

## NOTICE OF MEETING

# CLIMATE, COMMUNITY SAFETY & CULTURE SCRUTINY PANEL

**Tuesday, 19th December, 2023, 6.30 pm - George Meehan House, 294 High Road, N22 8JZ (watch the live meeting [here](#), watch the recording [here](#))**

**Councillors:** Eldridge Culverwell, George Dunstall, Gina Adamou, Luke Cawley-Harrison, Michele Simmons-Safo (Chair), Ibrahim Ali and Liam Carroll

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

**Quorum:** 3

### 1. FILMING AT MEETINGS

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### 2. APOLOGIES FOR ABSENCE

### 3. ITEMS OF URGENT BUSINESS

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

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

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

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

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

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

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

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

#### **6. MINUTES (PAGES 1 - 8)**

To approve the minutes of the previous meeting.

#### **7. SCRUTINY OF THE 2024/25 DRAFT BUDGET AND 5 YEAR MEDIUM TERM FINANCIAL STRATEGY 2024/2029 (PAGES 9 - 92)**

#### **8. COMMUNITY SAFETY AND HATE CRIME STRATEGY (PAGES 93 - 108)**

#### **9. WORK PROGRAMME UPDATE (PAGES 109 - 118)**

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

To consider any items admitted at item 3 above.

#### **11. DATES OF FUTURE MEETINGS**

27 February 2023

Philip Slawther, Principal Scrutiny Officer  
Tel – 020 8489 2957  
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Fiona Alderman  
Head of Legal & Governance (Monitoring Officer)  
George Meehan House, 294 High Road, Wood Green, N22 8JZ

Monday, 11 December 2023

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## **MINUTES OF MEETING Climate, Community Safety & Culture Scrutiny Panel HELD ON Monday, 6th November, 2023**

### **PRESENT:**

**Councillors: Eldridge Culverwell, Luke Cawley-Harrison, Michelle Simmons-Safo (Chair) and Ibrahim Ali**

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

### **235. 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'.

### **236. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Cllr Diakides and Cllr Dunstall.

Cllr Ali attended as a substitute.

Apologies were also received from Cllr Jogee.

### **237. ITEMS OF URGENT BUSINESS**

None.

### **238. DECLARATIONS OF INTEREST**

None

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

None

### **240. MINUTES**

#### **RESOLVED**

That the minutes of the meeting on 11<sup>th</sup> September were agreed as a correct record.

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

The Panel received a short explanation on the Haringey Crime Performance and Priorities Overview 2023. Haringey has a signed agreement with the Mayor's Office for Policing and Crime (MOPAC) to contribute to tackling the Mayor's priority crimes.

The following points were noted in the discussion:

- Since 2022, Haringey Council agreed to a three-year plan agreed with MOPAC. Two main key priorities included non-domestic violence/injury and robbery. Also focused on other high harm crimes such as violence, vulnerability and exploitation such as sexual violence, domestic abuse, women safety, child sexual exploitation, weapon-based crime, hate crime and anti-social behaviour with the aim to eradicate as far as possible.
- The panel was taken through the performance within the borough for several different crime-types up to September 2023. This can be seen both for the last 12 months and against the three-year baseline. Figures are highlighted in red indicating an increase and green which shows a reduction in crimes.
- The Panel noted that it was positive to see Haringey outperformed other the London change for most crime types and overall recorded crime (TNO) in the last 12 months, however TNO's has seen a 3% increase for the borough this year.
- Residential burglary has seen a 6% year on year decrease in comparison with the 1% modest reduction for London overall. Increases such as 14% increase in robbery compares favourably with the 18% overall London increase.
- Around 33,000 crimes per year in Haringey which can be understood in context with the borough population size. Approx. 1 million crimes per year in London, if this was averaged across all the London council's the figure in Haringey is around that mark.
- Ward level crime data shows that Noel Park followed by Northumberland Park, South Tottenham and Haringey ward have the highest volumes of crime, this is unsurprising. The east of the borough except for the central part, tend to have a higher volume compared with the west.
- MOPAC carried out a quarterly London wide survey around public confidence in policing. 44% of people do believe that the police do a good job in Haringey, and that's slightly below the London average, which is 48%, possibly driven by perceptions.
- Haringey's Community Safety strategy, centring around crime and anti-social behaviour, is currently being refreshed and will run from 2023-2027. Large consultations as part of this include working with community groups, residents, businesses and coordinating partnership actions.
- The Serious Violence Duty (SVD) was introduced by government through the Police, Crime, Sentencing and Courts Act 2022 and commenced on 31st January 2023. The requirements for the community safety partnership include to undertake evidence-based analysis on causes, develop strategic needs assessments and implement a strategy.
- Key violence generators and attractors in the borough include transport hubs (train, tube and buses), parks and open spaces and busy high street locations.

- Robbery and Non-Domestic VWI are also key crime types which involve young people as both victims and perpetrators.
- Overall, the volume of violence in Haringey has remained relatively stable in the short and medium term, Haringey ranked mid-table in London, and the violence analysis shows correlation between violent crime and deprivation.
- Members expressed concern about a lack of mention of Drugs and noted it is a complex issue rooted in other areas such as housing issues, homelessness and anti-social behaviour and therefore not dealt with through serious violence strands. This needs to be tackled by an area approach as drug crime manifests differently in each area.
- There were concerns around the data around drugs as police data in terms of from arrest and charge has a disproportionality element. The committee noted there are monthly performance meetings which look at hotspots for drug crime within the borough.
- Strong links with speech, language and communication needs with special educational needs as they are more likely to become victims, the partnership works closely with schools and charities to safeguard these children.
- A panel member raised concerns about accurately picking up data around the crime that happens at the border, the panel was assured that teams will work closely together around the ward boundaries issues.
- A panel member asked whether it is possible to see when the Safer Neighbourhood Team (SNT) officers moved wards on shift, if it can be identified when they move about on the day. The board was notified that since August 2023 a new system for police officers to self-report on on-the-day decisions to move from their wards, however this system relies on officers logging these incidents, there are ongoing meetings about how to get better extraction of data.

## **RESOLVED**

Noted

### **242. RESPONSE TO THE BARONESS CASEY REVIEW AND A NEW MET FOR LONDON**

The Panel received a presentation from the Metropolitan Police, which provided an update on the Police's response to the Baroness Casey Review and the work that was being done to reform the Metropolitan Police. The presentation was introduced by Detective Chief Superintendent Caroline Haines, the Borough Commander for the North Area BCU. Also present for this item was Superintendent Rhona Hunt, the lead for Neighbourhood Policing in the North Area BCU. The presentation was set out in the additional report pack at pages 1-16. The following arose during the discussion of this agenda item:

- a. The Panel sought assurances around the degree of autonomy that the Borough Commander possessed and the ability she had to take decisions that differed

from other boroughs who may have very different challenges. In response, the Borough Commander advised that this was something that was picked up in the Casey Review and that there was a level of autonomy from the central command within the Met. An example given was around a piece of work undertaken with the Leader and Chief Executive of Haringey that was agreed centrally, to change the model of neighbourhood policing in Haringey and also change the number/allocation of officers. The Borough Commander advised the Panel that whilst the number of officers available was finite, she had the authority to allocate them as she saw fit.

- b. In regard to mental health callouts and officers having to spend long periods in hospitals waiting for cases to be triaged, the Panel raised concerns that changes in this area might be going too quickly and that this needed to be adequately communicated to partners in the health and care sector.
- c. The Panel requested data on attrition rates that was broken down by gender, sexual orientation and ethnic background. The Borough Commander advised that she would circulate this information to Members, outside of the meeting, via email. **(Action: Borough Commander).**
- d. The Panel sought clarification as to whether Haringey had a higher number of officers who were subject to professional standards reviews. In response, the Panel was advised that the number of officers in Haringey was broadly in line with other boroughs, but that Haringey did have a higher number of officers who were on restricted duties.
- e. In response to comments about a lot of police officers being from out of London and perhaps not understanding some of the communities they served, police colleagues set out that there were a lot of officers from Haringey and North London. A number of officers did not want to police the neighbourhood they grew up in, but that there were a lot of officers in Haringey from neighbouring boroughs.
- f. The Panel sought clarification about the extent to which abstractions of neighbourhood officers were being limited, given a number of high profile demonstrations in central London in recent weeks. In response, police colleagues advised that there had inevitably been some impact on neighbourhood officers and that it was hoped that processes brought in to limit the impact of abstractions would start to take effect and that the impact would be lessened going forward.
- g. The Panel questioned the extent to which there was a target around number of SNT officers who were out on the street at a particular time, rather than being abstracted to cover policing pressures elsewhere. In response, the Panel was advised that the lead for neighbourhood policing across London had given a steer that they did not want to ringfence a particular number of police officers for abstractions as had happened in the past. Work was ongoing to agree targets for on-street officers for neighbourhood policing across London. It was anticipated that this would take a number of months to complete.
- h. The Chair highlighted the murder of Valerie Forde and sought assurances about what the police were doing to address violence against women and girls. In response, the Borough Commander acknowledged that the Met. had failed

women and girls and under-represented groups in the past. The action plan set out as part of A New Met for London sought to address the police's response around VAWG. The Borough Commander advised that there was a need to rebuild trust in the community and that part of this was around finding different ways to engage with women and girls. Part of this was also around targeting resources to provide assurances around safe spaces in the borough. The Police also needed to do better in terms of detecting and prosecuting these crimes. The Panel was advised that the detection rate for serious sexual offences in Haringey was performing better than in most boroughs in London, with the detection rate going up from 3% to 13%.

- i. Superintendent Rhona Hunt commented that she had seen a shift since the Baroness Casey Review and observed that the conversation had changed. People were speaking openly about issues such as disproportionality, under protection of certain groups and of over-policing. It was suggested that there was a lot of space for these conversations to take place in the borough.
- j. In response to a follow-up question, police colleagues acknowledged that they needed to go away and think about how more support could be given to black women in particular. The police also emphasised the importance of the public having the confidence to report and the need to expand the network of third party reporting for domestic violence in general.
- k. The Panel sought assurances around how confident the police were that they would achieve the recruitment of 500 additional PCSOs across London. In response, the Borough Commander advised that the number of 500 was agreed and that she was confident that it would be achieved. The two caveats to this were; that it was dependent on being able to recruit 500 additional officers and that it was a three-year plan and MOPAC had still to agree funding for years two and three. The Borough Commander advised that priority would be given to frontline and supervisory roles. The Panel were also given assurances that new neighbourhood policing resources would be allocated across all wards as they became available.
- l. The Panel queried about retainment of existing staff and the problems that had been encountered with this. In response, the panel were advised that getting this right would start at the selection process and would also require; the operationalisation of training, having adequate support and mentoring in place and having career leads who look to recruit under-represented groups. It was also commented that the jobs market was a lot more transient than it was in the past and that many people who signed up to be police officers did it for a few years and went on to do something else.
- m. The Panel sought assurances around ward panels and the need for a more unified approach to their provision. In response, Superintendent Hunt acknowledged these concerns and advised that she had received clear feedback on this issue at a New Met for London launch event held in Haringey. The Police had secured a small pot of money to hold further thematic consultation events in Enfield and Haringey and that community participation would be one of the themes involved.

- n. The Chair sought assurances around disproportionality in the use of Stop and Search powers, and also sought assurances that a trauma-led approach would be adopted, which allowed officers to look at their behaviour through a lens and understand the role of inherent bias. The Chair also sought assurances about what was being done to challenge officers who disproportionately used Stop and Search. In response, police colleagues advised that there was a lot of training that took place around perspectives and bias and that a lot of work was being done to tackle this issue, with both new recruits and existing police officers. The Panel was also advised that the Haringey Stop and Search monitoring group was recognised as being very active within MOPAC.

**RESOLVED**

Noted

**243. WORK PROGRAMME UPDATE**

The Panel set out that they would like a future agenda item around ASB, which included looking into how joined up the Council's response is around ASB and housing ASB. Panel Members also requested some ward level data around ASB, if it was available, and also how well the CCTV control room and other council services linked up.

The Panel requested an update around Doctor Bike, depending on whether there was a substantive update available for the February meeting.

The Panel also requested a follow-up report to a future meeting on fly-tipping/the fly-tipping strategy.

**RESOLVED**

That the Panel noted its work plan.

**244. NEW ITEMS OF URGENT BUSINESS**

N/A

**245. DATES OF FUTURE MEETINGS**

- 19th December
- 27th February

CHAIR: Councillor Michelle Simmons-Safo

Signed by Chair .....

Date .....

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**Report for:** Climate and Community Panel, 19 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:** N/A

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

**1. Describe the issue under consideration**

- 1.1 To consider and comment on the Council's 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>CLIMATE AND COMMUNITY</b>	<b>2,264,975</b>	<b>2,633,025</b>	<b>368,050</b>	<b>267,044</b>	<b>101,006</b>
Libraries	4,240,967	4,391,527	150,560	142,670	7,890
Culture, Museums & Archives	784,390	805,081	20,691	46,953	-26,262
Parking & Highways	-4,714,700	-4,733,825	-19,125	-44,251	25,126
E&N Management & Support	1,754,328	1,722,283	-32,045	-36,802	4,757
Operational Facilities Management	199,990	447,959	247,969	158,474	89,495

**CLIMATE & COMMUNITY RELATED BUDGETS      Over budget £0.368m (P3 £0.267m)**

The key adverse variances are due to Library's operating costs (£0.15m) and Operational Facilities management (£0.248m), a slight worsening of the Qtr1 (P3) position. The former pressure is general operating costs while the latter is mainly due to salary and NNDR pressures.

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

### Climate and Community position for 2023/24 and Budget Position for 2024/25

The 2024/25 budget includes a review of the Highways & Parking Service to recover the operating costs of the parking service, benchmarking of Haringey's overall fees and charges to ensure that Haringey remains in line with other authorities, and revised deployment of resources to optimise the service.

The budget proposals include for growth of c£1m to meet the cost in the new leisure services provision and other minor changes. Also, the budget allows for the removal of a saving of £1.3m in the cost of waste services in 2025/26.

Looking to next year, Digital & Change, as the key enabling function supporting the Council's overall modernisation and service improvement, has requested revenue growth of £1.15m. This growth pressure arises from a number of factors:

- capital investment (already made or forecast to be made) and required upgrades in technology;
- unfunded new burdens arising from national changes e.g. The Big Switch Off; and
- the implications of corporate strategic decisions e.g., the expansion of HALO (the corporate service desk platform) and the move to Microsoft E5 with its advanced cyber security features.

However, Digital and Change has identified a number of management actions which should reduce the net budget required. These involve a restructure to modernise the Digital Service and reduce reliance on agency and undertaking reviews to rationalise the council's multiple IT systems, contracts and applications to provide strategic coherence, secure better value for the council and release contract and licence savings.

The other area of new savings is in Libraries which has 2 key proposals. The first proposal is to reduce hours at the six branch libraries with a mixture of mornings and afternoons opening times based on demand and demographics, in order to ensure libraries are accessible to all ages. The second proposal is to introduce self-service technology in libraries. This saving has been included from 25/26 as further work is required to establish feasibility, based on learning from other boroughs; it

would require investment in digital and other technologies. No library building would be closed under either option.

### 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>

There is no existing growth in **Climate and Community**.

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
Adults, Health & 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>

There is no new growth in **Climate and Community**.

The result of the above is a combined planned growth

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

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>

#### 6.4 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.

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.

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>

There were no "Written off savings" in the Climate and Community Service area. All agreed savings have been projected to be achieved.

Table 7.2c below shows the impact on the existing savings programme of the items written off.

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

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>

There are no new Management Savings Actions in Climate and Community.

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

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 Climate and Community, are within CSE and Environment. Within environment there is £1.3m predominantly around a review of Fees and Charges. The savings in CSE are centred around Libraries, with £0.3m delayed to 25/26 due to implementation time to introduce technologies.

The net impact of the above adjustments and additions is a total savings programme in Climate and Community across the 2024-2029 period of **£2.8m, with £2.1m** for 2024/25 alone.

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
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)
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**

Table 8.2: Capital expenditure plans by priority						
	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>

### Climate and Community:

The additional investment focused on Climate and Community is predominantly around the continuation of investment in street lighting and borough roads in future years to ensure that the highway is safe to use. In addition to this there is continued 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

**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

~~Appendix 4 – New Revenue Growth Proposals~~

Appendix 5 - New Revenue Savings Proposals

Appendix 6 - Capital Budget Proposals

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

None.

### **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?

## Decision cover page

Report Title: **Draft 2024-25 Budget and 2024-29 Medium Term Financial Strategy**

Date of Decision:

Report Author:

Contact No:

Council Leadership Team Lead (and date report agreed):

Report Title	
<b>*Legal Comments Provided by:</b>	
<b>*Financial Comments Provided by:</b>	
<b>*Equalities Comments Reviewed by:</b>	
<b>*Procurement Comments Provided by:</b>	
<b>In the Background - This section of the report includes outlining consultation with partners/stakeholders, service users, residents more generally, business, other public bodies, interest groups, government, staff or statutory consultees. Please indicate if this has happened and who has been consulted. Also include how consideration has been given to the Haringey Deal and to hearing the voices that are too often overlooked</b>	
<b>Number of Appendices included –please check the report writing guidance on the template and consider can these be included as background documents if they do not refer to in the recommendations or need to be referred to agree the proposals.</b>	
<b>*Background documents</b> listed that are available for public inspection or web links exists? [These are the documents that have been relied upon to a material extent in the preparation of the report. Any background papers that are listed must be retained and accessible for public inspection for a period of 6 years. It is the responsibility of the report author to ensure this is done.]	
<b>Date considered by Cabinet Member</b> Please note that if your report impacts or relates to two or more Cabinet portfolios, you will need to also arrange a further briefing meeting with the Cabinet members before submission of the report to Informal CAB.	
<b>Dates considered by Officer Internal Boards</b> [This can include internal Cabinet and Officer Groups]	
<b>Date considered by Council Leadership Team</b>	

Politically sensitive strategic key decisions would need to be considered by .] Please contact Ben Hunt on x1164 if you have any queries about which meeting your report should be considered at. Meetings table place on a Thursday morning	
<b>Date considered by informal CAB</b> [Politically sensitive strategic key decisions would need consideration at CAB – Please contact Felicity Foley with any queries about Informal CAB.]	
Please consider if a wider briefing on this key decision is required at <b>Labour Group / Liberal Democrat Group meetings?</b> When?	
Is the decision compliant with the <b>Council's Budget and Policy Framework</b> as set out in Part Four Section E of the Constitution?	

Report for: Cabinet 5 December 2023

Item number: To be added by the Committee Section

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 of 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 uprated 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 MTFS 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 MTFS 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 MTFS 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 MTFS 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 MTFS 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
<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
Grant	£'000	£'000	£'000	£'000	£'000	£'000
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.
- 6.30 The proposed 2024/25 fees and charges will be presented to the same Cabinet as this report (December 2023).

#### **Use of Reserves**

- 6.31 The Council's (Non-Earmarked) General Fund Balance is held to cover the net impact of risks and opportunities and other unforeseen emergencies. The funds held in the General Fund Reserve can only be used once and therefore are not a recurring source of income that can meet permanent budget gaps.
- 6.32 In setting a balanced budget for 2023/24 the Council agreed to use £3.5m of the Strategic Budget Planning reserve which had been previously earmarked for this purpose.
- 6.33 That Budget/MTFS report in March 2023 forecast a gap for 2024/25 of c. £6.3m. The draft Budget now presented has a gap of £16.3m. This report describes the significant further work that will take place before the final Budget is presented to Cabinet in February and then to Full Council in March 2024. At this point no assumptions have been made about the use of Corporate reserves, although there is limited application of Service reserves agreed in last year's budget.

### Summary of Funding Assumptions

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

Table 6.5

	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29
Funding Source	£'000	£'000	£'000	£'000	£'000	£'000
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 Pool	(2,000)	(2,000)	-	-	-	-
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 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)
<b>Children's Services</b>	28,673	24,520	5,381	5,343	300	<b>64,216</b>
<b>Adults, Health &amp; Communities</b>	5,870	4,051	7,377	12,377	28,341	<b>58,016</b>
<b>Environment &amp; Resident Experience</b>	21,309	13,551	15,651	13,131	11,571	<b>75,212</b>
<b>Placemaking &amp; Housing</b>	60,365	64,138	153,782	22,959	19,672	<b>320,915</b>
<b>Culture, Strategy &amp; Engagement</b>	43,515	36,841	11,529	1,370	500	<b>93,756</b>
<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	Total
	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>

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**

	<b>31/3/23 Actual (£'000)</b>	<b>31/3/24 Budget (£'000)</b>	<b>31/3/25 Budget (£'000)</b>	<b>31/3/26 Budget (£'000)</b>	<b>31/3/27 Budget (£'000)</b>	<b>31/3/28 Budget (£'000)</b>	<b>31/3/29 Budget (£'000)</b>
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**

	<b>2023/24 Budget (£'000)</b>	<b>2024/25 Budget (£'000)</b>	<b>2025/26 Budget (£'000)</b>	<b>2026/27 Budget (£'000)</b>	<b>2027/28 Budget (£'000)</b>	<b>2028/29 Budget (£'000)</b>
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 (£'000)	2024/25 Budget (£'000)	2025/26 Budget (£'000)	2026/27 Budget (£'000)	2027/28 Budget (£'000)	2028/29 Budget (£'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
1 and bedsits	£188.04
2	£199.08
3	£210.15
4	£221.19
5	£232.26
6 or more	£243.31

## 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 uprated 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**

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

**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)

Housing Revenue Account (HRA)	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Income & Expenditure	2024-25	2025-26	2026-27	2027-28	2028-29	5 Years
	£'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)**

<b>Housing Revenue Account (HRA)</b>	<b>Year 1</b>	<b>Year 2</b>	<b>Year 3</b>	<b>Year 4</b>	<b>Year 5</b>	<b>Total</b>
<b>Investment &amp; Financing</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>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<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 MTFS 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 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. General Fund land ranges from the conversion of former shops into homes to large sites such as the former waste management depot at Ashley Road.
- 9.91 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/fait, 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



**Directorate:Climate and Community**

**Period: 6**

2023-24										2023/24-2027/28							Comments on RAG Status & Actions to address Amber/Red (2024/25+)
MTFS Savings Ref	Cabinet Decision Date	Saving proposal	Description	2022-23 Undelivered	2023/24 £'000s	Total £'000	2023/24 Projected Full Year Savings £'000s	2023/24 Savings surplus/ (shortfall) £'000s	RAG Status (Delivery of 2022/23 Saving)	Comment on Delivery RAG Status	Actions plans to mitigate shortfall	2023/24 £'000s	2024/25 £'000s	2025/26 £'000s	2026/27 £'000s	2027/28 £'000s	
PL20/22	01-Mar-21	Visitors Vouchers Pricing Structure change	We will move to an outcome based cleansing model that increases the use of machinery and ensures that resources are deployed to maintain streets to a consistent standard across the borough. We need further time to carry out trials in more residential streets, main roads and high roads to ensure any new operating model is robust.	0	50	50	0	(50)	Red	Combination of MTFS and F&C's - P2 projections reporting an unachievement of £124k. This due to the change from paper vouchers to virtual - this impacts on the bulk buying behaviour.		50	50	50	0	0	Red
PL20/33	01-Mar-21	Residents Permits Pricing Structure	Provide on-demand service to centralise print streams and optimise stationery and print costs, which will enable outgoing correspondence to be sent electronically to the mailroom, for automated printing and insertion into envelopes, franking and dispatch. The envisage solution can also handle inserts. It can deal with large scale mail out as well as individual letters. This will provide a more efficient solution for staff sending letters.	0	(10)	(10)	-10	0	Green			(10)	210	0	0	0	Amber
PL20/34	01-Mar-21	Change 2 hour restrictions to full day	The Parking Transformation Programme (PTP) is a series of parking related projects and workstreams, which seeks to increase income and provide and more efficient and effective service.  Parking Transformation Programme. Various workstreams - contactless £376, diesel & 2nd subsequent vehicle £300k and escalated essential permits, suspensions, carparks £164k MHCLG escalated 2021-22	0	(40)	(40)	-40	0	Green			(40)	270	0	0	0	Amber
PL20/35	01-Mar-21	Night Time Enforcement		0	0	0	0	0				0	80	10			Amber
PL20/36	01-Mar-21	Pay for Parking - Introduce a minimum 1 hour purchaseable sessions,		0	(10)	(10)	-10	0	Green			(10)	110	0	0	0	Amber
PL20/38	01-Mar-21	Moving Traffic PCN - expansion of moving traffic enforcement such as virtual road closures to support LTN		0	100	100	40	(60)	Amber	Combination of MTFS and F&C's - P2 projections reporting an unachievement of £124k. This due to the change from paper vouchers to virtual - this impacts on the bulk buying behaviour.		100	360	-			Amber
PL20/30	01-Mar-21	Targeted recovery of PCNs issued to persistent evaders. Dedicated resources introduced as part of new operational model and PMIS		0	80	80	80	0	Green			80	80	80	0	0	Green
EN_SAV_001	07-Feb-23	School Streets and LTN - Moving Traffic Cameras Enforcement (75 cameras)		0	5,716	5,716	4,834	(882)	Amber	Original assumptions have changed - reduced cameras (e.g. number of cameras in zones). Higher than expected exemptions, increased number of cancellations. Higher volume of challenge representations. Higher level of sustained vandalism.		6,490	(1,109)	(300)	(50)	0	Green
EN_SAV_001	07-Feb-23	New 4-5 area HGV restriction zones - Enforcement Sites			574	574	122	(452)	Red	Delayed implementation (rephased) - This programme is delayed due to pressure in managing the LTN camera vandalism. 5 cameras not 10 as per Pro-forma savings - however, 5 new camera sites now operational to allow enforcement of established HGV zones (where no enforcement existed before). Income rate will depend on the level of compliance and how quickly that occurs once PCNs begin to be issued.			(50)	0	0	0	Amber
EN_SAV_001	07-Feb-23	PCN Debt Recovery Parking strategy compliance increase			200	200	200	0	Green				200	100	0	0	
EN_SAV_004	07-Feb-23	Not recruiting to existing vacancies			45	45	45	0	Green								
CSE_SAV_001	07-Feb-23	Customer Services & Libraries Service Reviews		0	300	300	230	(70)	Amber	Approx. £140k savings from the proposed re-structure of management resources and reviewing the Home Library Service delivery model – the staff consultation opened 3rd July July for 30 days and also a light touch residents consultation is required regarding the Home Library Service, therefore full implementation will not be before September 2023, hence the whole saving will not be achieve (approx £70K) Staff Consultation launched on the 3rd July.		300	160	160	0	0	Amber
Total:Climate and Community				0	7,005	7,005	5,491	(1,514)				6,960	361	100	(50)	0	

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Ref	Description	Directorate	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 £000s	Total
CSE24_SAV_001	The use of our libraries varies from one branch to another at different time of the day. Based on footfall analysis we know that library use is typically lowest in mornings. Young people in particular have a need for study space in the evenings and libraries are ideal as a free and safe community space. We want to look at varying the opening hours of our libraries to times when they are most heavily used, which could include later in the evenings, allowing us to allocate resources in a more targeted way. Library buildings and facilities could be made available to other services even when the library service itself is not operating e.g., Community Hub teams and VCS organisations. The proposed saving is based on reviewing hours at the six branch libraries with a mixture of mornings and afternoons opening times based on demand and demographics, to ensure libraries remain accessible to all. The service is currently carrying some vacancies and agency cover which will reduce the need for any proposed redundancies. No library building would be closed.	CSE	-675	0	0	0	0	-675
CSE24_SAV_002	The proposal is to introduce self-service technology in libraries. Further work is required to establish feasibility, based on learning from other boroughs; it would require investment in digital and other technologies eg CCTV but has the potential to reduce staffing by 40%. This could be introduced potentially along with a community run library service option as has been introduced in other boroughs (eg Camden and Barnet), and could also sit alongside use of library buildings by other public services and agencies, enabling users to access, check out or return library items when using those other services. No library building would be closed. The saving is modelled on a similar reduction in numbers of library staff to the previous proposal, but later in the MTF5 period to enable the detailed feasibility work to be done.	CSE	0	-304	-372	0	0	-676
CSE24_SAV_003	The proposal is to stop providing hard copy newspapers and magazines in libraries. Newspapers and magazines are now available on Pressreader which provides thousands of newspapers and magazines from around the globe. Many library services that stopped newspapers and magazines during COVID lockdown have not reintroduced them.	CSE	-30	0	0	0	0	-30
EN24_SAV_001	This proposal seeks to recover operating cost through the review of Fees and Charges (£500k) by ensuring Haringey remains in line with other Authorities. Review of Parking Services (£500k). Optimise deployment to ensure an appropriate level of enforcement in all areas (£300k).	E&N	-1,300	0	0	0	0	-1,300
EN24_SAV_002	The continuation of the schools streets programme expansion is anticipated to generate an additional net income of £170k as a by-product of the enforcement activity associated with the scheme. Enforcement income can not be used as a revenue raiser and is ring-fenced for specified spend in the Traffic Management Act 2004.	E&N	-170	0	0	0	0	-170
<b>Total</b>			<b>-2,175</b>	<b>-304</b>	<b>-372</b>	<b>0</b>	<b>0</b>	<b>-2,851</b>

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

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

			Source of Funding	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget	2024/25 - 28/29 Total
SCHEME REF	SCHEME NAME	BRIEF DESCRIPTION		£,000	£,000	£,000	£,000	£,000	£,000
119	School Streets	This scheme is funded utilising SCIL & external funding	E	325	325	325	325	325	1,625
301	Street Lighting	Haringey borrowing to fund renewal of the street lighting infrastructure.	H	1,000	1,000	1,000	1,000	0	4,000
302	Borough Roads	Haringey Borrowing to improve infrastructure.	H	6,924	6,924	3,873	0	0	17,721
304	Flood Water Management	Mixed funded scheme but predominately Haringey Borrowing to improve infrastructure.	H	710	0	0	0	0	710
305	Borough Parking Plan	Haringey borrowing to fund renewal of the parking infrastructure.	H	250	0	0	0	0	250
309	Local Implementation Plan(LIP)	Transport for London grant for improvement works to elements of the highways infrastructure.	E	1,000	1,000	1,000	1,000	0	4,000
310	Developer S106 / S278	Contributions from developers to mitigate the effect of their developments on the Council's infrastructure.	E	250	250	250	250	0	1,000
328	Street & Greenspace Greening Programme	Haringey borrowing to fund the scheme of greening the borough.	H	178	75	75	0	0	328
332	Disabled Bay/Blue Badge	Haringey borrowing to fund improved/increased blue badge parking.	H	150	0	0	0	0	150
338	Road Casualty Reduction (Externally Funded)	This scheme is funded utilising SCIL & external funding	H	950	950	950	950	950	4,749
402	Tottenham Hale Streets	A mixed funded scheme using Haringey Borrowing, grants and S106 to fund the programme of public realm improvements	E	4,468	500	0	0	0	4,968
465	District Energy Network (DEN)	A mixed funded scheme with government grant, loaned at low interest rates and self-financing Haringey borrowing. The scheme to deliver low carbon energy in the borough is subject to a full business case being agreed by Cabinet in approximately Q1 Of 2024.	E	1,000	3,250	2,250	1,000	2,813	10,313
4007	Tottenham Hale Decentralised Energy Network (DEN)	A mixed funded scheme with government grant, loaned at low interest rates and self-financing Haringey borrowing. The scheme to deliver low carbon energy in the borough is subject to a full business case being agreed by Cabinet in approximately Q1 Of 2024.	E	2,500	4,223	7,000	7,500	7,500	28,723
4008	Wood Green Decentralised Energy Network (DEN)	A mixed funded scheme with government grant, loaned at low interest rates and self-financing Haringey borrowing. The scheme to deliver low carbon energy in the borough is subject to a full business case being agreed by Cabinet in approximately Q1 Of 2024.	H	1,800	2,853	7,500	7,500	7,500	27,153
4010	Selby Urban Village Project	Mixed grant and self-financing Haringey borrowing project to create the village. Successful application for levelling up funding of £20m. Report on forward plan to reposition the scheme in the light of current developments, such as interest rate rises, construction cost inflation etc.	E	6,000	21,416	6,665	0	0	34,081
4013	Clean Air School Zones	Haringey borrowing in the first year and external funding assumed for later years. Scheme is to fund works to improve air quality where a school street is not possible.	H	400	400	400	400	0	1,600
4014	Walking and Cycling Action Plan (WCAP) LTN delivery	Haringey borrowing in the first year and external funding assumed for later years.	E	708	708	708	708	708	3,540
4015	Walking and Cycling Action Plan (WCAP) Strategic cycle route delivery	Haringey borrowing in the first year and external funding assumed for later years.	E	1,033	1,033	1,033	1,033	1,033	5,163
4016	Walking and Cycling Action Plan (WCAP) Cycle Parking (Hangers) delivery	Haringey borrowing in the first year and external funding assumed for later years.	E	118	118	118	118	118	590
447	Alexandra Palace - Maintenance	Haringey borrowing to fund capital works at the Palace.	H	470	470	470	470	0	1,880
<b>Climate and Community (Existing)</b>				<b>30,234</b>	<b>45,494</b>	<b>33,616</b>	<b>22,253</b>	<b>20,946</b>	<b>152,544</b>
302 (New Bid)	Borough Roads (LBH Funded)	This is a continuation of the investment in Borough roads	H	(191)	(191)	2,860	6,733	6,733	15,944

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

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

			Source of Funding	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget	2024/25 - 28/29 Total
SCHEME REF	SCHEME NAME	BRIEF DESCRIPTION		£,000	£,000	£,000	£,000	£,000	£,000
342 (New Bid)	Public Protection - To replace life expired IT system	This investment will enable Public Protection to replace life expired IT system and enhance the users experience	H	300	50	0	0	0	350
630 (New Bid)	Libraries IT and Buildings upgrade	Libraries Hub ICT (Public Access)	H	600	350	0	0	0	950
464 (New Bid)	Bruce Castle (Condition Works)	This investment is to supplement existing works at Bruce Castle Museum Condition Works	H	450	450	0	0	0	900
631 (New Bid)	Ally Pally - Counter Terrorism	The investment is to allow the Alexandra Palace Trust to implement measures statutory measures to counter terrorism	H	496	182	363	0	0	1,041
632 (New Bid)	Ally Pally - Health & Safety Works	The investment is to undertake health & safety works at Alexandra Palace	H	798	286	293	0	0	1,377
633 (New Bid)	Ally Pally - Compliance works	This investment is to fund compliance works at the Alexandra Palace	H	815	1,194	2,546	0	0	4,555
634 (New Bid)	Ally Pally - Invest to Earn	This investment is to allow Alexandra Palace to undertake investment to generate additional income. This will take the form of a loan to Alexandra Palace and will be subject to a satisfactory business case	S	1,437	1,628	1,128	0	0	4,193
Climate and Community (New)				4,704	3,950	7,190	6,733	6,733	29,310
Climate and Community Total				34,938	49,444	40,806	28,986	27,679	181,854

**Title:** Community Safety and Hate Crime Strategy-Report to Scrutiny-  
Dec 2023

**Report authorised by:** Barry Francis, Director of Environment & Neighbourhood

**Lead Officers:** Joe Benmore, IOM Strategic Lead  
[Joe.Benmore@haringey.gov.uk](mailto:Joe.Benmore@haringey.gov.uk)

Heather Hutchings, Strategic Lead - Community Safety (Hate Crime) [Heather.Hutchings@haringey.gov.uk](mailto:Heather.Hutchings@haringey.gov.uk)

**Ward(s) affected:** Key crime wards

**Report for Key/  
Non Key Decision:** Key decision

## 1. Describe the issue under consideration

- 1.1 According to the Crime and Disorder Act 1998, it is mandated that the Council establishes a Community Safety Strategy. As a collaborative document outlined in the Constitution and integrated into the Council's Policy Framework, the Crime and Disorder Reduction (community safety) Strategy, hereafter referred to as the "Community Safety Strategy," is reserved for ultimate approval by the full Council, subject to a recommendation made by the Cabinet.
- 1.2 The co-creation of a Hate Crime Strategy for Haringey aligns seamlessly with the Council's unwavering commitment to a zero-tolerance stance against any manifestation of hate and discrimination. Additionally, the issue of hate crime has been incorporated as a prominent theme within Haringey's Corporate Delivery Plan for 2023.
- 1.3 The Community Safety Strategy will serve as the overarching framework encompassing key priorities in community safety, harmonised with vital council strategies and action plans including the Corporate Delivery Plan for 2023-2024, the Young People at Risk strategy for 2019-2029, and the proposed Hate Crime Strategy for 2023-2027.
- 1.4 On the 7<sup>th</sup> February 2023 Cabinet gave approval to consult and engage with the public on the development of the Community Safety strategy and Hate Crime strategy.
- 1.5 The purpose of this report is to present the outcome of the consultation and public engagement exercise that took place during 2023 and to outline the

next steps ahead of Cabinet approval in January 2024 and full Council ratification in March 2024.

- 1.6 The report should be read in conjunction with the presentation attached.
- 1.7 The presentation focuses on the in-depth analysis of responses to the consultation and public engagement exercise from which we have discerned recurring trends and prevalent narratives. These trends have been organised into six overarching themes, which are as follows:
  1. **Reporting, Including Barriers to Reporting:** This theme delves into the respondents' perspectives on reporting incidents and the obstacles they encounter in doing so. It sheds light on the challenges individuals face when attempting to bring incidents to the attention of relevant authorities.
  2. **Trust and Confidence in Police and Council Services:** Within this theme, we explore the sentiments of trust and confidence that respondents hold towards the police and council services. This encompasses their perceptions of how effectively these entities address issues related to safety and community well-being.
  3. **Communication and Engagement with Residents:** The third theme centres around the communication strategies employed by authorities to engage with residents. It investigates the effectiveness of these approaches and whether they facilitate productive dialogues between residents and the relevant agencies.
  4. **Raising Awareness of Crime Types and Definitions:** This theme tackles the respondents' awareness of different crime types and their understanding of crime definitions. It evaluates whether there is a need for enhanced awareness campaigns and clarifications in this regard.
  5. **Lived experiences:** this theme highlights the personal accounts or experiences of the respondents. The questions asked, offered a platform for individuals to express their own stories, reflecting on the various events, emotions, and lessons that have impacted their lives.
  6. **Other, Including Ideas on Co-Production and Miscellaneous Comments:** In this broad category, we gather miscellaneous comments and ideas, including suggestions for collaborative efforts (co-production), innovative solutions, and any additional remarks or insights shared by respondents.

## 2 Recommendations

- 2.1 That the Board note the content of the accompanying presentation, which highlights the key findings from the Community Safety and Hate Crime Public engagement and consultation that took place in 2023.

- 2.2 That the Board note the next steps including Cabinet Approval to take the Community Safety Strategy to Full Council for approval in March 2024.

**3 Reasons for decision**

n/a

**4 Alternative options considered**

n/a

**5 Background information**

- 5.1 Haringey has a signed agreement with the Mayor's Office for Policing and Crime to contribute to tackling the Mayor's priority crimes. The agreement is accompanied by a grant of £553K per year for 2022-2025. This is allocated across seven areas: Drug treatment intervention to reduce reoffending; an integrated Gang Exit Programme; Hate crime prevention; Advocacy and support to victims of domestic violence; Cross-borough support to ASB victims and witnesses (Haringey and Enfield); A dedicated Pentonville Prison worker; Gangs outreach training.

- 5.2 Quarterly returns are required which give considerable detail about our expenditure and performance to date. Haringey has an excellent reputation for compliance on both fronts.

- 5.3 Performance monitoring occurs in between Community Safety Partnership board meetings and attendance includes the holders of KPIs, the budget holders and statutory partners such as the police.

**6 Contribution to strategic outcomes**

- 6.1 This work contributes to the Mayor of London's Policing and Crime Plan and the Haringey Community Safety Strategy. It will also help to deliver Haringey's Corporate Delivery Plan, Serious Violence Duty, Young People at Risk strategy, VAWG strategy, as well as other key workstreams such as the North Area Violence Reduction Group (NAVRG), Violent Crime Action Plan.

- 6.2 Officers and partners work strategically across related work areas and boards such as Youth Offending, Safeguarding Children and Adults, Health and Wellbeing, Tottenham Regeneration, Early Help and the Community Strategy.

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

n/a

**Finance and Procurement**

The Local Crime Prevention funding supports existing Community Safety workstreams. Quarterly returns are required which give considerable detail about our expenditure and performance to date. Haringey has an excellent reputation for compliance on both fronts.

**Legal**

n/a

## **Equality**

There is an inherent impact on equalities of much of our community safety work and this is presented and discussed at the Community Safety Partnership meetings. This includes the peak age of offending being between 16 and 24; a very high percentage of young black males (mostly of African-Caribbean origin) involved in street-based violence (approx. 80%); the impact of domestic and sexual violence on women and girls; high concentrations of crime occurring in areas of deprivation; and vulnerable individuals and communities becoming victims of hate crime.

This report considers the areas of challenge in direct correlation with the impact on victims, especially vulnerable victims. In this respect, significant attention is being given to the disproportionate impact.

### **8 Use of Appendices**

Appendix A –Community Safety and Hate Crime Strategy-Engagement & Consultation outcomes-2023 PowerPoint presentation.

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

# Community Safety and Hate Crime Strategy

Update to Scrutiny

19<sup>th</sup> December 2023

Evaluation from public consultation

Heather Hutchings & Joe Benmore, Community Safety Team.



# Recap and Overview:

## Community Safety Strategy:

The Community Safety strategy will shape the work of the Haringey Community Safety Partnership. The strategy sets out the partnership's approach and priorities to improving the safety of our residents, business and visitors to support a reduction in crime and anti-social behaviour in the borough.

## Hate Crime Strategy:

The Hate Crime strategy outlines the ways the council responds to and works to prevent hate crime affecting our diverse communities.



# Key Priorities:

- Community Safety:

1. Violence and high harms
2. Violence Against Women and Girls (VAWG)
3. Exploitation
4. Increase in trust and confidence
5. Reducing reoffending
6. Reducing victims of crime and ASB

- Hate Crime:

1. Raising awareness
2. Improve support for victims and witnesses of hate crime
3. To increase the reporting of hate incidents
4. Consulting with residents to understand the nature of hate crime and root causes
5. Take a multi-agency approach working alongside the police, CCTV and Anti-social Behaviour team



# Doing things differently...

- Co-production was at the very core of our engagement– it wasn't about mere quantity of respondents or utilising tick boxes.
- We sought out personal experiences to collect rich, informative data allowing us to identify and tailor the right services and support based on genuine needs.
- To date, we have listened to and valued the voices of over 900 individuals, and their stories continue to shape our approach.

# Engagement Phase: Report Headlines

- 12-week public engagement and consultation, 30<sup>th</sup> May – 22<sup>nd</sup> August 2023.
- The consultation elicited a total of 1,045 responses over the 12-week period.
- We used a multifaceted approach, blending digital and face-to-face interactions.
- Out of the 1,045 responses received, 216 were collected through an online survey, the remaining 829 responses were the result of 47 in-person engagements conducted through a diverse array of methods.
- The consultation survey consisted of a range of questions which included quantitative short answer, multiple choice, yes/no questions, and qualitative questions that allowed for free text to express personal thoughts, opinions and lived experience.
- The survey was divided into two parts, part A concerning Community Safety and part B related to Hate Crime. Part A was subdivided into six parts corresponding to the 6 key priorities of the community safety strategy. Part B which addressed hate crime was subdivided into five parts, which again, reflected the five objectives for tackling hate crime.

# Engagement broken down

## 47 PUBLIC ENGAGEMENTS

Standalone workshops – 13  
Community stall -12  
Library drop in's – 8  
Agenda item at a strategic meeting or community forum/network – 12  
Training session – 1  
Engagement with police – 200 leaflets.

## AUDIENCES – 829 INDIVIDUALS

General public  
Young people  
Women  
Older people  
Physical Disability  
Learning Disability  
Multi Faith  
Businesses  
Members  
LGBTQI+  
Haringey staff / schools' staff

In addition, VCS forum including, and BRT were consulted with and encouraged participation in the survey.

## RESOURCES

Promotional material  
Surveys  
Leaflets  
Presentation  
Incentives  
Partner resources

NB. Engagement was very fluid and enhanced as time went on and connections were made.

# Key Evaluation Themes

## Community Safety themes:

### 1. Trust and Confidence:

- There is a lack of trust and confidence in both the police and council services, with ratings averaging between 4 and 5 out of 10. This suggests a need for heightened transparency and honesty in these institutions.
- Respondents across the board favour increased visibility of both Police and Council officers on the streets working in local communities to deter and prevent ASB and Crime and enhance feelings of safety. “connectivity of residents”,
- Council members spending time with community-police officers shadowing shifts once a month or something similar

### 2. Holding the Police to Account:

- Following the Casey Review and "*New Met for London*" our respondents want us to hold the police to account, and for the police to be more accountable to residents.
- Feedback on similar issues identified in Casey Review from themed workshops e.g. institutional racism, women's safety/institutional misogyny
- More ethnic representation in the police on the ground and at higher level.

### 3. VAWG: Lack of confidence in the police; No confidence in the system; Unaware of support for victims, fear of repercussions, fear of shame and not being believed. sexual harassment not taken seriously and tends to be normalised and ignored.

### 4. Communication: Improve follow-up of complaints; Listen and feedback; Listen to and act on public opinion, Less use of online forms and more person-to-person Discussion; Improve the standard of communication from councillors

### 5. Community Engagement- More stands and stalls to engage with the public on the street and in urban centres more police on the streets; council staff engaging with communities and working in partnership with Young People residents and businesses.

# Key Evaluation Themes

## Hate Crime themes:

1. **Definition of Hate Crime:** There is confusion surrounding the definition of hate crimes, indicating a need for more awareness and clarity on what constitutes a hate crime.
2. **Hate Crime Reporting:** While the majority of people have not experienced hate crimes, those who have reported them are higher than police reporting averages. The reported hate crimes are mainly related to racism, misogyny, and verbal abuse in public.
3. **Safety Perception:** Although the majority of people feel safe from being targeted for hate crimes, there is a perception that hate crimes have increased over the last ten years.
4. **Language Challenge:** There is a challenge around language, specifically in terms of using the term "sex" rather than "gender" when referring to women, recognising VAWG crimes as violence against biological women, and acknowledging gender as a strand of hate crime

# Key Evaluation Themes

## Cross cutting themes:

1. **Underreporting of Crime:** Many people are hesitant to report crimes, especially if they don't perceive them as serious. This can be due to a lack of faith in the reporting process, lack of knowledge on how to report, or a belief that they can handle the situation themselves.
2. **Lack of Trust and Communication:** People may not report crimes because they don't feel listened to or fear repercussions. This highlights a need for improved communication between authorities and the community.
3. **Information Dissemination:** There is a need for better communication through news sources, public spaces, voluntary and community sector organisations (VCS orgs), and community magazines to inform and engage the public. Haringey People –very popular!
4. **Education on social Issues:** There is a consensus that educating people about social issues from an early age is important – esp. HC/VAWG our respondents would like to see us working with partners and VCS to raise awareness and educate.
5. **Training for Frontline Officers:** Training frontline officers in handling hate crimes, neurodiversity and violence against women and girls (VAWG), with an emphasis on cultural competency and understanding the nature of the concern and protected characteristics, can have a positive impact.

# Key Questions

- Based on the equality data we have gathered, how do we encourage and embed proactive engagement with seldom heard community – corporately, not just community safety.
- How can we as a council improve our approach to consultation/engagement to ensure accessibility for learning disability and neurodiverse communities.
- Is there potential scope to treat misogyny in the same way as a hate crime by affording same level of support as other 5 strands from LA.
- How are we going to ensure that we hold the police to account on how they will deliver their New Met for London plan to address the findings of the Casey Review

# Next steps

- Cabinet – January 2024 for permission for the strategies to go to Full Council for ratification.
- Further consultation on strategies/Action Plans with key partners and stakeholders. January – February 2024.
- Completion/finalisation of strategies and action plans
- Full Council March 2024

# Questions?

**Report for:** Climate, Community Safety & Culture Panel – 19<sup>th</sup> December 2023

**Title:** Climate, Community Safety & Culture Scrutiny Panel: Work Programme 2022-24

**Report authorised by:** Ayshe Simsek, Democratic Services and Scrutiny Manager

**Lead Officer:** Philip Slawther, Principal Scrutiny Support Officer  
Tel: 020 8489 2921, E-mail: [philip.slawther2@haringey.gov.uk](mailto:philip.slawther2@haringey.gov.uk)

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

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

**1. Describe the issue under consideration**

- 1.1 To note the work plan for 2022-24 and agree any amendments or additions to it for approval by the Overview and Scrutiny Committee.

**2. Recommendations**

- 2.1 That the Panel considers its work plan for 2022-24, attached at Appendix A, and whether any amendments are required.

**3. Reasons for decision**

- 3.1 The work programme for 2022-24 for overview and scrutiny was approved by the Overview and Scrutiny Committee at its meeting on 28 November 2022. Arrangements for implementing it have progressed and the latest plans for the Climate, Community Safety & Culture Scrutiny Panel are outlined in **Appendix A**.

**4. Background**

- 4.1 The Overview and Scrutiny Committee has developed a work programme for itself and the scrutiny panels with the aim of ensuring that the scrutiny function is used to its best effect. This was informed by engagement with representatives of the local community. There were two main elements to its development:
- An on-line scrutiny survey; and
  - A “Scrutiny Café.”
- 4.2 The scrutiny survey ran from 26<sup>th</sup> July until 26<sup>th</sup> August 2022 and was open to Councillors, officers, partners, community groups and local residents. It asked respondents to identify the areas that should be given highest priority. People were also asked for any other specific issues or problems that they felt warranted special attention.
- 4.3 The Scrutiny Café took place on 16th September 2022 at the Selby Centre in Tottenham and brought together Council officers, partners and community and

voluntary sector representatives to discuss matters that might merit consideration by Overview and Scrutiny. The results of the scrutiny survey were used to inform the discussion. The event was very well attended, including a number of young people who were able to provide useful feedback on the areas that were most important to them.

- 4.4 The outcomes of the survey and discussions at the Café were put together for consideration by the Committee and its Panels so that they could finalise proposals for their workplans. Relevant Council officers were also invited to advise on suggestions. In addition, the Panel met informally to discuss proposals.
- 4.5 There is finite capacity within work plans and it is not possible to cover everything within them in great depth, hence the need to prioritise. There are a number of different options for how issues can be addressed:
- In depth scrutiny reviews;
  - “One-off” reports to Panel meetings; or
  - Questions to Cabinet Members.
- 4.6 It is not obligatory for scrutiny bodies to undertake scrutiny reviews but they enable issues to be looked at in greater detail. This approach is particularly suited to complex issues involving a wide range of stakeholders. A key consideration in selecting issues is the extent to which reviews may be able to deliver tangible outcomes. It is also important that the scope of reviews is sufficiently focussed to allow the detailed gathering of evidence and consideration of issues that is most likely to bring about outcomes.
- 4.7 “One-off” items are normally dealt with through a report from relevant officers or partners. Scrutiny is a flexible process though and other approaches can be incorporated, including inviting external witnesses to give evidence and site visits. It is recommended that sufficient space is allowed on each agenda for a meaningful discussion of items selected by avoiding overloading agendas.
- 4.8 A copy of the draft work plan for the Panel is attached as Appendix “A”. Further development of the plan will take place as the year progresses and progress will be reviewed on a regular basis.
- 4.9 Panel Members may wish to put forward suggestions for potential agenda items for the 27<sup>th</sup> February meeting.

#### *Forward Plan*

- 4.10 Since the implementation of the Local Government Act and the introduction of the Council’s Forward Plan, scrutiny members have found the Plan to be a useful tool in planning the overview and scrutiny work programme. The Forward Plan is updated each month but sets out key decisions for a 3-month period.
- 4.11 To ensure the information provided to the Committee is up to date, a copy of the most recent Forward Plan can be viewed via the link below:

<http://www.minutes.haringey.gov.uk/mgListPlans.aspx?RP=110&RD=0&J=1>

- 4.12 The Committee may want to consider the Forward Plan and discuss whether any of these items require further investigation or monitoring via scrutiny.

## **5. Contribution to strategic outcomes**

- 5.1 The contribution of scrutiny to the corporate priorities will be considered routinely as part of the OSC's work.

## **6. Statutory Officers comments**

### **Finance and Procurement**

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

### **Legal**

- 6.2 There are no immediate legal implications arising from the report.
- 6.3 In accordance with the Council's Constitution, the approval of the future scrutiny work programme falls within the remit of the OSC.
- 6.4 Under Section 21 (6) of the Local Government Act 2000, an OSC has the power to appoint one or more sub-committees to discharge any of its functions. In accordance with the Constitution, the appointment of Scrutiny Panels (to assist the scrutiny function) falls within the remit of the OSC.
- 6.5 Scrutiny Panels are non-decision making bodies and the work programme and any subsequent reports and recommendations that each scrutiny panel produces must be approved by the Overview and Scrutiny Committee. Such reports can then be referred to Cabinet or Council under agreed protocols.

### **Equality**

- 6.6 The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:
- Tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
  - 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.

- 6.7 The Committee should ensure that it addresses these duties by considering them within its work plan and those of its panels, as well as individual pieces of work. This should include considering and clearly stating;
- How policy issues impact on different groups within the community, particularly those that share the nine protected characteristics;
  - Whether the impact on particular groups is fair and proportionate;
  - Whether there is equality of access to services and fair representation of all groups within Haringey;
  - Whether any positive opportunities to advance equality of opportunity and/or good relations between people, are being realised.
- 6.8 The Committee should ensure that equalities comments are based on evidence. Wherever possible this should include demographic and service level data and evidence of residents/service-users views gathered through consultation.

**7. Use of Appendices**

Appendix A: Climate, Community Safety & Culture Scrutiny Panel: Work Plan for 2022/24

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

N/A

## Climate, Community Safety & Culture Scrutiny Panel

### Work Plan 2022 - 24

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

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

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

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

	<ul style="list-style-type: none"> <li>• Update on Recycling Performance</li> <li>• Update on PMIS</li> </ul>
<b>2023/24</b>	
<b>13 July</b>	<ul style="list-style-type: none"> <li>• Terms of Reference</li> <li>• Appointment of Non-Voting Co-opted Member</li> <li>• Floodwater Management</li> <li>• Work Programme</li> </ul>
<b>11<sup>th</sup> September 2023</b>	<ul style="list-style-type: none"> <li>• The Council's response to date on Baroness Casey's Review into the Metropolitan Police.</li> <li>• Street Lighting</li> <li>• EV charging</li> </ul>
<b>6 November 2023</b>	<ul style="list-style-type: none"> <li>• Police Priorities in Haringey &amp; Community Safety Partnership Update; To invite comments from the Panel on current performance issues and priorities for the borough's Community Safety Partnership.</li> <li>• A New Met for London</li> </ul>

<b>19 December 2023 (Budget)</b>	<ul style="list-style-type: none"> <li>• Budget Scrutiny</li> <li>• CS&amp;HC strategy</li> </ul>
<b>27 February 2023</b>	<ul style="list-style-type: none"> <li>• Cabinet Member Questions</li> </ul>

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