB meetings on developments and the HSAB would continue to monitor this implementation and the impact of changes in policy on safeguarding risks. Beverley Tarka, Director of Adults, Health and Communities, added that a new joint mental health and policing group had been established to address the partnership approach to these changes and included various sub-groups, with work including the development of regular communications updates. Cllr O'Donovan expressed concern about the capacity of mental health trusts and local authorities to deal with this extra work. Helena Kania suggested that it would be useful for the Panel to understand how this process was playing out in the months to come and Cllr Connor requested that further information/feedback on this could be provided as part of the HSAB annual report item next year. **(ACTION)**
- Asked by Cllr Brennan whether the Police was still responding to mental health related calls where there was a risk of suicide, Beverley Tarka said that the joint mental health and policing group would be considering a range of scenarios.
- Cllr O'Donovan raised concerns about the overrepresentation of black people in safeguarding Section 42s Dr Adi Cooper said that there were often deep dives into data on various factors including on different demographics and communities. However, this particular statistic hadn't been covered in the annual report so she would need to look into this further. **(ACTION)**
- Cllr Iyngkaran noted the 24% decrease in Section 42 enquiries and asked whether this was positive or a possible sign of underreporting. Dr Adi Cooper said that interpreting the data could be challenging and that this should not be considered as performance data. The reduction in this situation was likely to be a result of quality assurance mechanisms providing alternative pathways for concerns to be dealt with rather than using a Section 42 enquiry pathway. The HSAB had received more detailed information on this, including case file audits, and was confident that practice was on an improving trajectory. Vicky Murphy added that, since January, there had been an in-person duty team which was able to respond to concerns quicker.
- Asked by Cllr O'Donovan about modern day slavery and sexual exploitation, Dr Adi Cooper explained that the numbers on this were quite low and so any fluctuations in the data were not hugely significant. However, she added that

the reporting of it was helpful as there was more work to be done in this area and it was also important to be aware that there had been concerns arising nationally, though not in Haringey, about modern slavery in the adult social care provider sector. Cllr Connor suggested that modern slavery could be added as an item to the Panel's work programme as the HSAB annual report had highlighted a fall in referrals in Haringey and it may be useful to explore this issue further. Cllr Mason suggested that it would be useful to understand what training the Police had in dealing with this issue as part of any future agenda item. **(ACTION)**

- Asked by Cllr O'Donovan about whistleblowing, Dr Adi Cooper said that the Board would be looking at policies with all partners on dealing with abuse by people in positions of trust as part of its programme in the coming year, which would include mechanisms for people to raise concerns.
- Cllr Connor proposed that a day could be reserved in future as part of the Work Programme for the Scrutiny Panel to scrutinise safeguarding issues in more depth. Beverley Tarka suggested that a deep dive on a specific area could work better than safeguarding as a whole. Dr Adi Cooper added that it would be necessary to coordinate this with issues likely to appear in next year's annual report as the work on this would begin some months earlier. It was agreed that a further conversation outside of the meeting would be arranged. **(ACTION)**

### 31. CO-PRODUCTION UPDATE

Alexandra Domingue, Project Manager for Adult Social Care Commissioning, introduced the report noting that the Adult Social Care Commissioning Co-Production Board was being launched in November 2023 as a response to both the recent peer review and the Scrutiny Review on this issue. The Board was envisaged as a vehicle for Adult Social Care Commissioning to involve people in the development of projects that would affect them.

Alexandra Domingue added that the Joint Partnership Board had helped to shape the development of the new Board including the terms of reference. The vision was for the Board to take upcoming commissioning work and gain input and guidance on the development as part of a multidisciplinary group including residents who access adult social care services and carers. It would also involve providers and adult social care staff. Other issues such as quality assurance work or contracts may also be brought to the attention of the Board.

Alexandra Domingue then responded to questions from the Panel:

- Asked by Cllr Connor about the membership of the new Board, Alexandra Domingue said that invitations had been sent to reference groups, carers groups and residents. It was also expected that there would be sub-groups with people joining based on their areas of experience and expertise. Cllr Lucia das Neves would be attending the Board as the Cabinet Member for Health, Social

Care & Wellbeing. It may also be appropriate to involve other Council Members on certain areas of work, particularly when related to certain localities. Cllr Connor suggested that information about this should be communicated to all Council Members so that they could have the opportunity to express their interest. **(ACTION)**

- Cllr Mason expressed support for wider engagement with local voluntary sector organisations and Alexandra Domingue said that any further suggestions of organisations that they could reach out to would be welcomed.
- Asked by Cllr Mason how success would be measured, Alexandra Domingue said that there would be various ways of doing this including the contract monitoring process and proactively obtaining feedback from service users. This could potentially happen through a resident audit team rather than directly through officers.
- Asked by Cllr Connor about support for residents in their co-production roles, Alexandra Domingue said that specification of the position of a Co-production Board member had been provided in the agenda papers and there was also some ongoing work with colleagues on the development of some formal training and ring-fenced support/debriefing. There had also been progress in bringing forward financial remuneration measures and references for future job applications and there were ongoing conversations about the most appropriate format for this.
- Helena Kania requested further details about the link between the Co-Production Board and the Joint Partnership Board. Alexandra Domingue responded that the role of Public Voice had been instrumental in sharing details about the Co-Production Board with its members and that she would welcome close working and updates between the two Boards. This could potentially include a representative of the Joint Partnership Board joining the Co-Production Board.
- Cllr Brennan commented that she was impressed by the work that had been done as outlined in the report and presentation. Cllr O'Donovan also welcomed the work, noting in particular the egalitarian approach to the Board and the specification for Board members to have had direct experience of using or caring for someone who used adult social care services.
- Cllr Iyngkaran queried whether the specification for Board members risked self-selecting a particular group of people and excluding others, for example by attracting people who were more likely to have a higher educational background, speak English as a first language and have confidence participating in a group setting. Alexandra Domingue observed that it was important to ensure that there were other mechanisms for people to participate rather than being a Board Member, that there could be separate sub-groups to focus on particular areas and there had been different types of engagement including through social media and by producing an 'easy-read' version of the terms of reference. She added that the team was particularly conscious of the

need to have a variety and depth of engagement and that this would be a focus of the development of the work in the coming year. Jon Tomlinson added that it was important to recognise that this was the start of a journey in many ways with the first meeting on 29<sup>th</sup> November and that the aim of this Board was to put service users, carers and ‘experts by experience’ in the driving seat.

Cllr Connor thanked the officers for their report and indicated that the Panel would like to receive a further update on the work of the Co-production Board after it had developed further. Vicky Murphy suggested that the appropriate timescale for this would be approximately 6 to 9 months time. **(ACTION)**

**32. WORK PROGRAMME UPDATE**

Scrutiny Officer, Dominic O’Brien, informed the Panel that, in addition to the latest version of the Panel’s Work Programme, the draft scope and terms of reference for a new Scrutiny Review on Digitalisation and Communications with Residents was included in the agenda pack. Since publication, it was suggested that the terms of reference be amended to clarify that communications for residents presenting with complex needs involving a multidisciplinary team was one element to be included in the Review rather than the main/only element of the Review as a whole. Cllr Connor commented that one strand of the Review would include how residents, carers/families, other organisations were kept informed of developments in a case and another strand would look at how the digitalisation of the process would work. With these amendments added, the terms of reference for the Review were approved by the Panel.

Helena Kania suggested that work in the NHS on personalisation and the involvement of residents/carers in the plan and its progression could be considered as part of the evidence gathering and would provide some further details outside of the meeting. **(ACTION)** Panel Members were reminded to provide any further feedback on the Review, including possible witnesses, by email.

**RESOLVED – That the terms of reference for the amended Scrutiny Review on Digitalisation and Communications with Residents be approved.**

**33. DATES OF FUTURE MEETINGS**

- 12<sup>th</sup> Dec 2023 (6:30pm)
- 22<sup>nd</sup> Feb 2024 (6:30pm)

CHAIR: Councillor Pippa Connor

Signed by Chair .....

Date .....

**Report for:** Adults and Health Scrutiny Panel, 12 December 2023

**Item number:** 7

**Title:** Scrutiny of the 2024/25 Draft Budget and 5 Year Medium Term Financial Strategy 2024/2029

**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:** All

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

**1. Describe the issue under consideration**

- 1.1 To consider and comment on the Council's 2024/25 Draft Budget and 5 Year Medium Term Financial Strategy (MTFS) 2024/2029 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 2024/25 Draft Budget and 5 Year Medium Term Financial Strategy (MTFS) 2024/2029 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. 2024/25 Draft Budget and MTFS 2024/29 – Key Messages from report considered by Cabinet on 5/12/2023**

**Introduction / Background**

- 5.1 This sets out details of the draft General Fund (GF) Budget for 2024/25; the Medium Term Financial Strategy (MTFS) 2024/29; the draft HRA Budget 2024/25 and it's draft Business Plan including estimated income (funding) and expenditure adjustments, as well as the draft capital programmes for both funds.

**General Fund Revenue Budget**

- 5.2 As Members will know, the financial situation for local authorities is as difficult at this time as perhaps it has ever been, as evidenced by the increasing number of authorities who are needing, or near to issuing, a Section 114 statement regarding their inability to set a legal budget. This is the backdrop to our budgetary process for the coming year.
- 5.3 This Council, like most if not all others, is finding it extremely challenging to meet its legal obligation to put forward a balanced budget for next year. As such, the draft Budget as framed in this report at this time has not yet achieved that objective. Even after budget savings and other management actions identified through this budget round of £11m, the 2024/25 draft Budget gap in this report is £16.3m, significantly worse than the £6.3m estimated in the Budget/MTFS report from March 2023.



- 5.4 There needs to be considerable further work undertaken between now and the issue of its second and final Budget report in February 2024 which must and will present a balanced Budget to be agreed. This final Budget report will include the outcomes for the Council of a number of important developments which have yet to play out. Government announcements on 2024/25 funding for local government will not take place until after this December report is finalised and with all parts of the public sector looking for additional resources, this Council cannot rely on assumptions about any significant new funding being allocated to the sector.
- 5.5 Therefore, while this year's Budget consultation process will include budget policy changes described in this report, it must be recognised that there will be significant additional proposals included in the February Budget report.
- 5.6 Conditions in the national economy have had a more significant impact on expenditure than had been assumed when the March budget was set. Inflation has remained higher for longer than expected and the Bank of England has continued to increase interest rates in an attempt of offset this.
- 5.7 These in turn have impacted negatively on the costs of critical services, notably social care, and more costly mortgages have seen landlords leaving the buy to let market, reducing the supply of Temporary Accommodation and driving up costs.
- 5.8 High interest rates have also placed pressure on the funding of the Council's capital programme and are influencing decisions on any changes and additions for the forthcoming year. Although the inflation rate fell sharply in October to its lowest rate in two years (4.6%), this was largely due to energy prices and much of the inflationary costs associated with care services will be driven by wage increases which are likely to take longer to reduce. Furthermore, the supply chain not only for temporary accommodation but also notably for children's social care, is extremely tight leading to above inflation cost rises.
- 5.9 All these factors are driving the need for growth in Directorate budgets, predominately in the three demand led services, as evidenced by the current year's Qtr2 forecast overspend of £20.8m. This has had to be acknowledged in the preparation of the draft Budget for 2024/25, leading to a much higher budget requirement than we forecast in March.
- 5.10 In response to these economic factors, £25.5m growth has been built into this draft Budget solely for the demand led services: £20.4m for Adult social care; £3.0m for Temporary Accommodation and £2.1m for Children's.

#### **General Fund Capital Programme**

- 5.11 Investment in capital expenditure can support the Council to deliver on key priorities and can support the delivery of permanent revenue savings. However, in the current financial climate, it is more important than ever that

the Council ensures that all of its capital expenditure, investments and borrowing decisions are prudent and sustainable.

- 5.12 The current economic environment has also had major implications for the existing and future GF Capital Programme. Borrowing costs have increased and 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.
- 5.13 In response, the Council has undertaken a fundamental review of the existing capital programme, removing or deferring a number of schemes. A robust approach has been taken to the inclusion of any new proposed investment.
- 5.14 The impact of this rigour can be seen when comparing the latest capital programme projection to 2027/28 (£612m) with that in the agreed in March 2023 (£1,008m), a reduction of £396m.
- 5.15 The draft General Fund Capital Programme presented here totals £155.9m for 2024/25 and, while some schemes have been deferred, the Council has prioritised investment in the following:
- The Schools estate – to address identified health and safety issues
  - Leisure facilities – to increase usage and reduce carbon emissions
  - Parks - creating new biodiversity areas, tree planting, activity areas and active travel options in and around our parks.
  - Street lighting and borough roads – to deliver transport infrastructure that is safe and supports active travel options
- 5.16 Given the extent of the financial challenge still facing the authority, inevitably the draft capital programme set out in this report must continue to be under review before the final Budget/MTFS can be agreed in March.

#### **HRA**

- 5.17 The prevailing economic situation is also forecast to impact on the current HRA financial plan with increases in energy costs, inflation and interest rate rises presenting a level of challenge and difficulty in delivering the capital programmes now and the viability of our HRA in the medium to long-term.
- 5.18 To be able to invest in the management and maintenance of our homes and maintain the long-term sustainability of the HRA, the Council has reviewed its charges to tenants.
- 5.19 The draft Plans now presented, despite the forecasted challenges, maintain an adequate annual surplus providing an appropriate level of in-year financial cover.
- 5.20 The new HRA capital plan places a strong emphasis on meeting the needs of the existing tenants and addressing the condition of the existing stock. It also focuses on the delivery of new homes, renewal of the Broadwater Farm (“BWF”) estate, carbon reduction in existing stock, and fire safety of the entire

stock. Capital investment for 2024/25 alone is £238m and is geared towards maximising the use of other available resources and use of borrowing as last resort.

### **Dedicated Schools Budget**

- 5.21 For schools, the indicative Dedicated Schools Budget (DSB) funding, which is ring fenced for the delivery of education services, is also outlined.
- 5.22 Overall, Haringey's provisional National Funding Formula (NFF) allocation for 2024/25 is an increase of 0.81% excluding rolled in grants equivalent to £2.20m. The actual grant level is dependent on updated pupil census numbers and the final schools finance settlement which is due after the publication of this report.
- 5.23 In March 2023, Haringey was successful in joining 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, in return for support to deal with historic deficits. This plan is being monitored via the quarterly finance update reports. The draft budget plans contained in this report are in line with the expectations of the Safety Valve programme.

### **Statutory Officers comments - Director of Finance**

- 5.24 The financial planning process ensures that the Council's finances align 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.
- 5.25 Ensuring the robustness of the Council's 2024/25 budget and its MTFS 2024/25 – 2028/29 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 contained throughout the report.
- 5.26 Even after budget savings and other management actions identified through this budget round of £11.2m, the 2024/25 draft Budget gap in this report is c £16.3m, significantly worse than the £6.3m estimated in the Budget/MTFS report from March 2023. This is an exceptional and concerning position to be in, particularly this late in the annual process. This position reflects the difficult financial situation local authorities are facing, as evidenced by the increasing number of authorities who are needing, or near to issuing a Section 114 statement regarding their inability to set a legal budget. The Council's reserves position is also lower than average for a council of this size and a medium to long term objective should be to improve on this and increase our financial resilience.
- 5.27 The Council continues to experience the impact of the conditions in the national economy and post pandemic environment. Inflation and cost of living remains high, costs of critical services increasing (particularly in care) and

costly mortgages are driving up costs of Temporary Accommodation. High interest rates have also placed pressure on the funding of the Council's capital programme. All these factors are driving the need for £25.5m growth in Directorate budgets, predominately in the three demand led services, Adults, Children's and Temporary Accommodation. The impact on expenditure in these services is greater than assumed when the March budget was set and so the Council is finding it extremely challenging to meet its legal obligation to put forward a balanced budget for 2024/25 at this time.

- 5.28 Further substantial work must be conducted between now and the issuing of the final Budget report in February 2024 to identify realistic and deliverable proposals to present a balanced Budget to be agreed.
- 5.29 At the time of writing this report, the Autumn Budget Statement has just been announced and it has not been possible to incorporate any detailed implications but it would appear that it will not have any major overall impact on the estimates included in this draft Budget. Further Government announcements on 2024/25 funding for local government will not take place until after this December report is finalised and with all parts of the public sector looking for additional resources, this Council cannot rely on assumptions about any significant new funding being allocated to the sector.
- 5.30 With regard to the HRA, the draft plan presented, despite the forecasted challenges, maintains an adequate annual surplus providing an appropriate level of in year cover.
- 5.31 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 2024.

## 6. Panel Specific Material

### 6.1 Qtr2 2023/24 – Budget Position

Directorate Level Forecast P6					Appendix 1
Management Area	Revised 2023/24 Budget	P6 Outturn Forecast	P6 Forecast to Budget Variance	P3 Forecast to Budget Variance	Movement in Variance from P3 to P6
<b>DIRECTOR OF ADULT, HEALTH &amp; COMMUNITIES</b>	<b>84,307,499</b>	<b>98,550,535</b>	<b>14,243,037</b>	<b>17,639,106</b>	<b>-3,396,069</b>
Director of Adult & Social Services	72,341,199	86,283,356	13,942,158	17,485,078	-3,542,920
Director of Public Health	-591,844	-591,844	0	0	0
Assistant Director for Commissioning	12,558,144	12,859,023	300,879	154,028	146,851

- **Adult Social Care £13.9m overspend.**

The forecast at Q2 is an improvement of £3.4m compared to the position reported at Q1. Whilst there has been an in-year increase in income, resulting in a positive variance of

£9.8m, the forecast spend on care packages has not materially changed since Q1 with the forecast spend is £119.4m an adverse position of £20m.

Whilst the forecast spend on care packages has not materially changed, there are considerable pressures on the service. Contacts made to social care teams are considerably higher for the first six months 2023/24 when compared to the equivalent period in 2022/23. Despite the hard work to control pressures on the care budget through maximising the opportunities to remain independent for those receiving care, particular pressures remain from those younger people transitioning to adulthood. Spend on adults aged 18-64 now accounts for 55% of total forecast spend, so whilst nationally the pressures on adult social care budgets is for older adults, the greatest pressure in Haringey on the care placement budget comes from younger adults.

The improved favourable income variance of £9.8m is because of the inclusion of non-recurring funding from the Market Sustainability and Improvement Fund of £1.75m (tranche 2) and Lottery funding of £1.1m for positive behaviour support for clients with learning disabilities. The income was not forecast in Q1, as at that time, the income had not been confirmed. Client contributions are forecast at £2.4m greater than budgeted and contributions from health at £2.6m more than budgeted. In previous years, the amount of additional income received from health has been substantially more than budget; this was c£10m in 2022/23. This is not expected to be the case in 2023/24, as the ICB has signalled that funding to support hospital discharge will be significantly reduced across 2023/24.

Any pressures on staffing budgets are being met by additional in year income.

- **Commissioning Services £0.3m overspend.**

The in year forecast pressure of £0.3m overspend is planned to be met by income from the Better Care Fund (BCF) held within Adult Social Care cost centres.

## **6.2 2024/25 Budget and 2024/29 Proposals**

### **Adult Social Care Outturn position for 2023/24 and Budget Position for 2024/25**

Adult Social Care continues to face significant pressures to meet the eligible care needs of vulnerable adults in Haringey. In 2022/23 the service reported an overspend of £11.5m and as of Q2 the forecast overspend is expected to increase to £14.1m. The cost of care placements is the biggest factor in last year's outturn and in the forecast for the year to date. As a whole the service supports some 3500 individuals every day.

The pressure on care cost is due to a number of factors, prices charged by providers, numbers receiving care and the complexity or conditions of individuals supported. Due to the cost-of-living crisis providers are expecting significant increases in fees charged for individual placements and in excess of the increased rates proposed by Haringey. This trend will continue for the foreseeable future as inflation levels continue at current levels. Demand for care continues to increase, the number of referrals is increasing and the numbers of young people transitioning to adulthood remains high. As a result of deconditioning through the period of the covid pandemic, the numbers of older people presenting to hospital with multiple health conditions is increasing, with those with an eligible support need requiring more complex support. In addition, those young people transitioning to adulthood often have complex conditions that the net cost of appropriate support, even

with health funding, the cost remaining with Adult Social Care is considerable and will remain a cost to the service for many years.

The estimated expenditure in 2024/25 is £126.28m, an increase of £8.28m on current year estimates. This factors in inflation of 4% and the cost of transitions of £3.6m. The cost of transitions is based on identifiable young people who will reach adulthood in 2024/25.

The existing MTFs already has £8.433m planned to be added to the Adult Social Care placement budgets. To bring the budget up into line with the forecast of £126.28m would require a further £16.247m.

### 6.3 Service Growth (Sections 7.40 – 7.43 in Main report)

The existing MTFs contained a level of growth across the 2024-28 period which has been reviewed but confirmed as still required. The amounts by Directorate are shown in Table 7.1a below.

Table 7.1a

Directorate	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 £000s	Total
Adults, Health & Communities	4,102	2,789	2,821	0	0	9,712
Children's Services	482	20	20	0	0	522
Corporate	5,656	7,106	3,400	6,900	0	23,062
Culture, Strategy & Engagement	(184)	(165)	363	(134)	0	(120)
Environment & Resident Experience	(94)	0	0	0	0	(94)
Legal and Governance	0	0	0	0	0	0
Placemaking & Housing	(605)	0	(30)	0	0	(635)
<b>Total</b>	<b>9,357</b>	<b>9,750</b>	<b>6,574</b>	<b>6,766</b>	<b>0</b>	<b>32,447</b>

In 24/25 the Adults, Health & Communities (AHC) growth is attributed mainly to a growth in the Net Demographic Pressures with a further £1m for Connected Communications strategies. The growth from 2025 to 2027 is connected to growth from Demographic Pressures, Inflation and costs of young people transitioning to adulthood.

Table 7.2a. New Growth proposals.

New Growth

Directorate	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 £000s	Total
<b>Adults, Health &amp; Communities</b>	<b>19,267</b>	<b>7,311</b>	<b>7,311</b>	<b>0</b>	<b>0</b>	<b>33,889</b>
Children's Services	1,631	660	660	0	0	2,951
Corporate	1,290	3,200	2,350	0	0	6,840
Culture, Strategy & Engagement	1,150	0	0	0	0	1,150
Environment & Resident Experience	1,046	0	0	0	0	1,046
Legal and Governance	608	0	0	0	0	608
Placemaking & Housing	0	0	0	0	0	0
<b>Total</b>	<b>24,992</b>	<b>11,171</b>	<b>10,321</b>	<b>0</b>	<b>0</b>	<b>46,484</b>

The Growth in AHC has multiple contributing factors, significantly, a further £12.7m has been included to account for the current year forecast, that includes assumptions for future inflationary pressures and accounts for young people transitioning from Childrens Services to Adults. To reflect the current acute pressures associated with Temporary Accommodation £3m has been added to deal with demand and inflation.

The result of the above is a combined planned growth for AHC of circa. £23m in 24/25 and continuing growth of £10m 25/26 and 26/27.

Table 7.2c. Total planned growth 24/25 to 28/29.

Total Planned Growth

Directorate	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 £000s	Total
<b>Adults, Health &amp; Communities</b>	<b>23,369</b>	<b>10,100</b>	<b>10,132</b>	<b>0</b>	<b>0</b>	<b>43,601</b>
Children's Services	2,113	680	680	0	0	3,473
Corporate	6,946	10,306	5,750	6,900	0	29,902
Culture, Strategy & Engagement	966	(165)	363	(134)	0	1,030
Environment & Resident Experience	952	0	0	0	0	952
Legal and Governance	608	0	0	0	0	608
Placemaking & Housing	(605)	0	(30)	0	0	(635)
<b>Total</b>	<b>34,349</b>	<b>20,921</b>	<b>16,895</b>	<b>6,766</b>	<b>0</b>	<b>78,931</b>

#### 6.4 Budget Reduction / Savings (Section 7.44 – 7.50 in Main Report)

The existing MTFS contained a level of savings across the 2024-28 period. The planned savings by Directorate are shown in Table 7.2a below.

Existing Savings						
Management Area	2023/24 £'000s	2024/25 £'000s	2025/26 £'000s	2026/27 £'000s	2027/28 £'000s	Total
Adults, Health & Communities	6,848	3,067	(159)	(100)	0	9,656
Children's Services	1,630	230	0	0	0	1,860
Cross-Cutting	500	500	1,360	0	0	2,360
Culture, Strategy & Engagement	1,089	969	210	5	5	2,278
Environment & Resident Experience	6,974	491	1,459	(6)	44	8,962
Placemaking & Housing	470	110	70	0	0	650
<b>Total</b>	<b>17,511</b>	<b>5,367</b>	<b>2,940</b>	<b>(101)</b>	<b>49</b>	<b>25,766</b>

As part of the of the financial planning process all existing savings plans are reviewed and challenged robustly to ensure that they can still be met as originally agreed and if not, looks to re-profile or write off.

This outcome of this year's process is that £4.4m of savings are no longer deemed viable and have been taken out of the draft Budget and MTFS. These are shown by Directorate in the table below.

Table 7.2b. Highlighted are previously agreed savings that are deemed to be unachievable.

#### Written off Savings

Management Area	2023/24 £'000s	2024/25 £'000s	2025/26 £'000s	2026/27 £'000s	2027/28 £'000s	Total
Adults, Health & Communities	1,900	700	(400)	(100)	0	2,100
Culture, Strategy & Engagement			655			655
Environment & Resident Experience	15	20	1,320	0	0	1,355
Placemaking & Housing	100	100	70			270
<b>Total</b>	<b>2,015</b>	<b>820</b>	<b>1,645</b>	<b>(100)</b>	<b>0</b>	<b>4,380</b>

**The Written off Savings in AHC were in relation to in the main “improved commissioning and efficiencies” and an “improvement in debt collection”. There was also an assumption that an overachievement in Mental Health targets would continue. Unfortunately, these savings did not come to fruition and the re-articulation of the Directorate approach to savings is set out in the new proposals below.**

Even though these savings have been removed there is still a substantial existing savings plan as shown in the table below.

#### Revised Existing Savings



Directorate	2023/24 £'000s	2024/25 £'000s	2025/26 £'000s	2026/27 £'000s	2027/28 £'000s	Total
Adults, Health & Communities	4,948	2,367	241	0	0	7,556
Children's Services	1,630	230	0	0	0	1,860
Cross-Cutting	500	500	1,360	0	0	2,360
Culture, Strategy & Engagement	1,089	969	(445)	5	5	1,623
Environment & Resident Experience	6,959	471	139	(6)	44	7,607
Placemaking & Housing	370	10	0	0	0	380
<b>Total</b>	<b>15,496</b>	<b>4,547</b>	<b>1,295</b>	<b>(1)</b>	<b>49</b>	<b>21,386</b>

The new budget reduction / savings proposals generated through this year's financial planning process are a mixture of management actions and those that require policy decision. The former include value for money initiatives, service redesign or service restructures.

The new savings now included in this draft Budget are shown by Directorate in the 2 tables below, one covering management actions 7.2c and one the Policy proposals 7.2d.

Table 7.2c – Management Actions

New Management Action Savings						
Directorate	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 £000s	Total
Adults, Health & Communities	500	150	0	0	0	650
Children's Services	543	90	15	15	0	663
Corporate Governance	0	0	0	0	0	0
Culture, Strategy & Engagement	30	20	0	0	0	50
Environment & Resident Experience	581	-35	82	0	0	629
Finance	250	0	100	225	200	775
Placemaking & Housing	1004	453	585	635	275	2952
<b>Total</b>	<b>2,908</b>	<b>678</b>	<b>782</b>	<b>875</b>	<b>475</b>	<b>5,719</b>

**The new Management Savings Actions in AHC are focused predominantly on reviewing current management of Temporary Accommodation and where efficiencies can be made. There is also a review of our current Social Care transport strategy.**

Table 7.2d. These are new identified savings and the detailed proposals can be found in Appendix 3.

## New Savings

Directorate	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 £000s	Total
Adults, Health & Communities	4,890	782	0	0	0	5,672
Children's Services	673	1,152	777	724	1,220	4,546
Culture, Strategy & Engagement	920	619	372	0	0	1,911
Environment & Resident Experience	1,636	53	47	39	17	1,792
Finance	0	0	0	0	0	0
Placemaking & Housing	0	0	0	0	0	0
<b>Total</b>	<b>8,119</b>	<b>2,606</b>	<b>1,196</b>	<b>763</b>	<b>1,237</b>	<b>13,921</b>

The savings in Adults, Health and Communities, comprise maximising health funding for those eligible, increasing choice and control through increasing Direct Payments take up, continuing to emphasise a strength-based approach to care planning, maximising the opportunities through the use of in borough housing stock to reduce costs and reshape the offer to mitigate the ongoing pressures associated with temporary accommodation.

The net impact of the above adjustments and additions is a total savings programme in AHC across the 2024-2029 period of **£8.9m, with £7.8m** for 2024/25 alone.

## Total Planned Savings

Directorate	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 £000s	Total
Adults, Health & Communities	7,757	1,173	0	0	0	8,930
Children's Services	1,446	1,242	792	739	1,220	5,439
Culture, Strategy & Engagement	1,919	194	377	5	0	2,495
Environment & Resident Experience	2,688	157	123	83	17	3,069
Finance	250	0	100	225	200	775
Placemaking & Housing	1,014	453	585	635	275	2,962
Corporate Governance	0	0	0	0	0	0
Cross-Cutting	500	1,360	0	0	0	1,860
<b>Total</b>	<b>15,574</b>	<b>4,579</b>	<b>1,977</b>	<b>1,687</b>	<b>1,712</b>	<b>25,530</b>

## 6.5 Summary Revenue Budget Position 2023-2029 (Section 7.51 – 7.55 in Main Report)

Table 7.3 Summary Revenue Budget Position 2023-2029

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	Budget	Budget	Projected	Projected	Projected	Projected
Directorate	£'000	£'000	£'000	£'000	£'000	£'000
<b>Adults, Health &amp; Communities</b>	<b>108,701</b>	<b>120,824</b>	<b>132,041</b>	<b>140,141</b>	<b>140,141</b>	<b>140,141</b>
Children's Services	62,949	63,304	62,742	62,630	61,491	60,271
Culture, Strategy & Engagement	33,569	32,951	32,592	32,578	32,439	32,439
Environment & Neighbourhood	14,565	18,134	21,576	21,453	21,370	21,353
Placemaking & Housing	7,829	6,310	5,857	5,242	4,607	4,332
Chief Executive	305	305	305	305	305	305
Corporate Governance	2,283	2,891	2,891	2,891	2,891	2,891
Finance	52,815	73,216	84,867	95,505	104,314	104,114
<b>Council Cash Limit</b>	<b>283,017</b>	<b>317,935</b>	<b>342,872</b>	<b>360,746</b>	<b>367,559</b>	<b>365,847</b>
Planned Contributions from Reserves	(3,500)	(459)	(294)	(145)	(11)	(11)
Further Savings to be Identified	-	(16,386)	(30,424)	(44,174)	(46,735)	(45,023)
<b>Total General Fund Budget</b>	<b>279,517</b>	<b>301,090</b>	<b>312,154</b>	<b>316,427</b>	<b>320,813</b>	<b>320,813</b>
Council Tax	(124,212)	(134,375)	(137,381)	(141,505)	(145,757)	(145,757)
RSG	(25,635)	(27,353)	(27,517)	(27,517)	(27,517)	(27,517)
Top up Business Rates	(59,451)	(63,686)	(95,991)	(95,991)	(95,991)	(95,991)
Retained Business Rates	(19,800)	(22,288)	(22,414)	(22,414)	(22,414)	(22,414)
Section 31 Grants	(21,546)	(22,251)	(0)	(0)	(0)	(0)
NNDR Surplus/(Deficit)	1,271	-	-	-	-	-
NNDR Growth	(2,000)	(2,000)	-	-	-	-
<b>Total Main Funding</b>	<b>(251,374)</b>	<b>(271,953)</b>	<b>(283,303)</b>	<b>(287,427)</b>	<b>(291,679)</b>	<b>(291,679)</b>
New Homes Bonus	(2,105)	(3,099)	(3,107)	(3,107)	(3,107)	(3,107)
Public Health	(21,502)	(21,502)	(21,502)	(21,502)	(21,502)	(21,502)
Other core grants	(4,536)	(4,536)	(4,536)	(4,536)	(4,536)	(4,536)
<b>Total Core/Other External Grants</b>	<b>(28,143)</b>	<b>(29,137)</b>	<b>(29,145)</b>	<b>(29,145)</b>	<b>(29,145)</b>	<b>(29,145)</b>
<b>Total Income</b>	<b>(279,517)</b>	<b>(301,090)</b>	<b>(312,448)</b>	<b>(316,572)</b>	<b>(320,824)</b>	<b>(320,824)</b>

## 6.4 Proposed Capital (Section 8 in Main Report)

Table 8.2: Capital expenditure plans by directorate

	2024/25 Budget (£'000)	2025/26 Budget (£'000)	2026/27 Budget (£'000)	2027/28 Budget (£'000)	2028/29 Budget (£'000)	Total (£'000)
Children's Services	28,673	24,520	5,381	5,343	300	64,216
Adults, Health & Communities	5,870	4,051	7,377	12,377	28,341	58,016
Environment & Resident Experience	21,309	13,551	15,651	13,131	11,571	75,212
Placemaking & Housing	60,365	64,138	153,782	22,959	19,672	320,915
Culture, Strategy & Engagement	43,515	36,841	11,529	1,370	500	93,756
<b>Total General Fund (GF)</b>	<b>159,732</b>	<b>143,101</b>	<b>193,719</b>	<b>55,179</b>	<b>60,383</b>	<b>612,115</b>
<b>Housing (HRA)</b>	<b>238,222</b>	<b>303,689</b>	<b>354,954</b>	<b>307,358</b>	<b>209,605</b>	<b>1,413,829</b>
<b>Overall Total</b>	<b>397,955</b>	<b>446,790</b>	<b>548,673</b>	<b>362,538</b>	<b>269,988</b>	<b>2,025,943</b>

#### Adult, Health, and Communities:

There are no new schemes. The Edwards Drive scheme is now planned to be delivered via the housing delivery programme, funded by the housing revenue account, rather than the general fund. The Bourgoyne Road scheme has been deferred until the GLA grant programme for this type of facility is made available to the Council. There will be a continued 'meanwhile' use on the site. The supported living scheme has been transferred to be delivered through the housing delivery programme.

**Table 8.3: Financing Strategy**

	General Fund Borrowing		External (£'000)	Total (£'000)
	Met from General Fund (£'000)	Self-Financing met from Savings (£'000)		
Children's Services	26,281	5,900	32,035	64,216
Adults, Health & Communities	3,882	45,341	8,793	58,016
Environment & Resident Experience	64,628	1,959	8,625	75,212
Placemaking & Housing	104,396	6,537	209,982	320,915
Culture, Strategy & Engagement	28,648	65,108	0	93,756
<b>Total</b>	<b>227,835</b>	<b>124,844</b>	<b>259,435</b>	<b>612,115</b>

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.

## **7.0 Explanation of Appendices**

- 7.1 Appendix 1 is an aide memoire to assist with the scrutiny of budget proposals including possible key lines of enquiry. This report is specifically concerned with Stage 1 (planning and setting the budget) as a key part of the overall annual financial scrutiny activity.
- 7.2 Appendix 2 is the Draft 2024/25 Budget and 2024/29 MTFs considered by Cabinet on 5th December 2023. This report sets out details of the draft General Fund (GF) Budget for 2024/25; the Medium-Term Financial Strategy (MTFS) 2024/29; the draft HRA Budget 2024/25 and its draft Business Plan including estimated income (funding) and expenditure adjustments, as well as the draft capital programmes for both funds.
- 7.3 Appendix 3 lists the previously agreed MTFs savings relevant to each Panel/Committee and details progress of delivery as at Q2 23/24.
- 7.4 Appendix 4 provides details of the new revenue budget growth proposals relevant to each Panel/Committee.
- 7.5 Appendix 5 provides details of the new revenue budget savings proposals relevant to each Panel/Committee.
- 7.6 Appendix 6 provides details of the 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.
- 7.7 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. Currently, a rule of thumb is that for each £1m of capital financed by borrowing there is a c. £72k per annum revenue cost, (c.£61k last year). 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.
- 7.8 Attention is also drawn to the 2023/24 Quarter 2 Finance Update Report presented to Cabinet on 5th December 2023 which provides a summary of the in-year budget implications facing the authority and which has informed the 2024/25 Draft Budget proposals now presented. The Council's 2023/24 Budget Book provides details of service budgets for the current year.

## **8 Contribution to strategic outcomes**

- 8.1 The Budget Scrutiny process for 2024/25 will contribute to strategic outcomes relating to all Council priorities.

## **9.0 Statutory Officers comments**

### **Finance**

- 9.1 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**

- 9.2 There are no immediate legal implications arising from this report.
- 9.3 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**

- 9.4 The draft Borough Plan sets out the Council's overarching commitment to tackling poverty and inequality and to working towards a fairer Borough.
- 9.5 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.
- 9.6 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.
- 9.7 Further equalities comments are provided in Appendix 2.

## **10. Use of Appendices**

Appendix 1 – Key lines of enquiry for budget setting

Appendix 2 – 2024/25 Draft Budget and 2024/2029 Medium Term Financial Strategy Report (presented to Cabinet 5<sup>th</sup> December 2023)

Appendix 3 - P6 – Qtr 2 2023/24 position (Adults and Health)

Appendix 4 - New Revenue Growth Proposals (Adults and Health)

Appendix 5 - New Revenue Savings Proposals (Adults and Health)

Appendix 6 - Capital Budget Proposals (Adults and Health)

**11. Local Government (Access to Information) Act 1985**

None.

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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 5 December 2023

**Title:** Draft 2024-25 Budget and 2024-29 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 sets out details of the draft General Fund (GF) Budget for 2024/25; the Medium Term Financial Strategy (MTFS) 2024/29; the draft HRA Budget 2024/25 and it's draft Business Plan including estimated income (funding) and expenditure adjustments, as well as the draft capital programmes for both funds.

**General Fund Revenue Budget**

1.2. As Members will know, the financial situation for local authorities is as difficult at this time as perhaps it has ever been, as evidenced by the increasing number of authorities who are needing, or near to issuing, a Section 114 statement regarding their inability to set a legal budget. This is the backdrop to our budgetary process for the coming year.

1.3. This Council, like most if not all others, is finding it extremely challenging to meet its legal obligation to put forward a balanced budget for next year. As such, the draft Budget as framed in this report at this time has not yet achieved that objective. Even after budget savings and other management actions identified through this budget round of £11m, the 2024/25 draft Budget gap in this report is £16.3m, significantly worse than the £6.3m estimated in the Budget/MTFS report from March 2023.

1.4. There needs to be considerable further work undertaken between now and the issue of its second and final Budget report in February 2024 which must and will present a balanced Budget to be agreed. This final Budget report will include the outcomes for the Council of a number of important developments which have yet to play out. Government announcements on 2024/25 funding for local government will not take place until after this December report is finalised and with all parts of the public sector looking for additional resources, this Council cannot rely on assumptions about any significant new funding being allocated to the sector.

- 1.5. Therefore, while this year's Budget consultation process will include budget policy changes described in this report, it must be recognised that there will be significant additional proposals included in the February Budget report.
- 1.6. Conditions in the national economy have had a more significant impact on expenditure than had been assumed when the March budget was set. Inflation has remained higher for longer than expected and the Bank of England has continued to increase interest rates in an attempt to offset this.
- 1.7. These in turn have impacted negatively on the costs of critical services, notably social care, and more costly mortgages have seen landlords leaving the buy to let market, reducing the supply of Temporary Accommodation and driving up costs.
- 1.8. High interest rates have also placed pressure on the funding of the Council's capital programme and are influencing decisions on any changes and additions for the forthcoming year. Although the inflation rate fell sharply in October to its lowest rate in two years (4.6%), this was largely due to energy prices and much of the inflationary costs associated with care services will be driven by wage increases which are likely to take longer to reduce. Furthermore, the supply chain not only for temporary accommodation but also notably for children's social care, is extremely tight leading to above inflation cost rises.
- 1.9. All these factors are driving the need for growth in Directorate budgets, predominately in the three demand led services, as evidenced by the current year's Qtr2 forecast overspend of £20.8m. This has had to be acknowledged in the preparation of the draft Budget for 2024/25, leading to a much higher budget requirement than we forecast in March.
- 1.10. In response to these economic factors, £25.5m growth has been built into this draft Budget solely for the demand led services: £20.4m for Adult social care; £3.0m for Temporary Accommodation and £2.1m for Children's.

#### **General Fund Capital Programme**

- 1.11. Investment in capital expenditure can support the Council to deliver on key priorities and can support the delivery of permanent revenue savings. However, in the current financial climate, it is more important than ever that the Council ensures that all of its capital expenditure, investments and borrowing decisions are prudent and sustainable.
- 1.12. The current economic environment has also had major implications for the existing and future GF Capital Programme. Borrowing costs have increased and 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.

- 1.13. In response, the Council has undertaken a fundamental review of the existing capital programme, removing or deferring a number of schemes. A robust approach has been taken to the inclusion of any new proposed investment.
- 1.14. The impact of this rigour can be seen when comparing the latest capital programme projection to 2027/28 (£612m) with that in the agreed in March 2023 (£1,008m), a reduction of £396m.
- 1.15. The draft General Fund Capital Programme presented here totals £155.9m for 2024/25 and, while some schemes have been deferred, the Council has prioritised investment in the following:
- The Schools estate – to address identified health and safety issues
  - Leisure facilities – to increase usage and reduce carbon emissions
  - Parks - creating new biodiversity areas, tree planting, activity areas and active travel options in and around our parks.
  - Street lighting and borough roads – to deliver transport infrastructure that is safe and supports active travel options
- 1.16. Given the extent of the financial challenge still facing the authority, inevitably the draft capital programme set out in this report must continue to be under review before the final Budget/MTFS can be agreed in March.

### **HRA**

- 1.17. The prevailing economic situation is also forecast to impact on the current HRA financial plan with increases in energy costs, inflation and interest rate rises presenting a level of challenge and difficulty in delivering the capital programmes now and the viability of our HRA in the medium to long-term.
- 1.18. To be able to invest in the management and maintenance of our homes and maintain the long-term sustainability of the HRA, the Council has reviewed its charges to tenants.
- 1.19. The draft Plans now presented, despite the forecasted challenges, maintain an adequate annual surplus providing an appropriate level of in-year financial cover.
- 1.20. The new HRA capital plan places a strong emphasis on meeting the needs of the existing tenants and addressing the condition of the existing stock. It also focuses on the delivery of new homes, renewal of the Broadwater Farm (“BWF”) estate, carbon reduction in existing stock, and fire safety of the entire stock. Capital investment for 2024/25 alone is £238m and is geared towards maximising the use of other available resources and use of borrowing as last resort.

### **Dedicated Schools Budget**

- 1.21. For schools, the indicative Dedicated Schools Budget (DSB) funding, which is ring fenced for the delivery of education services, is also outlined.

1.22. Overall, Haringey's provisional National Funding Formula (NFF) allocation for 2024/25 is an increase of 0.81% excluding rolled in grants equivalent to £2.20m. The actual grant level is dependent on updated pupil census numbers and the final schools finance settlement which is due after the publication of this report.

1.23. In March 2023, Haringey was successful in joining 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, in return for support to deal with historic deficits. This plan is being monitored via the quarterly finance update reports. The draft budget plans contained in this report are in line with the expectations of the Safety Valve programme.

## 2. **Cabinet Member Introduction**

2.1. Councils in England face a funding gap of £4bn over the next two years. Next year's budget is being developed against a backdrop of continued government austerity and increasing demand for the services we provide. We have had to do more for less for over the last 13 years by making our services more efficient and taking tough decisions on where we spend money. These draft proposals set out our plans for protecting services for our most vulnerable residents and investing in the local services we all rely on.

2.2. Central government has failed to provide the additional funding we need at a time when high inflation rates in particular have increased our costs. Haringey as a responsible authority has stepped up. This is demonstrated by the increased funding we are putting into the Adults, Childrens, and temporary accommodation budgets for next year. This additional spend is necessary to protect our local services. Local authorities have a legal obligation to provide these services, the rising cost of delivering these services combined with insufficient funding puts pressure on other areas of our budget.

2.3. We know that times are extremely tough for our residents. The cost-of-living crisis is not abating, prices are still rising, and energy costs will increase in January. Haringey continues to provide all the support we can to residents who are struggling.

2.4. These draft budget proposals set out our current position and we will be listening to residents' views through our budget consultation as we work to deliver a balanced budget when this is finalised in the new year.

## 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 2024 and to incorporate further budget changes as required;

b) Note the Draft General Fund 2024/25 Budget and MTFS 2024-29 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 2024/25 to 2028/29 as set out in Appendix 4;

e) Note the Draft Housing Revenue Account (HRA) Revenue and Capital Programme proposals (which includes the proposed rents and service charges) and HRA Financial Plan as set out in Section 9;

f) Note the 2024/25 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 2023 and January 2024 for scrutiny and comments;

h) Agree to commence consultation on the 2024/25 Budget and MTFS 2024-29;

i) Note that an updated General Fund and HRA 2024/25 Budget and MTFS 2024-29 will be presented to Cabinet on 06 February 2024 to be recommended for approval to the Full Council meeting taking place on 04 March 2024;

j) Delegate the final decision on whether or not to participate in the proposed 8 borough business rates pool from 1 April 2024 to the Director of Finance in conjunction with the Lead Member for Finance and Local Investment.

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

4.1 The Council has a statutory obligation to set a balanced budget for 2024/25 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 4 March 2024.

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

- 5.1 The Cabinet must consider how to deliver a balanced 2024-25 Budget and sustainable MTFs over the five-year period 2024-29, to be reviewed and ultimately adopted at the meeting of Full Council on 04 March 2024.
- 5.2 The Council has developed the proposals contained in this report in light of its current 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, interest rates, the cost of living crisis on households and, in some service areas, the legacy of the Covid-19 pandemic; and finally, the Council's overall financial position. It is this appraisal that has led to these options being presented in this report. These will be reviewed and, where necessary, updated in advance of the final Budget report being presented.
- 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.

6. **Background information and Funding Assumptions**

- 6.1 The Council has access to five main sources of funding:
- Business Rates
  - Council Tax
  - Grants
  - Fees & Charges
  - Reserves
- 6.2 Business Rates and Grant funding levels are largely driven by the outcome of Spending Reviews (SR), Budget Statements and the Local Government Finance Settlement (LGFS).
- 6.3 There has been no SR this year. At the time of writing this report, the Autumn Budget Statement has just been announced and it has not been possible to incorporate any detailed implications but it would appear that it will not have any major overall impact on the estimates included in this draft Budget.
- 6.4 The LGFS for 2024/25 is not expected to be announced until mid/late December which is after this report is published however, the LGFS last year did include a policy statement covering both 2023-24 and 2024-25. This statement set out the government's intentions for the local government finance settlement for the next 2 years, providing councils with greater certainty on key aspects of their funding to inform their budget setting process and help them to plan for the future.
- 6.5 This was helpful to a certain extent but the budget envelopes where provided were at a national level so the estimates built into the 2024/25 budget when the 2023/24 Budget and 2023-2028 MTFs was agreed in March must be treated with some caution.



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

- 6.6 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.
- 6.7 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 progressed with a revaluation of business rates from 1 April 2023 but the reset did not take place. Nothing further has been announced to date so the draft Budget now assumes a reset in 2025. 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.
- 6.8 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 updated year on year in line with the change in the small business multiplier which more recently has been based on the September CPI figure. This was 6.7% in September 2023 and has been used in forecasting the funding for 2024/25.
- 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 that year. This continued in 2023/24.
- 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 2024/25 to the current year of c.£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 Cabinet Member for Finance. On the strength of the modelling and recent experience, a £2m benefit has been built into the draft Budget, but for one year only.

- 6.11 Currently, the MTF5 assumes a 6.7% inflationary increase in business rates income including RSG, in 2024/25. Given the late timing of Government announcements overall funding across these budget heads from 2025/26 have been assumed as broadly flat. These figures will be reviewed 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 MTF5 period is that there will be no net growth. This is in line with the previous assumptions.
- 6.13 Collection rates have improved post pandemic and the current year's target is 96%. It is expected that the collection rate for 2024/25 can be set higher than that but the actual value will be confirmed in the final report.
- 6.14 The forecast income from business rates related income, including revenue support grant, is shown in table overleaf.
- 6.15 We have not felt it possible at this point to amend projections beyond 2025/26.

**Table 6.1**

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Revenue Support Grant	£'000	£'000	£'000	£'000	£'000	£'000
RSG	(25,635)	(27,353)	(27,517)	(27,517)	(27,517)	(27,517)
NNDR Top Up Grant	(59,451)	(63,686)	(95,991)	(95,991)	(95,991)	(95,991)
NNDR Income & Fees	(19,800)	(22,288)	(22,414)	(22,414)	(22,414)	(22,414)
Section 31 Grants	(21,546)	(22,251)	(0)	(0)	(0)	(0)
Bus Rates Pool Benefit	(2,000)	(2,000)	-	-	-	-
NNDR (Surplus)/Deficit	1,271	-	-	-	-	-
<b>Total</b>	<b>(127,162)</b>	<b>(137,578)</b>	<b>(145,922)</b>	<b>(145,922)</b>	<b>(145,922)</b>	<b>(145,922)</b>

**Council Tax**

- 6.16 The current assumptions about Council Tax are set out below.
- A 2.99% increase in Council Tax in 2024/25 after which it reduces to 1.99% across the MTF5 period.
  - A 2% increase in ASC Precept for 2024/25 after which it is assumed to discontinue.
  - The tax base is forecast to grow by 1% per annum across the whole MTF5 planning period.
  - The collection rate is assumed to continue on a post pandemic improvement and is forecast at 97% in 2024/25. This collection rate is assumed across the remainder of the MTF5 period. These assumptions will be kept under review between now and the final budget report.

- The Revenues service have been given one-off resources to focus on collection of arrears. On the back of this, a £1m additional income has been assumed as deliverable in 2024/25.

6.17 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 2024 and formal Council ratification of Council Tax Rates in March 2024.

**Table 6.2**

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
	£'000	£'000	£'000	£'000	£'000	£'000
Taxbase before collection rate	82,823	83,038	83,868	84,707	85,554	86,410
Taxbase change	0.26%	1.00%	1.00%	1.00%	1.00%	1.00%
Taxbase for year	83,038	83,868	84,707	85,554	86,410	87,274
Collection Rate	96.00%	97.00%	97.00%	97.00%	97.00%	97.00%
<b>Taxbase after collection rate</b>	<b>79,716</b>	<b>81,352</b>	<b>82,166</b>	<b>82,987</b>	<b>83,818</b>	<b>84,656</b>
Council Tax increase	2.99%	2.99%	1.99%	1.99%	1.99%	1.99%
Social Care precept	2.00%	2.00%	0.00%	0.00%	0.00%	0.00%
Band D rate	1,558	1,636	1,668	1,702	1,736	1,736
<b>Council Tax Before Surplus</b>	<b>124,212</b>	<b>133,085</b>	<b>137,091</b>	<b>141,215</b>	<b>145,466</b>	<b>146,920</b>
<b>Arrears Improvement</b>		<b>1,000</b>				
<b>Council Tax Yield</b>	<b>124,212</b>	<b>134,085</b>	<b>137,091</b>	<b>141,215</b>	<b>145,466</b>	<b>146,920</b>

### Grants

6.18 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

6.19 The SR21 announced that specific grants would remain 'cash flat' and this draft Budget and MTFs assumes that for the majority of grants, this doesn't change.

6.20 There is a forecast increase in the Social Care Support Grant for 2024/25 based on the Policy statement included in the Local Government Finance Settlement, after which it flat lines. An addition to the Discharge Funding Grant is now assumed for 2024/25 after which it is forecast to cease completely.

6.21 Table 6.3 shows Social Care related grants and assumptions. It should be noted that all these social care grants have been allocated directly against the relevant service budget heads rather than being kept corporately.

**Table 6.3 Social Care Grant**

2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
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<b>Revenue Support Grant</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Better Care Fund (BCF) - (CCG Contribution)	(6,388)	(6,388)	(6,388)	(6,388)	(6,388)	(6,388)
Improved & Add'l Imp Better Care Fund (iBCF)	(9,806)	(9,806)	(9,806)	(9,806)	(9,806)	(9,806)
Social Care Support Grant	(19,261)	(22,322)	(22,322)	(22,322)	(22,322)	(22,322)
Adult Social Care Market Sustainability and Improvement Funding	(2,689)	(4,043)	(4,043)	(4,043)	(4,043)	(4,043)
Discharge Funding grant	(1,375)	(2,291)	-	-	-	-
Manual adj for rolling in of Independent Living Fund grant into overall CSP	681	-	-	-	-	-
<b>Total</b>	<b>(38,837)</b>	<b>(44,849)</b>	<b>(42,558)</b>	<b>(42,558)</b>	<b>(42,558)</b>	<b>(42,558)</b>

### **Homelessness Prevention Grant (HPG)**

6.22 Last year, the Government consulted on a revised funding methodology for this grant however, no final conclusions have been reached.

6.23 In the light of this uncertainty, the draft Budget makes no adjustments to the existing grant level of £8.5m. This will be kept under review and an update provided in the final report.

### **Core Grants**

6.24 The current assumptions about the level of Core grants anticipated to be received in 2024/25 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 and it is likely that this will continue for 2024/25. However, as announcements of the final value are normally received after the final budget reports, no uplift has been built into the draft budget at this point. It must be noted that this grant is ring-fenced to PH activity;
- New Homes Bonus – Government have previously indicated that the methodology for apportioning this grant would be amended or replaced entirely. The current MTFS assumed that this grant would be phased out but that a similar level of grant funding would be received. Since then, there have been indications that there may be an increase in allocation for 2024/25 and this has been built into the draft Budget. From 2025/26 it is assumed as cash flat. 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.

- 6.25 Table 6.4 shows the Core grant values currently assumed across the MTFS period. We have not felt it possible at this point to amend projections beyond 2025/26.

**Table 6.4**

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
<b>Grant</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Housing Benefit Admin Grant	(1,351)	(1,351)	(1,351)	(1,351)	(1,351)	(1,351)
Public Health Grant	(21,502)	(21,502)	(21,502)	(21,502)	(21,502)	(21,502)
New Homes Bonus (NHB) / Replacement Funding	(2,105)	(3,099)	(3,107)	(3,107)	(3,107)	(3,107)
<b>Total</b>	<b>(24,958)</b>	<b>(25,952)</b>	<b>(25,960)</b>	<b>(25,960)</b>	<b>(25,960)</b>	<b>(25,960)</b>
RSG	(25,635)	(27,353)	(27,517)	(27,517)	(27,517)	(27,517)
<b>Total (inc. RSG)</b>	<b>(50,593)</b>	<b>(53,305)</b>	<b>(53,477)</b>	<b>(53,477)</b>	<b>(53,477)</b>	<b>(53,477)</b>

### **Fees and Charges**

- 6.26 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.
- 6.27 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.
- 6.28 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.
- 6.29 Each year the Council reviews the level of its fees and charges through consideration of a report by the Cabinet and its Licensing Committee where it is a requirement that they are considered and approved outside of the Executive.



<b>Total External Funding</b>	<b>(279,517)</b>	<b>(301,090)</b>	<b>(312,448)</b>	<b>(316,572)</b>	<b>(320,824)</b>	<b>(320,824)</b>
Contributions from Reserves	(3,500)	(459)	(294)	(145)	(11)	(11)
<b>Total Funding</b>	<b>(283,017)</b>	<b>(301,549)</b>	<b>(312,741)</b>	<b>(316,716)</b>	<b>(320,834)</b>	<b>(320,834)</b>

## 7. General Fund Revenue Assumptions

### 7.1 2023-24 Financial Performance at Qtr2

7.2 The Qtr2 forecast position of £20.9m is broadly in line with that reported in Qtr1 (£20.5m). Although the majority continues to be driven by Adults social care pressures, this figure has improved to £13.9m compared to the £17.5m reported at Qtr1. The majority of this is due to additional one-off grant funding received so cannot be assumed to continue in 2024/25. The forecast for temporary accommodation has deteriorated by £0.8m due to a small increase in the overall number of households living in temporary accommodation and increased cost of providing temporary accommodation due to limited supply. As highlighted in the Qtr1 report, the Adults social care pressure was apparent in the 2022/23 Provisional outturn report, but the temporary accommodation is an emerging pressure caused by wider economic conditions which have seen rents increase significantly and landlords leaving the market.

7.3 It must be stressed that this Council is not alone in facing budgetary pressures in these service areas; these are being felt nationally. The authority works hard each year to understand service pressures, build in growth where appropriate and possible as well as identifying efficiencies. However, the impact of inflation and restricted and short-term funding is leaving this authority and many others across the sector in an extremely difficult financial position.

7.4 In year delivery of the agreed savings programme has improved slightly at Qtr2 and, overall, £13.7m (78%) of the £17.5m is forecast to deliver. Directors continue to focus on improving the position further before the end of the year or identify mitigating solutions.

7.5 As part of ensuring that future year's budgets are as sound and deliverable as possible, a detailed review of the agreed savings 'RAG-rated' as Amber or Red either for 2023/24 or beyond has been undertaken. This has resulted in a proposal to write off 7 proposals totalling £2.8m in 2024/25 (£4.4m across the MTFs period). These are genuinely not deliverable because the original assumptions are no longer viable or are unable to deliver to the value originally intended. The impact of this decision has been recognised in the draft 2024/25 Budget.

7.6 It is not clear at this point the extent that the cost of living crisis will continue to 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 2023/24 accounts when existing provisions for bad debt are re-calculated.

- 7.7 The impact of the forecast high levels of inflation was acknowledged when the 2023-24 Budget was set. While for non-demand led services, the estimated budget looks to be broadly sufficient, the recently agreed staff pay award is likely to require more funding than was allowed for. Inflation in the demand led services of Adults, Children's and Temporary Accommodation are all running much ahead of the forecasts, for reasons outlined above.
- 7.8 The Bank of England's strategy for reducing inflation is to increase borrowing rates, which increased steadily over the first 5 months of this year and now stands at 5.25%. This is putting pressure on the Council's repayment of debt and has led to a fundamental review of in year and future year's capital programme with a view to reducing, removing or postponing schemes fully or partially funded by Council borrowing.
- 7.9 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 and many of these look to continue into at least the first part of 2024-25.
- 7.10 **The 2024/25 Budget and 2024/29 Medium Term Financial Strategy (MTFS)**
- 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 2024/25. There has been a further step-up in finance and budget dialogue with managers throughout the Council, and with the Cabinet individually and collectively.
- 7.12 All senior managers participated in a Budget Fortnight, aimed at identifying cross directorate savings and efficiencies or where activities were duplicated across various Directorates. The output of this activity led to a number of saving and / or cost avoidance business cases which were then shared with Cabinet.
- 7.13 Running parallel to this, Directorates were tasked with identifying any new savings proposals or management actions that could be put to Cabinet to drive further reductions in expenditure or generate additional income.
- 7.14 Appendix 3 details the current savings proposals built into the Draft Budget now presented. This report also recommends that these be shared with residents and businesses as part of the normal consultation process.
- 7.15 Despite the fact that any growth will inevitably require a higher level of savings to be identified, the Budget has had to recognise the real pressures being seen in the current year particularly in the demand led services. The majority of the growth required is to address the brought forward 2023/24



base budget pressures and to build in realistic sums to cover on-going inflationary pressures which are being compounded by lack of availability of supply. The 2024/25 Budget has undertaken extensive modelling to identify the most realistic level of spend across the care services and temporary accommodation.

7.16 Over and above this, growth has had to be recognised in some of the back office services such as Digital and Legal and Governance where the organisation has little choice but to protect itself from cyber attacks and provide accurate and timely legal advice. On-going high levels of interest have required additional sums to be built into the treasury and capital financing budgets.

7.17 The outcome of the financial planning work to date has been to identify in as full a way as possible the growth required to set realistic Directorate budgets. However, although new savings have been put forward, there is currently a forecast gap between expected expenditure and income of £16.3m.

7.18 With the lack of any new announcements from Government concerning additional grant or other funding support the Council cannot assume that any or all of this gap will be met externally and therefore, has commenced a further round of budget challenge work. This work will complete after the publication of this Draft 2024/25 Budget report and the outcome will be incorporated into the final 2024/25 Budget report in February.

#### 7.19 **Budget Growth and Pressures**

7.20 The main corporate assumptions across the MTFS period are outlined below followed by a section focussing on the policy priorities and service specific items.

#### 7.21 **Inflation**

7.22 The inflation rate for October UK inflation fell sharply in October to 4.6% (6.7% September) its lowest rate in two years, largely due to lower energy prices.

7.23 This is clearly a positive direction of travel and the Government still expect the Bank of England to work to bring inflation down to the 2% target as soon as possible. Forecasts for 2024/25 rates in the October update provided by the Treasury indicate that the figure could fall back to 2.5% by the end of the next financial year.

7.24 The **pay deal** for 2023/24 has recently been agreed at a flat rate per employee. This amounted to an average 5.4% increase. The draft Budget

assumes a 4% pay award is agreed for 2024/25 falling to 3% in 2025/26 then 2% from 2026/27 and beyond.

- 7.25 The impact of inflationary increases in the **demand led services** is addressed as part of the overall annual demand modelling exercise. This is based on an estimated 4% inflation rate for 2024/25.
- 7.26 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.
- 7.27 Forecasts for energy costs and major contracts for 2024/25 are lower than those for 2023/24. The estimate for 2024/25 suggests that an additional £1.6m is required, on top of that already included in the existing MTFS. Due to the various services impacted, the actual % increase is an average of 12%. From 2025/26 the budget allowance returns to a more stable figure of c. £1.6m pa.
- 7.28 All of the main inflationary assumptions will be reviewed again before the final Budget is presented in February.

#### **Employer Pension Contributions**

- 7.29 The last triennial valuation covered the period 2023-2026 showed that the Council would need to increase its contribution rate by 0.5% across each of the two years 2024/25 and 2025/26. The estimated budgetary impact was £0.6m for each year and this was built into the 2023-2029 MTFS agreed in March 2023.
- 7.30 No assumptions have yet been made about the financial impact of the next triennial valuation (2026-2029).

#### **Treasury & Capital Financing**

- 7.31 In recognition of the impact that interest rates are having on borrowing costs, additional growth of £2.3m has been built into 2024/25 with a further £6.8m across the following 3 years. This is on top of growth already assumed in the previous MTFS.
- 7.32 This impact would have been greater had the Council not undertaken the review of the existing capital programme and consequent level of proposed reductions detailed in Section 8.

#### **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 2023/24 figures across the period.

7.34 The NLWA meeting papers on 5<sup>th</sup> October 2023 forecast a levy of £9.75m for 2024/25 which is c. £1.0m less than the figure assumed in the last MTFS. The draft Budget has therefore been adjusted for one year only to reflect this lower figure.

7.35 The final figure will be confirmed in early February and any further adjustments built into the final Budget.

#### **Concessionary Fares**

7.36 Each London Borough funds the cost of concessionary fares (the Freedom Pass) for older residents in their borough. The annual charge is based on usage and numbers are still below the level pre-Covid pandemic. The final figure will not be received until after this report is published but all indications to this point suggest a saving against budget for an additional year. This has been built into the draft Budget.

7.37 This will be reviewed before the final report is produced in February.

#### **Contingency**

7.38 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 draft Budget assumes that the contingency for 2024/25 and across the remainder of the MTFS remains at c.£7.4m.

#### **Policy Priorities**

7.39 Despite the challenges outlined in this report, this draft Budget for 2024/25:

- Ensures we can continue to meet the significant need of our most vulnerable residents – through further, year on year additional investment in Children’s, Adult’s and Temporary Accommodation services. (£25.5m in 2024/25 alone)
- Drives value for money through a significant efficiency and reform agenda – with every area of the council contributing.

#### **Service Growth**

7.40 The **existing** MTFS contained a level of growth across the 2024-28 period which has been reviewed but confirmed as still required. The amounts by Directorate are shown in Table 7.1a below.

#### **Table 7.1a – Existing Growth**

Directorate	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 £000s	Total
Adults, Healths & Communities	4,102	2,789	2,821	0	0	9,712
Children's Services	482	20	20	0	0	522
Corporate	5,656	7,106	3,400	6,900	0	23,062
Culture, Strategy & Engagement	(184)	(165)	363	(134)	0	(120)
Environment & Resident Experience	(94)	0	0	0	0	(94)
Legal and Governance	0	0	0	0	0	0
Placemaking & Housing	(605)	0	(30)	0	0	(635)
<b>Total</b>	<b>9,357</b>	<b>9,750</b>	<b>6,574</b>	<b>6,766</b>	<b>0</b>	<b>32,447</b>

7.41 The financial planning process this year has sought to be as robust as possible recognising structural base budget issues referred to in paragraph 7.15 along with forecasts for future requirements which are largely driven by inflation, lack of supply and also the impact of writing out agreed savings that are no longer viable.

7.42 Table 7.1b below details the proposed **new growth** by Directorate.

**Table 7.1b – New Growth**

Directorate	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 £000s	Total
Adults, Healths & Communities	19,267	7,311	7,311	0	0	33,889
Children's Services	1,631	660	660	0	0	2,951
Corporate	1,290	3,200	2,350	0	0	6,840
Culture, Strategy & Engagement	1,150	0	0	0	0	1,150
Environment & Resident Experience	1,046	0	0	0	0	1,046
Legal and Governance	608	0	0	0	0	608
Placemaking & Housing	0	0	0	0	0	0
<b>Total</b>	<b>24,992</b>	<b>11,171</b>	<b>10,321</b>	<b>0</b>	<b>0</b>	<b>46,484</b>

7.43 Table 7.1c below summarises the **total** additional budget growth proposed to be built into each Directorate for 2024/25 and across the remainder of the MTFS.

**Table 7.1c – Total Planned Growth**

Directorate	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 £000s	Total
Adults, Healths & Communities	23,369	10,100	10,132	0	0	43,601
Children's Services	2,113	680	680	0	0	3,473
Corporate	6,946	10,306	5,750	6,900	0	29,902
Culture, Strategy & Engagement	966	(165)	363	(134)	0	1,030
Environment & Resident Experience	952	0	0	0	0	952
Legal and Governance	608	0	0	0	0	608

Placemaking & Housing	(605)	0	(30)	0	0	(635)
<b>Total</b>	<b>34,349</b>	<b>20,921</b>	<b>16,895</b>	<b>6,766</b>	<b>0</b>	<b>78,931</b>

### Budget Reduction / Savings

- 7.44 The Council has previously **agreed** £8.3m savings to be delivered across the period 2024- 2028 as set out in the table below.

**Table 7.2a – Previously Agreed Savings or Budget Reductions**

Management Area	2023/24 £'000s	2024/25 £'000s	2025/26 £'000s	2026/27 £'000s	2027/28 £'000s	Total
Adults, Healths & Communities	6,848	3,067	(159)	(100)	0	9,656
Children's Services	1,630	230	0	0	0	1,860
Cross-Cutting	500	500	1,360	0	0	2,360
Culture, Strategy & Engagement	1,089	969	210	5	5	2,278
Environment & Resident Experience	6,974	491	1,459	(6)	44	8,962
Placemaking & Housing	470	110	70	0	0	650
<b>Total</b>	<b>17,511</b>	<b>5,367</b>	<b>2,940</b>	<b>(101)</b>	<b>49</b>	<b>25,766</b>

- 7.45 As is the practice in this Council, as part of the financial planning process all existing savings plans are reviewed and challenged robustly to ensure that they can still be met as originally agreed and if not, looks to re-profile or write off.
- 7.46 This outcome of this year's process is that £4.4m of **savings are no longer deemed viable and have been taken out of the draft Budget and MTFS**. These are shown by Directorate in the table below.

**Table 7.2b – Removed/Written off Savings**

Management Area	2023/24 £'000s	2024/25 £'000s	2025/26 £'000s	2026/27 £'000s	2027/28 £'000s	Total
Adults, Healths & Communities	1,900	700	(400)	(100)	0	2,100
Culture, Strategy & Engagement			655			655
Environment & Resident Experience	15	20	1,320	0	0	1,355
Placemaking & Housing	100	100	70			270
<b>Total</b>	<b>2,015</b>	<b>820</b>	<b>1,645</b>	<b>(100)</b>	<b>0</b>	<b>4,380</b>

- 7.47 The changes to the Adults, Health and Communities existing programme represents their re-articulation of their approach which is now set out in their new savings proposals. The major change in 2025/26 for Environment and Resident Experience reflects the current expectation of the implication of the introduction of the new waste management contract.

7.48 The **new budget reduction / savings proposals** generated through this year's financial planning process are a mixture of management actions and those that require policy decision. The former include value for money initiatives, service redesign or service restructures.

The new savings now included in this draft Budget are shown by Directorate in the 2 tables below, one covering management actions and one the Policy proposals.

**Table 7.2c – Management Actions**

Directorate	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 £000s	Total
Adults, Healths & Communities	500	150	0	0	0	650
Children's Services	543	90	15	15	0	663
Corporate Governance	0	0	0	0	0	0
Culture, Strategy & Engagement	30	20	0	0	0	50
Environment & Resident Experience	581	-35	82	0	0	629
Finance	250	0	100	225	200	775
Placemaking & Housing	1004	453	585	635	275	2952
<b>Total</b>	<b>2,908</b>	<b>678</b>	<b>782</b>	<b>875</b>	<b>475</b>	<b>5,719</b>

**Table 7.2d – New Savings**

Directorate	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 £000s	Total
Adults, Healths & Communities	4,890	782	0	0	0	5,672
Children's Services	673	1,152	777	724	1,220	4,546
Culture, Strategy & Engagement	920	619	372	0	0	1,911
Environment & Resident Experience	1,636	53	47	39	17	1,792
Finance	0	0	0	0	0	0
Placemaking & Housing	0	0	0	0	0	0
<b>Total</b>	<b>8,119</b>	<b>2,606</b>	<b>1,196</b>	<b>763</b>	<b>1,237</b>	<b>13,921</b>

7.49 The net impact of the above adjustments and additions is a total savings programme across the 2024-2029 period of £25.7m, with £15.6m for 2024/25 alone.

**Table 7.2e – Total Savings and Management Actions 2024-2029**

Directorate	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 £000s	Total
Adults, Healths & Communities	7,757	1,173	0	0	0	8,930
Children's Services	1,446	1,242	792	739	1,220	5,439
Culture, Strategy & Engagement	1,919	194	377	5	0	2,495
Environment & Resident Experience	2,688	157	123	83	17	3,069
Finance	250	0	100	225	200	775
Placemaking & Housing	1,014	453	585	635	275	2,962
Corporate Governance	0	0	0	0	0	0
Cross-Cutting	500	1,360	0	0	0	1,860
<b>Total</b>	<b>15,574</b>	<b>4,579</b>	<b>1,977</b>	<b>1,687</b>	<b>1,712</b>	<b>25,530</b>

### Implications of the Financial Planning Process on Directorate Budgets

7.50 Appendix 3a provides more detailed contextual information by Directorates of the impact of the 2024/25 financial planning process to date and described in the paragraphs above. It sets out the 2023/24 budget position and comments on the more significant new growth, savings and management actions now proposed.

### 7.51 Summary General Fund Revenue Budget Position 2024/25 – 2028/29

7.52 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 GF revenue Budget position for next year and across the MTFS period is set out in the table below.

7.53 The draft 2024/25 Budget currently has a budget gap of £16.3m. As made clear in sections 1 and 6.34 it is assumed that significant further work will be undertaken before the final Budget is presented and that at point the gap will be closed.

7.54 It must be recognised that this is an immense challenge.

7.55 The draft 2024/25 revenue Budget and MTFS now presented is summarised in Table 7.3 below.

**Table 7.3 – Summary Revenue Budget Position 2023-2029**

2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Budget	Budget	Projected	Projected	Projected	Projected

Directorate	£'000	£'000	£'000	£'000	£'000	£'000
Adults, Health & Communities	108,701	120,824	132,041	140,141	140,141	140,141
Children's Services	62,949	63,304	62,742	62,630	61,491	60,271
Culture, Strategy & Engagement	33,569	32,951	32,592	32,578	32,439	32,439
Environment & Neighbourhood	14,565	18,134	21,576	21,453	21,370	21,353
Placemaking & Housing	7,829	6,310	5,857	5,242	4,607	4,332
Chief Executive	305	305	305	305	305	305
Corporate Governance	2,283	2,891	2,891	2,891	2,891	2,891
Finance	52,815	73,216	84,867	95,505	104,314	104,114
<b>Council Cash Limit</b>	<b>283,017</b>	<b>317,935</b>	<b>342,872</b>	<b>360,746</b>	<b>367,559</b>	<b>365,847</b>
Planned Contributions from Reserves	(3,500)	(459)	(294)	(145)	(11)	(11)
Further Savings to be Identified	-	(16,386)	(30,424)	(44,174)	(46,735)	(45,023)
<b>Total General Fund Budget</b>	<b>279,517</b>	<b>301,090</b>	<b>312,154</b>	<b>316,427</b>	<b>320,813</b>	<b>320,813</b>
Council Tax	(124,212)	(134,375)	(137,381)	(141,505)	(145,757)	(145,757)
Council Tax Surplus	-	-	-	-	-	-
RSG	(25,635)	(27,353)	(27,517)	(27,517)	(27,517)	(27,517)
Top up Business Rates	(59,451)	(63,686)	(95,991)	(95,991)	(95,991)	(95,991)
Retained Business Rates	(19,800)	(22,288)	(22,414)	(22,414)	(22,414)	(22,414)
Section 31 Grants	(21,546)	(22,251)	(0)	(0)	(0)	(0)
NNDR Surplus/(Deficit)	1,271	-	-	-	-	-
NNDR Growth	(2,000)	(2,000)	-	-	-	-
<b>Total Main Funding</b>	<b>(251,374)</b>	<b>(271,953)</b>	<b>(283,303)</b>	<b>(287,427)</b>	<b>(291,679)</b>	<b>(291,679)</b>
New Homes Bonus	(2,105)	(3,099)	(3,107)	(3,107)	(3,107)	(3,107)
Public Health	(21,502)	(21,502)	(21,502)	(21,502)	(21,502)	(21,502)
Other core grants	(4,536)	(4,536)	(4,536)	(4,536)	(4,536)	(4,536)
<b>Total Core/Other External Grants</b>	<b>(28,143)</b>	<b>(29,137)</b>	<b>(29,145)</b>	<b>(29,145)</b>	<b>(29,145)</b>	<b>(29,145)</b>
<b>Total Income</b>	<b>(279,517)</b>	<b>(301,090)</b>	<b>(312,448)</b>	<b>(316,572)</b>	<b>(320,824)</b>	<b>(320,824)</b>

### Review of Assumptions and Risks Across the Budget and MTFS Period 2024-2029

- 7.56 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 2024 and will draw on independent assessments of the Council's financial resilience where available however, it is critical that this **Draft 2024/25 Budget** report outlines the assumptions and approach to risk taken when arriving at the budget proposals included in the draft Budget & MTFS.
- 7.57 Given the increased financial pressure that is falling upon this council's budget and the uncertain national political and economic picture, this statutory role has been acquiring more and more significance. The number and breadth of potential risks and uncertainty, particularly around the level of Government funding into the Local Government sector overall and more importantly for this Council, the long-awaited Fair Funding Review are



unprecedented. Add to this a still volatile economic situation and a general election that must take place before January 2025, underline the challenges being faced.

- 7.58 These factors clearly underline the need to keep both the budgeted contingency and the general fund reserve at current levels and, as far as practical, to keep earmarked reserves close to current levels or above.
- 7.59 The main uncertainties and risks identified to date which may or are likely to impact on the Council's budget for 2024/25 and over the period of the MTFS are:
- Detailed grant funding figures for 2024/25 and beyond have yet to be announced and are subject to the final local government settlement expected in January 2024.
  - On-going lack of multi-year funding allocations.
  - The national economic outlook, in particular if inflation continues to fall or not; interest rates levels; on-going impact of wars and unrest internationally on costs and supply chains.
  - The extent to which these factors will continue to place stress on individuals and businesses manifesting in the cost of living crisis.
  - Government legislation and policy concerning homelessness and addressing the housing crisis
  - The pace at which planned actions to increase Council-managed temporary accommodation take place
  - Delivery of the agreed Safety Valve programme strategy to agreed timetable.
  - The Levelling Up agenda and associated funding distribution methodologies could be negative for this Council's funding allocations.
  - The Council's savings programmes do not deliver the required savings, do not deliver savings quickly enough.
  - Any further deterioration in the forecast 2023/24 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. **Capital Strategy & Programme**

- 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. Higher levels of persistent inflation and the subsequent Bank of England response by raising interest rates to tame inflation has meant that the interest that the Council pays on new borrowing undertaken to finance the capital programme (both the existing capital programme and the proposed additions) has increased significantly. The higher levels of inflation have also impacted the cost of raw materials and the tightness in the supply chain for capital works (labour and materials) which 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.

The current capital programme has deferred a number of schemes that were originally expected to be self-financing as they were not able to produce a business case that justified the investment. The programme also defers expenditure on a range of schemes which are not absolutely essential. When the economic environment improves, these schemes will be reviewed to assess whether or not they can be reinstated.

- 8.3 The Council's Children's Services capital programme includes investment proposals which are designed to directly address essential, immediate health & safety issues in schools which, if they were not undertaken, could lead to school closures.
- 8.4 There is increased investment in the infrastructure of the borough's parks. Again, this is to meet the immediate health & safety concerns within the park's estate. The budget also provides for significant investment in our leisure centres, £7.4m over the MTFS period, to bring them back to safe and usable condition. There is also continued investment in the Cycling & Walking Action Plan over the MTFS which is funded by external resources.
- 8.5 The Wards Corner capital budget still provides for the acquisition of properties under the CPO and to develop the scheme to inform the next phase of investment which is what is required at this stage. The process of land assembly on the Gourley Triangle scheme is continuing with Government funding. Again, this is the funding required at this time. The Selby Urban Village scheme is now being delivered in two stages. The first phase focuses on the community centre and sports facilities, whilst the second phase focuses on the housing element. The second phase will now be delivered through the housing revenue account, rather than the general fund.
- 8.6 The Council is also investing in its digital offering to bring forward transformation that delivers savings and to ensure that our customers receive the best possible service.

- 8.7 The Council continues to invest in housing through its new homes programme. This expenditure is contained within the housing revenue account (HRA) and is reported elsewhere.

## **Background**

- 8.9 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.
- 8.10 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 ensure that the assets that it has are fit for purpose. To deliver this, the programme is very much focused on addressing health & safety issues first and foremost and to support the corporate delivery plan, 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 2024/25-2028/29, 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 2024/25 - 2028/29**

	2023/24 Budget (£'000)	2024/25 Budget (£'000)	2025/26 Budget (£'000)	2026/27 Budget (£'000)	2027/28 Budget (£'000)	2028/29 Budget (£'000)	Total (£'000)
<b>Previously Agreed</b>							
<b>General Fund Account (GF)</b>	220,900	200,102	217,103	276,220	93,859		1,008,184
<b>Housing Revenue Account (HRA)</b>	262,962	289,102	322,107	305,880	246,218		1,426,269
<b>Total =</b>	<b>483,862</b>	<b>489,204</b>	<b>539,210</b>	<b>582,100</b>	<b>340,077</b>		<b>2,434,453</b>
<b>Proposed</b>							
<b>General Fund Account (GF)</b>		159,732	143,101	193,719	55,179	60,383	612,115
<b>Housing Revenue Account (HRA)</b>		238,222	303,689	354,954	307,358	209,605	1,413,829
<b>Total =</b>		<b>397,955</b>	<b>446,790</b>	<b>548,673</b>	<b>362,538</b>	<b>269,988</b>	<b>2,025,943</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 36% of the capital programme, is composed of schemes that are wholly financed by the Council's borrowing activity 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 limited number 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 reliant on the Council undertaking external borrowing. For the period 2024/25-2028/29 the Council is planning to spend £64.2m, of which approximately £32.0m is funded through government grant leaving a borrowing and self-funding requirement of £26.3m and £5.9m respectively. 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 £57.3m, of which much of the programme is self-financed at £45.3m. In addition, there is £8.8m of grant funded expenditure.

- 8.18 Within the Environment & Resident Experience directorate, the proposed capital programme for the period 2024/25-2028/29 is extremely reliant on Council borrowing and broadly estimated at £75.2m of which approximately £66.6m is financed by borrowing, and £8.6m is externally funded.
- 8.19 The Placemaking & Housing capital programme has an estimated value of £306.1m, of which £207.8m is funded externally and £6.5m is self-financing. Council borrowing in this part of the capital programme is proportionately lower than in other service areas at £91.8m. The majority of this borrowing is to match fund schemes in the South Tottenham Regeneration projects, the Wood Green Regeneration Strategy and to fund the Corporate Landlord remediation works.
- 8.21 The Culture, Strategy & Engagement capital programme is estimated at £93.8m with the majority, £65.1m funded through self-financing. £60.9m of this self-financing relates to the Civic Centre refurbishment and £4.2m relates to the Alexandra Palace – Invest to Earn capital works.
- 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 2024/25 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:
- 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. The budget for the primary school investment is funded through government grant.
- Active and health spaces around our schools - We are continuing 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.
- The Walking and Cycling Action Plan is continuing and is funded through external sources.

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

**Table 8.2: Capital expenditure plans by directorate**

	2024/25 Budget (£'000)	2025/26 Budget (£'000)	2026/27 Budget (£'000)	2027/28 Budget (£'000)	2028/29 Budget (£'000)	Total (£'000)
Children's Services	28,673	24,520	5,381	5,343	300	64,216
Adults, Health & Communities	5,870	4,051	7,377	12,377	28,341	58,016
Environment & Resident Experience	21,309	13,551	15,651	13,131	11,571	75,212
Placemaking & Housing	60,365	64,138	153,782	22,959	19,672	320,915
Culture, Strategy & Engagement	43,515	36,841	11,529	1,370	500	93,756
<b>Total General Fund (GF)</b>	<b>159,732</b>	<b>143,101</b>	<b>193,719</b>	<b>55,179</b>	<b>60,383</b>	<b>612,115</b>
<b>Housing (HRA)</b>	<b>238,222</b>	<b>303,689</b>	<b>354,954</b>	<b>307,358</b>	<b>209,605</b>	<b>1,413,829</b>
<b>Overall Total</b>	<b>397,955</b>	<b>446,790</b>	<b>548,673</b>	<b>362,538</b>	<b>269,988</b>	<b>2,025,943</b>

8.27 Appendix 4 includes the previously agreed schemes plus the new schemes:

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.

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 schemes. The following paragraphs provide a high-level description of each directorate's new capital proposals.

### 8.28 Children's Services

There is additional investment in the school estate for immediate health & safety works and continued investment in the safety valve programme to make savings in the dedicated schools grant. The Alternative Provision budget has been deferred pending detailed work on the strategy to support the budget requirement.

### 8.29 Adult, Health, and Communities

There are no new schemes. The Edwards Drive scheme is now planned to be delivered via the housing delivery programme, funded by the housing revenue account, rather than the general fund. The Bourgoyne Road scheme has been deferred until the GLA grant programme for this type of facility is made available to the Council. There will be a continued 'meanwhile' use on the site. The supported living scheme has been transferred to be delivered through the housing delivery programme.

### 8.30 Environment & Resident Experience

The existing Environment & Resident Experience 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 limited investment.

It is proposed to invest £7.436m in the leisure facilities that will address health & safety issues, and essential backlog maintenance requirements to increase usage and reduce carbon emissions.

There is a proposal to increase the amount of investment in the Active Life in Parks programme, by £0.23m, and to increase the investment in the Parks Asset Management, by £0.3m. These increases are to ensure that urgent health & safety works are undertaken. In addition, there is additional necessary investment in the Parkland Walk Bridges programme to ensure that the bridges continue to operate safely. The programme also allows for the continuation of investment in street lighting and borough roads in future years to ensure that the highway is safe to use.

### 8.31 Placemaking & Housing

Within the placemaking and housing programme a number of schemes have been deferred as they were not able to generate a business case that supported the proposed investment. Notwithstanding that the Council is still investing in its assets,

Further investment in the Councils assets is proposed for the operational buildings to address health & safety issues to enable continued occupation and service delivery. There is investment in the commercial portfolio to ensure compliance with statutory requirements and to protect the Council's income stream through continued lettings.

### 8.32 Culture, Strategy & Engagement

The proposed capital programme continues the investment needed in the Council's IT assets to drive through transformation to deliver savings whilst at the same time delivering improvements to the resident experience. The Council is also investing in essential works in its 2 principal heritage assets, Bruce Castle Museum and Alexandra Palace.

### 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 (82%) are either self-financing or funded via external resources.

### **Table 8.3: Financing Strategy**



	General Fund Borrowing		External (£'000)	Total (£'000)
	Met from General Fund	Self-Financing met from Savings		
	(£'000)	(£'000)		
Children's Services	26,281	5,900	32,035	64,216
Adults, Health & Communities	3,882	45,341	8,793	58,016
Environment & Resident Experience	64,628	1,959	8,625	75,212
Placemaking & Housing	104,396	6,537	209,982	320,915
Culture, Strategy & Engagement	28,648	65,108	0	93,756
<b>Total</b>	<b>227,835</b>	<b>124,844</b>	<b>259,435</b>	<b>612,115</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 its borrowing. This is known as the minimum revenue provision (MRP). The estimated MRP over the MTFS period is set out below:

**Table 8.4: Estimated MRP**

	2023/24 Budget (£'000)	2024/25 Budget (£'000)	2025/26 Budget (£'000)	2026/27 Budget (£'000)	2027/28 Budget (£'000)	2028/29 Budget (£'000)
MRP	18,676	17,677	19,002	20,069	20,980	22,306

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 table below shows the estimated CFR over the MTFS period.

**Table 8.5: Prudential Indicator: Estimates of Capital Financing Requirement**

	2023/24 Budget (£'000)	2024/25 Budget (£'000)	2025/26 Budget (£'000)	2026/27 Budget (£'000)	2027/28 Budget (£'000)	2028/29 Budget (£'000)
CFR	1,375,493	1,427,202	1,706,665	2,003,734	2,286,562	2,472,311

### Asset Management

8.37 The Asset Management Plan will be reported to Cabinet in Spring 2024.

### 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 (it should be noted that if the asset includes “open space”, any decision on a proposed disposal will be subject to the statutory requirement to advertise and consult before a final decision can be taken and/or implemented). 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 Treasury Management Strategy Statement (TMSS) that sets out in detail the Council’s approach to managing its cash flows, borrowing and investment activity, and the associated risks. The Capital Strategy document includes similar information from the TMSS but presents this information in the context of the Council’s capital programme and Corporate Delivery 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 set out in the approved TMSS, whilst short term liquidity requirements can be met by short term borrowing from other local authorities.

### Borrowing Strategy

8.42 The Council's primary objective when borrowing money is to strike a balance between securing low interest cost and achieving certainty of those costs, over the period for which the funds are required.

8.43 Projected levels of the Council's total outstanding external debt (which comprises borrowing, PFI liabilities and leasing) are shown below and compared to the CFR.

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

	31/3/23 Actual (£'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)	31/3/29 Budget (£'000)
Borrowing Debt	783,301	1,204,505	1,087,092	1,346,241	1,623,607	1,885,665	2,049,734
PFI & Lease Debt	21,967	19,471	13,189	10,552	9,852	9,151	8,450
<b>Total Debt</b>	<b>805,268</b>	<b>1,223,976</b>	<b>1,100,281</b>	<b>1,356,794</b>	<b>1,633,459</b>	<b>1,894,816</b>	<b>2,058,184</b>
Capital Financing Requirement	1,120,900	1,375,493	1,427,202	1,706,665	2,003,734	2,286,562	2,472,311

8.44 The CFR represents the Council's underlying need to borrow for capital purposes. The Council's strategy is to maintain borrowing and investments below their underlying levels, which is commonly referred to as internal borrowing. The Council has an increasing CFR due to the increasing requirement to finance its capital programmes.

### **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. This is set out in Table 8.7 below.

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

	2023/24 Budget (£'000)	2024/25 Budget (£'000)	2025/26 Budget (£'000)	2026/27 Budget (£'000)	2027/28 Budget (£'000)	2028/29 Budget (£'000)
Authorised limit – borrowing	1,286,022	1,344,013	1,626,113	1,923,882	2,207,411	2,393,861
Authorised limit – PFI & leases	25,702	17,410	13,929	13,004	12,079	11,154
<b>Authorised limit – total external debt</b>	<b>1,311,724</b>	<b>1,361,423</b>	<b>1,640,042</b>	<b>1,936,886</b>	<b>2,219,490</b>	<b>2,405,015</b>
Operational boundary - borrowing	1,236,022	1,294,013	1,576,113	1,873,882	2,157,411	2,343,861
Operational boundary – PFI & leases	23,365	15,827	12,663	11,822	10,981	10,140
<b>Operational boundary – total external debt</b>	<b>1,259,387</b>	<b>1,309,840</b>	<b>1,588,775</b>	<b>1,885,704</b>	<b>2,168,392</b>	<b>2,354,001</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 Table 8.8 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**

	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget
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	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)	(£'000)
MRP - pre 2008 expenditure	5,019	5,019	5,019	5,019	5,019	5,019
MRP - post 2008 expenditure	13,657	12,657	13,983	15,050	15,961	17,287
<b>Total MRP</b>	<b>18,676</b>	<b>17,677</b>	<b>19,002</b>	<b>20,069</b>	<b>20,980</b>	<b>22,306</b>
Interest Costs (General Fund)	16,946	14,996	21,319	22,943	24,438	25,626
<b>Total Gross Capital Financing Costs (GF)</b>	<b>35,622</b>	<b>32,672</b>	<b>40,321</b>	<b>43,012</b>	<b>45,418</b>	<b>47,932</b>
Offsetting Savings for self financing schemes	(12,714)	(1,119)	(2,743)	(3,724)	(4,235)	(5,152)
<b>Total Net Capital Financing Costs (GF)</b>	<b>22,908</b>	<b>31,553</b>	<b>37,579</b>	<b>39,289</b>	<b>41,183</b>	<b>42,781</b>
<b>Interest Costs (HRA)</b>	<b>18,589</b>	<b>25,889</b>	<b>35,987</b>	<b>48,297</b>	<b>60,785</b>	<b>69,562</b>

**Table 8.9: Proportion of financing costs to net revenue stream**

	2023/24 Budget	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Financing Costs General Fund</b>	35,622	32,672	40,321	43,012	45,418	47,932
<b>Proportion of net revenue stream</b>	12.36%	11.11%	13.45%	14.06%	14.56%	15.06%
<b>Financing Costs HRA</b>	18,589	25,889	35,987	48,297	60,785	69,562
<b>Proportion of net revenue stream</b>	16.41%	19.00%	24.32%	30.52%	36.11%	39.32%

8.48 Over the MTFS period the General Fund proportion of financing costs to net revenue stream ratio shows modest increases. These are primarily driven by the expected higher costs of new long-term borrowing that the Council will need to undertake over the MTFS. The ratio also shows significant increases

for the HRA over the MTFs. However, these increases have been modelled into the current version of the evolving HRA business plan and capital programme.

## **Governance**

- 8.49 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) is required 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, existing homes acquisition, 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.
- 9.3 The Plan includes the modelling of the revenue and capital implications of all planned work in the HRA to deliver council priorities and provides 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 considers the build costs, inflation, exposure to housing market volatility and delivery capacity within the Council.
- 9.4 The increases in energy costs, 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 a HRA Budget and longer-term plan which is prudent and sustainable. This plan factors in our best estimates and assumptions on interest rates and inflation, which are particularly significant for our capital programme.
- 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 for external borrowing. RCCO is the revenue surplus after expenditure; and it is key in assessing the HRA resilience. The financial plan seeks to maintain 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 and those associated with an extensive development programme. The plan also assumes a year on year working balance of £20m. This increased position was established at the end of 2021/22.

9.6 In the current iteration of the financial plan, the revenue surplus is forecast at above £8m in 2024/25 and 2025/26, with surplus in the subsequent 3 years but below the £8m level, before being forecast to increase again in later years. Any unanticipated event with financial implications in those years will be managed through a call on the working balance, which is forecasted to be replenished in future years.

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

9.8 **Housing rents**

9.9 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%.

9.10 On 17 November 2022, the government announced in the Autumn Statement 2022 that social housing rent increases for 2023/24 would not go up in line with the formula, instead will be capped at 7%, to help tenants with the increased cost of living.

9.11 In 2024/25, it is proposed that rents will increase by September CPI + 1%, subject to any further guidance from Central Government.

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

9.13 Central Government, through the Regulator of Social Housing, prescribes the formula for both calculating social housing rents in new tenancies and the rate at which existing social rents are able to increase in each year.

9.14 The rental increase is set at September CPI plus 1%. In 2023/4 the CPI+1% rent increase would have been 11.1% however the rent increase was restricted at 7% by Central Government. In 2024/25 there is no such restriction. Therefore, the proposed rents increase in 2024/25 of 7.7% is based on September CPI of 6.7% plus 1%.

- 9.15 On this basis, the proposed average weekly rents for general needs and sheltered/supported housing will increase by £9.10 from £118.22 to £127.33 in 2024/25. There is a range of rents across different sizes of properties. The table below sets out the proposed average weekly rents by property size based on the rent increase of 7.7% for 2024/25 with effect from 1<sup>st</sup> April 2024 (the first Monday in April).

**Table: Proposed Average Weekly Rent 2024/25**

Number of Bedrooms	Number of Properties	Current average weekly rent 2023/24	Proposed average weekly rent 2024/25	Proposed average rent increase	Proposed percentage increase
Bedsit	130	£95.91	£103.30	£7.39	7.7%
1	5,260	£101.59	£109.41	£7.82	7.7%
2	5,133	£118.40	£127.52	£9.12	7.7%
3	3,687	£135.57	£146.01	£10.44	7.7%
4	607	£154.35	£166.23	£11.88	7.7%
5	110	£180.56	£194.46	£13.90	7.7%
6	15	£187.64	£202.09	£14.45	7.7%
7	2	£177.55	£191.22	£13.67	7.7%
<b>All dwellings</b>	<b>14,944</b>	<b>£118.22</b>	<b>£127.33</b>	<b>£9.10</b>	<b>7.7%</b>

#### 9.16 Formula rent and Rent Caps

- 9.17 The national formula for setting social rent is intended to enable Local Authorities 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.
- 9.18 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.
- 9.19 Formula rents are subject to a national social rent cap. The rent cap is the maximum level by which rents can be increased 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. Rent caps for 2024/25 are as shown below:

**Table: 2024/25 Bedroom Rent Caps**

Number of Bedrooms	2024/25 Rent Cap
--------------------	------------------



<b>1 and bedsits</b>	<b>£188.04</b>
<b>2</b>	<b>£199.08</b>
<b>3</b>	<b>£210.15</b>
<b>4</b>	<b>£221.19</b>
<b>5</b>	<b>£232.26</b>
<b>6 or more</b>	<b>£243.31</b>

## 9.20 Rents on New Tenancies

- 9.21 Rents for new tenancies are set according to a formula (hence the term 'formula rent'). This is for new tenancies in either a relet of an existing council home, or a newly built council home.
- 9.22 The Policy statement on rents for social housing also includes provision for social landlords to apply a 5% flexibility on formula rents: *'The government's policy recognises that registered providers should have some discretion over the rent set for individual properties, to take account of local factors and concerns, in consultation with tenants. As a result, the policy contains flexibility for registered providers to set rents at up to 5% above formula rent (10% for supported housing – as defined in paragraphs 2.39-2.40 below). If applying this flexibility, providers should ensure that there is a clear rationale for doing so which takes into account local circumstances and affordability.'*
- 9.23 The current financial climate – with high inflation rates and high interest rates – means that the Council cannot continue to meet its obligations to its tenants by investing in its stock, ensure that all homes meet at least the decent homes standard, ensure that homes meet the council's sustainability objectives and ensure homes are warm and cheaper to heat for tenants while still setting a balanced HRA. On this basis, the 2024-2029 HRA MTFs proposes applying the 5% flexibility to formula rents.
- 9.24 This would not supersede any commitments on future rent levels – for example as set out in the landlord offer for new homes at Broadwater Farm and High Road West. It would also not apply to any homes that are being delivered at London Affordable Rent. And this could not affect rents on existing tenancies which can only rise by CPI+1%.
- 9.25 Rents on new builds (apart from the categories mentioned above) and rents for re-lets of existing Council Homes are proposed to be set at formula rent plus 5% flexibility (subject to national rent cap).
- 9.26 **London Affordable Rent**
- 9.27 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 updated by CPI plus one per cent every year. These LAR

rents are at the same level anywhere in London. LAR homes are let by councils on secure tenancies, and by other registered providers.

9.28 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.

9.29 In the 2023 HRA MTFs it was agreed to let homes build as part of the GLA's 2016-2021 programme at LAR.

9.30 The table below shows London Affordable Rents for 2024/25. This represents an uplift on 2023/24 LAR Rents by September CPI plus 1%.

9.31 **Table: 2024/25 LAR**

<b>Number of Bedrooms</b>	<b>2024/25 LAR</b>
<b>1 and bedsits</b>	<b>£201.43</b>
<b>2</b>	<b>£213.26</b>
<b>3</b>	<b>£225.10</b>
<b>4</b>	<b>£236.95</b>
<b>5</b>	<b>£248.80</b>
<b>6 or more</b>	<b>£260.63</b>

9.32 **Rents in Temporary Accommodation**

9.33 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.

9.34 The HRA financial plan includes these rental incomes for a maximum period of seven (7) years from the time of acquisition. From year eight (8), 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.

9.35 From 1st April 2024, all other council-owned properties, in the HRA, used as temporary accommodation under a Council non-secure tenancy will have proposed rent increases of 7.7% (CPI + 1%).

9.36 **Shared Ownership Rents**

9.37 There are a small number of shared ownership properties in the HRA, and their rents are to be increased in line with their contracts, typically January

RPI +0.5%. The Government have recently announced that for new shared ownership properties the rents are to be increased by CPI +1%.

**9.38 Tenants' Service Charges**

9.39 In addition to rents, tenants pay charges for services they receive which are not covered by the rent.

9.40 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.

9.41 In the past years, service charge increases have been capped at CPI plus 1%, apart from last year where service charges were generally capped at 10% instead of 11.1% (CPI plus 1%) and most energy related service charges were capped at 75% of the cost.

9.42 This approach was taken so as to ensure that rises in rent and service charges were consistent. In the event that this rise meant that the council would have recovered more than the cost of providing that service, service charges were capped to ensure that no more than this was recouped.

9.43 This is in line with guidance in the rent standard – which sets out that registered providers should endeavour to keep increases for service charges within the limit on rent changes, of September CPI +1%. However, the overarching service charging principle is for an authority to recover the cost of the service, and no more than this.

9.44 Service charges are covered by housing benefit and Universal Credit, so any tenant in receipt of these benefits will have these costs covered.

9.45 Having increased service charges on the above basis for a number of years, it is proposed in 2024/25 that we revert to full cost recovery service charges. The services tenants currently pay for are listed below:

- Concierge
- Grounds maintenance
- Caretaking
- Street sweeping (Waste collection)
- Estates road maintenance
- Light and power (Communal lighting)
- TV aerial maintenance

- Door entry system maintenance
- Sheltered housing cleaning service
- Good neighbour cleaning service
- Window cleaning service.
- Converted properties cleaning
- Heating

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

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

9.47 The applicable charges proposed for 2024/25 is as shown in the table below:

**Table – Proposed Tenants’ Service Charges with effect from 1<sup>st</sup> April 2024 (2024/25)**

<b>Tenants' Service Charges</b>	<b>Current Weekly Charge 2023/24</b>	<b>Proposed Weekly Charge 2024/25</b>	<b>Increase / Decrease</b>	
<b>Property Charges :</b>				
Concierge	£20.28	£26.62	£6.34	31%
Grounds Maintenance	£3.40	£3.47	£0.07	2%
Caretaking	£5.19	£7.62	£2.43	47%
Street Sweeping	£5.98	£8.57	£2.59	43%
Estates Road maintenance	£0.68	£0.77	£0.09	13%
Communal Lighting (Light & Power)	£5.57	£4.04	-£1.53	-27%
TV aerial maintenance	£0.38	£0.41	£0.03	9%
Door entry system maintenance	£1.03	£1.11	£0.08	8%
Sheltered housing cleaning service	£2.13	£2.48	£0.35	16%
Good neighbour cleaning service	£1.51	£1.76	£0.25	17%
Window cleaning	£0.63	£0.67	£0.04	6%
Converted properties cleaning	£2.05	£3.93	£1.88	92%
Sheltered Housing Blocks Heating	£19.31	£18.33	-£0.98	-5%
Garton House / Lowry House Heating	£15.78	£15.33	-£0.45	-3%
Ferry Lane Estate / Runcorn Heating	£23.46	£21.83	-£1.63	-7%
Rosa Luxemburg - District Heating 8	£9.56	£7.14	-£2.42	-25%
William Atkinson House Heating	£20.60	£19.45	-£1.15	-6%
Broadwater Farm DEN Heating	£22.49	£21.11	-£1.38	-6%
Welbourne (Walter Tull House) DEN Heating	£11.45	£8.54	-£2.91	-25%
<b>Support Charges :</b>				
Sheltered Housing Charge	£32.38	£33.40	£1.02	3%
Good Neighbour Charge	£14.47	£14.93	£0.46	3%
Good Neighbour Charge (Stokley Court)	£17.62	£18.17	£0.55	3%

#### 9.48 **Heating charges**

9.49 The heating charges reflect the projected usage in the blocks and projected energy rates for 2024/25. To protect tenants from a sharp increase some of the approved 2023/24 heating charges included a 25% discount. In 2024/25 no equivalent discount has been applied as the proposed charges are based on full cost recovery, However the current intelligence from the Council's energy supplier (Laser) is that costs in 2024/25 are expected to be approximately 26% lower than costs in 2023/24 and this has been reflected in the proposed charges in the table above.

9.50 Broadwater Farm and Welbourne heating charges are included as an indication of the average weekly cost as both sites are expected to have metered charges from the latter part of 2023/24.

9.51 Where properties are on metered heating, the charges will be based on usage for each property and proposed tariffs as detailed in the table below.

#### **Table – Proposed Metered Tariffs with effect from 1<sup>st</sup> April 2024 (2024/25)**

<b>Metered blocks (same tariff applies to all sites)</b>	<b>Current Tariff 2023/24</b>	<b>Proposed Tariff 2024/25</b>	<b>Increase / Decrease</b>	
Weekly standing charge (£/wk)	£3.65	£3.65	£0.00	0%
Price per unit of heat (pence/kWh)	8.01p	7.90p	-0.11p	-1%

## 9.52 Rent Consultation

9.53 As part of the budget consultation, tenants will be given the opportunity to express their views on the adoption of rent flexibility for new tenancies. There is no requirement for tenant consultation on existing rents and service charge increases (but there is a duty to notify tenants of such increases once a decision has been made). Haringey Council's rents are set in accordance with government rent standard and no new charges are being introduced for the tenants' service charges. Tenants must be given at least four weeks' notice before the new rents and service charges for 2024/25 start on 1st April 2024.

## 9.54 HRA Tenants Support Fund

9.55 Recognising the impact that service charge increases in this report may have on HRA tenants, it is recommended that a new support fund is established. The form of support to be provided from this fund will be addressed in a separate report with the decision making delegated to the Director of Housing & Place making in liaison with the Cabinet Member for Housing services, Private renters, and Planning. It is proposed that this be funded from the £20m HRA working balance and the replenishment of the working balance to its full level be redressed in the subsequent periods.

## 9.56 Draft HRA Expenditure

9.57 Significant items of expenditure in the HRA include the management cost (£30.7m), repairs cost (£23.8m), capital financing charge (£25.9m) and depreciation (£22.6m). These four items constitute 76% (£103m) of the total HRA expenditure (£136m) in 2024/25. The capital financing charge is the interest on HRA loans and internal funding and is budgeted at £7m above the 2023/24 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 replacement of components within HRA homes over time. The depreciation 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.

9.58 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 3,000 new council homes by March 2031.

9.59 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. However, these risks have been factored into this

iteration of the HRA budget/MTFS. The budget/MTFS forecasts revenue contribution to capital outlay (RCCO) above the set minimum of £8m in 2024/25 and 2025/26. The RCCO falls below this level in the last three periods of the MTFS and bounces back, after this period. The financial plan recognises the management of the risks in those periods via the use of working balance which currently stands at £20m.

**9.60 Draft HRA 5 Years MTFS (2024/25-2028/29)**

9.61 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 2024/25 is a balanced budget with a revenue contribution to capital (RCCO) of £8.8m.

9.62 The table below shows the Draft HRA 5-Year Revenue Budget (2024/25 – 2008/29)

**Table – Draft HRA 5-Year Revenue Budget (2024/25 – 2028/29)**

<b>Housing Revenue Account (HRA)</b>	Year 1	Year 2	Year 3	Year 4	Year 5	Total
<b>Income &amp; Expenditure</b>	<b>2024-25</b>	<b>2025-26</b>	<b>2026-27</b>	<b>2027-28</b>	<b>2028-29</b>	<b>5 Years</b>
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Income</b>						
Dwellings Rent Income	(109,359)	(119,027)	(128,185)	(137,189)	(144,695)	<b>(638,455)</b>
Void Loss	2,071	1,190	1,282	1,372	1,447	<b>7,362</b>
Hostel Rent Income	(1,792)	(1,855)	(1,920)	(1,986)	(2,055)	<b>(9,608)</b>
Service Charge Income	(17,095)	(17,902)	(18,791)	(19,619)	(20,394)	<b>(93,801)</b>
Leaseholder Income	(8,341)	(8,577)	(8,820)	(9,068)	(9,323)	<b>(44,129)</b>
Other Income (Garages /Aerials/Interest)	(1,754)	(1,789)	(1,824)	(1,861)	(1,898)	<b>(9,126)</b>
<b>Total Income</b>	<b>(136,270)</b>	<b>(147,960)</b>	<b>(158,258)</b>	<b>(168,351)</b>	<b>(176,918)</b>	<b>(787,757)</b>
<b>Expenditure</b>						
Repairs	23,757	24,940	24,940	23,126	20,813	<b>117,576</b>
Housing Management	30,744	29,983	29,523	30,133	31,756	<b>152,139</b>
Housing Demand	1,992	2,032	2,072	2,114	2,156	<b>10,366</b>
Estates Costs (Managed)	13,557	13,828	14,515	15,154	15,753	<b>72,807</b>
Provision for Bad Debts (Tenants)	3,301	1,526	1,652	1,754	1,834	<b>10,067</b>
Provision for Bad Debts (Leaseholders)	200	206	212	218	224	<b>1,060</b>
Other Costs (GF Services)	3,564	3,635	3,708	3,782	3,857	<b>18,546</b>
Other Costs (Property/Insurance)	1,824	1,861	1,898	1,936	1,974	<b>9,492</b>
Capital Financing Costs	25,889	35,987	48,297	60,785	69,562	<b>240,520</b>
Contribution to Major Repairs (Depreciation)	22,597	23,669	24,839	25,935	26,968	<b>124,008</b>
<b>Revenue Contributions to Capital</b>	<b>8,846</b>	<b>10,293</b>	<b>6,602</b>	<b>3,414</b>	<b>2,020</b>	<b>31,175</b>
<b>Total Expenditure</b>	<b>136,270</b>	<b>147,960</b>	<b>158,258</b>	<b>168,351</b>	<b>176,918</b>	<b>787,757</b>

9.63 The RCCO in 2024/25 and 2025/26 is more than our locally set minimum of £8m, however for the remaining 3 years it is below £8m. It is clear that our HRA position remains tight and will require close monitoring of our ongoing income and expenditure positions.

9.64 **Draft HRA 5 Years Capital Programme (2024/25 – 2028/29)**

9.65 This represents the capital implications of the new 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.

9.66 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 2024/25 is £238m, fully funded from grants,



Major Repairs Reserve, revenue contributions, RTB retained capital receipts, leaseholder contributions and borrowing.

**Table - Draft HRA 5 Year Capital Programme (2024/25 – 2028/29)**

Housing Revenue Account (HRA)	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Investment & Financing	2024-25	2025-26	2026-27	2027-28	2028-29	5 Years
	£'000	£'000	£'000	£'000	£'000	£'000
<b>Capital Investment</b>						
Major Works (Haringey Standard)	36,437	45,676	76,682	83,000	66,635	<b>308,430</b>
Carbon Reduction Works (Affordable Energy)	3,503	6,893	11,500	13,533	6,757	<b>42,186</b>
Fire Safety Works	7,879	8,041	8,366	7,460	5,631	<b>37,377</b>
Broadwater Farm Works	16,213	19,713	17,575	16,975	16,974	<b>87,450</b>
<b>Total Existing Stock Investment</b>	<b>64,032</b>	<b>80,323</b>	<b>114,123</b>	<b>120,968</b>	<b>95,997</b>	<b>475,443</b>
New Homes Build Programme	101,926	115,570	107,819	94,156	78,122	<b>497,592</b>
New Homes Acquisitions	33,540	17,395	22,494	14,734	2,658	<b>90,820</b>
High Road West	2,064	19,053	36,644	36,260	11,082	<b>105,104</b>
Broadwater Farm New Build	21,944	56,486	58,565	25,473	5,505	<b>167,972</b>
TA Acquisitions	14,716	14,863	15,309	15,768	16,241	<b>76,897</b>
<b>Total Capital Investment</b>	<b>238,222</b>	<b>303,689</b>	<b>354,954</b>	<b>307,358</b>	<b>209,606</b>	<b>1,413,829</b>
<b>Capital Investment Financing</b>						
Grants (GLA)	44,805	46,167	56,412	14,696	35,596	<b>197,676</b>
Major Repairs Reserve	22,597	23,669	24,839	25,935	26,968	<b>124,008</b>
Revenue Contributions	5,724	10,293	6,603	3,415	2,020	<b>28,055</b>
RTB Capital Receipts	6,858	6,926	7,115	7,368	7,630	<b>35,897</b>
Leaseholder Contributions to Major Works	8,289	7,890	6,548	6,832	7,104	<b>36,663</b>
Market Sales Receipts	4,717	1,348	1,613	1,482	15,450	<b>24,610</b>
Borrowing	145,232	207,396	251,824	247,630	114,838	<b>966,920</b>
<b>Total Capital Financing</b>	<b>238,222</b>	<b>303,689</b>	<b>354,954</b>	<b>307,358</b>	<b>209,606</b>	<b>1,413,829</b>

- 9.67 The Council continues to project an extensive HRA capital programme both in terms of investing in its existing stock and new build. The financial sustainability of this is addressed in our revenue modelling reported above.
- 9.68 This MTF5 proposes increases in major works, carbon reduction, fire safety budget – to meet current regulatory requirements (Building Safety & Fire Safety legislation), reach 100% Decent Homes standard, following self-referral.
- 9.69 **Major Works**
- 9.70 The Council's new Housing Asset Management Strategy sets out the Council's target to achieve 100% decent homes, and how this will be achieved.
- 9.71 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 2024. 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.

**9.72 Carbon Reduction Works**

9.73 The budget provision would support extensive measures contained in the Council energy action plan. Despite the challenging economic circumstances, the Council is proposing an increase of £9m in the expenditure on carbon reduction works over the MTFS period.

9.74 The Council's Energy Action Plan sets 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 B by 2035; and 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, especially in a time of rising costs.

9.75 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.

**9.76 Fire Safety Works**

9.77 The proposed budget/MTFS is to ensure that all housing stock continues to meet changing statutory requirements. The budget has been refreshed and additional investment of £2m is proposed over the MTFS period; 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.

**9.78 Broadwater Farm Works**

9.79 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. This reprofiling means a proposed additional £3.6m expenditure over the MTFS period. The identified structural faults with a number of buildings led to the development of a 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 1960s

**9.80 New Homes Build and Acquisition**

- 9.81 This Financial plan continues to provide for financial resources to meet the Council's commitment to the delivery of high-quality Council homes. 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 £861m over the period of the MTFs.
- 9.82 Over the past five 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.
- 9.83 The Housing Delivery Programme currently includes over 2,000 homes that have been started on site. 199 new council homes have been completed and let.
- 9.84 The new homes are designed through an iterative process of consultation and engagement with Councillors, planners, and the community.
- 9.85 Clear, explicit design principles mean that these homes will have the highest standards of design quality – so that homes are beautiful, but also safe, comfortable, and accessible. They will also be easy and affordable to look after – for the Council and for the tenant.
- 9.86 Climate change, carbon management, and sustainability is integral to the design of our new generation of Council homes. The Council targets zero-carbon for each of our developments.
- 9.87 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.
- 9.88 The need for genuinely affordable homes in Haringey – as across the country – is urgent. More than 12,500 households are currently on the Council's housing register.
- 9.89 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. Where such land includes "open space", prior to a final decision to appropriate the land into the HRA, there will be a need to advertise and consult.
- 9.90 Sites in the HRA are underused land, generally on housing estates, typically garages, car parking spaces, or land between existing blocks.

9.91 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. As an integral part of the programme, the Council also actively seeks opportunities to acquire homes to let as Council homes.

9.92 **Existing Homes Acquisitions – TA**

9.93 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 2023/24 sets out the forecast year end position. The accumulated deficit on the High Needs Block has benefited from Safety Valve Funding of £11.99m received in 2022/23. As a result the opening deficit is £11.55m. The report highlights the in year budget pressures in the High Needs Block which is estimated to add an additional £2.5m to the existing deficit of £11.55m to give a forecast deficit of £14.05m by the end of 2023/24. Further Safety Valve Funding of £2.99m is expected in year bringing the forecast closing position down to £11.04m. The in year forecast deficit is in line with the Safety Valve Agreement and overall, on target to bring the High Needs Block into balance by 2027/28

10.3 Table 10.1 below sets out Haringey’s Dedicated Schools Grant allocations for 2022/23, the minimum rebased DSG baseline allocation for 2023/24 and the provisional National Funding Formula (NFF) allocation for 2024/25.

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

DSG Block Allocations	Schools Block £m	High Needs Block £m	Central Schools Services Block £m	Early Years Block £m	Total DSG Allocation £m	Recoupment £m	Total DSG Received by Haringey £m	Outside Grants Rolled into Schools Block £m
2022/23	212.52	52.21	2.79	20.25	287.77	-79.11	208.66	0.00
2023/24	219.47	56.80	2.71	21.22	300.20	-84.78	215.42	5.78
2024/25 (indicative)	227.61	58.03	2.66	21.22	309.52	-85.00	224.52	7.12
								<b>12.90</b>
<i>Mainstream Schools Supplementary Grant (MSSG) 2023/24 and Mainstream School Additional Grant (MSAG) 2024/25 rolled</i>								
<i>Early Years Block estimated for 2024/25 and does not include Early Years Supplementary Grant</i>								

10.4 Overall, Haringey's provisional NFF allocation for 2024/25 is an increase of 0.81% excluding rolled in grants equivalent to £2.20m. This is based on the October 2022 pupil census numbers and the final allocation will be based on the October 2023 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 0.48% equivalent to £1.02 m.
- Central School Services Block - has lost -1.8% equivalent to £0.05m.
- Early Years Block – Not applicable as the funding is to be announced.
- High Needs Block – uplift of 2.17% equivalent to £1.23m.

10.5 The actual financial position for the Dedicated Schools Grant is dependent on the final school's finance settlement for 2024/25, which is due in December 2023.

10.6 The Schools Forum will consider these figures at their January 2024 meeting.

10.7 The DfE have consulted on the implementation of the direct National Funding Formula from 2024-25, which allows the Secretary of State to determine Schools funding allocations directly. 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**

10.8 The DSG reserves now account for Safety Valve funding of £11.99m applied to the 2022/23 position and a further funding expected to be received in 2023/24 of £2.99m to improve the forecast closing position to £11.04m.

### **Table 10.2 2023/24 Year End DSG reserves forecast**

Blocks	Opening DSG deficit at 01/04/2023	Q2 2023/24 Forecast	Safety Valve Funding	Forecast closing DSG deficit 2023/24
	£m	£m	£m	£m
Schools Block	0	0	0	0
Central School Services Block	0	0	0	0
Early Years Block	0	0.02	0	0.02
High Needs Block	-11.55	-2.5	2.99	-11.06
<b>Total DSG</b>	<b>-11.55</b>	<b>-2.48</b>	<b>2.99</b>	<b>-11.04</b>

10.9 A successful bid to join the Safety Vale Programme was approved by DfE in March 2023. The approval agreed that a DSG Management Plan was implemented to undertake a transformation programme that includes action to

- Create a culture change in special educational needs and disabilities (SEND) services which leads to closer working with parents and carers and clearly communicates the ordinarily available offer;
- Review bandings and top-up funding;
- Review the post-16 offer and supported internships, with the aim that more young people can move off education health and care plans (EHCPs) after two-year internships;
- Ramp up early intervention approaches with the aim of reducing the number of EHCPs over time towards national averages. Key projects include investments in early intervention in Speech, Language, and Communication, review of social, emotional, and mental health (SEMH) pathways and support and increased expansion within the Haringey Language and Autism Team, to provide pro-active support to education settings;
- Communicate expected standards to schools and colleges and upskill their workforce. This will meet the needs of children with less complex needs, with the aim of avoiding their needs escalating to them requiring an EHCP;
- Review Alternative Provision (AP) and commissioning. Tighter governance arrangements will be implemented to ensure that children are supported in their return to mainstream settings where possible.

10.10 Successful delivery and progress in line with the DSG Management Plan would result in funding being released by DfE to support the reduction deficit and bringing the High Needs Block into a balance by 2027/28. The planned funding profile is as follows:

<b>Year</b>	<b>The Department agrees to pay to the authority an additional £m of DSG by year end</b>
-------------	--

<b>2022-23</b>	£11.96m
<b>2023-24</b>	£2.99m
<b>2024-25</b>	£2.99m
<b>2025-26</b>	£2.99m
<b>2026-27</b>	£2.99m
<b>2027-28</b>	£5.98m

## 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, tenants 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 Further significant savings options are expected to still be required to balance the budget, after the Budget consultation document has been issued. The consultation will therefore allow respondees to put forward any views that they want the Council to take into consideration in arriving at the final budget proposals.
- 11.5 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 2024 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 2024.

## 12. **Contribution to the Corporate Delivery Plan 2022-2024 High level Strategic outcomes'?**

- 12.1 The Council's draft Budget aligns to and provides the financial means to support the delivery of the Corporate Delivery Plan outcomes.

## 13. **Carbon and Climate Change**

- 13.1 Any carbon and climate change implications of the proposals contained in this report are addressed at the relevant section of the report.
14. **Statutory Officers comments (Director of Finance ( procurement), Head of Legal and Governance, Equalities)**
- Finance**
- 14.1 The financial planning process ensures that the Council's finances align 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.
- 14.2 Ensuring the robustness of the Council's 2024/25 budget and its MTFS 2024/25 – 2028/29 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 contained throughout the report.
- 14.3 Even after budget savings and other management actions identified through this budget round of £11.2m, the 2024/25 draft Budget gap in this report is c £16.3m, significantly worse than the £6.3m estimated in the Budget/MTFS report from March 2023. This is an exceptional and concerning position to be in, particularly this late in the annual process. This position reflects the difficult financial situation local authorities are facing, as evidenced by the increasing number of authorities who are needing, or near to issuing a Section 114 statement regarding their inability to set a legal budget. The Council's reserves position is also lower than average for a council of this size and a medium to long term objective should be to improve on this and increase our financial resilience.
- 14.4 The Council continues to experience the impact of the conditions in the national economy and post pandemic environment. Inflation and cost of living remains high, costs of critical services increasing (particularly in care) and costly mortgages are driving up costs of Temporary Accommodation. High interest rates have also placed pressure on the funding of the Council's capital programme. All these factors are driving the need for £25.5m growth in Directorate budgets, predominately in the three demand led services, Adults, Children's and Temporary Accommodation. The impact on expenditure in these services is greater than assumed when the March budget was set and so the Council is finding it extremely challenging to meet its legal obligation to put forward a balanced budget for 2024/25 at this time.
- 14.5 Further substantial work must be conducted between now and the issuing of the final Budget report in February 2024 to identify realistic and deliverable proposals to present a balanced Budget to be agreed. At the time of writing this report, the Autumn Budget Statement has just been announced and it has not been possible to incorporate any detailed implications but it would appear that it will not have any major overall



impact on the estimates included in this draft Budget. Further Government announcements on 2024/25 funding for local government will not take place until after this December report is finalised and with all parts of the public sector looking for additional resources, this Council cannot rely on assumptions about any significant new funding being allocated to the sector.

- 14.6 With regard to the HRA, the draft plan presented, despite the forecasted challenges, maintains an adequate annual surplus providing an appropriate level of in year cover.
- 14.7 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 2024.

**Procurement**

- 14.8 Strategic Procurement has been consulted in the preparation of this report and note the recommendations in section 3 and contents of the report which are not related to a procurement activity or process. Strategic Procurement will continue to work with services to enable cost reductions.

**Head of Legal & Governance [Name and title of Officer completing these comments]**

- 14.9 The Head of Legal & Governance has been consulted in the preparation of this report and makes the following comments.
- 14.10 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.
- 14.11 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.
- 14.12 The report proposes new savings proposals for the financial year 2024/25, which the council will be required to consult upon and ensure that it complies with the public sector equality duty.
- 14.13 In view of the conclusion reached by the Director of Finance above on the ability to set a balanced budget for 2024/25 and the Equalities comments below, there is no reason why Cabinet cannot adopt the Recommendations in this report.

**Equality**

- 14.14 The Council has a public sector equality duty under the Equality Act (2010) to have due regard 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.
- 14.15 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.
- 14.16 Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.
- 14.17 This report details the draft Budget for 2024/25 and MTFS to 2028/29, including budget adjustments and capital proposals.
- 14.18 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 2024/25 Budget and MTFS. The decision is recommended to comply with the statutory requirement to set a balanced budget for 2024/25 and to ensure the Council's finances on a medium-term basis are secured through the four-year Medium-Term Financial Strategy.
- 14.19 Existing inequalities have widened in the borough in recent years because of the COVID-19 pandemic, national economic challenges, and persistently high inflation, with adverse impacts experienced by protected groups across many health and socioeconomic outcomes. Due to high inflation in the last two years, many residents are finding themselves less well off financially and more are experiencing, or on the periphery of, financial hardship and absolute poverty. Greater socioeconomic challenge in the borough drives demand for the Council's services, which is reflected in the impacts on spend for adult social care, children's services and temporary accommodation detailed elsewhere in this report.
- 14.20 A focus on tackling inequality underpins the Council's priorities and is reflected in the current Corporate Delivery Plan. Despite the significant financial challenge outlined in this report, the Council is committed to ensuring resources are prioritised to meet equality aims.
- 14.21 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 2024.

14.22 Savings proposals identified between the publication of this report and the final package of proposals identified in February 2024 will undergo 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.

14.23 Initial Equality Impact Assessments for relevant savings proposals will be published in February 2024 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.

15. **Use of Appendices**

Appendix 1	Summary of Draft Revenue 2024-25 Budget and Medium Term Financial Plan 2024-2029
Appendix 2	Summary of new Revenue budget growth proposals
Appendix 3	Summary of new proposed Revenue Saving proposals
Appendix 3a	Directorate Focused Narratives
Appendix 4	Draft General Fund Capital Programme 2024/25–2028-29
Appendix 5	New Capital Proposals for 2024-25 MTFS Programme

16. **Background papers**

None

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APPENDIX 3 - MTFS Savings Tracker (2022/23 - 2025/26)

Directorate:Adults, Health & Communities

Period:6

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

Green	Saving is on schedule to deliver agreed Objectives, Outcomes and Benefits
Amber	There is only an intermediate level of confidence in delivery
Red	Low level of confidence in delivery of the saving. URGENT action required.

2023-24								2023/24-2027/28							
MTFS Savings Ref	Cabinet Decision Date	Saving proposal	2023/24 £'000s	Total £'000	2023/24 Projected Full Year Savings £'000s	2023/24 Savings surplus/ (shortfall) £'000s	RAG Status (Delivery of 2023/24 Saving)	Comment on Delivery RAG Status	Actions plans to mitigate shortfall	2024/25 £'000s	2025/26 £'000s	2026/27 £'000s	2027/28 £'000s	RAG Status (Delivery of Saving 23/24+)	Comments on RAG Status & Actions to address Amber/Red (2024/25+)
<b>People - Adults, Health &amp; Communities</b>															
B2.8	13-Feb-18	Mental Health (overachievement of original target)	500	500	350	(150)	Red	Due to the issues with the case management financial migration, we are unable to fully quantify the level of savings in Mental Health						Amber	
PA6	12-Feb-19	Transfer of High Cost Day Opps (overachievement of original target)	110	110	110	0	Green	We have a provider savings project later this month, that will review packages of care and support plans for high cost LD placements. The savings from this project will cover this legacy MTFS item.						Amber	
PA8	12-Feb-19	Investment of drug and alcohol savings in preventative services for adults and families, targeting health inequalities	100	100	100	0	Green							Amber	
AS101	01-Mar-21	Fast Track Financial Assessments (overachievement of original target)	124	124	1,000	876	Green	This area is due to generate over a £1m, the £350k savings are linked to income generation self-funder fees and assessment conversion.						Amber	
	01-Mar-21	Adults Delayed Savings - C19	201	201	201	0	Green	We have a provider savings project later this month, that will review packages of care and support plans for high cost LD placements. The savings from this project will cover this legacy MTFS item.						Amber	
HO102	01-Mar-21	HfH taking over the lease of PSL properties on their expiry	51	51	51	0	Green			12				Amber	
AHC_SAV_001	07-Feb-23	Improved processes and practises to ensure that residents receive the right level of care	2,245	2,245	1,750	(495)	Amber	Savings are made up of £500k reablement and £257k CHC.		850	0	0	0	Amber	
AHC_SAV_002	07-Feb-23	Mental Health accommodation and outcomes	188	188	273	85	Green	Savings achieved as at P5 £68k		0	0	0	0	Amber	
AHC_SAV_003	07-Feb-23	Preventing debt build up for clients and sustainable financial pathway improvement	800	800	350	(450)	Red	This is linked into two client debt projects.		700	-400	-100	0	Amber	
AHC_SAV_004	07-Feb-23	Contract reviews	500	500	500	0	Green			500	0	0	0	Amber	
AHC_SAV_005	07-Feb-23	Improved commissioning and efficiencies	1,300	1,300	0	(1,300)	Red	Plans to achieve savings target are currently under consideration.		0	0	0	0	Amber	
AHC_SAV_006	07-Feb-23	Extended Provision (Lodge & Council-owned buildings)	99	99	0	(99)	Red	The redesign of Russell Road has not progressed cannot tender for a designer/contractor until report from structural engineer recommends route forward. Additional surveys signed off but brief definition scope document on hold until findings of structural report defines the scope of works. equally change is leadership operational director to be briefed temporary PM to be recruited. Project will not be on site this financial year. Modular homes development is progressing valuation report to be presented at the housing board May 23		361	118	0	0	Amber	
AHC_SAV_007	07-Feb-23	Use 1 bed social housing as Temporary Accommodation (TA)	69	69	69	0	Green	10 lets achieved since November. Further 15 properties identified however repairs and furniture orders to be placed. To further explore piloting 2 beds to ease hotel crisis and allow for man transfers) once progress has been made. Panding continued void performance improvements, target to achieve 45 lets across the previous year (2022/23) and 2023/24 is likely to be met.		69	69	0	0	Amber	
AHC_SAV_008	07-Feb-23	Targeted 1 bed project	80	80	80	0	Green	29 moves have been achieved since the project commenced in January of which 13 have been since April. There have been blockages to the project with delays in progressing repairs to empty properties and also delays to the sign up process. this has started to improve. Subject to these improvements, the target to achieve 100 moves remains ambitious but would expect it to be met.		0	0	0	0	Amber	
AHC_SAV_009	07-Feb-23	Targeting families that have been in TA for significant number of years	400	400	400	0	Green	The number of lets has been slow due to the voids issues which is now showing improvements. There have been 24 lets to homeless families since April 2023, most of which have been to households who are being targeted as part of lah project. The target is likely to be achieved although to ensure success, void performance must continue to improve for both repairs and sign ups. Families are being targeted for moves for the new Walter Tull development and over 75% of family sized properties are being let to families in temporary accommodation.		400	0	0	0	Amber	
AHC_SAV_010	07-Feb-23	Lease conversion Project	81	81	81	0	Green	This is likely to be achieve. Since this financial year April 2023, there has been 14 lease completions		175	54	0	0	Amber	

APPENDIX 3 - MTFS Savings Tracker (2022/23 - 2025/26)

Directorate:Adults, Health & Communities

Period:6

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

Green	Saving is on schedule to deliver agreed Objectives, Outcomes and Benefits
Amber	There is only an intermediate level of confidence in delivery
Red	Low level of confidence in delivery of the saving. URGENT action required.

		2023-24							2023/24-2027/28						
MTFS Savings Ref	Cabinet Decision Date	Saving proposal	2023/24 £'000s	Total £'000	2023/24 Projected Full Year Savings £'000s	2023/24 Savings surplus/ (shortfall) £'000s	RAG Status (Delivery of 2023/24 Saving)	Comment on Delivery RAG Status	Actions plans to mitigate shortfall	2024/25 £'000s	2025/26 £'000s	2026/27 £'000s	2027/28 £'000s	RAG Status (Delivery of Saving 23/24+)	Comments on RAG Status & Actions to address Amber/Red (2024/25+)
<b>Subtotal: Adults, Health &amp; Communities</b>			6,848	6,848	5,315	(1,533)				2,591	(159)	(100)	0		

**ADULTS APPENDIX 4 - NEW REVENUE GROWTH PROPOSALS**

MTFS Tab	Title of Option:		2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 £000s	Total
Adults	Service Growth	Net Demographic / inflation growth ASC (above current MTFS)	3,102					3,102
Adults	Service Growth	ASC Care Purchasing Budgets - Growth from Demographic Pressures, Inflation and COVID Legacy		2,789	2,821			5,610
Adults	Service Growth	Connected Comms - mainstream?	1,000					1,000
Adults	Demand Led Growth	Inflationary Growth and Temporary Accomodation, includes Transitions	16,267	6,561	4,529			27,357
		<b>Total</b>	<b>20,369</b>	<b>9,350</b>	<b>7,350</b>	<b>0</b>	<b>0</b>	<b>37,069</b>
	EXISTING							
	NEW							

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ADULTS APPENDIX 5 NEW REVENUE SAVINGS PROPOSALS

Savings

MTFS Tab	New Ref Dec 5th Cabinet	Title of Option:		2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 £000s	Total
Adults	AHC24_SAV_001	Modular Build (B) New site and project Additional Lodge	Identify an additional site for additional modular Lodge provision. 60 units of accommodation by mid 2026	0	-126				-126
Adults	AHC24_SAV_002	Extended Provision (Lodges) and use of Council owned buildings as temporary accommodation	Proposing to increase the supply of Lodge accommodation by 100 units. Conversion and extension of one of our existing hostels has been scoped. We are also pursuing the possibility of repurposing /developing other council owned buildings as temporary accommodation options. If we can identify further sites, there is scope to identify additional savings.	-110	-383				-493
Adults	AHC24_SAV_003	Use 1 bed social housing as Temporary Accommodation (TA)	Use of one bed social housing as temporary accommodation for families with a baby or young children – we have more 1 bed social housing properties than any other size – using a small proportion as TA would reduce TA costs. Our Annual Lettings Plan allows for 10 properties to be used for this purpose. This will be expanded to 15 and then 30 in 2023-24. Moves will particularly be focused to ensure people from Lodge accommodation are moved on, freeing up lodge vacancies.	-69	-69				-138
Adults	AHC24_SAV_004	Housing Demand- Using 2 bed social housing as temporary accommodation	Use of two bed social housing as temporary accommodation for families – using a small proportion as TA would reduce TA costs. We intend to introduce this provision within our Annual Lettings Plan for 24/25 and allow for 10 properties to be used in this way. The particular focus will be on families who need to stay locally, thereby reducing any additional costs for other parts of the council due to care and support needs.	-37	0	0	0	0	-37
Adults	AHC24_SAV_005	Housing Demand- Targeted 1 bedroom move on project	We will work with residents to identify suitable accommodation to move on from TA, ensure they are move ready and can settle successfully into the identified accommodation within the community . (staffing costs have been deducted from calculated savings)	-57	0	0	0	0	-57
Adults	AHC24_SAV_006	Housing Demand - Move on Pre- localism - Targeting families that have been in TA for significant number of years	A Project Officer will be engaged to work with families to remove any barriers to moving on from temporary accommodation. Targetted casework will include but not limited to ensuring that households are 'move' ready and supporting households to bid realistically for social housing . This is envisaged to be a 2.5 to 3 year project that will benefit from new supply delivered through the new build programme.	-400					-400
Adults	AHC24_SAV_007	Housing Demand - Converting council Private Sector Landlord (PSL) Leases to Homes for Haringey (HfH) leases	Leases held by the Council are restricted by TA subsidy arrangements (rental at 90% of 2011 Local Housing Allowance(LHA)). This subsidy is insufficient, which result in a cost to the council. Homes for Haringey Leases are not restricted in this way, converting leases to Homes for Haringey reduces costs to Council while ensuring that accommodation is within current LHA rates and affordable to residents.	-175	-54				-229
Adults	AHC24_SAV_008	0-19 years Public Health Nursing Services efficiencies	This proposal is to make savings of £300,000 from our existing contract for 0-19 year old integrated public health services. We will work with the provider on more efficient ways of working, while maintaining front line service offer for residents. Implementation period will be at least 6 months from sign off of council budget as then we will need to work with the provider. Implementation is expected by October 2024/25 with full year effect in 25/26.	-150	-150	0	0	0	-300
Adults	AHC24_SAV_009	Sexual health MTFS	Through the pandemic and in the following period we learnt that many residents like to access sexual health services from local pharmacies and through online advice and testing services, which are less expensive than clinic based services and achieve good outcomes. This proposal continues to take this emphasis forward with a further shift to self service and pharmacy options without impacting outcomes for residents.	-300	0	0	0	0	-300
Adults	AHC24_SAV_010	Continuing Health Care	Continuing Healthcare Is a funding stream that solely provides the full responsibility of a person's care on health services. Haringey receives the lowest Continuing Health Care funding in North Central London and is very low compared nationally, this project aims to fully imbed the Continuing Health Care process within Adult Social Care and gain a greater proportion of health funding. Ensuring residents are receiving the right level of funding for high/complex placements, expenditure for these placements would be picked up by health (fully health funded, joint funded and Funded Nursing Care). To increase the number of referrals for Continuing Health Care funding, to the North Central London Integrated Care Board and establish this as part of business as usual over the next year.	-1,200	0	0	0	0	-1,200

Adults	AHC24_SAV_011	Direct Payments	When a person has care and support needs, there are many ways this can be delivered, one option is that we can Commission a provider directly to provide that care and support. This is usually a much higher rate. Alternatively, direct payments are another methodology, and this can enable people to have more control on how their care is provided.	-800	0	0	0	0	-800
Adults	AHC24_SAV_012	Strength Based Working	The strength and asset-based approach is a national agenda, it changes the direction of how we provide care and support for individuals to look within their communities on how they can be supported before coming to a service led offer. It enables social care to reduce service demand by working with our voluntary sector and really focusing on early intervention and prevention. Strength Based Working produces better outcomes for people and reduced strain on adult social if residents are enabled to remain as independent as possible, strengthening people's ability to remain within the community. The use of digital tools, supports strength work based working approach.	-350	0	0	0	0	-350
Adults	AHC24_SAV_013	Use of public health growth	We are expecting to receive an uplift to the public health grant of £292k in 24/25, which can be directed to existing council priorities/spend which contribute to public health outcomes	-292	0	0	0	0	-292
Adults	AHC24_SAV_014	Supported Living Review	Supported living is when the residents remain in the community as independently as possible is enabled to claim housing benefit and their one-to-one care is provided. Currently we need to strengthen the support of living offer within Haringey. To ensure that people can reside in the Community with one-to-one provider delivered in their own home, this will reduce the cost. This will reduce the demand on nursing and residential expensive placements out of borough. Using digital tools, is key for the supported living model in Haringey.	-300	0	0	0	0	-300
Adults	AHC24_SAV_015	Service Audit	Currently we support approximately 3500 people to remain independently in the community on a daily basis, by auditing provider services and ensuring that the service delivery is accurate and in line with the care and support plan, we will look to find efficiencies in the system. By utilising a personalised approach and reviewing what services are available within the community for early Intervention early intervention and prevention, we may be able to reduce demand by working with our voluntary sector to deliver low levels of care, support, shopping, cleaning, et cetera additionally. By completing a financial review with residents, they may be entitled to some benefits that could support some of these low level activities.	-250	0	0	0	0	-250
Adults	AHC24_SAV_016	Mental Health Service Review	We have externally commissioned an independent review of the Mental Health Services, the review highlighted significant evidence to support that Haringey is a massive outlier nationally for funding between the age of 18 -65, this has been a long-standing issues. Steps are being taken to focus on a locality model, that will bring Mental Health Social Workers back into localities, still aligned to the Mental Health Trust. However more controls are being put in place to control Mental Health spend, additionally the review team are focusing on the high-cost placements, to ensure we are reviewing costly/out of borough packages of care and bring back into a local provision of care.	-200	0	0	0	0	-200
Adults	AHC24_SAV_017	Grant Review (BCF/S75)	A Better Care Fund (BCF) external review has taken place, work underway with the ICB and NHS England, in redesigning our Better Care Fund planning for 23/24, we have a deadline of the 02/10/2023. Haringey has £7.8m within the plan, are looking at opportunities to redirect spend from the wider system back into Adult Social Care.	-200	0	0	0	0	-200
Adults	AHC24_SAV_022	Transport Cost Reviews	By reviewing the current adult social care transport policy and assessing individual client's circumstances, we will be able to identify the clients who will be able to make more of a contribution towards transport cost. But also, client individual situations, where either the benefits received of a Motability car is provider (as part of the benefit award from DWP). Benefit maximisation workstream for residents of Haringey, who are receiving existing arranged transport.	-100	-150				-250
Adults	AHC24_SAV_009		TA Management Savings (TBC)	-400					-400
			Total	-5,390	-932	0	0	0	-6,322

**APPENDIX 6: 2024/25 - 28/29 DRAFT CAPITAL PROGRAMME**

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

SCHEME REF	SCHEME NAME	BRIEF DESCRIPTION	Source of Funding	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget	2024/25 - 28/29 Total
				£,000	£,000	£,000	£,000	£,000	£,000
201	Aids, Adap's & Assistive Tech -Home Owners (DFG)	Grant funded through the Disabled Facilities Grant to enable people to stay in their homes rather than other settings.	E	2,193	2,200	2,200	2,200	0	8,793
209	Assistive Technology	Grant funded through the Disabled Facilities Grant to enable people to stay in their homes rather than other settings.	S	300	0	0	0	0	300
211	Community Alarm Service	Grant funded through the Disabled Facilities Grant to enable people to stay in their homes rather than other settings.	H	177	177	177	177	0	708
214	Osborne Grove Nursing Home	Self-financing borrowing scheme to convert create a 70 bed nursing facility, progression of the scheme is subject to a successful business case.	S	700	1,000	5,000	10,000	28,341	45,041
222	Wood Green Integrated Care Hub	Haringey borrowing to make a contribution to the Wood Green Integrated Care Hub.	H	1,000	0	0	0	0	1,000
225	Locality Hub	Haringey borrowing to support the localities strategy.	H	1,500	674	0	0	0	2,174
<b>Adults, Health &amp; Communities</b>				<b>5,870</b>	<b>4,051</b>	<b>7,377</b>	<b>12,377</b>	<b>28,341</b>	<b>58,016</b>

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## Adults and Health Scrutiny Panel

### Work Plan 2022 - 24

<p><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 of 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.</p>		
Project	Comments	Status
<b>Discharge from hospital</b>	First evidence session held with officers in February 2023. Further sessions have recently taken place with final sessions expected shortly.	Ongoing
<b>Digitalisation and communications with residents</b>	Terms of reference approved by the Panel in November 2023.	ToR approved

<p><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.</p>	
Date	Agenda Items

<b>2022-23</b>	
<b>21 July 2022</b>	<ul style="list-style-type: none"> <li>• Cabinet Member Questions – Adults &amp; Health</li> <li>• Place &amp; Partnerships</li> </ul>
<b>15 September 2022</b>	<ul style="list-style-type: none"> <li>• Living Through Lockdown report (Joint Partnerships Boards) – Update on Council/NHS response to recommendations</li> <li>• Aids and Adaptations – Delays and Supplier/Contractor issues</li> <li>• Finance/Performance update</li> </ul>
<b>17 November 2022</b>	<ul style="list-style-type: none"> <li>• Haringey Safeguarding Adults Board (HSAB) Annual Report</li> <li>• CQC Overview</li> <li>• Dementia services</li> </ul>
<b>8 December 2022 (Budget Meeting)</b>	<ul style="list-style-type: none"> <li>• Scrutiny of 2023/24 Budget and MTFS</li> </ul>
<b>9 February 2023</b>	<ul style="list-style-type: none"> <li>• Joint meeting with Children &amp; Young People’s Scrutiny Panel on transitions between children’s and adult services.</li> </ul>
<b>13 March 2023</b>	<ul style="list-style-type: none"> <li>• Cabinet Member Questions – Adults &amp; Health</li> <li>• Update – Aids &amp; Adaptations</li> <li>• Winter system resilience</li> </ul>

<b>2023-24</b>	
<b>22 June 2023</b>	<ul style="list-style-type: none"> <li>• LGA Commissioning Review</li> <li>• Dementia services update</li> <li>• Workforce funding and reform agenda</li> </ul>
<b>18 September 2023</b>	<ul style="list-style-type: none"> <li>• Living Through Lockdown report - Joint Partnerships Board (to include details of new initiatives that the Council had established as a result of the report recommendations.)</li> <li>• Suicide prevention/mental health</li> <li>• Cabinet Member Questions – Adults &amp; Health</li> </ul>
<b>16 November 2023</b>	<ul style="list-style-type: none"> <li>• Haringey Safeguarding Adults Board (HSAB) Annual Report (to include update on modern slavery)</li> <li>• Quality Assurance/CQC Overview</li> <li>• Update - Adult Social Care Commissioning &amp; Co-production Scrutiny Review</li> </ul>
<b>12 December 2023 (Budget Meeting)</b>	<ul style="list-style-type: none"> <li>• Scrutiny of 2024/25 Budget and MTFS</li> </ul>
<b>22 February 2024</b>	<ul style="list-style-type: none"> <li>• Aids and Adaptations/Disabled Facilities Grant (DFG) – Improvements to service</li> <li>• Cabinet Member Questions – Adults &amp; Health</li> </ul>
<b>Feb/Mar 2024</b>	<ul style="list-style-type: none"> <li>• Joint meeting with Children &amp; Young People’s Scrutiny Panel on transitions between children’s and adult services.</li> </ul>

To be allocated:

- **Modern Slavery**

- **Adult Social Care Commissioning and Co-production Board** – Previous update in November 2023, next update anticipated 6-9 months later.
- **LGA Peer Review** – Further update to be scheduled. Previous update was in June 2023. Strategic plan is expected to be in place by Jan 2024.
- **Workforce reform agenda** – Further update to be scheduled. Previous update was in June 2023. At the previous update it was noted that the 30% vacancy rate in Adult Social Care represented a risk and so it would be useful to monitor staff turnover and the vacancy rate at the next update on this issue.
- **Integrated Care System (ICS)** – At a meeting in July 2022 it was suggested that a further report be brought to a future meeting including details on: a) the development of the co-design/co-production process; and b) the communications/engagement process for the next suitable new project.
- **Osborne Grove Nursing Home**
- **Preparedness for a future pandemic**