

NOTICE OF MEETING

HOUSING, PLANNING AND DEVELOPMENT SCRUTINY PANEL

Monday, 18th December, 2023, 6.30 pm - George Meehan House,
294 High Road, N22 8JZ (watch the live meeting [here](#), watch the
recording [here](#))

Councillors: Dawn Barnes, Holly Harrison-Mullane, Tammy Hymas,
Khaled Moyeed, John Bevan, Alexandra Worrell (Chair) and Isodoris Diakides

Quorum: 3

1. FILMING AT MEETINGS

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

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

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

2. APOLOGIES FOR ABSENCE

3. 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 - 10)

To approve the minutes of the previous meeting.

7. BED AND BREAKFAST ELIMINATION PLAN (PAGES 11 - 36)

8. SCRUTINY OF THE 2024/25 DRAFT BUDGET AND 5 YEAR MEDIUM TERM FINANCIAL STRATEGY 2024/2029 (PAGES 37 - 124)

9. WORK PROGRAMME UPDATE (PAGES 125 - 130)

10. NEW ITEMS OF URGENT BUSINESS

To consider any items admitted at item 3 above.

11. DATES OF FUTURE MEETINGS

26 February

Philip Slawther
Principal Scrutiny Officer
Tel – 020 8489 2957
Fax – 020 8881 5218
Email: philip.slawther2@haringey.gov.uk

Fiona Alderman
Head of Legal & Governance (Monitoring Officer)
George Meehan House, 294 High Road, Wood Green, N22 8JZ

Friday, 08 December 2023

This page is intentionally left blank

**MINUTES OF MEETING Housing, Planning and Development
Scrutiny Panel HELD ON Tuesday, 14th November, 2023, 6.30 pm**

PRESENT:

**Councillors: Dawn Barnes, Khaled Moyeed, John Bevan and
Alexandra Worrell (Chair)**

ALSO ATTENDING:

134. 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'.

135. APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllr Blake and Cllr Hymas.

136. URGENT BUSINESS

None

137. DECLARATIONS OF INTEREST

None

138. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS

None

139. MINUTES

RESOLVED

That the minutes of the meeting on 20th September were agreed as a correct record.

140. VOIDS

The Housing Panel received a report that provided an update on key aspects of voids performance, including context on the service's past and recent performance, and also provided an update on the work in progress to improve voids performance under the Housing Improvement Plan. Accompanying the report was a presentation tabled

by officers and set out in the published tabled papers pack, that provided further information around voids performance. The report and presentation were introduced by Jahedur Rahman, Operational Director, Housing Service and Building Safety. Cllr Williams, Cabinet Member for Housing Services, Private Renters and Planning was also present for this item, along with the Director of Housing and Placemaking. The following arose during the discussion of this agenda item:

- a. The Panel sought clarification about some of the most common reasons a property became void and the reasons that a particular property might not be re-let after it became void. In response, officers advised that the Neighbourhood Moves scheme often led to chunks of voids becoming available in a particular ward as people were transferred from a regen property to a new property. The Council was looking at how it could make sure that it spent less time doing works and that it could turn properties around quicker. Officers set out that social housing properties often became available because of a death and that some of these could require extensive works as the tenant had either not reported disrepair or had undertaken renovation work themselves. Officers advised that they would like to be able to get into those properties much earlier and to undertake repairs as and when disrepair arose.
- b. The Panel queried whether there was a process in place for vulnerable tenants and their carers to report disrepair and whether this was acted upon. In response, officers advised that the Housing Management team should be aware of vulnerable tenants and that Housing officers should then be undertaking frequent checks on vulnerable residents and picking up repair issues as part of those visits.
- c. The Panel enquired about the extent to which Housing was joined-up with social services. In response, officers advised that the relationship was there and that since coming in-house Housing services had been building the relationship with colleagues in Children's and Adults. Officers advised that they would like to be able to share more of the data held by those services.
- d. The Panel sought clarification around the revised liveable standards. In response, officers advised that they had condensed the liveable standards down from around 12 pages to 4, with the aim of making them easier for residents to understand and also easier to turn around properties. An example noted of where an improvement had been made to those standards was that they now offered a much greater range of paint colours to new tenants of previously void properties. Rubber mats were offered to reduce vibrations from the washing machines of neighbouring properties and new residents were also given the chance to keep the flooring from previous tenants (as the Council did not provide flooring).
- e. In relation to a question about a disproportionate number of properties taking longer to turn around in some wards, officers advised that they would expect more void properties to come through in wards with a higher number of social housing properties. The Team had been tasked with clearing the backlog of voids and this may have an impact on how resources were targeted. In response to a follow-up, officers advised that the contractors did work according to geographic area. In general the contractors were expected to undertake major works, whilst the DLOs would work on void properties.
- f. The Panel queried about instances of squatting and whether there were any delays in turning properties around due to asbestos. In response, officers advised that there had been a number of reports of potential squatting made

- aware to officers and that there was a legal process that had to be followed for removing those squatters. Officers also acknowledged that there was a potential for delays arising from asbestos and other types of compliance works before they could be re-let.
- g. In response to a question, officers confirmed that the lettable standard did conform to the Decent Homes standard.
 - h. The Panel requested a copy of the checklist that tenants received when they moved into a property and also queried whether they were advised of where the stopcock was located. In response, officers agreed to circulate a copy of the check list to members and to clarify whether the location of the stopcock was included on the list. **(Action: Jahedur Rahman)**.
 - i. Officers also agreed to share the next set of feedback from residents about their experiences of moving in, when it was available. **(Action: Jahedur Rahman)**.
 - j. The Panel requested an update on the procurement of more contractors. In response, officers acknowledged that the tendering process took some time but provided assurances that they were hoping to award a contract very shortly.
 - k. In response to a question, officers advised that the Council did incur costs from void properties, including standing charges from utility companies.
 - l. In relation to inspections being carried out of properties when they became void, it was noted that it was possible to undertake these if sufficient notice was provided, but that in cases where a tenant died this would not be possible. Officers acknowledged that some process of pre-inspection could be introduced to speed up the transfer process but that this would not be possible in all circumstances.
 - m. Officers advised that monitoring and inspection of works carried out was done by the team leaders to ensure that repairs were done to the required standard.
 - n. A Panel Member raised a specific property on Waverley Road that had been cant for two years. Officers agreed to look into the issue and provide an update to Cllr Bevan. **(Action: Jahedur Rahman)**.
 - o. In response to a question, officers advised that there was an apprenticeship scheme in place but acknowledged that this needed to be scaled up and that there needed to be a greater focus on succession planning and development of a work force plan for the repairs service going forward.
 - p. The Panel sought assurances around the target to get back to pre-pandemic performance of 150 properties a year and whether there was any scope to be more ambitious. In response, officers advised that they were hoping to achieve void rates of 2% in 2024/45 and 1% in 2025/26. Officers commented that they hoped to achieve 1% in the latter half of 2024/25 but this would depend on when contracts were mobilised and productivity increasing.
 - q. The Panel queried the fact there were out of borough properties and why this was. In response, the Cabinet Member set out that some of these out of borough properties were long term private sector leases, some are HCBS properties and some were Haringey properties that were out of borough, such as those at Imperial Wharf at Hackney.
 - r. In response to a question around data, the Panel was advised that a lot of the issues experienced around repairs related to data integrity and sharing data. Bringing this together in one place was a huge piece of work.
 - s. The Panel questioned whether improvements to performance levels were sustainable long-term given the levels of additional investment that had been

put in. In response, officers advised that there had been pressures from the Housing repairs service taking on HCBS properties and PSL properties and that discussions were taking place to see what the Housing repairs service should focus on general need properties going forward.

- t. The Panel raised concerns about the number of properties managed by the Council increasing with 3000 new homes being built and additional properties being managed through the HCBS but that there was no additional staff to support this. In response, the Cabinet Member acknowledged that there was a resource issue within the repairs service, particularly in relation to HCBS properties and private sector lease properties. The Housing service were working to address this.

RESOLVED

Noted

141. A NEW HOUSING STRATEGY FOR HARINGEY

The Panel received a report which provided an overview of the proposed new Housing Strategy, its context, and the processes through which it had been developed. The draft Housing Strategy 2024-2029 was attached as an appendix to the report. The report set out the content of the draft Housing Strategy agreed by Cabinet in March 2022, the consultation on that Strategy carried out between September and December 2022, and the changes made to the draft Strategy as a result both of that consultation and of new financial, regulatory, and legislative contexts. The Panel were asked to provide comments on the draft Housing Strategy, in advance of December Cabinet. The report was introduced by Cllr Ruth Gordon, Cabinet Member for Council House Building, Placemaking and Local Economy as set out in the agenda pack at pages 25-138. Also present for this agenda item were David Joyce, Director Housing and Placemaking; Robbie Erbmann, Assistant Director of Housing; Hannah Adler Head of Housing Strategy and Policy; and Marc Lancaster Housing Policy & Strategy Officer. The following arose during the discussion of this agenda item:

- a. The Panel sought clarification around London Affordable Rent versus formula rent. In response, officers advised that that houses build under the previous grant programme 2016-23, would be built using London Affordable Rent. New Housing schemes built under the current 2021-26 scheme were limited to social rents using the formula. This was set by the Mayor of London's office and the Council had no control over it. It was noted that there were some limited exceptions such as building using Right to Buy receipts and possible future changes to supported housing, that may allow the Council to use LAR.
- b. A Panel member commented that he would like to see a holistic approach taken to estate improvements, so that the railings were painted at the same time as major works were undertaken. It was suggested that this approach was cheaper and caused less disruption to residents.
- c. The Panel also commended officers and the Cabinet Member on the quality of the design of schemes being built in Haringey. It was suggested that members would like to see some of the LBH schemes put forward for awards.
- d. A Panel Member commented that by not using LAR, the Council was severely limiting the number of houses that it could build. In response, officers reiterated that the GLA funding for the 2021-26 programme did not allow the Council to

- use LAR for the current scheme. Officers sought to reassure members that the Mayor was giving Haringey a very large grant settlement, one that was double the previous allocation. The AD for Housing advised that he was happy with the viability of the scheme and that there were around 500 homes in the programme.
- e. The Cabinet Member advised that part of the reason that the Mayor's Office had agreed to give Haringey a substantial settlement was due to the trust that had been built up with them, particularly in terms of the fact that LBH has started 2000 homes on site. The Cabinet Member commented that that the 3k Council homes would be a sizeable proportion of the 15k homes of all tenures needed across the borough.
 - f. The Chair sought clarification around the new strategic shift on achieving the Decent Homes standard and how this would impact the capacity of the service to undertake a holistic approach to improving existing housing estates. In response, the Panel was advised that the date was being put back and that the key focus was around ensuring that the Council was able to bring all of its homes up to Decent Homes standards. Officers set out that this reflected a recognition about what it was possible to deliver, particularly in the current financial climate, with borrowing costs having effectively doubled. The Panel agreed to put forward a recommendation that it would like the Council to return to undertaking holistic works when circumstances allowed. The Chair commented that she understood that this may take some time.
 - g. The Panel sought clarification over the fact that the report set out that there were 3641 tenants who were living in overcrowded accommodation and 3820 tenants who lived in homes that were too big for them. The Panel queried the extent to which these two groups could be switched in order to solve the problem. In response, the Cabinet Member advised that there was a programme in place to provide mentors and financial incentives to get people into smaller properties. The Cabinet Member acknowledged the importance of getting existing tenants who had a larger home that they needed to downsize but commented that it was not easy to do. Officers commented that cash incentives were offered to people to move and that there were officers who worked on supporting those with under-occupation to move on. Officers advised that an under-occupation strategy and an older persons housing strategy would be brought to Cabinet in due course.
 - h. The Panel sought clarification about whether a secure tenancy was specific to a particular property and the extent to which the Council could oblige people move home. In response, officers advised that a secure tenancy was linked to a particular property and that the residents had the right to continue living there indefinitely. All of Haringey's tenancies were secure tenancies as that was the policy of the Council. Any move to a fixed term tenancies for new tenants would require a policy change.
 - i. In relation to the 15k homes needed in the borough, the Panel sought clarification as to where the other 12k was going to come from. In response, the Cabinet Member responded that the Council had a particular focus on prioritising affordable homes, but that the figure of 15k related to homes of all tenures. Officers set out that there had been a number of large scale developments in the borough built by the private sector, such as those at Tottenham Hale. The Council's planning service processed a record number of planning schemes in the last financial year including permission for 4000

- homes in a matter of months, so there was a pipeline of schemes ready to be taken forward. Officers cautioned that the market was responding to rising borrowing costs and that this would inevitably lead to a period of lower output in terms of the number of properties being built going forward.
- j. The Panel sought assurances around the extent that these houses were addressing local need, given that an estimated 100k to 300k people moved to London each year. In response, it was acknowledged that there had been a large population increase in London since the 1980s and that had a significant impact on house prices and demand for housing. The Cabinet Member emphasised that need for the Council to build family homes in order to encourage families to move to Haringey as it directly impacted school funding formulas.
 - k. In relation to Strategic Objective three – Improving the quality of private rented sector housing, the Panel sought assurances about broadening the licensing scheme for private rented sector housing and the extent to which the Council was enforcing against bad landlords. In response, officers advised that Selective Licensing required certain conditions to be met in each ward in order for the scheme to be approved by the Secretary Of State. A lot of work was done in Haringey to build an evidence base and the evidence base showed that Haringey would not get government approval for a Selective Licensing scheme across the whole borough.
 - l. The Panel queried what could be done to support private owners to retro-fit their homes to make them more energy efficient, particularly in terms of those in conservations areas and whether there was any capacity to amend conservation area regulations. In response, officers advised that there was a legal duty on councils to preserve and enhance the character of conservation areas and that this was an issue that needed to be dealt with at the national level, particularly as the UK had some of the least energy efficient housing stock in Europe. The Council could provide information and advice to homeowners in terms of what they could do within the rules. In response to a follow up, officers advised that there was a degree of leeway in how it interpreted preserving and enhancing the character, but that external cladding on a brick built conservation area, for example, was clearly a breach of planning regulations.
 - m. In response to a question, the Cabinet Member advised that the provision of social housing was fundamental to the strategy and how the administration sought to build 15k new homes across all tenures. The extent to which the number of new social housing developments could be increased, beyond 3000, was an ongoing conversation.
 - n. The Panel sought assurances around the fact that the new homes the Council was building would be properly maintained. In response, officers advised that the homes were being built to a very high standard that no major works should be required for at least ten years. As the new homes were being built budgets were being made available to maintain the properties in the future. It was anticipated that the Council would be looking at a period of 20-30 years before significant maintenance was required. The Director added that it was also anticipated that the planned investment in existing homes would lead to reduction in maintenance costs and the example of the Noel Park pods was given, as this had seen a dramatic improvement on repair costs for those units that had been completed.

- o. The Panel sought assurances around what levers were available to the Council to support people from being pushed out of the local housing market. In response, officers advised that the Housing Strategy gives a clear view of what the required mix of housing needed in the borough was, in addition to that which the Council was building itself. The strategy set out the need for housing for rent and housing for low cost rent, especially in terms of family homes. The strategy set a clear tone around what the Council expected from developers in the borough for building low cost housing. Officers also emphasised the role the Council played in relation to acquisition of existing stock through the HCBS. The Council also had one of the best homelessness prevention teams in London. Officers also set out that there was a financial inclusion in Housing Management who work with residents who may be in financial arrears and signposted them to a range of support services.
- p. The Panel commented on the fact that the Council had not had a cyclical maintenance programme for its estates for 20 years and suggested that this was something they would like to see reinstated.
- q. In relation to Panel members expressing a degree of scepticism about repairs being carried out in future, officers provided reassurance that there was a financial model in place, through the 30 year HRA plan, that was capable of delivering what was needed. Officers acknowledged that in the past capacity and capability had been an issue, but that just as the Council had not built any new homes for 30 years and was now doing so, repairs and maintenance would become something that the Council did well. The work being done to make these improvements was set out in the Housing Improvement Plan.
- r. The Panel commented that they would like to put forward a recommendation to Cabinet around giving leaseholders 6 months' notice of payments before any major works was carried out, rather than the current 30 days' notice. Officers clarified that the 30 day notice for leaseholders on Noel Park estate was a section 20 notice, rather than a bill. This was required so that the Council could begin contracting for works. It was suggested than leaseholders had not received a bill for one to two years after the notice. Officers acknowledged that part of the problems with the works at Noel Park was that the letters were unhelpfully worded and it made the notices seem like a bill. The Panel suggested that putting forward a recommendation on this would provide additional assurances to leaseholders.

RESOLVED

- I. That the update was noted.
- II. That the above recommendations in relation the draft Housing Strategy be put forward to Cabinet.

142. STRATEGIC ASSET MANAGEMENT AND PROPERTY IMPROVEMENT PLAN UPDATE

The Panel received a report which provided an update on the progress of the Strategic Asset Management and Property Improvement Plan 2023-28 and the associated action plans, set out in appendix one of the report, which captured the recommendations from previous internal and external audit reports. The report was introduced by Cllr Ruth Gordon, Cabinet Member for Council House Building,

Placemaking and Local Economy as set out in the agenda pack at pages 139 to 202. Also present for this agenda item were David Joyce, Director of Housing and Placemaking; Jonathan Kirby, AD for Capital Projects and Property; Amanda Grosse, Head of Strategic Asset & Accommodation Management; and Sarah Lavery, Head of Property Change. The following arose during the discussion of this report:

- a. The Panel queried whether the Council would be seeking to acquire additional property/assets, rather than divesting them, and also sought clarification about whether the Council would be seeking to acquire assets outside of Haringey. In response, the Cabinet Member gave the example of Pendarren House as an asset that Haringey had outside of the borough and explained that the reason for this was that it served a strategic objective of the Council. The Council would acquire additional assets if in doing so it was serving a strategic objective. Examples of recent acquisitions were 46 homes at the Gourlay Triangle and the acquisition of property from Grainger on the Wards Corner site. Officers advised that the Council had to demonstrate a direct strategic link to its needs in order to acquire properties outside of the borough.
- b. The Panel noted that the report set out that the value of the Council's assets was £2.8 billion and queried how this compared with neighbouring authorities. In response, officers advised that this figure included everything, including school estates, not just the commercial portfolio. Officers agreed to come back with a written response to members about how the value of Haringey's assets compared to neighbouring boroughs. Officers suggested that Haringey had held on to a lot of stock, but that also came with challenges due to the age of some of the stock. **(Action: Jonathan Kirby).**
- c. The Chair sought clarification about the scope of assets captured in the Plan and whether this related to the General Fund. In response, officers emphasised the fact that the plan set up a firm structure so that any decision on acquiring or divesting an asset would go through the governance structure set out in the report. Officers advised that the assets referred to everything that was non-residential and included any acquisition or disposal of assets regardless of the category of property. This excluded council housing tenancies.
- d. The Panel queried the use of flexible capital receipts, referring to paragraphs 7.2.4 & 7.2.5 of the report, which stated that the Council intended to continue with the current stipulation that capital money could only be used on a project that delivered cost reductions or transformation, after the government loosened the rules around this. The Panel commented that it would like to see capital receipts being used on capital projects, the example given was around building an additional floor on some of the industrial units to generate more commercial income. In response, officers set out that the budgetary process determined how this money was spent and that it was ultimately the Section 151 officer who determined this. Officers clarified that there was a property review process which determined how capital receipts would be spent. Officers could submit a bid as part of the budgetary process and that this would be determined in the usual way.
- e. The Panel sought assurances about whether the Capital Projects and Property service would be able to recruit staff with the requisite skill set, given challenges in the jobs markets and the fact that roles such as surveyors were highly sought after. In response, officers acknowledged that recruitment was a challenge, but that they had been able to recruit to a number of key posts. Officers advised that they were looking at bringing through more apprentices,

growing their own staff, and use of acting-up opportunities. The Panel was advised that managers were working with HR to make the roles as attractive as possible, particularly in terms of flexible working arrangements. A number of different approaches were being taken to recruit the right skills within the team. However, the skills required did not always match up with salary expectations.

- f. The Panel raised concerns about shops on estates and the fact that the shops were often neglected when estates were refurbished, as they were managed by a different part of the Council. In response, officers acknowledged that this had been a problem in the past, but that work was being done to make property and housing more joined up, so that offices and commercial spaces were picked up when refurbishment works took place. Officers advised that work was also underway to bring hard and soft facilities management together in one place.
- g. A panel member raised an issue relating the Lindens, and the fact that the wardens office was not being renovated at the same time as the rest of the unit. In response, officers agreed to get a written response from colleagues.
(Action: Jonathan Kirby).
- h. The Chair sought clarification about what was meant by changing the shape of the property model long-term. In response, officers advised that this was about ensuring that the asset portfolio met the needs of the community and that it was fit for purpose. The example given was around large leisure centres that were purchased in the 1970s and the extent to which these still reflected the needs of residents, given people tended to use more outdoor space.

RESOLVED

Noted

143. WORK PROGRAMME UPDATE

RESOLVED

That the work programme was noted.

144. NEW ITEMS OF URGENT BUSINESS

N/A

145. DATES OF FUTURE MEETINGS

- 18 December 2023
- 26 February 2024

CHAIR: Councillor Alexandra Worrell

Signed by Chair

Date

Report for: Housing, Development and Planning Scrutiny Panel -
Monday 18th December 2023

Title: Bed and breakfast (B&B) Elimination Plan

Report authorised by : Beverley Tarka – Director of Adults, Health and Communities

Lead Officer: Denise Gandy, Assistant Director – Housing Demand.

Ward(s) affected: All

**Report for Key/
Non Key Decision:** For information

1. Describe the issue under consideration.

The Housing, Development and Planning Scrutiny Panel has requested an update on the Bed & Breakfast (B&B) Elimination Plan. The B&B Elimination Plan is a requirement of our Homelessness Prevention Grant funding from the Department of Levelling Up, Housing and Communities (DLUHC) and details our plans to reduce and then end our use of B&B accommodation for residents who are homeless.

2. Cabinet Member Introduction.
N/A

3. Recommendations

The Scrutiny Panel is asked to note the contents of this paper.

4. Reasons for decision

N/A

5. Alternative options considered.

N/A

6. Background information

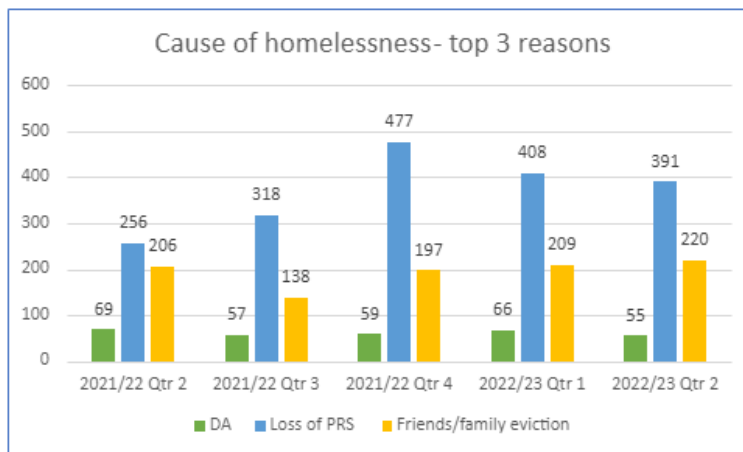
6.1 Overview

6.1.1 The Homelessness Prevention Grant (HPG) funds local authorities' homelessness prevention activities and subsidises temporary accommodation costs. Haringey has received £8.5M for 2023/24 and will receive £8.6M in 2024/25.

6.1.2 Due to increasing concerns about the number of families living in hotels for extended periods, a recent communication from the Department for Levelling Up, Housing and Communities (DLUHC) confirmed that all local authorities,

who have more than 5 families in B&B for more than 6 weeks must produce a B&B Elimination plan as a condition of their HPG funding.

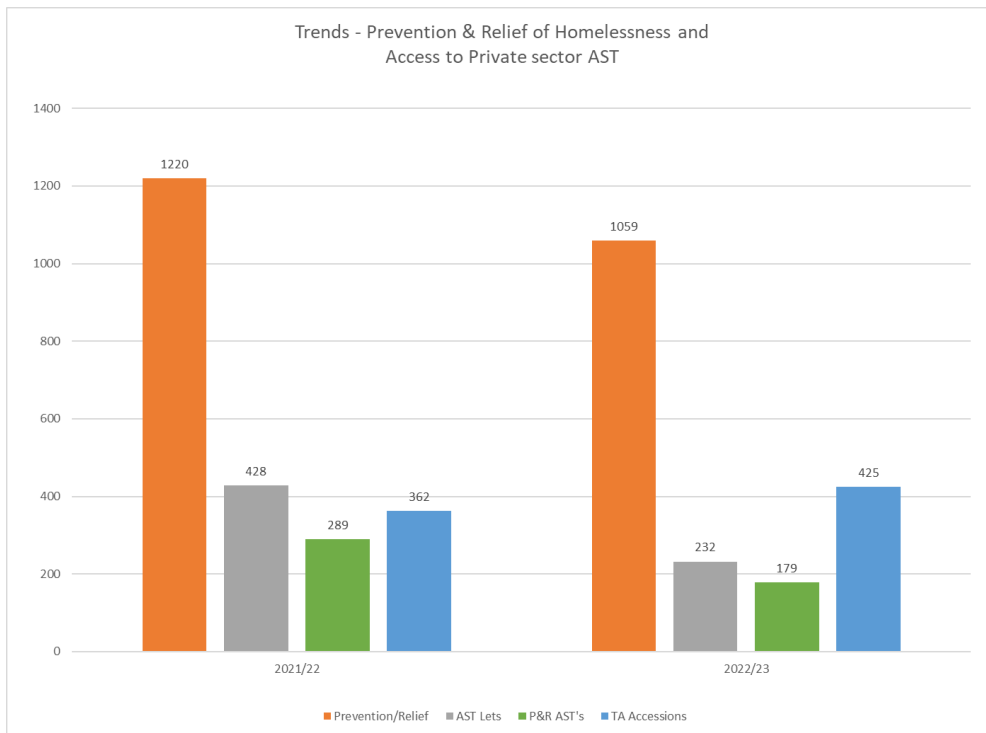
- 6.1.3 Until June 2022, commercial hotels and B&Bs had not been used to accommodate Haringey homeless families for over a decade and almost all temporary accommodation (TA) was self-contained. It is only recently that placements for families exceeded the 6-week rule.
- 6.1.4 Due to lack of available supply the commercial hotels have been used as emergency accommodation and currently (as at 17th November) there are 76 families and 28 single people accommodated in commercial hotels.
- 6.2.1 Context
- 6.2.2 Following the pandemic, the private sector market has changed significantly, and London local authorities have consistently reported that they are unable to secure temporary accommodation and private sector lets on the same scale. Those properties that are secured have been at increased cost. The reduced supply has also led to the increased use of commercial hotels and B&Bs and increased TA costs. This is also the position in Haringey.
- 6.2.2 Although some hotels used by the Council have cooking facilities, typically commercial hotels and B&Bs do not have cooking facilities or separate living areas, only a bedroom and bathroom, and therefore long-term use has an impact both on families mental and financial wellbeing. Under The Homelessness (Suitability of Accommodation) (England) Order 2003, the use of commercial hotels and B&B accommodation is permitted, however, this should only be in exceptional circumstances and for families with dependent children and pregnant females, for no more than 6 weeks. A 2022 amendment to the Order now allows local authorities to place newly arrived applicants (arrival in the UK in the last 2 years) in B&B for longer than 6 weeks, but we don't currently treat applications and placements for newly arrived households differently.
- 6.2.3 In 2022/23 the number of households that approached the Council because they were homeless or threatened with homelessness increased by 7% to 4405 compared with the previous year. Proportionately the top three reasons for people approaching for help remains the same, quarterly increases in the loss of private rented accommodation are however disproportionate. This is likely to be due to the impact of interest rate increases and also concerns about the Renters Reform Bill where landlords are exiting the market before the enactment of the Act, which brings about greater regulation and the abolishment of no-fault evictions.



- 6.2.4 Additional pressures have also been seen due to the Ukrainian resettlement schemes, which has seen 91 households approaching for help with housing since Feb 2022. New Home Office policies for streamlined decision making and dispersal of applicants is also likely to increase demand.
- 6.2.5 During the same period, due to the challenging private sector market, the number of private sector AST properties used to discharge our prevention, relief and main housing duties reduced by 46%.
- 6.2.6 Acquisition of private sector ASTs was until May 2023 conducted by Capital Letters, on the Council's behalf, however membership provided no local flexibility as any adjustment to landlord incentives needed membership wide agreement. On 9th May it was agreed that our membership of Capital Letters would cease, and this function would be brought back to the Council. This will provide greater control and flexibility to respond to market challenges. The table below shows the method of securing AST over the last 3 years and 2023/24 to 31 October 2023.

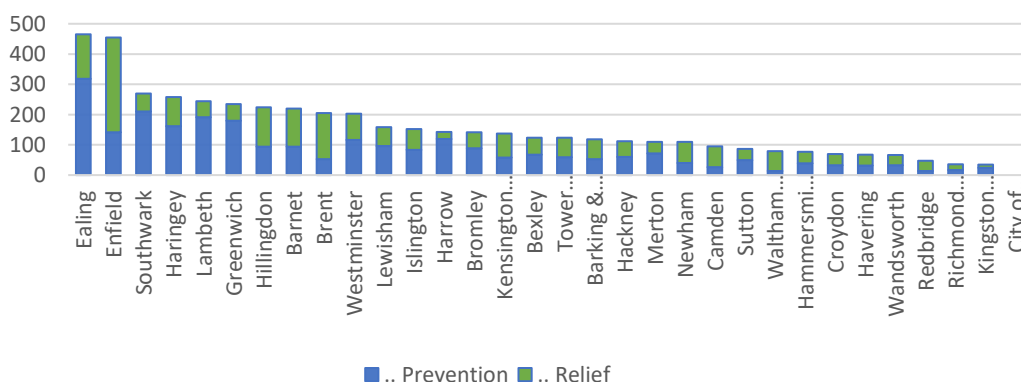
	Capital Letters	HCBS	Find Your Own	In house activity	Apex Gardens	Total	Used for Prevention/ Relief
2021/22	255	51	49	38	35	428	289
2022/23	83	43	46	60	0	232	178
2023/24	1	18	31	51	1	102	80

- 6.2.7 Haringey Community Benefit Society provides long term assured shorthold tenancies to Haringey's homeless households, allowing the Council to discharge its main housing duty. The current portfolio includes 252 properties. The Council was recently successful in bidding for Local Authorities Housing Fund which will provide capital grant funding for 30 affordable homes by 31 March 2024. The intention is that these will be let and managed through the HCBS.
- 6.2.8 Strong prevention casework activities minimised the increase (+17%) of new TA placements in 2022/23. Prevention and relief casework and interventions produced 1059 positive prevention and relief outcomes. This represented only a 13% reduction on the previous year, despite the 46% reduction in ASTs secured overall and a 38% reduction in those used to prevent or relieve homelessness for priority need households.



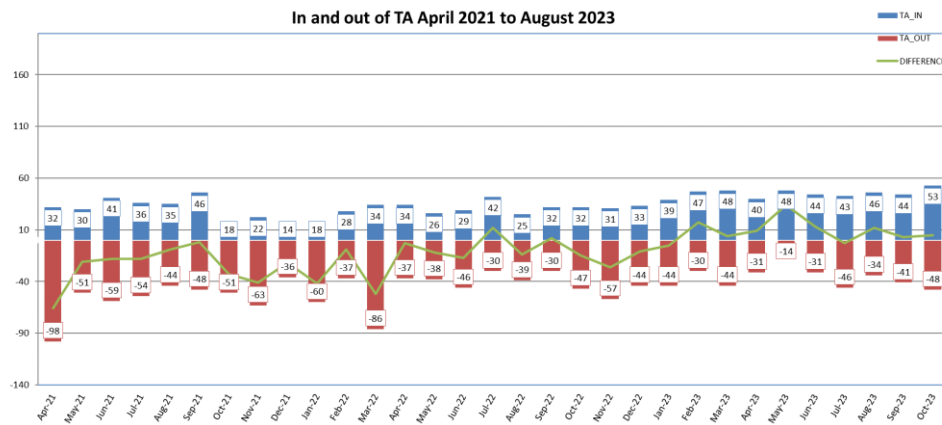
6.2.9 Q4 Local Authority statistics show that our prevention and relief work was 4th highest compared with other London Boroughs, showing continued top quartile performance.

Successful Prevention and Relief
Jan to March 2023



6.3 Context - TA

6.3.1 At the end of March 2023, there were 2517 households living in temporary accommodation, 70 fewer compared with March 2022 (2601), TA numbers had been stable and were slowly reducing throughout the year however this trend reversed in February and March, which saw consecutive increases. At the end of October 2023 there were 2590 households in temporary accommodation and the average number of TA placements between April and October this year was 45, 14 more than the average for the same period last year.



6.3.2 We are currently projecting a 35% increase in new TA bookings this year and a further 16% increase next year.

6.3.3 Data collated by London Councils shows a worsening situation for procuring and retaining suitable accommodation, driving the increase in commercial hotel and B&B usage. The number of notices to quit received by 18 councils for TA accommodation was 74.5% higher in June 2023 compared to the same month a year earlier. 24 councils reported procuring 6.6% fewer private rented sector properties in June 2023 than the same month a year earlier.

6.3.4 London Council's data shows a rise in the number of London households living in Bed & Breakfast (B&B) accommodation, including for greater than six weeks. 27 authorities reported 1,674 families living in B&B accommodation in June 2023, up 375.6% on a year earlier. Over the same period 26 authorities report 989 families living in B&Bs beyond the six-week limit, an increase of 710.7% from 122 the year before (an additional 867 families).

6.3.5 In March 2023, London Council's Housing Directors agreed a 10% increase in Inter Borough Accommodation Agreement (IBAA) rates, which had not been increased collectively for some years. It is hoped that the increased rates will slow the loss of existing supply; however, it is too early to tell whether this has taken effect. It has not had any positive impact on new procurement. Projections set out in 2.9 include this recent uplift to inter borough agreed rates.

6.3.6 There are a range of TA types, with council owned units being the most cost effective. At the end of October 2023, however,

- There were 9 fewer S193s (council owned units let as TA) in use, compared with March 2023 and 53 fewer than in 2021. These are within the voids process. There will be a reduction of available s.193s on the Love Lane estate as decants are needed to allow the first phase of works to commence.
- It should also be noted that one of the Council owned Lodges (Whitehall Lodge) is due for redevelopment in January 2024 and this will lead to a reduction of 21 Lodge units.
- One of the Council hostels at Brunel walk was also decanted in 2022 reducing possible units available to occupy by 36.

- There has also been some reduction of private sector leased properties, as on renewal some landlords have decided to exit the market. This is despite the HAST programme, where a new Homes for Haringey lease is offered providing improved rates.

The table below shows the change in occupied units as at October 2023 compared with both March 2023 and the 2021.

TA type	Explanation of type	Change in Units in use - March 23 to Oct 23	Change in Units in use 2021 – Oct 2023
Hotels	Last resort when no other accommodation is available, and we have a duty to make a placement. We try to use hotels that we block book but also use commercial hotels, like Travelodge's.	+30	+96
Annexe/Emergency accommodation	Annexe is a historical term for emergency accommodation that is paid for on a nightly basis. The properties are all self-contained and families often remain for long periods of time. The properties are secured through Adam, a dynamic Purchasing Scheme.	+65	-138
Council Lodges ¹	3 Lodges for families only – Broadwater, Whitehall and Birkbeck. At BWL and WHL families shared bathrooms and kitchens. Birbeck rooms are en-suite but have shared kitchens. Used as first placement when homeless – was intended to be short term – up to 3 months but many stays are now longer.	+4	+47
Council hostels	Self-contained units held in the HRA – some are purpose-built hostels (e.g. Russell Road) and some are very large converted houses in the West 9e.g 3 hostels on Queens Ave).	0	0
Private sector leases (Council)	Private owners lease their properties to the Council usually for 3 years. During that time, we manage them, carry out most of the repairs (apart from the structure) and collect and guarantee the rent.	-33	-199
Private sector leases (HFH)	As above but the lease is between the owner and HfH. This enables us to charge LHA rents rather than rents limited at TA subsidy levels.	+17	+113
Housing Association leases	This is the same as our leases, but the arrangement is between the owner and a Housing Association, and the HA then allow us to nominate to the	-3	-27
S.193	s.193 just refers to the section of the Act under which we are providing the TA. These are Council general needs properties that we are using as TA – most are on the Love Lane Estate pending the redevelopment, but we do also use some other lets as TA when needed e.g. agreement to use one bed lets as TA for small families.	-9	-53
Net Change		+71	-161

6.3.7 The number of occupied units is also affected by the number of properties currently in the voids process. At the end of October 2023 there were 20 PSL voids, 11 HAST (HfH lease) voids and 15 hostel voids. The number of TA voids increases reliance on private sector supply and under the current climate is contributing to the use of commercial hotels.

¹ There was no increase in supply of Lodges, but more units were utilised following lifting of covid restrictions and resolved disrepair.

6.3.8 The number of Council and Haringey Community Benefit Society voids is having a significant impact on the ability to move households on from TA into a settled home and free up existing TA supply. As at November 2023 there were 272 Council general needs voids, 77 HCBS voids and 74 sheltered voids.

6.3.9 The Housing Services Improvement Plan was agreed by Cabinet on 3 April 2023. This identified voids transformation as one of the key areas of focus for the Housing Services and Building Safety service.

While overall relet times are still high due to the backlog of voids that arose linked to the impacts of Covid, the last 6 months of this financial year has seen a significant reduction in the backlog of voids.

Through the Housing Improvement Plan a number of measures to improve voids performance and eliminate the backlog including:

- Creating a dedicated team of four additional staff to deal with historic voids from August 2023
- Put in place a number of IT improvements including a voids dashboard to improve voids reporting and monitoring
- Undertook a data cleansing exercise to ensure that all current voids are true voids and ensure the information held is up to date
- Procured an additional supply chain to clear the backlog and help deal with peaks in demand. The tender evaluation for two contractors covering the east and west of the borough has been completed and contractors are due to start in January 2024.
- Recruited two additional teams of operatives to deal with the backlog and deal with peaks in demand, which is currently underway and a number of posts have now been recruited to
- In-house Direct Labour Organisation productivity is being managed and monitored more effectively
- The lettable standard has been revised, with resident involvement

6.3.10 In addition, new arrangements have been put in place with a contractor to carry out the work to the void HCBS properties – it is expected that the works to 45 of the properties will be completed in January and February 2024.

6.3.11 Based on previous Lettings outcomes, of the voids available, 100% of HCBS voids, 54% of general needs voids, and 68% of sheltered voids would be let to homeless households in TA, resulting potentially in 269 households moving on from temporary accommodation.

6.3.12 The 2022/23 Lettings Plan had projected that 639 general needs lets would be completed. Due to the void situation and some slippage in the new build programme only 317 lets were made. We are, however, expecting 188 new properties to become available for letting in 2023/24, including 131 at Walter Tull in February. This together with improved voids performance indicates a projection of 634 lets for 2023/24. This is lower than initially expected due to one new housing association development which would have delivered 55 units of accommodation being on hold.

6.4 The B&B Elimination Plan

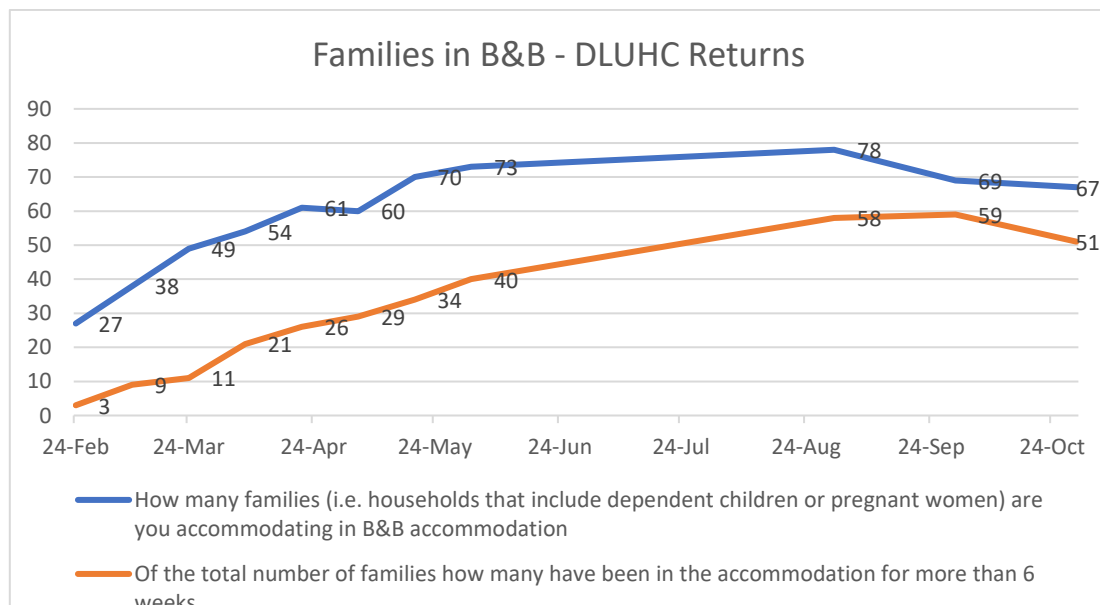
6.4.1 Along with a call for local authorities to produce a B&B Elimination plan, DLUHC issued guidance and a checklist based on good practice and learning to reduce or eliminate the use of B&B. A template accompanies the guidance to ensure all aspects have been pursued.

6.4.2 The guidance set out the need to make an explicit commitment with the support/leadership of Members and senior managers to mobilise and give momentum to the action plan. The main stages set out include a requirement to:

- I. Make a commitment end the use of B&B (beyond 6 weeks, or completely)
- II. Agree an action/work plan for delivery.
- III. Reduce placements into B&B and temporary accommodation.
- IV. Move families out of B&B within 6 weeks.
- V. Develop alternative forms of TA and settled accommodation options.

6.4.3 The Councils B&B Elimination Plan is provided in Appendix 2

6.4.4 Since February 2023 we have been reporting, the number of households with dependent children and single pregnant females housed in hotel accommodation and those who have been housed in this type of accommodation for more than 6 weeks as part of our additional homelessness pressures return to DLUHC. This information was providing initial fortnightly and monthly since August. The returns are set out below.



6.4.5 One of the actions contained within the B&B elimination Plan, involves a weekly meeting to ensure a focus on households move on from B&B. A planned move on outcome is identified and officers come together to identify and resolve any specific issues causing delays in move on. Overall, the challenge is the lack of supply of alternative temporary accommodation or private sector move on.

- 6.4.6 Despite the challenges, since April 2023, 145 households have exited B&B accommodation, however increased demand and lack of supply has meant that the overall numbers in B&B have not reduced. Of those that have exited B&B,
- 55 were rehoused in private sector tenancies, supported housing or social lets.
 - 56 were transferred to alternative temporary accommodation.
 - 10 found their own accommodation, went into hospital or custody.
 - In 21 cases the housing duty ended for another reason.
 - The reasons in 3 cases were unknown

6.4.7. As at the 15th November there are 76 families in B&B, 52 of which have been in this type of accommodation for over 6 weeks. While the number of families has not reduced due to increased demand, the number in over 6 weeks appears to have stabilised.

6.4.8 Due to the very challenging private sector market, delivery of the voids programme and new measures are needed to reduce reliance on the private sector market to provide temporary accommodation. We will continue to build on the success of the Haringey Community Benefit Society and have been successful in securing funding to support this work. New measures include the development of the Station Road site to deliver a new Lodge and the reconfiguration and extension of Russell Road hostel. However, these new measures are medium term solutions which will help us to reduce NPA use and form part of the MTFs commitment. Subject to planning, procurement and works, these are likely to become available in 2025.

7. Contribution to the Corporate Delivery Plan 2022-2024 High level Strategic outcomes

This work links to The Corporate Delivery Plan outcome Homes For the Future - Everyone has a home that is safe, sustainable, stable and affordable.

8. Carbon and Climate Change

N/A

9. Statutory Officers comments (Director of Finance (procurement), Head of Legal and Governance, Equalities)

Finance - N/A

Procurement - N/A

Head of Legal & Governance [Name and title of Officer completing these comments] - N/A.

Equality - N/A

10. Use of Appendices

Appendix 1 – B&B Elimination Plan

11. Background papers – N/A

This page is intentionally left blank

ACTION PLAN FOR ENDING USE OF B&B				
No.	TASKS	BY WHO	BY WHEN	UPDATE
1	Implementation of Plan			
1.1	Ensure Corporate and operational commitment to cease using B&B for families by Thursday 4th January 2024.	All	Immediate	
1.2	Use this template as a self-assessment approach to identify any additional actions. Actions to be added to existing Supply Plan.	SMT	30/06/23	Completed
1.3	Housing Needs Officers continue to have targets for prevention and relief that contribute to the overall Corporate Delivery Plan – reported on monthly to Performance Clinic.	BF	ongoing	
1.4	Paper to Housing and Placemaking Board – first is an analysis of the issues leading to our current position and the second will report the outcome of a self-assessment against the DLUHC checklist and resulting actions.	DG	25/5/23 and 14/09/23	Completed
1.5	Paper to Corporate Leadership team.	DG	29/6/23	Completed
1.6	Discussion at Housing Sub Group of the HSAB and HSCP.	DG	21/6/23	Completed

1.7	Briefing of new Lead Member in June and on-going conversation.	DG	15/06/23	Initial briefing completed
1.8	Cabinet Strategy discussion on the position and areas for policy consideration.	DG	TBC	
1.9	Consider other ways to disseminate messages corporately – Leadership Forum, presentation during budget fortnight.	DG	Leadership session by end of 2023	Budget Fortnight session completed. August 23.
1.10	Staff events to discuss the current situation and identify actions.	DG	20/6/23 and 29/6/23	Completed
1.11	Expand the Housing Related Support led Introduction to Homelessness Briefings, to include input from teams across Housing Demand.	MW/BF/LR	From Sept 2023	Completed
1.12	Set additional targets that are outcomes focused - based on where people will be going from B&B. For example, % of placement in pathway for single people, % of placement in the PRS, % in alternative TA (PSL/NPA) % of placement OPS, Reports through monthly Performance Clinic.	CA	From Sept 2023	Clinics arranged and performance indicators introduced through weekly meeting TOR
1.13	Continue to update Yammer and keep staff informed and engaged in this: simple visual on progress – position on a weekly basis split by families and singles. <ul style="list-style-type: none"> ○ Include a good news story on a weekly basis of number of families moved and location moved to etc. ○ Share service briefing 	SMT	Early Sept 23	Ongoing

1.14	Develop a Risk Log – impact of B&B use on stakeholder services, service and Council – risks and mitigations (increased litigation, cost), ombudsman – headlines on risks goes to managers who can share with staff. Lesson learned/operational group.	CA	15/09/23	completed
1.15	Set up Multi-agency Homelessness Reduction Board with initial emphasis on B&B Elimination.	DG/HA	1st meeting by end of Oct 2023	1st meeting taking place on 30th November

2	Prevention of TA Need Against Main Causes of Family Homelessness			
2.1	We will continue with co-location of Housing Needs staff to ensure early identification of homelessness. Most recent published DLUHC data indicates we are performing well in terms of early intervention as majority of cases picked up at prevention stage.	BF	On-going	
2.2	Private Rented Engagement Team (PRET) to continue to review previous AST placements to identify opportunities to intervene if there are arrears and to renew tenancies.	BF	ongoing	
2.3	Review of Tenancy sustainment approach when we consider the structure needed to deliver ASTs following our exit from Capital Letters.	DG/BF/LB	Sept. 2023	To be completed
2.4	Housing Needs Officers aware that home visits will now be required in majority of cases to try to mediate/negotiate in person. Obstacles to undertaking home visits reduced, e.g. all HNOs issued with tape measures.	BF	ongoing	

2.5	Home visit pro-forma to be developed for use by Housing Needs to ensure consistency and quality.	BF	30/06/23	Completed
2.6	Budget for Prevention Fund for 2023/24 in place and in use.	BF	ongoing	
2.7	Review the measure used to define whether Prevention Fund payment is VFM as this was largely based on a figure of £4500 being used and this is based on cost of NPA – costs of B&B are significantly higher and we may want this reflected in our decision making on use of Prevention Fund. Increase Homelessness Prevention fund from HPG to reflect this.	DG/BF	15/7/23 30/8/23	Completed - Housing Needs Team have scope to present cases to HNM where a larger payment is required.
2.8	Hearthstone to continue to identify alternatives to TA for victim/survivors of DA, working with HRS to install Sanctuary Rooms/ attending MARAC to offer advice on alternatives such as management transfers etc.	FB	Ongoing	We continue to look at options for tenancy sustainment for families- i.e. looking at emergency lock changes and access to civil remedy to prevent clients from displacement. Working with partners at MARAC to advise on the current situation and asking for support to refuge where possible.
2.9	Hearthstone to work with VAWG partners to advise and explore alternative legal remedies- I.e., occupation orders etc.	FB	Ongoing	Now co-locating with wood Green CSU (police) to look at case by case and bail

				conditions and serving DVPN's on perps to allow V/S's to remain in the home as opposed to being the ones displaced.
2.10	Introduction of floating support worker to support victim/survivors who move to safe accommodation or have Sanctuary measures installed. Allocate a budget for personalised support.	FB	June 2023	Completed
2.11	For transport funding to be provided to DA cases accessing refuge space outside of London for same day travel where available and possible in order to avoid vulnerable families being placed in B&B.	FB	From June 2023	Completed
2.12	Upstream Prevention: <ul style="list-style-type: none"> ○ Use of Policy in practice dashboard to identify opportunities for early intervention. ○ Use information to inform/commission new area of activity. ○ hospital discharge funding ended – negotiate on potential extension through BCF. 	BF BF/DG MW	On-going 30/9/23 15/7/23	Hospital discharge post funding secured for 12 months

3	Reduce/End Family B&B Initial placements
----------	---

3.1	<p>Ensure all B&B cases have ownership and move-on plan. Weekly B&B elimination meetings commencing 7th June to go through individual B&B cases to ensure move-on is progressing. Attendance from AO, Needs, Rehousing, Pathway, Lettings (SH and GN), Supply Team, Voids and Heads of Service.</p> <p>○ TOR needed</p>	LR/LB/BF/CA	From 7 June 2023	Implemented
		LR/LB/BD/CA	End of August	Completed
3.2	Continue with current EA approval process as this robustness provides assurance that EA is the last option; all placements to be approved by two Housing Needs Team Managers.	BF	Ongoing	
3.3	Where B&B is the placement option additional sign off needed by HoS for Rehousing and Lettings, HoS for Supply and Contracts or AD.	LB/LR	Ongoing	
3.4	Daily monitoring of the B&B elimination spreadsheet: identifying status of case and move on options for move on meeting - B&B Daily report (TA0207) implemented with day count from placement in B&B and family type.	SMT & managers	Ongoing	
3.5	Ensure that any available PRS properties are used to prioritise moves for households in B&B or to those where placement into B&B is imminent. Prioritisation Implemented from May 2023.	BF/LR/LB	From May 2023	Implemented

3.6	Reduce number of Prohibition Notices from HIT – arrange to do more works in default funded by Prevention Fund and arrange for Charges to be put on property.	LS /BF	30/09/23	We are continuing to explore whether this is practicable and a response we can deliver.
-----	--	--------	----------	---

4	Manage Move-On From Emergency Placements			
4.1	Decision taken to leave Capital Letters and undertake AST sourcing inhouse. Staff returned and we have an interim structure in place. New AST incentive promotional offer to be reviewed after 3 months.	DG/BF/LB	Review Sept 2023	Incentives reviewed and agreed facility to increase base offer on a case-by-case basis
4.2	Trial rent top-ups to market levels in exceptional cases (e.g. SEND) where there are risks of additional costs for the authority in addition to the B&B costs.	BF/LB	From July 2023	ongoing
4.3	Review structure for delivery of ASTs and tenancy sustainment, given market pressures.	DG/LB/BF	From Sept. 2023	Pending – will be part of wider structure review
4.4	Use IBAA data to compare and breaches and continue to be part of the sub-regional and London wide discussions.	DG/LB	Ongoing	Ongoing
4.5	Increased IBAA rates in April 2023 and held one to one negotiation with provider to try and avoid the loss of existing stock and explore any new opportunities.	LB	From April 2023	Ongoing

4.6	Engage with RP's (in liaison with Housing Strategy Team) on opportunities for them to support us with our homelessness challenges e.g. review of Nominations agreement, how they manage evictions and need to move with their own tenants, sale/lease, interim use while they decide what to do, or noms to perm.	HA/LH/DG	From August 2023	Ongoing – To Date have met with 11 Registered providers
4.7	Pursue any acquisition opportunities resulting from these conversations. Participation in L&Q led discussions with G15 on opportunities for joint working. Offer of assistance to support the work.	RE/DG RE/DG	From Sept. 2023 1 st meeting – 15/8/23	Discussions are ongoing
4.8	All available TA properties are matched to households in B&B and also short stay hostels; thus reducing reliance on hotels and creating vacancies for new placements. To further use properties to prevent hotel placements for accepted homeless households, facing eviction from their TA due to landlords requiring their properties back.	LR	Ongoing	Ongoing - All alternative TA is explored with priority given to families in B&B.
4.9	TA properties are matched early and offers are made when a property is available to occupy with immediate offer letters sent. An additional Temporary Accommodation Placement Officer will be engaged to support the team (expected August)	LR	Ongoing	Ongoing – out to advert and hope to have additional staff in post by February 24

4.10	<p>Deliver improvements in the end-to-end voids process to ensure that households are moved on to settled accommodation at the earliest possible time.</p> <ul style="list-style-type: none"> ○ Deliver improvements on repairs to voids in line with Housing Transformation Plan. ○ Provision of accurate SFAD and RFL dates ○ Timely advertising or matching <ul style="list-style-type: none"> ○ New Viewings Officers will improve the process of letting permanent homes. ○ Sign up arrangements reviewed and changes embedded. 	<p>CB/JR</p> <p>CB LR LR</p> <p>NP</p>	<p>On-going</p> <p>30/6/23</p> <p>Sept 23</p>	<p>3 Officers in place</p> <p>Complete</p> <p>Pilot in place Aug 23</p>
4.11	<p>Weekly void meetings across all services designed to accelerate void turnaround times across all forms of void properties; general needs, sheltered housing, private sector leased properties and hostels.</p>	CB/LR	Ongoing	<p>Weekly Void meetings take place with a second meeting of departmental leads to monitor progress.</p>
4.12	<p>Clearance of backlog of HCBS voids. Approach agreed at PHB.</p>	RE	Feb 2024	<p>Appointment of contractor completed. Estimated works completion Feb 2024</p>
4.13	<p>Explore options for bring High Road West voids back into use to ease immediate pressures and minimise the impact of the closure of Whitehall Lodge in Jan 2024 and HRW decants.</p>	CB/JR	TBC	

4.14	Annual Lettings Plan commitments. To be published in Sept, this will outline the pressures of TA and hotel placements and commit the Authority to maintaining lets to homeless households, using own stock as TA and ensuring that vulnerable, single people avoid TA through quotas for care leavers, people with complex needs, people with Learning Disabilities and Housing First allocations.	LR	30/9/23	To be completed
4.15	Allocations Policy review.	RE/DG	Ongoing	Paper to Strategic Cabinet in November and will present a draft Allocations Policy in the first half of 2024
4.16	Increase use of one bedroom Council properties as temporary accommodation and prioritising moves from hotels and short stay hostels. Set clear targets and monitor delivery.	LR	Ongoing	This is ongoing – targets set and monitored via Supply Plan Group
4.17	Agree use of some larger in borough Council properties as TA for families who need to stay locally due to family needs.	DG/LR	15/7/23	Completed
4.18	Rehousing assessments and personalised housing plans carried out within one month of cases being accepted; bringing this forward for customers in hotels.	LR	Ongoing	Targets set as described and highlighted in regular supervision. File reviews suggest this is on target.

5	Increase Supply of Suitable Accommodation			
5.1	Ensure that the Council is making best use of its regulatory powers such as Empty Dwelling Management Orders/ Compulsory Purchase Orders.	LS/DG	30/9/23	The private sector housing team continue to investigate privately owned long-term empty homes and will take

				<p>action via our enforcement route in line with the Council's empty homes policy. In November 2022, four properties were put to Cabinet for the recommendation to use CPO to bring those properties back into use. These were approved by Cabinet and as a result three out of the four properties are now being renovated in order to be occupied or sold. A further set of properties likely to be put to Cabinet in 2024 following owners non-compliance with the empty homes enforcement procedures</p>
--	--	--	--	--

5.2	<p>Work with emergency accommodation providers to ensure that there is a robust documented process in place to retain as many NPAs as possible due when households move and cancellations are made. ○</p> <p>Supply team to be advised when EA is ending to ensure conversation with owner to retain.</p>	LB/LR	<p>31/08/23</p> <p>From 03/07/23</p>	ongoing
-----	---	-------	--	---------

5.3	<p>Meet with all emergency accommodation providers to negotiate the retention of EA following the increase in IBAA rates – started in April with agents with a portfolio of more than 25 properties.</p> <p>Engage with NLHP on wider piece of work with suppliers aimed at improving retention,</p>	LB	Commenced April 2023 Ongoing	<p>Meeting with suppliers with properties over 25 units., This has slowed down due to the Service priorities to procure emergency accommodation. This will resume in January and will be led by the newly appointed Housing Supply Manager</p>
		LB	Ongoing	<p>NLHP held a meeting with the 10 top providers of TA. The purpose of the forum is to Develop/build longer term relationships between boroughs/suppliers. Managing risks on both sides. Support boroughs' B&B elimination plan, explore if and how we can jointly stabilise prices, explore opportunities to increase supply that would benefit all parties. The next meeting will be held in March.</p>
5.4	Deliver new modular Lodge at Station Road.	RE/DG	Early 2025	Ongoing – Paper to Placemaking and Housing Board in December - Aim of

				having a Scheme ready to submit for Planning in mid – 2024 for a start on Site by late Autumn 2024 following a competitive Tender for the modular fabrication and groundworks.
5.5	Review option to extend Russell Road hostel to maximise occupancy and meet the needs of families.	SW/DG	TBC	Business case drafted. Meeting arranged to look at possible options.
5.6	Consider options for delivering other opportunities identified in the hostel review.	RE/SW	31/10/23	
5.7	Produce a clear estimate of future need by TA types and property sizes to inform a procurement/purchase programme. Model differing supply scenarios and maximising the most cost effective. Identify business analyst resource to support this work.	LB/HA/SL DG	End Of Oct 2023 1/10/23	Analyst identified – Scoping of project to be completed Dec 2023
5.8	Use needs analysis to work with colleagues and stakeholders to look for vacant or owned by the council buildings that could be temporarily used for short- or medium-term temporary housing. For example, Hornsey Townhall, Hale Road, Caretaker houses, S106 N22.	LB/DG/SL/ CT	On-going but firm up options with analysis	
5.9	Continue to negotiate on existing LBH leases at expiry or when void, or as new acquisition and transfer to Homes for Haringey leases.	LB	Ongoing	

5.10	Develop a clear lease offer, including repairs and management, and promote to landlords and agents – leading to an increase in the number of leases.	LB	By 30/9/23	Looking at bulk lease arrangements in order to form a package to landlords offering this approach.
5.11	Review of ‘peppercorn’ lease arrangements to identify any that should/could be brought to an end/repurposed.	SF	Ongoing	
5.12	Undertake a full programme of visits to all units of temporary accommodation.	LB	Ongoing	Officers in Place
5.13	Undertake risk assessed checks in our social housing stock to identify sub-letting etc (estimate of 1% minimum)	JR	TBC	
5.14	Bid to LAHF 2 (2 units of Afghan refugee move on accommodation and 18 units of TA) Deliver the agreed units.	RE RE	5/7/23 By March 2024	MoU signed on 11/8/23 30 units of accommodation to be delivered
5.15	Deliver the new homes programme - 3,000 new social rent homes	RE	Delivery over 3 years of the programme	Monitoring through New Homes Board.
5.16	Explore whether any of the hostels have any office/storage/communal space that could be repurposed with the addition of rented shower pods to be used as additional capacity.	LB	15/09/23	Project to be completed by year end

6.	Increase Supply of Suitable Accommodation for Single Adults			
----	--	--	--	--

<ul style="list-style-type: none"> Continue to identify and bid for funding to increase provision of supported housing (RSAP, SHAP, RSI, targeted additional RSI funding). Conduct a review of singles entering B&B and identify of any gaps in provision – improvement in performance for void utilisation including any barriers at Osborne Grove (directly delivered assessment service). Conduct a review of the current Pathway provision and process. Consider opportunities to reduce the assessment criteria for entry into pathway. Conduct a review of move on – where are the majority of people identified for move on going/waiting for within pathway services and Osborne Grove Consideration/identification of funding to recommission or directly deliver a Hale Road model for emergency 24-hour placements. (Survey was due in May to confirm refurb costs and inform decisions but the houses are squatted). Confirm hospital discharge continuation funding and discuss the on-going use of Stokely Court units as hospital discharge accommodation. Consider extension of use of Stokely Court or alternative sheltered provision to meet immediate needs of homeless older people who are waiting for an allocation of sheltered housing. Consider options for delivery of safe accommodation for single or pregnant women who are homeless due to domestic abuse. 	MW/TD	Sept 23	Complete – SHAP and additional PHB successful
	MW/TD	Oct 23	Complete
	MW/TD	By Sept 23	Ongoing – unlikely to offer any material outcome prior to plan target date.
	MW/TD	Aug 23	Complete
	DG/MW	TBC	In progress – no budget currently identified for delivery of a service due to savings ask across the Council.
	DG/MW/NP/HT	31/7/23	Complete
	DG/MW/NP/HT	31/7/23	Complete

		DG/MW/FB	31/8/23	No funding available to deliver on this objective currently. Will keep liaising with the GLA on possible funding streams.
--	--	----------	---------	---

Report for: Housing Scrutiny Panel, 18 December 2023

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 its 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

This section starts with General Fund (GF) related material followed by Housing Revenue Account (HRA) 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
PLACEMAKING & HOUSING	6,479,472	6,479,781	309	0	310
Director of Housing_Regen_Place	239,877	239,877	0	0	0
Capital Projects and Property	-1,627,253	-1,598,003	29,250	0	29,249
Planning_Building Standards & Sustainability	3,040,021	3,031,488	-8,533	52,113	-60,646
Regeneration & Economic Development	4,609,228	4,609,228	0	-5	5
Housing General Fund	217,599	197,192	-20,407	-52,109	31,702

PLACEMAKING AND HOUSING Balanced Budget £0.0m (P3 £0.0m)

Placemaking and Housing are currently reporting a balanced position as at period 6. There are pressures in Corporate Property and Operational Resilience of £ 0.236m (£ 0.677 reported at P3) which is a favourable movement due to the extensive works being carried out within the directorate in the aim to manage our pressures and maintain a balanced budget forecast. .

The main pressures are as below:-

Operational Resilience £0.136m a favourable movement from £0.577m in P3. This represents the estimated costs above budget associated with the current corporate property estate. This has a number of drivers such as on-going high energy costs as well as business rate increases, following the national revaluation in April 2023. The 2023/24 Budget allowed for some contingency to address utility and other contract and property related inflationary pressures.

Corporate Property £ 0.100m- A previous Budget/MTFS round proposed a saving of £0.100m from the acquisition of Head leases and this is no longer deemed achievable.

6.2 2024/25 Budget and 2024/29 Proposals

Placemaking & Housing Outturn position for 2023/24 and Budget Position for 2024/25

The Directorate provides a range of services from delivering large parts of the capital programme, managing the Council's commercial property portfolio, delivering a Planning service, an award-winning Building Control service, Haringey Adult Learning, Haringey Works and area regeneration activity.

Much of the directorate's costs are funded from income (statutory fees in planning, commercial property income and from grants), capitalisation (which due to the review of the capital programme will be reduced substantially) and charges to the HRA for all expenditure which relates to HRA assets meaning there is a small overall net budget position.

Currently the directorate is reporting a pressure of £0.1m. This has a number of drivers such as on-going high energy costs, business rate increases, following the national revaluation in April 2023 and the non-delivery of a previously agreed saving. These pressures are offset by small underspends. Management action is being taken to mitigate the costs through curtailing some activities and the implementation of energy saving measures.

The directorate is proposing a number of management actions for 2024/25. These include a review of the Regeneration & Economic Development division to closely align the service offer to better meet priorities. Savings are further assumed to be generated from the implantation of the corporate property model, increases in Commercial Property income and reduced costs and increased income in Planning. These savings grow over the period of the MTFS. Taken together these actions will reduce the budget by c.£3m.

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)
Total	9,357	9,750	6,574	6,766	0	32,447

There is no existing Housing Growth.

Table 7.2a. New Growth proposals.

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
Total	24,992	11,171	10,321	0	0	46,484

In 24/25 there is £3m of growth within Adults Health and Communities (AHC) that relates to demand for Temporary Accommodation and Inflation. In subsequent years 25/26 and 26/27 there is £750k pa for inflation.

The result of the above is a combined planned growth across all Directorates is illustrated below.

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	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)
Total	34,349	20,921	16,895	6,766	0	78,931

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
Total	17,511	5,367	2,940	(101)	49	25,766

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.

Management Area	2023/2 4 £'000s	2024/2 5 £'000s	2025/2 6 £'000s	2026/2 7 £'000s	2027/2 8 £'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

Total	2,015	820	1,645	(100)	0	4,380
--------------	--------------	------------	--------------	--------------	----------	--------------

There are “Written off savings”, for Head lease acquisitions within Placemaking and Housing.

Revised Existing Savings

Directorate	2023/2 4 £'000s	2024/2 5 £'000s	2025/2 6 £'000s	2026/2 7 £'000s	2027/2 8 £'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
Total	15,496	4,547	1,295	(1)	49	21,386

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

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

Table 7.2c – Management Actions

New Management Actions Savings

Directorate	2024/2 5 £000s	2025/2 6 £000s	2026/2 7 £000s	2027/2 8 £000s	2028/2 9 £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
Total	2,908	678	782	875	475	5,719

The new Management Savings Actions in Housing are in relation to the Strategic Asset Management and Property Improvement Plan 2023 – 2028 (SAMPIP) and a Restructure primarily in the area of Regeneration.

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

New Savings

Directorate	2024/2 5 £000s	2025/2 6 £000s	2026/2 7 £000s	2027/2 8 £000s	2028/2 9 £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
Total	8,119	2,606	1,196	763	1,237	13,921

The savings in Housing are within AHC primarily along with a minor saving included in Environmental & Resident Experience (ERE). The value of these savings is £0.9m in 24/25 and £0.6m in 25/26, subsequent years 26/27 and 27/28 have £13k. The main theme is repurpose buildings to reduce costs of those requiring temporary accommodation, supporting families to move on from temporary accommodation and to maximise local housing allowance.

The net impact of the above adjustments and additions is a total savings programme in all services across the 2024-2029 is illustrated below.

Directorate	2024/2 5 £000s	2025/2 6 £000s	2026/2 7 £000s	2027/2 8 £000s	2028/2 9 £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
Total	15,574	4,579	1,977	1,687	1,712	25,530

Total Core/Other External Grants	(28,143)	(29,137)	(29,145)	(29,145)	(29,145)	(29,145)
Total Income	(279,517)	(301,090)	(312,448)	(316,572)	(320,824)	(320,824)

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
Total General Fund (GF)	159,732	143,101	193,719	55,179	60,383	612,115
Housing (HRA)	238,222	303,689	354,954	307,358	209,605	1,413,829
Overall Total	397,955	446,790	548,673	362,538	269,988	2,025,943

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 Council's 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.

Table 8.3: Financing Strategy

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

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.

Housing Revenue Account

6.5 HRA Qtr2 2023/24 – Budget Position

HOUSING (Housing Revenue Account - HRA) Over budget £1.686m (P3 £4.279m)

The Housing Revenue Account at period 6 – Q2 2023/24 reports a forecast adverse variance of £1.686m. The forecast year-end HRA surplus is £6.554m compared to the HRA budgeted surplus of £8.238m. The Q1 forecast was £4.279m adverse variance, indicating a favourable movement of £2.594m between Q2 and Q1. This favourable movement is mainly due to a £3.6m drawdown from reserves.

The HRA - Housing Service and Building Safety Service is facing increased budget pressures in three key areas:

Legal disrepair.

The biggest budget pressure currently facing the service is due to the significant increase in legal disrepair cases. We have seen an increase in legal disrepair cases over the last 3 years. The vast majority of legal disrepair cases relate to the Council's own stock. Costs have risen due to compensation payments to affected residents and outsourced legal disrepair claims work to external firms of solicitors. We plan to drive down these costs through the introduction of a dedicated disrepair team within the Repairs service, to be in post by November 2023; moving away

from our dependence on external solicitors; and procuring an increase in external repairs contractors to build capacity and speed up disrepair works.

Voids

As a result of ongoing targeted improvement actions there has been a reduction in voids turnaround in August and September, and we are expecting to see a continuation of this positive improvement, resulting in a reduction in net rental loss in Quarters 3 and 4.

Health and Safety compliance works

There has been increased revenue spend on fire safety actions and electrical safety works to make residents safe this year, over levels of spend on these areas on previous years. This is as a consequence of our self-referral to the Regulator.

HRA 2024-2029 Draft Budget & MTFS

6.6 Section 9.0 of the main Draft Budget / MTFS report to Cabinet contains all material relevant to the 2024-2029 HRA revenue and capital proposals. This includes detailed tables.

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 5th December 2023)

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

Adults and Health Appendix 4- New Revenue Growth Proposals

Adults and Health Appendix 5 - New Revenue Savings Proposals

Adults and Health Appendix 6 - Capital Budget Proposals

11. Local Government (Access to Information) Act 1985

None.

This page is intentionally left blank

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	
*Legal Comments Provided by:	
*Financial Comments Provided by:	
*Equalities Comments Reviewed by:	
*Procurement Comments Provided by:	
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	
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.	
*Background documents 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.]	
Date considered by Cabinet Member 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.	
Dates considered by Officer Internal Boards [This can include internal Cabinet and Officer Groups]	
Date considered by Council Leadership Team	

<p>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</p>	
<p>Date considered by informal CAB [Politically sensitive strategic key decisions would need consideration at CAB – Please contact Felicity Foley with any queries about Informal CAB.]</p>	
<p>Please consider if a wider briefing on this key decision is required at Labour Group / Liberal Democrat Group meetings? When?</p>	
<p>Is the decision compliant with the Council’s Budget and Policy Framework as set out in Part Four Section E of the Constitution?</p>	

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 updated year on year in line with the change in the small business multiplier which more recently has been based on the September CPI figure. This was 6.7% in September 2023 and has been used in forecasting the funding for 2024/25.

6.9 The Council participated in the London Pool for three years (2018/19 – 2020/21). London chose not to continue the Pool in 2021/22 due to the significant impact that the Covid 19 pandemic had had on the business community and therefore forecast revenues. Pooling was revisited for 2022/23 and, while a London-wide pool was not deemed viable, a smaller

pool consisting of Haringey and 7 other London boroughs was put into place for that year. This continued in 2023/24.

- 6.10 Modelling was undertaken during September which showed that the continuation of this 8 Borough pool is expected to have a similar financial benefit in 2024/25 to the current year of c.£2.0m. The Council has therefore already supported in principle the continuation of the smaller pool. The final decision to proceed or not does not need to be taken until 28 days after the publication of the provisional local government finance settlement and to enable final due diligence to be built into the process, as last year it is proposed that the final decision to participate in the pool is delegated to the Director of Finance in consultation with the Cabinet Member for Finance. On the strength of the modelling and recent experience, a £2m benefit has been built into the draft Budget, but for one year only.
- 6.11 Currently, the 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
	£'000	£'000	£'000	£'000	£'000	£'000
Revenue Support Grant						
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	-	-	-	-	-
Total	(127,162)	(137,578)	(145,922)	(145,922)	(145,922)	(145,922)

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%
Taxbase after collection rate	79,716	81,352	82,166	82,987	83,818	84,656
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
Council Tax Before Surplus	124,212	133,085	137,091	141,215	145,466	146,920
Arrears Improvement		1,000				
Council Tax Yield	124,212	134,085	137,091	141,215	145,466	146,920

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
Revenue Support Grant	£'000	£'000	£'000	£'000	£'000	£'000
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	-	-	-	-	-
Total	(38,837)	(44,849)	(42,558)	(42,558)	(42,558)	(42,558)

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)
Total	(24,958)	(25,952)	(25,960)	(25,960)	(25,960)	(25,960)
RSG	(25,635)	(27,353)	(27,517)	(27,517)	(27,517)	(27,517)
Total (inc. RSG)	(50,593)	(53,305)	(53,477)	(53,477)	(53,477)	(53,477)

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

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 5th 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)
Total	9,357	9,750	6,574	6,766	0	32,447

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
Total	24,992	11,171	10,321	0	0	46,484

- 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)
Total	34,349	20,921	16,895	6,766	0	78,931

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
Total	17,511	5,367	2,940	(101)	49	25,766

- 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
Total	2,015	820	1,645	(100)	0	4,380

- 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
Total	2,908	678	782	875	475	5,719

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
Total	8,119	2,606	1,196	763	1,237	13,921

- 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
Total	15,574	4,579	1,977	1,687	1,712	25,530

- 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
Council Cash Limit	283,017	317,935	342,872	360,746	367,559	365,847
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)
Total General Fund Budget	279,517	301,090	312,154	316,427	320,813	320,813
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)	-	-	-	-
Total Main Funding	(251,374)	(271,953)	(283,303)	(287,427)	(291,679)	(291,679)
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)
Total Core/Other External Grants	(28,143)	(29,137)	(29,145)	(29,145)	(29,145)	(29,145)
Total Income	(279,517)	(301,090)	(312,448)	(316,572)	(320,824)	(320,824)

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)
Previously Agreed							
General Fund Account (GF)	220,900	200,102	217,103	276,220	93,859		1,008,184
Housing Revenue Account (HRA)	262,962	289,102	322,107	305,880	246,218		1,426,269
Total =	483,862	489,204	539,210	582,100	340,077		2,434,453
Proposed							
General Fund Account (GF)		159,732	143,101	193,719	55,179	60,383	612,115
Housing Revenue Account (HRA)		238,222	303,689	354,954	307,358	209,605	1,413,829
Total =		397,955	446,790	548,673	362,538	269,988	2,025,943

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

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

8.15 About 36% of the capital programme, is composed of schemes that are wholly financed by the Council's borrowing activity and not self-financing or met from external resources. These schemes largely reflect the statutory duties of the council. In large part these schemes are not able to attract external resources to either supplement or supplant Council borrowing as they are core to the Council's operation.

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

8.16 The Children's Services capital programme is reliant on the Council undertaking external borrowing. For the period 2024/25-2028/29 the Council is planning to spend £64.2m, of which approximately £32.0m is funded through government grant leaving a borrowing and self-funding requirement of £26.3m and £5.9m respectively. The cost of the increased borrowing investment in schools falls on the Council's revenue account through increased borrowing costs.

- 8.17 The Adults, Health & Communities Services capital programme is £57.3m, of which much of the programme is self-financed at £45.3m. In addition, there is £8.8m of grant funded expenditure.
- 8.18 Within the Environment & Resident Experience directorate, the proposed capital programme for the period 2024/25-2028/29 is extremely reliant on Council borrowing and broadly estimated at £75.2m of which approximately £66.6m is financed by borrowing, and £8.6m is externally funded.
- 8.19 The Placemaking & Housing capital programme has an estimated value of £306.1m, of which £207.8m is funded externally and £6.5m is self-financing. Council borrowing in this part of the capital programme is proportionately lower than in other service areas at £91.8m. The majority of this borrowing is to match fund schemes in the South Tottenham Regeneration projects, the Wood Green Regeneration Strategy and to fund the Corporate Landlord remediation works.
- 8.21 The Culture, Strategy & Engagement capital programme is estimated at £93.8m with the majority, £65.1m funded through self-financing. £60.9m of this self-financing relates to the Civic Centre refurbishment and £4.2m relates to the Alexandra Palace – Invest to Earn capital works.
- 8.22 The inclusion of a scheme within the capital programme is not necessarily permission to spend. Most schemes will be subject to the completion of an approved business case that validates the high-level cost and time estimates contained within the programme. An integral part of the business case will be an assessment of the risks that a project faces and once a project is agreed, the review of the risk register is a standing item on the agenda for the project's governance arrangements.
- 8.24 Service managers bid annually as part of the Council's budget setting process. The bids are assessed against their response to need in relation to the Council's priorities, the asset management plan and meeting the objectives of the medium-term financial strategy (MTFS). In addition, schemes have been considered for their contribution to economic recovery, to growth, and to jobs.
- 8.25 The Housing Revenue Account (HRA) is a ring-fenced account, which ensures that the Council's housing activities are not subsidised by the Council's non-housing activities. It also ensures that the Council's non-housing activities are not subsidised by its HRA. HRA capital expenditure is recorded separately.
- 8.26 The Capital Programme for 2024/25 has considered and been reviewed to ensure that it delivers in line with the Council's Carbon Reduction ambition. There are no projects that will increase the carbon footprint of the Council. There are several projects however, where there is the opportunity that these can be designed to ensure that at the delivery stages Zero Carbon requirements will be delivered. These include:

- Construction works (such as the Parkland Walk Bridge). The procurement for these works will include carbon within the selection for materials and contractors works.
- Road Safety Programme and Highways Maintenance. To deliver transport infrastructure that is safe and supports active travel options.
- School's capital Maintenance – the Council has just completed its Energy Action Plan for its schools, and this capital funding will deliver this through including carbon reduction measures (insulation, glazing, low carbon heating) within these programmes. The budget for the primary school investment is funded through government grant.
- Active and health spaces around our schools - We are continuing the funding for our successful School Streets programme and introducing Healthy Schools Zones to improve air quality in our most polluted schools of the borough. Creating safe space and infrastructure to encourage active travel options.
- The Walking and Cycling Action Plan is continuing and is funded through external sources.

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

Table 8.2: Capital expenditure plans by directorate

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

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

8.32 Culture, Strategy & Engagement

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

8.33 Financing

All capital expenditure must be financed from either an external source (government grant or other contributions), the Council's own resources (revenue, reserves, or capital receipts) or debt (borrowing, leasing, Private Finance Initiative).

The Council's capital programme has moved to a financing strategy that seeks to ensure that investment via the capital programme is self-financing or funded from external resources wherever possible. The draft capital programme for 2023/24-2027/28 is analysed in the table below and shows that the majority of schemes being proposed (82%) are either self-financing or funded via external resources.

Table 8.3: Financing Strategy

	General Fund Borrowing		External (£'000)	Total (£'000)
	Met from General Fund (£'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
Total	227,835	124,844	259,435	612,115

8.34 The self-financing schemes will normally only proceed if they produce a reduction in expenditure that includes reductions enough to cover the cost of financing the investment. This is necessary to ensure that the investment contributes to meeting the financial challenges that the Council faces. It is noted however, that in some limited circumstances, that schemes may proceed even if they do not produce a reduction in expenditure enough to cover the cost of financing the investment.

8.35 As debt needs to be repaid the Council is required by statute to set aside from its revenue account an annual amount sufficient to repay its borrowing. This is known as the minimum revenue provision (MRP). The estimated MRP over the MTFS period is set out below:

Table 8.4: Estimated MRP

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

8.36 The Council's underlying need to borrow to finance its capital programme is measured by the capital financing requirement (CFR). This increases when new debt financed capital expenditure is incurred and reduces when MRP is made. The table below shows the estimated CFR over the MTFS period.

Table 8.5: Prudential Indicator: Estimates of Capital Financing Requirement

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

Asset Management

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

Asset Disposals

8.38 When a capital asset is no longer needed, it may be sold, and the proceeds (known as capital receipts) can be spent on new assets or can be used to repay debt (it should be noted that if the asset includes “open space”, any decision on a proposed disposal will be subject to the statutory requirement to advertise and consult before a final decision can be taken and/or implemented). Repayments of grants, loans and non-treasury investments also generate capital receipts. The Council is currently permitted by legislation to spend capital receipts to deliver cost reductions and/or transformation. This is known as the flexible use of capital receipts and this flexibility is currently due to expire on the 31st March 2025.

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

Treasury Management

8.40 The Council has a Treasury Management Strategy Statement (TMSS) that sets out in detail the Council’s approach to managing its cash flows, borrowing and investment activity, and the associated risks. The Capital Strategy document includes similar information from the TMSS but presents this information in the context of the Council’s capital programme and Corporate Delivery Plan.

8.41 Treasury management is the management of the Council’s investments, cash flows, its banking and capital market transaction and the effective control of the risks associated with those activities. Surplus cash is invested until required in accordance with the guidelines set out in the approved TMSS, whilst short term liquidity requirements can be met by short term borrowing from other local authorities.

Borrowing Strategy

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

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

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

	31/3/23 Actual (£'000)	31/3/24 Budget (£'000)	31/3/25 Budget (£'000)	31/3/26 Budget (£'000)	31/3/27 Budget (£'000)	31/3/28 Budget (£'000)	31/3/29 Budget (£'000)
Borrowing Debt	783,301	1,204,505	1,087,092	1,346,241	1,623,607	1,885,665	2,049,734
PFI & Lease Debt	21,967	19,471	13,189	10,552	9,852	9,151	8,450
Total Debt	805,268	1,223,976	1,100,281	1,356,794	1,633,459	1,894,816	2,058,184
Capital Financing Requirement	1,120,900	1,375,493	1,427,202	1,706,665	2,003,734	2,286,562	2,472,311

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

Affordable Borrowing Limit

8.45 The Council is legally obliged to set an affordable borrowing limit (also termed the authorised limit for external debt) each year. In line with statutory guidance, a lower operational boundary is also set as a warning level should debt approach the limit. This is set out in Table 8.7 below.

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

	2023/24 Budget (£'000)	2024/25 Budget (£'000)	2025/26 Budget (£'000)	2026/27 Budget (£'000)	2027/28 Budget (£'000)	2028/29 Budget (£'000)
Authorised limit – borrowing	1,286,022	1,344,013	1,626,113	1,923,882	2,207,411	2,393,861
Authorised limit – PFI & leases	25,702	17,410	13,929	13,004	12,079	11,154
Authorised limit – total external debt	1,311,724	1,361,423	1,640,042	1,936,886	2,219,490	2,405,015
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
Operational boundary – total external debt	1,259,387	1,309,840	1,588,775	1,885,704	2,168,392	2,354,001

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
Total MRP	18,676	17,677	19,002	20,069	20,980	22,306
Interest Costs (General Fund)	16,946	14,996	21,319	22,943	24,438	25,626
Total Gross Capital Financing Costs (GF)	35,622	32,672	40,321	43,012	45,418	47,932
Offsetting Savings for self financing schemes	(12,714)	(1,119)	(2,743)	(3,724)	(4,235)	(5,152)
Total Net Capital Financing Costs (GF)	22,908	31,553	37,579	39,289	41,183	42,781
Interest Costs (HRA)	18,589	25,889	35,987	48,297	60,785	69,562

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
Financing Costs General Fund	35,622	32,672	40,321	43,012	45,418	47,932
Proportion of net revenue stream	12.36%	11.11%	13.45%	14.06%	14.56%	15.06%
Financing Costs HRA	18,589	25,889	35,987	48,297	60,785	69,562
Proportion of net revenue stream	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 1st 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%
All dwellings	14,944	£118.22	£127.33	£9.10	7.7%

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 1st April 2024 (2024/25)

Tenants' Service Charges	Current Weekly Charge 2023/24	Proposed Weekly Charge 2024/25	Increase / Decrease	
Property Charges :				
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%
Support Charges :				
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 1st April 2024 (2024/25)

Metered blocks (same tariff applies to all sites)	Current Tariff 2023/24	Proposed Tariff 2024/25	Increase / Decrease	
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
Income						
Dwellings Rent Income	(109,359)	(119,027)	(128,185)	(137,189)	(144,695)	(638,455)
Void Loss	2,071	1,190	1,282	1,372	1,447	7,362
Hostel Rent Income	(1,792)	(1,855)	(1,920)	(1,986)	(2,055)	(9,608)
Service Charge Income	(17,095)	(17,902)	(18,791)	(19,619)	(20,394)	(93,801)
Leaseholder Income	(8,341)	(8,577)	(8,820)	(9,068)	(9,323)	(44,129)
Other Income (Garages /Aerials/Interest)	(1,754)	(1,789)	(1,824)	(1,861)	(1,898)	(9,126)
Total Income	(136,270)	(147,960)	(158,258)	(168,351)	(176,918)	(787,757)
Expenditure						
Repairs	23,757	24,940	24,940	23,126	20,813	117,576
Housing Management	30,744	29,983	29,523	30,133	31,756	152,139
Housing Demand	1,992	2,032	2,072	2,114	2,156	10,366
Estates Costs (Managed)	13,557	13,828	14,515	15,154	15,753	72,807
Provision for Bad Debts (Tenants)	3,301	1,526	1,652	1,754	1,834	10,067
Provision for Bad Debts (Leaseholders)	200	206	212	218	224	1,060
Other Costs (GF Services)	3,564	3,635	3,708	3,782	3,857	18,546
Other Costs (Property/Insurance)	1,824	1,861	1,898	1,936	1,974	9,492
Capital Financing Costs	25,889	35,987	48,297	60,785	69,562	240,520
Contribution to Major Repairs (Depreciation)	22,597	23,669	24,839	25,935	26,968	124,008
Revenue Contributions to Capital	8,846	10,293	6,602	3,414	2,020	31,175
Total Expenditure	136,270	147,960	158,258	168,351	176,918	787,757

- 9.63 The RCCO in 2024/25 and 2025/26 is more than our locally set minimum of £8m, however for the remaining 3 years it is below £8m. It is clear that our HRA position remains tight and will require close monitoring of our ongoing income and expenditure positions.
- 9.64 **Draft HRA 5 Years Capital Programme (2024/25 – 2028/29)**
- 9.65 This represents the capital implications of the new HRA financial plan where there is a strong emphasis on meeting the needs of homeless households while ensuring that the needs of the existing stock are met. It also focuses on the delivery of new homes, renewal of BWF estate, carbon reduction in existing stock, and fire safety of the entire stock.

- 9.66 The HRA MTFs is geared towards maximising the use of other available resources and use of borrowing as last resort, while maintaining a working balance of £20m. The MTFs capital programme funding assumes a mix of grant funding, S106 monies, revenue contribution and prudential borrowing. The total capital investment in 2024/25 is £238m, fully funded from grants, Major Repairs Reserve, revenue contributions, RTB retained capital receipts, leaseholder contributions and borrowing.

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

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

- 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	Recoupm ent £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
								12.90
<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
Total DSG	-11.55	-2.48	2.99	-11.04

- 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:

Year	The Department agrees to pay to the authority an additional £m of DSG by year end
2022-23	£11.96m
2023-24	£2.99m
2024-25	£2.99m
2025-26	£2.99m
2026-27	£2.99m
2027-28	£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)**
- 14.1 **Finance**
The financial planning process ensures that the Council's finances align to the delivery of the Council's priorities and the administration's manifesto commitments in the medium term. In addition, it is consistent with proper arrangements for the management of the Council's financial affairs and its obligation under section 151 of the Local Government Act 1972.
- 14.2 Ensuring the robustness of the Council's 2024/25 budget and its MTFS 2024/25 – 2028/29 is a key function for the Council's Section 151 Officer. This includes ensuring that the budget proposals are realistic and deliverable. As the MTFS report is primarily financial in its nature, comments of the Chief Financial Officer are contained throughout the report.
- 14.3 Even after budget savings and other management actions identified through this budget round of £11.2m, the 2024/25 draft Budget gap in this report is c £16.3m, significantly worse than the £6.3m estimated in the Budget/MTFS report from March 2023. This is an exceptional and concerning position to be in, particularly this late in the annual process. This position reflects the difficult financial situation local authorities are facing, as evidenced by the increasing number of authorities who are needing, or near to issuing a Section 114 statement regarding their inability to set a legal budget. The Council's reserves position is also lower than average for a council of this size and a medium to long term objective should be to improve on this and increase our financial resilience.
- 14.4 The Council continues to experience the impact of the conditions in the national economy and post pandemic environment. Inflation and cost of living remains high, costs of critical services increasing (particularly in care) and costly mortgages are driving up costs of Temporary Accommodation. High interest rates have also placed pressure on the funding of the Council's capital programme. All these factors are driving the need for £25.5m growth in Directorate budgets, predominately in the three demand led services, Adults, Children's and Temporary Accommodation. The impact on expenditure in these services is greater than assumed when the

March budget was set and so the Council is finding it extremely challenging to meet its legal obligation to put forward a balanced budget for 2024/25 at this time.

- 14.5 Further substantial work must be conducted between now and the issuing of the final Budget report in February 2024 to identify realistic and deliverable proposals to present a balanced Budget to be agreed. At the time of writing this report, the Autumn Budget Statement has just been announced and it has not been possible to incorporate any detailed implications but it would appear that it will not have any major overall impact on the estimates included in this draft Budget. Further Government announcements on 2024/25 funding for local government will not take place until after this December report is finalised and with all parts of the public sector looking for additional resources, this Council cannot rely on assumptions about any significant new funding being allocated to the sector.
- 14.6 With regard to the HRA, the draft plan presented, despite the forecasted challenges, maintains an adequate annual surplus providing an appropriate level of in year cover.
- 14.7 The formal Section 151 Officer assessment of the robustness of the council's budget, including sufficiency of contingency and reserves to provide against future risks will be made as part of the final budget report to Council in March 2024.

Procurement

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

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

- 14.9 The Head of Legal & Governance has been consulted in the preparation of this report and makes the following comments.
- 14.10 The Local Authorities (Standing Orders) (England) (Regulations) 2001 and the Budget and Policy Framework Procedure Rules at Part 4 Section E of the Constitution, set out the process that must be followed when the Council sets its budget. It is for the Cabinet to approve the proposals and submit the same to the Full Council for adoption in order to set the budget. However, the setting of rents and service charges for Council properties is an Executive function to be determined by the Cabinet.
- 14.11 The Council must ensure that it has due regard to its public sector equality duty under section 149 of the Equality Act 2010 in considering whether to adopt the recommendations set out in this report.

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

Equality

- 14.14 The Council has a public sector equality duty under the Equality Act (2010) to have due regard to:
- Eliminate discrimination, harassment and victimisation and any other conduct prohibited under the Act;
 - Advance equality of opportunity between people who share those protected characteristics and people who do not;
 - Foster good relations between people who share those characteristics and people who do not.
- 14.15 The three parts of the duty apply to the following protected characteristics: age, disability, gender reassignment, pregnancy/maternity, race, religion/faith, sex and sexual orientation. Marriage and civil partnership status apply to the first part of the duty.
- 14.16 Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.
- 14.17 This report details the draft Budget for 2024/25 and MTFs to 2028/29, including budget adjustments and capital proposals.
- 14.18 The proposed decision is for Cabinet to note the budget proposals and agree to commence consultation with residents, businesses, partners, staff and other groups on the 2024/25 Budget and MTFs. The decision is recommended to comply with the statutory requirement to set a balanced budget for 2024/25 and to ensure the Council's finances on a medium-term basis are secured through the four-year Medium-Term Financial Strategy.
- 14.19 Existing inequalities have widened in the borough in recent years because of the COVID-19 pandemic, national economic challenges, and persistently high inflation, with adverse impacts experienced by protected groups across many health and socioeconomic outcomes. Due to high inflation in the last two years, many residents are finding themselves less well off financially and more are experiencing, or on the periphery of, financial hardship and absolute poverty. Greater socioeconomic challenge in the borough drives demand for the Council's services, which is reflected in the

impacts on spend for adult social care, children’s services and temporary accommodation detailed elsewhere in this report.

- 14.20 A focus on tackling inequality underpins the Council's priorities and is reflected in the current Corporate Delivery Plan. Despite the significant financial challenge outlined in this report, the Council is committed to ensuring resources are prioritised to meet equality aims.
- 14.21 During the proposed consultation on Budget and MTFS proposals, there will be a focus on considering the implications of the proposals on individuals with protected characteristics, including any potential cumulative impact of these decisions. Responses to the consultation will inform the final package of savings proposals presented in February 2024.
- 14.22 Savings proposals identified between the publication of this report and the final package of proposals identified in February 2024 will undergo a 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

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

Directorate:Housing

Period:6

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

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

MTFS Savings Ref	Cabinet Decision Date	Saving proposal	Description	2023-24					RAG Status (Delivery of 2023/24 Saving)	Comment on Delivery RAG Status	Actions plans to mitigate shortfall	2023/24-2027/28					RAG Status (Delivery of Saving 23/24+)	Comments on RAG Status & Actions to address Amber/Red (2024/25+)
				2022-23 Undelivered	2023/24 £'000s	Total £'000	2023/24 Projected Full Year Savings £'000s	2023/24 Savings surplus/ (shortfall) £'000s				2023/24 £'000s	2024/25 £'000s	2025/26 £'000s	2026/27 £'000s	2027/28 £'000s		
People - Housing																		
HO102	01-Mar-21	HFH taking over the lease of PSL properties on their expiry		0	51	51	51	0	Green			51	12			Amber		
AHC_SAV_006	07-Feb-23	Extended Provision (Lodge & Council-owned buildings)		0	99	99	0	(99)	Red	The redesign of Russell Road has not progressed cannot tender for a designer/contractor until report from structural engineer recommends route forward. Additional surveys signed off but brief definition scope document on hold until findings of structural report defines the scope of works. equally change is leadership operational director to be briefed.emporary PM to be recruited Project will not be on site this financial year. Modular homes development is progressing valuationreport to be presented at the housing board May 23		99	361	118	0	0	Amber	
AHC_SAV_007	07-Feb-23	Use 1 bed social housing as Temporary Accommodation (TA)		0	69	69	69	0	Green	10 lets achieved since November. Further 15 properties identified however repairs and furniture orders to be placed. To further explore piloting 2 beds to ease hotel crisis and allow for man transfers) once progress has been made. Pending continued void performance improvements, target to achieve 45 lets across the previous year (2022/23) and 2023/24 is likely to be met.		69	69	69	0	0	Amber	
AHC_SAV_008	07-Feb-23	Targeted 1 bed project		0	80	80	80	0	Green	29 moves have been achieved since the project commenced in January of which 13 have been since April. There have been blockages to the project with delays in progressing repairs to empty properties and also delays to the sign up process. this has started to improve. Subject to these improvements, the target to achieve 100 moves remains ambitious but would expect it to be met.		80	0	0	0	0	Amber	
AHC_SAV_009	07-Feb-23	Targeting families that have been in TA for significant number of years		0	400	400	400	0	Green	The number of lets has been slow due to the voids issues which is now showing improvements. There have been 24 lets to homeless families since April 2023, most of which have been to households who are being atrgeted as part of teh project. The target is likely to be achieved although to ensure success, void performance must continue to improve for both repairs and sign ups. Families are being targeted for moves for the new Walter Tull development and over 75% of family sized properties are being let to families in temporary accommodation.		400	400	0	0	0	Amber	
AHC_SAV_010	07-Feb-23	Lease conversion Project		0	81	81	81	0	Green	This is likely to be achieve. Since this financial year April 2023, there has been 14 lease completions		81	175	54	0	0	Amber	
EN_SAV_003	07-Feb-23	Houses in Multiple Occupation including licensing		0	0	0	0	0				0	50	100	0	0	Amber	
20/25-EC01	11-Feb-20	Head Lease Acquisition Programme	The proposal is to allocate capital budget to enable the acquisition by the Council of as many head-leases as possible on sites where the Council already owns the freehold, in order for the Council to stop paying rent to these landlords and to receive all of the passing rent from	0	100	100	0	(100)	Red	There a risk to this is not going as the the cost of purchasing the Headleases doe not deliver value for money		100	100	70			Red	
P&H_SAV_001	07-Feb-23	Development Management & Building Control income and fees	This proposal comprises an opportunity to achieve new income potential by securing rental payments from outdoor media companies. This includes digital billboards and an innovative building wrap with a digital display for advertising purposes and council messages.	0	170	170	170	0	Green	The national increase in fees was due to come into effect via legislation in April 2023, delayed to summer 2023, and then October 2023. The increased fees have still not taken effect nationally so this is having a detrimental impact on this income target		170	10				Amber	
P&H_SAV_002	07-Feb-23	Efficiencies within the Regeneration & Economic Development programme activity	Terminating the Amey contract for FM Services and bringing Soft FM back in-house, and transferring Hard FM to Homes for Haringey. Approximately 100 staff will be in scope for a TUPE transfer. The proposed saving will be achieved through improved efficiency and returning Amey overhead and profit to the council. The transformation will include purchase of a new Property IT system, and service improvements particularly relating to building repairs and maintenance.	0	200	200	200	0	Green			200					Amber	
Total:Housing				0	1,250	1,250	1,051	(199)				1,250	1,177	411	0	0		

This page is intentionally left blank

Housing Appendix 4 - New Revenue Growth Proposals

Description	Area	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 £000s	Total
Inflationary Growth and Temporary Accomodation	AHC	3,000	750	750			4,500
	Total	3,000.00	750.00	750.00	0.00	0.00	4,500.00

NEW

This page is intentionally left blank

HOUSING

Housing Appendix 5 - New Revenue Savings Proposals

Ref	Description	Directorate	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 £000s	Total
AHC24_SAV_001	Identify an additional site for additional modular Lodge provision. 60 units of accommodation by mid 2026	AHC	0	-126				-126
AHC24_SAV_002	Proposing to increase the supply of Lodge accommodation by 100 units. Conversion and extension of one of our existing hostels has been scoped. We are also pursuing the possibility of repurposing /developing other council owned buildings as temporary accommodation options. If we can identify further sites, there is scope to identify additional savings.	AHC	-110	-383				-493
AHC24_SAV_003	Use of one bed social housing as temporary accommodation for families with a baby or young children – we have more 1 bed social housing properties than any other size – using a small proportion as TA would reduce TA costs. Our Annual Lettings Plan allows for 10 properties to be used for this purpose. This will be expanded to 15 and then 30 in 2023-24. Moves will particularly be focused to ensure people from Lodge accommodation are moved on, freeing up lodge vacancies.	AHC	-69	-69				-138
AHC24_SAV_004	Use of two bed social housing as temporary accommodation for families – using a small proportion as TA would reduce TA costs. We intend to introduce this provision within our Annual Lettings Plan for 24/25 and allow for 10 properties to be used in this way. The particular focus will be on families who need to stay locally , thereby reducing any additional costs for other parts of the council due to care and support needs.	AHC	-37	0	0	0	0	-37

HOUSING

Housing Appendix 5 - New Revenue Savings Proposals

Ref	Description	Directorate	2024/25 £000s	2025/26 £000s	2026/27 £000s	2027/28 £000s	2028/29 £000s	Total
AHC24_SAV_005	We will work with residents to identify suitable accommodation to move on from TA, ensure they are move ready and can settle successfully into the identified accommodation within the community . (staffing costs have been deducted from calculated savings)	AHC	-57	0	0	0	0	-57
AHC24_SAV_006	A Project Officer will be engaged to work with families to remove any barriers to moving on from temporary accommodation. Targetted casework will include but not limited to ensuring that households are 'move' ready and supporting households to bid realistically for social housing . This is envisaged to be a 2.5 to 3 year project that will benefit from new supply delivered through the new build programme.	AHC	-400					-400
AHC24_SAV_007	Leases held by the Council are restricted by TA subsidy arrangements (rental at 90% of 2011 Local Housing Allowance(LHA)). This subsidy is insufficient , which result in a cost to the council. Homes for Haringey Leases are not restricted in this way, converting leases to Homes for Haringey reduces costs to Council while ensuring that accommodation is within current LHA rates and affordable to residents.	AHC	-175	-54				-229
EN24_SAV_005	Breaches to the Housing Act 2004 such as unlicensed premises can be charged a Civil Penalty Notice of up to £30k and in addition, Improvement Notices can be served on the person in control of the property and a Charge made for that Improvement Notice.	E&RE	-13	-13	-13	-13	0	-52
			-861	-645	-13	-13	0	-1,532

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

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

SCHEME REF	SCHEME NAME	BRIEF DESCRIPTION	Source of Funding	2024/25 Budget	2025/26 Budget	2026/27 Budget	2027/28 Budget	2028/29 Budget	2024/25 - 28/29 Total
				£,000	£,000	£,000	£,000	£,000	£,000
421	HRW Acquisition	Externally funded to fund the acquisition of properties to deliver the HRW scheme.	E	12,200	4,600	112,600	0	0	129,400
430	Wards Corner Development	Self-financing Haringey borrowing to develop the site.	S	1,000	2,937	1,400	1,200	0	6,537
459	Wood Green Regen Sites	A mixed funded scheme to regenerate Wood Green sites	E	1,053	4,204	5,040	0	0	10,297
480	Wood Green Regen (2)	A mixed funded scheme to regenerate Wood Green	H	3,494	1,223	3,568	0	0	8,285
4011	Commercial Property Remediation	The scheme is to invest in our commercial portfolio to retain tenants a increase the rents that can be charged. The first year is funded by Haringey borrowing with latter years subject to successful business case(s).	H	7,214	1,000	3,000	3,000	0	14,214
316	Asset Management of Council Buildings	Haringey borrowing to fund essential works to council buildings. Includes provision for the accommodation strategy spend on offices in Station Road as described in the cabinet report in April.	H	7,500	8,500	2,000	0	0	18,000
4012	Energy Performance Certificate improvements	The scheme is to invest in our commercial portfolio to ensure that the buildings are compliant with the ePC regime and thus retain tenants. First year is Haringey borrowing with later years subject to successful business case(s).	H	750	750	500	500	0	2,500
330	Civic Centre Works	Self-financing Haringey borrowing to provide a new Civic Centre as per Cabinet April 2023.	S	31,234	26,097	3,584	0	0	60,915
TOTAL GENERAL FUND CAPITAL PROJECTS				64,445	49,311	131,692	4,700	0	250,147

This page is intentionally left blank

Housing and Regeneration Scrutiny Panel

Work Plan 2022 - 24

<p>1. Scrutiny review projects; 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.</p>		
Project	Comments	Priority
Review on Landlord Licensing and Renting in the Private Sector	<p>To review the impact of the implementation of the Council’s landlord licensing scheme on the private rented sector. The review will be looking at both the additional licensing scheme, introduced in 2019, as well as impending introduction of the selective licensing scheme, following DHULC approval.</p> <p>The Panel are also keen to understand what other support the Council could provide to those living in the Private Rented Sector and what are other local authorities doing around this.</p>	

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

Date	Potential Items
2022-23	
28 June 2022	<ul style="list-style-type: none"> • Terms of Reference • Private Sector Landlord Licensing Scheme • Empty Homes Policy • New Local Plan Update • Community Infrastructure Levy Update
29 September 2022	<ul style="list-style-type: none"> • Update on the Council's Housing Delivery Programme • Use of the Private Rented Sector to meet Housing Need • Wards Corner Update
01 November 2022	<ul style="list-style-type: none"> • Update on the insourcing of Homes for Haringey • Temporary Accommodation <ul style="list-style-type: none"> ○ Standards and quality of TA accommodation and how the Council works with and seeks compliance from external TA providers.

	<ul style="list-style-type: none"> ○ The Council’s acquisitions programme - How we acquire TA properties and bring them up to standard. ● Aids and Adaptions & Housing for people with disabilities and other specific needs. <ul style="list-style-type: none"> ○ How do we ensure that people with specific needs receive suitable accommodation?
12 December 2022 (Budget Meeting)	<ul style="list-style-type: none"> ● Budget scrutiny ● Housing Repairs performance and update on improvement plans
27 February 2023	<ul style="list-style-type: none"> ● Housing Associations ● Housing repairs improvement plan ● Placemaking Approach
2023/24	
27 June	<ul style="list-style-type: none"> ● Terms of Reference ● Update on progress on the working the Social Housing Regulator ● Damp & Mould ● Housing Services Scrutiny– Future agenda items inc. voids and Housing Repairs updates

19 September	<ul style="list-style-type: none"> • Update on the recommendations into the Wards Corner review. • Housing Delivery Programme • Housing improvement Plan
14 November	<ul style="list-style-type: none"> • Housing Strategy • Voids • Update on the implementation of the strategic asset management
18 December (Budget)	<ul style="list-style-type: none"> • Budget Scrutiny • Update on the Bed & Breakfast elimination plan (Homelessness).
26 February	<ul style="list-style-type: none"> • Lettings Policy • Local Plan – Update on Draft Local Plan Consultation and comments on plan • Zero Carbon – Future Building/demolition projects • Structural Disrepair (TBC)

Indicative future agenda items:

- Housing Repairs and the repairs improvement plan
- Update on Fire Safety including change of regulations around separate staircases
- Statutory Asset Management Plan
- Housing Building Programme, inc. how the financial business case behind that is being monitored
- Placemaking –What the next stage of that engagement will look like (Wood Green Voices).
- Local Plan update
- A follow up update in relation to Aids and Adaptions.
- Wards Corner – an update on the recommendations to this review.

- Allocations Policy
- Housing Improvement Plan
- Voids
- An update on zero carbon future building projects and zero carbon demolition projects. It was suggested that this could dovetail with an update on the Local Plan.
- Undertaking cyclical improvement works to whole estates, rather than doing it in piecemeal work packages.

This page is intentionally left blank