NOTICE OF MEETING

OVERVIEW AND SCRUTINY COMMITTEE

Tuesday, 22nd July, 2025, 7.00 pm - Westbury Room - George Meehan House, 294 High Road, N22 8JZ

(To watch the live meeting click here or watch the recording here).

Members: Councillors Matt White (Chair), Pippa Connor (Vice-Chair), Makbule Gunes, Anna Lawton and Adam Small.

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 at item 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 - 4)

To approve the minutes of the meeting of 19th June 2025 as an accurate record.

7. 2024/25 PROVISIONAL FINANCIAL OUTTURN (PAGES 5 - 72)

To scrutinise the provisional outturn for 2024/25 for the General Fund (GF), Housing Revenue Account (HRA), Dedicated Schools Grant (DSG) and the Capital Programme compared to the original budget agreed by Council in March 2024.

The report provided for this item was originally submitted to the meeting of the Cabinet on 15th July 2025.

8. DRAFT 2026/27 BUDGET AND 2026-31 MEDIUM TERM FINANCIAL STRATEGY REPORT (PAGES 73 - 124)

To scrutinise a report on the business planning process for the 2026/27 Budget and five-year Medium Term Financial Strategy (MTFS) for 2026/31.

The report provided for this item was originally submitted to the meeting of the Cabinet on 15th July 2025.

9. WORK PROGRAMME UPDATE (PAGES 125 - 130)

To note the current 2025/26 work programme for the Committee and to propose any amendments as required.

10. NEW ITEMS OF URGENT BUSINESS

11. FUTURE MEETINGS

- Thurs 18th Sep 2025 (7pm)
- Mon 20th Oct 2025 (7pm)
- Thurs 27th Nov 2025 (7pm)
- Thurs 11th Dec 2025 (7pm)
- Mon 19th Jan 2025 (7pm)
- Thurs 12th Feb 2025 (7pm)
- Thurs 12th Mar 2026 (7pm)

Dominic O'Brien, Principal Scrutiny Officer
Email: dominic.obrien@haringey.gov.uk

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

Monday, 14 July 2025

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MINUTES OF THE MEETING OF THE OVERVIEW AND SCRUTINY COMMITTEE HELD ON THURSDAY 19TH JUNE 2025, 7.00 - 7.35pm

PRESENT:

Councillors: Matt White (Chair), Makbule Gunes, Anna Lawton and Adam Small

1. FILMING AT MEETINGS

The Chair referred Members present to Agenda Item 1 as shown on the agenda front sheet, in respect of filming at meetings, and Members noted the information therein.

2. APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllr Pippa Connor.

3. URGENT BUSINESS

None.

4. DECLARATIONS OF INTEREST

None.

5. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS

None.

6. MINUTES

The minutes of the previous two meetings were approved.

RESOLVED – That the minutes of the meetings held on 27th March 2025 and 8th April 2025 be approved as an accurate record.

7. MINUTES OF SCRUTINY PANEL MEETINGS

The minutes of the meetings of recent Scrutiny Panel meetings were noted and the actions agreed.

RESOLVED – That the minutes of the meetings of the following Scrutiny Panels were received and noted, and that any recommendations contained within were approved:

- **13th February 2025 – Children and Young People's Scrutiny Panel**

- **6th March 2025 – Housing, Planning and Development Scrutiny Panel**
- **11th March 2025 - Climate, Community Safety and Environment Scrutiny Panel**
- **31st March 2025 – Adults and Health Scrutiny Panel**

8. MEMBERSHIP & TERMS OF REFERENCE

The Committee noted that, due to the need for the Overview & Scrutiny Committee (OSC) to focus more closely on finance issues in 2025/26, some areas of its previous remit would be allocated to the Panel previously known as the Climate, Community Safety and Environment Scrutiny Panel. The details of new draft remits were set out in the report. It was proposed that the name of the Panel be changed to the Culture, Community Safety and Environment Scrutiny Panel in order to more accurately reflect its new remit.

The Committee was informed that, due to a transposition error, the wording of paragraph 9.2 of the OSC protocol was not correct and should be replaced by the following wording:

"A lead Committee member from the largest opposition group shall be responsible for chairing the Budget Scrutiny process and co-ordinating recommendations made by respective Scrutiny Panels and the Committee relating to the budget."

The Committee was informed that Cllr Connor, as Chair of the Adults & Health Scrutiny Panel had expressed concerns about the wording of the remit for that Panel as it did not specifically state that it had responsibility for NHS-related health issues. The Scrutiny Officer stated that the wording was drawn exactly from the Cabinet portfolio for the Cabinet Member for Health, Social Care and Wellbeing and that all Scrutiny Panel remits were drawn from the Cabinet portfolios which they shadowed. However, it was noted that both the Cabinet Member for Health, Social Care and Wellbeing and the Adults & Health Scrutiny Panel both engaged with health issues and local NHS Trusts on a regular basis. The Scrutiny Officer also reminded the Committee that paragraph 1.3 (ii) of Part Four, Section G of the constitution states that:

"Scrutiny Review Panels will analyse submissions, request and analyse any additional information, and question the Cabinet Member(s), relevant Council officers, local stakeholders, and where relevant officers and/or board members of local NHS bodies or NHS funded bodies."

On this basis, the Scrutiny Panels had the authority to scrutinise local NHS services, irrespective of the specific wording of the Panel remits.

The Committee concluded that the remit for the Adults & Health Scrutiny Panel should be amended to clarify its role on health issues but, as Cllr Connor was not present at the meeting, it was agreed that the specific wording should be delegated to the Democratic Services & Scrutiny Manager so that she could consult with Cllr Connor on this.

The Committee noted that each of the five Boroughs in North Central London (NCL) were entitled to appoint two Councillors each to the NCL Joint Health Overview & Scrutiny Committee. It was proposed and agreed that Cllr Matt White and Cllr Pippa Connor be appointed to this Committee as representatives of Haringey Borough for 2025/26.

RESOLVED – That the Committee:

a) Established the following Scrutiny Panels for 2024/25:
- **Adults and Health;**
- **Children and Young People;**
- **Culture, Community Safety and Environment; and**
- **Housing, Planning and Development.**

b) Approved the remits and membership for each Scrutiny Panel for 2025/26 as set out in the Appendix of the report, subject to an amendment to the remit of the Adults & Health Scrutiny Panel. The specific wording for this amendment was delegated to the Democratic Services & Scrutiny Manager.

c) Appointed Cllr Matt White and Cllr Pippa Connor as the two Haringey representatives to the North Central London Joint Health Overview and Scrutiny Committee for 2025/26.

9. APPOINTMENT OF PARENT GOVERNOR REPRESENTATIVES

Cllr White informed the Committee that, following a recent recruitment process, two new parent governors were proposed to be appointed to the Overview & Scrutiny Committee and to the Children & Young People's Scrutiny Panel.

RESOLVED –

- **That Camilla Borthwick-Fox and Christine Cordon be appointed as voting co-opted members to the Overview and Scrutiny Committee for 2025/26, participating at meetings when educational matters are being considered.**

- **That Camilla Borthwick-Fox and Christine Cordon be appointed to the Children & Young People's Scrutiny Panel as Panel Members for 2025/26.**

10. APPOINTMENT OF NON - VOTING CO-OPTED MEMBERS

Cllr White informed the Committee that a new process had been introduced for the appointment of non-voting co-opted members and that the report recommended two appointments. One appointment was to the Children & Young People's Scrutiny Panel and one appointment was to the Adults & Health Scrutiny Panel. The proposed appointments had been endorsed by the Corporate Director for Children's Services and the Director of Adult Social Care respectively.

RESOLVED –

- **That Amanda Bernard be appointed to the Children and Young People's Scrutiny Panel as a non-voting co-opted member for 2025/2026.**

- **That Helena Kania be appointed to the Adults and Health Scrutiny Panel as a non–voting co-opted member for 2025/26.**

11. OSC WORK PROGRAMME

The Committee noted the draft OSC work programme for 2025/26 which included four specific meetings for quarterly in-year finance and performance monitoring. The Committee's schedule had also been expanded with two new meetings added since the original schedule was approved by Full Council in May 2025. This was to provide more time to consider non-finance items, including items arising from the Scrutiny Café consultation event, given that much of the time in the original schedule was required for finance and performance items.

Cllr Small emphasised that the ability of Scrutiny to focus on a full range of issues was likely to be impacted by the additional focus on finance issues. Cllr White agreed that this was a concern but highlighted the important role of Scrutiny in the process of putting the Council on a sustainable financial footing. He added that he had also been arguing strongly for more resource for Scrutiny.

Cllr Lawton expressed concern about the limited time that each Scrutiny Panel had, with only five meetings per year, to effectively scrutinise a wide range of services and queried how feasible it would be to establish additional Scrutiny Panels. Cllr White said that the Overview & Scrutiny Committee had the power to establish additional Panels under the Constitution but noted that the main constraint would be having the officer resource to support them.

The Committee noted that the agenda items for the next meeting on 22nd July 2025 would include a report on the 2024/25 Provisional Financial Outturn report and Medium-Term Financial Strategy (MTFS) update and also a Question & Answer session with the Leader of the Council and Chief Executive.

12. DATES OF FUTURE MEETINGS

- Tues 22nd Jul 2025 (7pm)
- Thurs 18th Sep 2025 (7pm)
- Mon 20th Oct 2025 (7pm)
- Thurs 27th Nov 2025 (7pm)
- Thurs 11th Dec 2025 (7pm)
- Mon 19th Jan 2026 (7pm)
- Thurs 12th Feb 2026 (7pm)
- Thurs 12th Mar 2026 (7pm)

CHAIR: Councillor Matt White

Signed by Chair ………………………………..

Date …………………………………

Agenda Item 7

Report for:	**Cabinet 15 July 2025**
Title:	**2024/25 Provisional Financial Outturn**
Report authorised by:	**Taryn Eves, Corporate Director of Finance and Resources**
Lead Officer:	**Frances Palopoli, Head of Corporate Financial Strategy & Monitoring**
Ward(s) affected:	**All**
Report for Key/ Non Key Decision:	**Key**

1. Describe the issue under consideration

1.1 This report sets out the provisional outturn for 2024/25 for the General Fund, HRA, DSG and the Capital Programme compared to the original budget agreed by Council in March 2024. It provides explanations of significant under/overspends and also includes proposed transfers to/from reserves and the use of Exceptional Financial Support to enable a balanced budget. The report also includes the revenue and capital carry forward requests and any budget virements or adjustments.

1.2 For consistency, this report is presented in accordance with the Directorate structure as at 31 March 2025. Quarterly reporting in 2025/26 will align with the new Directorates in place from 1 April 2025.

1.3 The provisional outturn report provides the opportunity to consider the overall financial performance of the authority at the end of March 2025 and make decisions on balances and carry forwards of unspent funds. It should be noted that these figures remain provisional until the conclusion of the statutory audit process on the accounts.

1.4 The Council has a requirement each year to protect its most vulnerable and in 2024/25, the Council spent £318m on delivering day to day services supporting 3,920 residents using adult social care services, 5,134 supported by children's social care, 2,630 supported in temporary accommodation and the range of more general services supporting the 264,300 residents across the borough. In addition, £79.9m was needed for capital investment into the borough's roads, schools, the environment, leisure and cultural facilities and the operational estate for the delivery of these services. In terms of the tenants living in the Council's 16,024 social homes, £90.4m was spent on their day-to-day services in 2024/25 and £159.9m capital investment into new homes and major repairs on existing homes. This means a total of £663.5m was required to be spent across the borough.

1.5 In year pressures meant that the budget set was insufficient and required additional financial support from Government of £10m. The in-principal agreement for the use of Exceptional Financial Support (EFS) in both 2024/25 and 2025/26 recognises that the demand and cost of services is far exceeding the income available to fund services. The Council will continue to be prudent and manage resources efficiently and effectively and manage the risks associated with funding uncertainties whilst ensuring every £ spent offers good value for money for residents and is delivering on the priorities in the Corporate Delivery Plan.

1.6 In response to the Council's financial position and the reliance on EFS, emergency response arrangements have been put in place since early 2025 to deliver on a Financial Response and Recovery Plan which has the overall objective of reducing reliance on EFS in the future and improve the Council's financial resilience and sustainability.

1.7 The more than planned use of reserves in 2024/25 (£9.3m) as one-off contributions for funding the service overspends means that balances are low for managing risks and uncertainties. Work with Government to seek a fair funding deal for Local Authorities will continue and the Council has responded to recent Government consultations, stressing the importance of recognising Council's as a key partner in delivering local services but that meeting statutory requirements with the current level of Government funding is becoming increasingly difficult. The publication of the most recent consultation on funding reform is being considered and the impacts on Haringey's funding from 2026/27 and further detail is set out in the separate MTFS report on the agenda.

1.8 The Spending Review on 11 June 2025 showed funding for Local Government will increase only by 3.1% over the next three years, which is far outstripped by inflation costs being incurred and not addressing increasing demand faced by many including Haringey across adults, children's and temporary accommodation. The Council will respond to the most recent consultation on the distribution of Government funding across authorities to make the case for Haringey. Reliance on Exceptional Financial Support is not a sustainable solution as a result of the borrowing costs being incurred year on year and therefore it remains clear that continuing to deliver services in the way they are now and delivering a balanced budget in line with statutory requirements, may mean that not everything may be affordable. Strategic decisions will be needed to determine how best to utilise limited resources to have the greatest impact in line with the priorities in the Corporate Delivery Plan and protecting those that are most vulnerable. This may mean spending more in some areas of priority, and this will need to be coupled with reductions in other areas. The Medium Term Financial Strategy is a separate report on this agenda.

1.9 The 2024/25 unaudited accounts were published by the deadline of 30 June 2025 and the external audit by KPMG is planned to take place from July. The statutory backstop date for completion of External Audit is 27 February 2026. KPMG will be presenting their 2024/25 Audit Plan and Value for Money risk assessment to Audit Committee on 22 July 2025.

2024-25 Provisional Outturn Position

General Fund (GF)

1.10 The corporate monitoring across the course of the year has consistently highlighted the budget pressures being experienced by the authority. The Quarter 1 forecast was a £20m overspend which increased significantly at Quarter 2 to £37m where it remained unchanged at Quarter 3. Across the year, the pressures have largely been in four areas notably adult social care (Qtr3 £15m), Housing Demand and temporary accommodation (Qtr3 £11m), Children's (Qtr3 £4.3m) and Housing Benefit overpayments (Qtr3 £3.5m).

1.11 After the application of the one-off unplanned use of reserves, corporate contingency and other historic balances, the provisional outturn for the year is now an overspend of £10m. Although this will be seen as a significant movement from the Quarter 3 position, it has been fully driven by corporate underspends and other measures such as unplanned reserve drawdowns taken to mitigate as far as possible the need to draw on Exceptional Financial Support (EFS) this year.

1.12 It must be stressed that the provisional outturn position for the **service** areas overall has not seen any improvement and stands at £37.8m which is £1.7m worse than the £36.1m reported in Quarter 3. Within this, Children's and Housing Demand (temporary accommodation) have seen combined improvements of £3.2m. This is mainly due to an improvement in the placements forecast where income was under forecast throughout the year and the projection for legal fee costs which were over forecast in year. In Housing Demand, this can be explained by improved rent collection, an improvement in spend on repairs and maintenance and receipt of a one-off additional grant at year end has improved the outturn position. These improvements have been offset by increased spend more than was forecast in Housing Benefits of £3.2m predominately due to increased bad debt provisions and £2.2m in property services due to rental income being lower than forecast and the need to increase provision for bad debts. The remaining service areas have improved by a net £0.5m.

1.13 The Corporate budgets have improved by a net £25.6m since quarter 3. Similar to previous years, most corporate budgets are forecast to budget during the year, and although some of this improvement was anticipated and described in the quarterly monitoring reports, such as unallocated contingency budgets, clearance of historic balances and unbudgeted release of reserves, these were not accounted for in the forecast position until the year end. Given the Council's financial position and the necessity to minimise the use of Exceptional Financial Support from Government, over the last quarter of the year further review and challenge of historic reserve and other balance sheet balances has been undertaken. This has enabled £9.3m to be released as a one-off contributions to fund the service overspend position. The final capital financing charges (costs of funding the borrowing for the capital programme) have been reassessed along with the treasury income from investments. These have further contributed to the final reported underspend position. It must be stressed that most of these measures are one-off for 2024/25 only and therefore are not available in the same way to fund any unbudgeted pressures in 2025/26. All services must therefore contain future spending within the 2025/26 budgets that were agreed by Council in March 2025.

1.14 The Quarter 3 report acknowledged that some unbudgeted income would be received from government via the distribution of the business rates levy surplus. However, as the figure was not confirmed, it was excluded from the forecast at the time. This, along with unbudgeted surpluses from participation in the 8-authority pool have contributed £3.4m unbudgeted income which is also offsetting the service areas provisional outturn expenditure. It must be noted that the surplus expected from being part of the business rates pool in 2025/26 has been included within the budget and therefore this level of unbudgeted income is unlikely to be available again in 2025/26.

1.15 Without these considerable corporate contributions, the final outturn would have been significantly worse and there remains a gap of £10m. The Council's outturn position has been confirmed with MHCLG and a capitalisation direction for £10m of Exceptional Financial Support (EFS) has been requested to cover the provisional £10m overspend.

1.16 The Council will end the year with a depleted balance sheet. The General Fund reserve of £15.2m has been maintained and £1.1m in the strategic budget planning reserve. £19.7.m of reserves balances are currently considered committed. There will be a further forensic review of the reserves and commitments against them during Quarter 1 of 2025/26 and where reserves are considered to be no longer required, balances will be moved to replenish the Strategic Budget planning reserve for managing risks and uncertainties. The MTFS and estimated budget gaps for 2026/27 to 2029/30 include a small contribution of £3m per year to the strategic budget planning reserve to replenish the unplanned high use of reserves for balancing the books in previous years.

1.17 The agreed 2024/25 savings programme has delivered £12.9m / 63% (£13.0m/64% Quarter 3). This is a reduction in delivery compared to 2023/24, which was at 77%. The services showing the biggest shortfalls in savings delivery were the Adults Health and Communities Directorate (£4.6m) and Culture Strategy and Engagement (£0.8m). Some of the Adults, Health and Communities undelivered savings were deemed no longer achievable and have been written out as part of the 2025/26 financial planning process (£0.4m), with the remaining undelivered savings expected to be delivered in full in 2025/26. There remains some risk around this assumption and monthly monitoring is in place to identify any corrective action that is needed for any savings not on track to be delivered. Undelivered savings in Culture Strategy and Engagement have been reported consistently through the year and are in relation to savings associated with reduced library opening hours where planned consultation was postponed due to national and GLA elections. These savings are expected to deliver in full for 2025/26.

1.18 Despite an additional £56.8m included in service budgets for 2025/26 and £26.2m for other non-service budgets such as inflation, contingency, and borrowing costs, the Council starts the 2025/26 financial year under extreme budgetary pressure and with significantly reduced reserve balances. It has a challenging saving programme to deliver £31.0m of savings which will be even more closely scrutinised through a new monitoring and reporting process. The spend control measures instigated during 2024/25 will continue throughout the year, in addition to enhanced measures introduced in 2025/26, to ensure there is increased scrutiny of all non essential payments and commitments. Work has already progressed on developing the 2026/27 draft budget and all services must work now to address the financial challenge facing Haringey over the next few years, focussing on getting value for money on all services and delivering efficiently to minimise the need for Exceptional Financial Support from Government in 2025/26 and future years.

Dedicated Schools Grant (DSG)

1.19 The final outturn for the Dedicated Schools Grant (DSG) was a net £1.4m overspend. The High Needs Block (HNB) overspend of £2.5m continues to be driven by the high number of Education Health and Social Care Plans, 2,973 at March 2025, but was largely in line with the plan as set out within the Safety Valve Programme. In line with the terms of the Safety Valve Agreement in year funding of £1.9m was received from the DfE to reduce the accumulated deficit on the HNB.

1.20 The final position for the Early Years block is an £1.1m underspend. Every year the Department for Education (DfE) allocates indicative funding based on two actual Spring Census counts of pupil numbers and one based on estimates. Following a review of actual pupil numbers for the 2024/25 Spring term, the DfE then recoup money due through a clawback adjustment. Any money not clawed back is then ringfenced in a reserve for future spending.

1.21 At an individual school level, the number of schools in deficit on 31st March 2025 has increased from 32 to 33 with 31 schools returning an in year surplus. The overall deficit on school balances increased from £0.1m as at 31st March 2024 to £2.6m as at 31st March 2025 continuing the trend over the past 4 years. Haringey, like most London Boroughs, is seeing a significant decline in primary school rolls and is now beginning to see the same impact for secondary schools, as a result of population trends of declining numbers of school age children.

Capital – General Fund

1.22 The final outturn position on the Capital Programme is £89.9m (72%) for the General Fund and £160.2m (65%) for the HRA. This compares to a budget of £123.8m and £246.3 respectively. This is a slight improvement of £3.9m from the General Fund reported at Quarter 3 and there has been minimal change in the HRA outturn position. It should be noted that the outturn includes the Exceptional Financial Support requirement (which is a capitalisation direction) of £10m and £2m of payments to PFI academies. Appendix 3 provides further comment on the performance of the programme as well as the requests to carry forward resources.

Housing Revenue Account (HRA)

1.23 The HRA outturn is a surplus is £4.97m compared to the budgeted surplus of £8.60m and therefore the HRA reports an end of year outturn variance (overspend) of £3.63m. This is a small improvement compared to that reported at Quarter 3 (£0.99m) but the financial position on the HRA remains challenging and work will shortly start on developing the draft budget for 2026/27 and review the 30-year Business Plan.

1.24 The main drivers of the variance continue to be as reported through the year - costs associated with legal disrepair cases, underachievement of rental income and the increase in need for health and safety compliance works resulting from changing regulations.

1.25 This final outturn position includes a £3.8m drawdown from the HRA reserves, of which £2.85m is for Legal Disrepair, £0.65m for fire stopping and bin chutes works and £0.30m for the continuation of the Tenants Hardship Fund. The additional funding was targeted at reducing the backlog of disrepair cases and carrying out repairs and voids works to minimise the budget pressures in future years. This leaves a closing HRA reserve balance of £20.1m. Full details are set out in Appendix 2.

2. Cabinet Member Introduction

2.1 Over the last financial year, Haringey prioritised supporting our most vulnerable residents and striving to provide excellent services that our residents rely on and enjoy.

2.2 However, despite considerable extra funding being put into the 2024/2025 budget, this outturn report shows that demand and cost of delivering essential services again outstripped funding, primarily in Adults and children’s social care and the cost of providing temporary accommodation. Adult social care supported almost 4,000 vulnerable adults, children’s social care supported over 5,000 children and there were 2,630 households in temporary accommodation.

2.3 These overspends were predicted throughout the year. We had initially agreed with the government £28m of potential exceptional financial support, but judicious use of various contingency funds and reserves reduced this to a £10m borrowing requirement to close this budget.

2.4 The council is doing everything possible to mitigate these additional costs and to make sure that every pound counts. We are doing this to keep cuts to frontline public services in Haringey to an absolute minimum. Haringey is a borough with high levels of deprivation and deep inequalities between east and west. We are ambitious about what we can do to help local people, even with very serious limits on local public spending. We work tirelessly to make the borough fairer and greener with the tools and funds that we have.

3. Recommendations

3.1. Cabinet is recommended to:

a) Note the provisional revenue and capital outturn for 2024/25 as detailed in the report;

b) Approve the capital carry forwards as set out in Appendix 3;
c) Approve the transfers to/from reserves as set out in Appendix 4;
d) Approve the budget transfers as set out in Appendix 5;
e) Note the debt write-offs approved by officers in Quarter 4 of 2024/25 as set out in Appendix 6;
f) In light of the changing financial scenario facing the Council, approve the re-instatement of fees for Haringey Learns adult learning service in line with the policy for academic year 2025/26 as set out in Section 11.0 and attached as Appendix 7.

4. Reasons for decision

4.1. A strong financial management framework, including oversight by Members and senior management is an essential part of delivering the Council's priorities and statutory duties.

4.2. It is necessary at year end to review the use of reserves and balances in light of the financial position during the year and knowledge of the Council's future position and requirements.

5. Alternative options considered

5.1 The Corporate Director of Finance and Resources, as Section 151 Officer, has a duty to consider and propose decisions in the best interests of the authority's finances and that best support the delivery of the agreed Corporate Delivery Plan outcomes whilst maintaining financial sustainability.

5.2 This report by the Corporate Director of Finance and Resources has attempted to address these points. Therefore, no other options have been presented at this time.

6. Provisional Revenue Outturn 2024/25

6.1. Table 1 shows the provisional revenue outturn figures for 2024/25 by Directorate (Directorates as at 31 March 2025), including the impact of proposed movements to/from reserves on the final position and the movement from the outturn forecast at Quarter 3 (Period 9).

Table 1 – Revenue Budget Monitoring Provisional Outturn 2024-25

Management Area	Revised 2024/25 Budget	Outturn Before Reserve Transfers	Net Revenue Transfers To / (From) Reserves	Revised Outturn	Revised Outturn to Budget Variance	Q3 Forecast to Budget Variance	Variance Movement Between Q3 and Outturn
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Children's Services	76,186	81,049	(1,558)	79,490	3,305	4,340	(1,035)
Adult & Social Services	79,721	96,169	(622)	95,547	15,826	15,445	381
Housing Demand, including temporary accommodation	23,457	23,790	622	33,268	9,810	11,988	(2,178)
Public Health	19,942	19,683	259	19,943	0	0	0
Environment & Resident Experience	19,128	16,526	1,816	18,342	(785)	(801)	16
Environment & Resident Experience Housing Benefit	(1,576)	5,135	0	5,135	6,711	3,500	3,211
Placemaking & Housing	4,101	8,153	(1,308)	6,845	2,744	580	2,164
Culture, Strategy & Engagement	13,548	13,886	(439)	13,447	(100)	682	(782)
Finance, Procurement and Audit	361	2,408	(1,724)	684	323	422	(99)
Directorate Service-Total	**234,867**	**275,655**	**(2,954)**	**272,701**	**37,834**	**36,155**	**1,678**
Capital Financing Charges	17,315	13,275	0	13,275	(4,040)	0	(6,175)
Contingency	10,147	2	0	2	(10,145)	0	(10,145)
Treasury Management Charges	13,264	12,848	0	12,848	(416)	0	(416)
Other Corporate Budgets	26,946	31,527	(14,377)	17,150	(9,796)	1,187	(8,848)
Corporate Budgets - Non-Service Total	**67,672**	**57,652**	**(14,377)**	**43,275**	**(24,396)**	**1,187**	**(25,584)**
General Fund-Directorate Service & Non-Service	**302,539**	**333,308**	**(17,331)**	**315,976**	**13,437**	**37,343**	**(23,905)**
External Finance	(302,539)	(305,976)	0	(305,976)	(3,438)	0	(3,438)
Exceptional Finance Support (EFS)	0	0	0	(10,000)	(10,000)	0	(10,000)
General Revenue Total	**0**	**27,331**	**(17,331)**	**0**	**(0)**	**37,343**	**(37,343)**
DSG	229,131	230,572		230,572	1,441	2,584	(1,143)
HRA	0	3,626	0	3,626	3,626	2,627	1,000
Haringey Total	**0**	**31,357**	**(17,331)**	**4,025**	**4,025**	**42,553**	**(38,528)**

6.2. The overspend against service budgets is £37.8m. The underlying drivers remain as reported during the year, namely placement cost pressures within Adults and Children’s Social Care and demand and scarcity of supply within Housing

Demand. Additionally, higher than forecast bad debt provision was required in property services and Housing Benefits alongside reduced housing benefit subsidy payments received from Government.

6.3. Corporate budgets have underspent by £24.4m. This includes investment income, borrowing costs and the corporate contingency budgets which have underspent by a net £15.2m and a £9.3m unbudgeted drawdown from reserves. The council has received £3.4m unbudgeted external income associated with business rates.

6.4. Despite these one-off corporate improvements, Exceptional Financial Support will be required from government to meet the residual £10m overspend.

6.5. More detailed commentary on these final positions, the reasons for any variations and any significant movements since the last report to Cabinet in March (Quarter 3) can be found in Appendix 1.

Outturn 2024/25 Savings

6.6. Table 2 shows the overall delivery of agreed 2024/25 savings by Directorate. Overall, £12.904m (63%) has been delivered against the target figure which is in line with the forecast reported in Quarter 3.

Table 2 – 2024/25 MTFS Saving Delivery

Management Area	2024/25 Savings Target £,000	Full Year savings Delivered £,000	Full Year savings Delivered %	Variance/Non Delivery Outturn £,000	Variance/Non Delivery Q3 £,000	Movement Q3/Outturn £,000
Children's Services	1,065	833	78%	232	232	0
Adults, Health & Communities	10,475	5,930	57%	4,545	4,545	0
Environment & Resident Experience	4,212	3,515	83%	697	697	0
Placemaking & Housing	1,679	1,273	76%	406	406	0
Culture, Strategy & Engagement	2,024	1,245	62%	779	835	56
Finance Procurement Audit and Chief Execs	943	108	11%	835	808	-27
TOTAL	**20,398**	**12,904**	**63%**	**7,494**	**7,523**	**29**

6.7. Following a review of assumed savings as part of setting the 2025/26 budget, £0.44m of the non-achieved savings were considered no longer achievable, largely within Adults social care and have been removed from the budget from 2025/26 onwards. The remaining variance against delivery is due to delays in delivering the changes but are expected to deliver in full during 2025/26 but as highlighted there is risk in this assumption and monthly monitoring is in place to ensure that corrective action can be put in place for any savings not on track for delivery.

7. Collection Fund – Council Tax & Business Rates

7.1. The Council has a statutory obligation to maintain a separate ring-fenced account for the collection of council tax and business rates. The Collection Fund is designed to be self-balancing and therefore an estimate of any accumulated surplus or deficit is made each year and factored into the following year's tax requirement. The actual benefit or burden of any in-year variance is received or borne by taxpayers in the following year.

Council Tax

7.2. The 2024/25 in year council tax collection performance was 94.03% (target 96.75%). The Council tax surplus/deficit is distributed between the Council (77.6%) and its preceptor the GLA (22.4%) based on respective shares. There is an estimated surplus of £2.46m for 2024/25, which compares to a surplus of £2.61m in 2023/24. The latter is recognised in the 2024/25 outturn figures whilst the 2024/25 actual surplus will be recognised in 2025/26.

Business Rates

7.3. The 2024/25 in year business rates collection performance was 92.67% (target 96.0%). Under the Business Rates Retention Scheme the business rates collected by the Council are distributed across the Council (30%), MHCLG (33%) and the GLA (37%).

7.4. There is an estimated surplus of £1.79m in 2024/25, which compares to a surplus of £2.12m in 2023/24. The latter is recognised in the 2024/25 outturn figures whilst the 2024/25 actual surplus will be recognised in 2025/26.

8. Capital Programme Outturn

8.1. Table 3 below shows the revised budget for the Capital Programme in 2024/25 of £370m (£123.8m for General Fund and £246.3m for HRA).

Table 3: Revised budget for the Capital Programme

Directorate	2024/25 Revised Budget (£'000)	2024/25 Provisional Outturn (£'000)	2024/25 Budget Outturn Variance (£'000)	2024/25Q 3 Budget Variance (£'000)	Movement Between Outturn & Q3
Children's Services	15,954	16,344	390	(1,401)	1,791
Adults, Health & Communities	7,444	6,778	(666)	(2,467)	1,801
Environment & Resident Experience	22,726	18,289	(4,437)	(3,314)	(1,123)
Placemaking & Housing	28,120	18,093	(10,027)	(8,988)	(1,039)
Culture, Strategy & Engagement	16,205	13,466	(2,739)	(5,142)	2,403
General Fund Total	**90,449**	**72,970**	**(17,479)**	**(21,312)**	**3,833**
HRA - Housing Revenue Account	246,331	159,939	(86,392)	(86,207)	(185)
Total	**336,780**	**233,156**	**(103,624)**	**(107,520)**	**3,896**
Enabling Budgets					
Placemaking & Housing(EB)	10,933	6,949	(3,984)	(3,280)	(704)
Total	**10,933**	**6,949**	**(3,984)**	**(3,280)**	**(704)**
Enabling budgets include the following capital schemes: 421, 430, 509 & 699					
Corporate Items - EFS	20,000	10,000	(10,000)	(20,000)	10,000
Corporate items - Contingency	2,443	0	(2,443)	0	(2,443)
OVERALL TOTAL	**370,156**	**250,105**	**(120,051)**	**(130,800)**	**10,749**

8.2. Full details and reasons for the variation against budget for the General Fund are set out in Appendix 3 and full details of the HRA Capital Programme is set out in Appendix 2.

9. Debt Write-Off

9.1. All Council debt is considered recoverable, and the Corporate Debt Recovery Team will make every necessary effort to collect charges due to the Council. However, there are some circumstances when it is appropriate to write off a debt once all forms of recovery action have been exhausted.

9.2. Appendix 6 summarises the sums totalling £9.5m written off in Quarter 4 and the summary for the full year. In Quarter four, there was one debt greater than £50,000 which related to adult social care. This has been approved by the Cabinet member for Finance and Corporate Services in line with the constitution. All other individual debts in Quarter 4 were below £50,000 and therefore these write offs have been approved by the Corporate Director of Finance and Resources under delegated authority. All debts have been adequately provided for in the Council's bad debt provisions.

9.3. The total sums written off across the whole financial year total £20.9m and included 5 single debts with a value above £50,000. The service area with the highest total value and total volume was Parking which accounts for £18.6m of the total £20.9m, this is mainly driven by the increase in penalty charge notices (PCNs) issued particularly from growth in the low Traffic Neighbourhoods (LTNs). The write offs comprise of the following:

- Debts which cannot be recovered due to not having the registered keeper's details thereby preventing the debt recovery process from being implemented. In addition, increased cloned vehicle registrations cause delays in the debt recovery process.

- Cases where the recovery process proves challenging and enforcement agents are unable to recover warrants of execution for various reasons, including people moving and no new addresses available.

10. Reserves

10.1. The Council holds an un-earmarked General Fund reserve and this is retained at £15.2m which represents almost 5% of the net budget. It also has a number of other earmarked reserves, which are set aside to provide contingency against unplanned events, fund one-off planned expenditure and help smooth uneven spend patterns.

10.2. The Council is required to annually review the adequacy of its reserves which was last reported in March 2025 as part of the 2025/26 Budget and 2025/2030 MTFS report. That report reiterated the fragility of the council's balance sheet and in the light of severe budgetary pressures and volatile economic conditions, confirmed the maintenance of a General Fund un-earmarked reserve of £15.2m. Despite the provisional 2024/25 overspend, the Corporate Director of Finance & Resources has taken the decision to maintain this balance to provide immediately available access to funds in an emergency. However, this would not have been possible without the need to apply for EFS of £10m as highlighted elsewhere in this report.

10.3. When the 2024/25 budget was set in March 2024, a draw down from the Strategic Budget Planning reserve of £5.1m to balance the budget was agreed. However, as reported in Section 1 of the report, with the service overspends remaining consistently high at year end, and, despite considerable corporate underspends an additional £9.3m **unplanned** drawdown from various earmarked reserves has taken place. Part of this was as a result of a thorough and detailed review of the service and grants reserve balances undertaken during the year which resulted in £2.2m being released at year end to help mitigate the overall overspend position. The full £4.1m balance on the Transformation reserve was released along with £3.1m from the Strategic Budget Planning reserve. These decisions have been taken to minimise the request for Exceptional Financial Support (EFS) from government.

10.4. The financial planning process for 2026/27 and across the medium term is already underway and the Council is facing at least a £44m budget gap for 2026/27 increasing across the MTFS period. Ongoing use of reserves to balance the budget is never sustainable but the remaining useable balances in Haringey means that this is no longer an option. The 2025/26 Budget/MTFS assumed a £3m per annum contribution to reserves, a measure taken to begin to re-build resilience over the medium term. The 2025/26 budget already assumes £37m of Exceptional Financial Support which has been agreed in principle. The aspiration is that as a result of the emergency response arrangements that have been put in place, the delivery of a financial response and recovery plan and tight spend controls, that any drawdown of the £37m will be minimised. This requires all services to remain within their budget. Any overspend in 2025/26 and if the further forensic review of remaining reserves does not identify any balances that can be released may require increased use of EFS. The level of useable reserves as at 31st March 2025 represent the minimum viable to mitigate known and unknown risks.

10.5. Quarterly reviews of the balance sheet will be instigated in 2025/26 to ensure that agreed carry forward balances are being drawn down in a timely fashion to deliver the agreed outcomes and that any sums not utilised will be subject to rigorous scrutiny to challenge whether they can be re-purposed to either offset in year pressures or to help with re-building the Strategic Budget Planning reserve.

10.6. A summary of the purpose of each reserve along with all the proposed in year movements to/from all reserves and final balances as at 31 March 2025 are shown in Appendix 4. These are not expected to change materially, however the reserve position will not be finalised until the completion of the External Audit of the 2024/25 accounts which will be reported to Audit Committee in January 2026.

11. Other revenue budget changes required: Haringey Learns Policy Update 2025/26

11.1 In light of the changing financial scenario facing the Council illustrated by the 2024/25 Outturn, the Council has also considered what other revenue or capital budget changes may be required. As part of that work, Haringey Learns, the Council's adult learning service, has reviewed its budget will be re-introducing its fees policy for the academic year 2025/26. The fees have been waived since covid lockdown.

11.2 Of the courses which will incur a full fee, based on the current year around 27.5% of the 200 learners would pay full fees and 72.5% will pay a 30% concession fee. Haringey Learns will be running a Level 3 course next academic year and all learners will be subject to fees. The Council has estimated between 15-20 learners per cohort at around £250/300 per person. Level 3 courses are not funded under the GLA guidelines.

12. Contribution to the Corporate Delivery Plan 2024-2026 High level Strategic outcomes

12.1. The Council's budget aligns to and provides the financial means to support the delivery of the Corporate Delivery Plan outcomes. Going forward, the alignment of financial plans with the Corporate Delivery Plan will be further strengthened.

13. Carbon and Climate Change

13.1. There are no direct implications on the Carbon and Climate Change agenda included in this report.

14. Statutory Officers comments (Chief Finance Officer (including procurement), Director of Legal and Corporate Governance, Equalities)

Finance

14.1. This is a report by the Chief Finance Officer (CFO) and the financial implications arising have been highlighted throughout the report.

14.2. Although the development of the 2025/26 budget was robust and based on a set of assumptions underpinned by data and evidence known at that time, the provisional outturn figures presented in this report demonstrate that the underlying pressures increased during the course of the year. Some of these pressures are one-off, largely related to non-delivery of savings and increased demand for services which have been addressed in the 2025/26 budget but there remains a risk that pressures will be over and above that which was assumed. Work is underway as part of the Quarter 1 monitoring process to understand any ongoing impact.

14.3. Furthermore, the impact of inflation persistently being above the 2% target and not falling at the rate forecast by Government when the 2025/26 Budget was set, suggests that additional price pressures are likely to be seen across many services, not just the care services. It is also likely that the trend of increasing debt arrears will grow as residents and business also continue to be impacted by the high cost of living. The cost implications of meeting the additional demand for temporary housing and interest rates, as the Bank of England seeks to reduce prevailing inflation rates, will have implications for financing the capital programme.

14.4. These pressures are being experienced across the sector and many London boroughs are also seeing this level of overspend and are highlighting overspends across one or more of Adults or Children's social care and temporary accommodation.

14.5. All of these factors means that the financial position remains challenging. Work has already progressed on developing the 2026/27 draft budget and all services are working to address the financial challenge facing Haringey over the next few years. Further details are set out in the updated Medium term Financial Strategy that is published elsewhere on the agenda.

Strategic Procurement

14.6. Strategic Procurement notes the contents of this report and will continue to work with services to enable cost reductions through a review of contract spend and market management activities.

Legal

14.7. The Director of Legal & Governance has been consulted in the preparation of this report and makes the following comments.

14.8. Pursuant to Section 28 of the Local Government Act 2003, the Council is under a statutory duty to monitor during the financial year its expenditure and income against the budget calculations. If the monitoring establishes that the budgetary situation has deteriorated, the Council must take such action as it considers necessary to deal with the situation. The Council must act reasonably and in accordance with its statutory duties and responsibilities when taking the necessary action to reduce the overspend.

14.9. The Cabinet is responsible for approving virements in excess of certain limits as laid down in the Financial Regulations at Part 4 Section I, and within the Executive's financial management functions at Part 3 Section C, of the Constitution. Cabinet is also responsible for approving changes to fees, charges or concession policies in respect of executive functions.

Equality

14.10. The Council has a public sector equality duty under the Equalities 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.

14.11. 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.

14.12. Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.

14.13. This report sets out the provisional outturn for 2024/25 for the General Fund, HRA, DSG and the Capital Programme compared to budget which was set in March 2024. It provides explanations of significant under/overspends and also includes proposed transfers to/from reserves, revenue and capital carry forward requests and any budget virements or adjustments.

14.14. The Council's saving programme for 2024/25 was subject to an equality impact assessment (EQiA) before being approved and the recommendations in the report are not anticipated to have a negative impact on any groups with protected characteristics. However, it is acknowledged that the reinstatement of fees for the Haringey Learns adult learning service may have a disproportionate impact on residents with low incomes, women, disabled people and ethnic minority communities, who are generally more likely to use adult learning services. The decision to reinstate fees is considered proportionate and reasonable in the context of the Council's overall financial position and the need to ensure the long-term sustainability of the service.

15. Use of Appendices

Appendix 1 – Revenue Directorate Level Outturn

Appendix 2 – HRA Outturn

Appendix 3 – Capital Outturn, Carry Forward Requests and Financing

Appendix 4 – Appropriations to / from Reserves

Appendix 5 - Budget Virements

Appendix 6 – Debt Write-Off

Appendix 7 – Haringey Learns Policy

16. Background Papers

None

Appendix 1 – Revenue Directorate Level Outturn

The table below provides detailed directorate level outturn positions, and movements since the last report to Cabinet in March (Quarter 3).

Table 4: Directorate level outturn positions

Directorate Level Outturn 2024/25 **Management Area**	**Revised 2024/25 Budget £'000**	**2024/25 Outturn before Reserves Movements £'000**	**Net Revenue Transfers To / (From) Reserves £'000**	**Outturn to Budget Variance(incl reserves) £'000**	**Q3 Forecast to Budget Variance £'000**	**Movement in Forecast Variance £'000**
CORPORATE BUDGETS - NON SERVICE	**67,653**	**52,275**	**-14,377**	**-24,396**	**1,187**	**-25,584**
Capital Financing Charges	17,315	13,275	0	(4,040)	0	(6,175)
Contingency	10,147	2	0	(10,145)	0	(10,145)
Treasury Management Charges	13,264	12,848	0	(416)	0	(416)
Other Corporate Budgets	26,946	31,527	(14,377)	(9,796)	1,187	(8,848)
CORPORATE BUDGETS – SERVICE (Finance, Procurement, Audit plus Chief Executive	**361**	**2,408**	**-1,724**	**323**	**422**	**-99**
CULTURE, STRATEGY & ENGAGEMENT	**13,548**	**6,379**	**7,069**	**-100**	**682**	**-782**
Legal & Governance	5,342	4,734	0	-608	-222	-386
Human Resources	781	456	0	-325	-206	-119
Digital Services	2,119	-5,418	7,022	-515	0	-515
Assistant Dir Strategy & Communication	124	379	0	255	245	10
AD for Transformation & Resources	373	597	0	225	136	89
Libraries	3,868	4,675	0	807	746	61
Culture, Museums & Archives	940	956	46	61	-17	78
ENVIRONMENT & RESIDENT EXPERIENCE	**19,128**	**16,526**	**1,816**	**-785**	**-801**	**16**
Parking & Highways	-15,873	-17,427	0	-1,554	-1,712	157
Community Safety, Waste & Enforcement	22,665	21,633	1,533	501	44	457
E&N Management & Support	1,818	1,934	0	116	174	-58
Parks & Leisure	3,176	3,083	0	-94	222	-316
Operational Facilities Management	288	482	0	194	443	-248
Corporate & Customer Services	6,422	6,189	283	50	103	-54
Transport and Travel	630	633	0	2	-76	78
ENVIRONMENT & RESIDENT EXPERIENCE Housing Benefit	**-1,576**	**5,135**	**0**	**6,711**	**3,500**	**3,211**
Rent Rebate LA	-465	1,023	0	1,489	1,033	455
Rent Allowance	-1,373	4,059	0	5,432	3,048	2,384
HRA Rent Rebate	262	52	0	-210	-582	372

Directorate Level Outturn 2024/25 Management Area	Revised 2024/25 Budget £'000	2024/25 Outturn before Reserves Movements £'000	Net Revenue Transfers To / (From) Reserves £'000	Outturn to Budget Variance(incl reserves) £'000	Q3 Forecast to Budget Variance £'000	Movement in Forecast Variance £'000
ADULT, HEALTH & COMMUNITIES	**123,121**	**139,642**	**9,115**	**25,636**	**27,433**	**-1,797**
Director of Adult & Social Services	78,711	94,754	-352	15,691	15,434	258
Housing Demand	23,457	23,790	9,477	9,810	11,988	-2,178
Director of Public Health	19,942	19,683	259	0	0	0
Assistant Director for Commissioning	1,010	1,415	-270	135	12	123
DCHILDREN'S SERVICES	**76,186**	**81,049**	**-1,558**	**3,305**	**4,340**	**-1,035**
Director of Children Services	2,161	2,212	0	51	129	-78
Commissioning	2,553	3,027	-681	-207	-70	-137
Prevention & Early Intervention	18,091	20,239	-1,029	1,119	1,258	-139
Children & Families	49,123	51,623	0	2,500	2,953	-453
Assistant Director for Schools	4,258	3,948	152	-158	70	-228
PLACEMAKING & HOUSING	**4,101**	**7,591**	**-745**	**2,744**	**580**	**2,164**
Director of Housing_Regen_Place	165	156	0	-9	-44	35
Capital Projects and Property	-1,760	847	584	3,191	576	2,615
Planning Building Standards & Sustainability	2,493	3,148	-554	101	49	52
Regeneration & Economic Development	3,204	3,441	-775	-538	0	-538
MANAGEMENT TOTAL	**302,539**	**333,308**	**(17,331)**	**315,976**	**13,437**	**37,343**
External Finance	(302,539)	(305,976)	0	(305,976)	(3,438)	0
Exceptional Finance Support (EFS)	0	0	0	(10,000)	(10,000)	0
General Revenue Total	**0**	**27,331**	**(17,331)**	**0**	**(0)**	**37,343**

DEDICATED SCHOOLS GRANT	**0**	**0**	**0**	**1,441**	**2,584**	**-1,143**
Schools Block	139,863	139,863	0	0	0	0
Central Block	2,649	2,649	0	0	0	0
Early Years Block	30,957	29,880	0	-1,077	0	-1,077
High Needs Block	55,642	58,180	0	2,519	2,584	-65
HOUSING REVENUE ACCOUNT	**0**	**3,626**	**0**	**3,626**	**2,627**	**1,000**
Operational Dir Housing Service & Build Sf	54,179	87,749	0	33,570	1,113	32,457
Managed Services Income	-135,145	-133,314	0	1,831	2,072	-241
Managed Services Expenditure	22,320	20,073	0	-2,247	290	-2,537

Directorate Level Outturn 2024/25 Management Area	Revised 2024/25 Budget £'000	2024/25 Outturn before Reserves Movements £'000	Net Revenue Transfers To / (From) Reserves £'000	Outturn to Budget Variance(incl reserves) £'000	Q3 Forecast to Budget Variance £'000	Movement in Forecast Variance £'000
Retained Services Expenditure	61,627	26,259	0	-35,368	-848	-34,520
Retained Services HRA MIRS	-2,980	2,860	0	5,840	0	5,840

1. CORPORATE BUDGETS-Non-Service

Final Outturn Variance £24.4m under budget (Movement from Q3 £25.6m favourable)

1.1. The final outturn position on non-service corporate budgets is £43.3m, which is an underspend of £24.4m against the budget agreed in March 2024. The largest element of the underspend is £10.1m of the unallocated corporate contingencies which in line with previous years is allocated at the year end. There is a £4.0m underspend against the minimum revenue provision budget following a review of the MRP policy in March 2025. A net underspend of £0.4m on Treasury budgets is made up of an underspend of £0.9m against borrowing costs but offset by an underachievement of budgeted investment income of £0.5m. This is predominately due to two factors; lower balances have been available for investment and lower than anticipated rates have been achieved as interest rates started to reduce in year.

1.2. In addition to the £5.1m of budgeted use of reserves that was agreed as part of the 2024/25 budget in March 2024, a further drawdown from reserves of £9.3m has been required.

2. EXTERNAL FINANCE: Final Outturn Variance £3.4m overachievement in Income (Movement from Q3 £3.4m favourable)

2.1. The final outturn position on External finance budgets is £306.0m, which is an overachievement of income of £3.4m against the budget agreed in March 2024. The Council received £0.7m of income from the distribution of the government's business rates levy surplus. This had not been assumed when the budget was set in March 2024. A further £1.7m was received in year from prior year surpluses from participation in the 8-authority pool. The remainder is due to the difference between budget estimates and actual receipts in relation to section 31 business rates grants.

3. CORPORATE BUDGETS – SERVICE (Finance, Procurement, Audit and Chief Executive budgets)

Final Outturn Variance £0.3m over budget (Movement from Q3 £0.1m favourable)

3.1. The final outturn position for Finance, Procurement and Audit budgets is an overspend of £0.086m against the budget agreed in March 2024 and shows an improved position of £0.1m compared to that reported in Quarter 3. The improvement is a result of a number of posts being held vacant within the service.

3.2. As reported through the year, there continues to be an overspend in Corporate Finance as the dependency on high-cost interim staff continues pending the re-structure of the service that is now underway. Following implementation of the new structure and successful recruitment to permanent posts, reliance on interim and agency staff is expected to reduce and spend to move more in line with the budget.

3.3. The remaining £0.239m overspend is caused by delays in delivering the Council's senior management restructure. This has now happened and therefore the overspend will not continue in 2025/26.

4. CULTURE, STRATEGY & ENGAGEMENT

Final Outturn Variance £0.1m under budget (**Movement from Q3 £0.8m favourable)**

4.1. The final outturn position for Culture, Strategy and Engagement is £13.4m which is an underspend of £0.1m against the budget agreed in March 2024 and shows an improvement of £0.8m compared to that reported at Quarter 3.

4.2. The key movements from that reported in Quarter 3 are in Digital Services (£0.5m) where further contract savings have been achieved; and Legal and Governance (£0.4m) where there has been a lower than projected cost to the Council within Electoral Services (registration and canvassing) due to the receipt of new burdens grants which was not known when the budget was set.

4.3. These favourable movements, along with an underspend within HR (£0.3m) that was the result of action taken, primarily in the second half of the year, to severely reduce spending, have offset key pressures that have run through the course of the year namely in (i) Libraries (£0.8m) due to the delayed implementation of reduced opening hours and income pressures; and (ii) Strategy & Communications (£0.3m) due to not being possible to meet the stretch commercial income targets that were assumed as part of the agreed budget.

5. ENVIRONMENT AND RESIDENT EXPERIENCE

Under Budget £0.8m (Movement from Q3 £0.01m adverse)

5.1. The final outturn position for Environment and Residence Experience (ERE) is £18.3m, an underspend of £0.8m against the budget agreed in March 2024 and broadly in line compared to the position reported at Quarter 3. The service area were due to receive transformation funding for the Waste Service re-procurement. As the Directorate was underspending in total, the transfer from the transformation reserve was not necessary. In addition, the bad debts provision has increased by £0.1m for Council Tax court cost income. These budget pressures were partially mitigated by the £0.3m allocation for inflationary increases which was not part of the original budget when it was agreed.

5.2. **Parking and Highways** - **Under budget £1.6m** (**Movement from Q3 £0.1m adverse**)

The Parking and Highways budget is underspent by £1.6m, which facilitated to mitigate the overspends within the wider directorate. The underspend has reduced by £0.2m on the Q3 projection, mainly attributed to the delays in processing CCTV PCN's and the delays in recruitment of processing staff. In addition, £140,000 allocation for inflationary increases which was not part of the original budget when it was agreed has been utilised.

5.3. **Community Safety and Waste Enforcement – Over budget £0.5m** (**Movement from Q3 £0.5m adverse**)

The Community Safety and Waste Enforcement budget is overspent by £0.5m, which is a result of costs associated with the preparation of the new waste contract being funded through the service, rather than use of the Transformation Reserve.
Waste and Environment service reported improvements in overall management of the waste contract and have secured £0.1m DEFRA grant which will be carried forward to 2025/26.

There were overspends within the Anti-Social Behaviour and Prevent services but these have been mitigated by a £0.2m underspend reported in Regulatory services from the over achievement of income in Pest Control and reduced costs in Environmental Health and Trading Standards.

5.4. Management and Support - Over budget £0.1m (Movement from Q3 £0.06m favourable)

The £0.1m overspend is a result of the non-delivery of the £0.2m digital transformational savings, previously held by the Culture, Strategy and Engagement directorate. The digital team is in the process of developing a roadmap to achieve the savings through digital solutions.

The has been partly offset by a £0.1m favourable movement on Q3, through the holding of vacancies and improved position on legal fees and disbursement expenditure.

5.5. Parks and Leisure - Over budget £0.2m (Movement from Q3 £0.02m favourable)

The £0.2m overspend reported is essentially due to the underachievement in the income in Events and the reprofiling of the allotment income. The Leisure Centres position was improved compared to Quarter 3 as a result of delays in recruitment of staff. The final outturn position also includes a contribution to Finsbury Park capital works which was not anticipated when the budget was set.

5.6. Operational Facilities Management Over budget £0.2m (Movement from Q3 £0.2m favourable)

The £0.2m overspend partially is due to the contractual changes to the London Living Wage applied by the contractor which was not reflected when the budget was set. However, there is a £0.2m favourable movement on Q3 mainly from the £0.1m contribution to inflationary increase applied to the security contract and by implementing full cost recovery on recharges.

5.7. **Customer Services - Over budget £0.05m (Movement from Q3 £0.4m adverse)**

The overspend is due to one off redundancy costs but which have been mitigated by underspends in the Business Change team. The £0.05m favourable movement on Q3 was achieved through delayed recruitment and reviewing of non-essential expenditure. The service was awarded part of a £0.3m additional one-off funding for additional resources to support the Adult Social Care Aged Debt project. Due to the delays with commencing the project, this funding will be carried forward to 2025/26.

5.8. **Carbon Management** - **Spend to budget (Q3 spend to budget)**

The outturn position is a break-even position. This was achieved through £0.2m income received from Public Health and draw down of £0.04m service reserves.

5.9. **Transport - Spend to budget (Q3 spend to budget)**

The outturn position is a break-even position following £0.3m TFL income applied to finance the service expenditure.

6. ENVIRONMENT & RESIDENT EXPERIENCE HOUSING BENEFIT (HB)

Over budget £6.7m (Movement from Q3 £3.2m adverse)

6.1. The final outturn position for HB is an overspend of £6.7m against the budget agreed in March 2024 and worsened by £3.2m compared to that reported at Quarter 3. This is driven by two factors; unfunded spend on statutory Housing Benefit payments to Supported Exempt Accommodation (SEA) providers and a change in methodology for forecasting recovery of a significant debt, which has increased the bad debt provision (BDP) for 2024/25.

6.2. The increase in SEA pressure is a result of the Council’s review into existing providers and correcting existing SEA claims which reduced the number of Registered Providers and therefore Subsidy from DWP. This pressure is expected to reduce significantly in 2025/26 as the review is completed and non-compliant claims are cancelled.

6.3. The pressure on the BDP increased from £3.5m to £6.3m because a decision has been taken to allocate the BDP for a £5.6m overpayment entirely in 2024/25, instead of spreading out the pressure over several financial years. This decision was made as the company liable for the debt entered voluntary liquidation in December 2024, significantly reducing the prospects of recovery. It is expected the BDP pressure will drop significantly in 2025/26.

7. ADULT & SOCIAL SERVICES

Over budget £15.8m (Movement from Q3 £0.38m adverse)

7.1. The final outturn position for Adult Social Care is £95.5m, an overspend of £15.8m against the budget agreed in March 2024 and worsened by £0.38m compared to that reported at Quarter 3.

7.2. The main movement is due to the ongoing increase in the demand for care and support and increasing cost in packages of care.

- During Quarter 4, there continued to be an increase in the number of adults eligible for social care support. Adult Social Care incurred a further £3.8m of care cost, mainly for adults aged 65 and over and younger and older adults with complex mental health conditions.

- The continual review of complex package of care with Health resulted in an additional £2.4m of joint funding arrangements mitigating the financial impact of the increase in care cost incurred in Quarter 4.

- As at Quarter 3, the forecast was for a payment of £1.158m to NHS Providers for costs incurred in 2023/24, where it had been assumed the Adult Social Care, as per historical Section 75 arrangements would have the financial responsibility to make payment to the Provider on behalf of the ICB. However, work with the Providers and reconciliation of all financial liabilities identified that the ICB met the cost in full for 2023/24 and will continue to so in future years. This provided one-off mitigation in year reducing the impact of the increase in the cost pressures in Quarter 4. This is a one off contribution to the in year overspend.

8. HOUSING DEMAND

Over budget £9.8m (Movement from Q3 £2.2m favourable)

8.1. The final outturn position for Housing demand is £33.2m, an overspend of £9.8m against the budget agreed in March 2024. Throughout 2024/25 a wide range of activity was undertaken to contain budgetary pressures in Housing Demand. Since quarter 3, housing demand saw a £2.2m favourable movement as a result of this activity.

8.2. Improvement in rent collection and additional rental income. The Bad Debt Provision (BDP) reduced by £0.6m from improved Temporary Accommodation (TA) rent collection rates. Year-end performance reached 93.94%, exceeding the previous forecast of 91%. Additional rental income of £0.1m was collected, which had not been factored into the previous forecasts.

8.3. Reduction in repairs and maintenance costs and staffing savings. Expenditure related to repairs and maintenance for Private Sector Leased (PSL) properties was £0.6m lower than projected. There were additional savings of £0.09m in the staffing costs due to vacancies and certain posts being held and not recruited to.

8.4. Achievements within the Housing Demand (HD) Programme, commissioning efficiencies and staffing vacancies resulting from delays to recruitment. As a result of the significant demand pressures, ring-fenced grants were received amounting to £0.8m, for spend on homelessness. Of this, £0.6m will be carried forward as a service reserve into 2025/26 for spend on a number of programmes of work including PSL retention, enhanced prevention activity and resettlement support and a temporary accommodation occupancy pilot. The HD programme has focussed on reducing temporary accommodation costs through a range of activity and the commissioning team on achieving efficiencies and value for money across the service through contracts.

9. PUBLIC HEALTH

Spend to budget (Q3 spend to budget)

9.1. The Public Health Grant allocation for 2024/25 was £23.2m, the grant was fully committed in 2024/25 in line with the Public Health grant conditions. No variance has been reported.

10. CHILDREN'S SERVICES

Over budget £3.3m (Movement from Q3 £1.0m favourable)

10.1. The final outturn position for Children's Services is £79.5m, an overspend of £3.3m against the budget agreed in March 2024 and improved by £1.0m compared to that reported at Quarter 3.

10.2. The key changes relate to an improvement in the placements forecast where income was under forecast throughout the year and the projection for legal fee costs which were over forecast in year. There were also a number of intentionally homeless provisions that were closed between Q3 and the end of the year. Finally, some provision for costs relating to the implementation of the new case management system were lower than expected at the end of the year.

11. PLACEMAKING AND HOUSING

Over budget £2.7m (Movement from Q3 £2.2m adverse)

11.1. The final outturn position for Placemaking and Housing is £6.8m, an overspend of £2.7m against the budget agreed in March 2024 and which has worsened by £2.2m compared to that reported at Quarter 3. This is mainly a result of:

- Strategic Property Services – £1.7m. This was a result of under-forecasted property valuation and management fees (£0.3m); under-provision for bad debts (£0.3m); backdated rent review costs previously understated (£0.1m) and over-forecasted rental and recharge income (£0.9)

- Corporate Contract Services - £0.7m resulting from under-recovered recharges and previously assumed capital costs for property maintenance.
- Construction Services - £0.1m due to non-rechargeable costs linked to delayed or aborted projects

- Regeneration Services - £0.5m improvement from staff savings following a restructure and reserves drawdown that had not been anticipated when the budget was set.

12. DEDICATED SCHOOLS GRANT (DSG)

Over budget £1.44 (Movement from Q3 £1.1m favourable)

12.1. The DSG consists of four blocks – high needs, early years, schools and central services. The overall closing position on 31 March 2025 is an overspend of £1.4m.

12.2. The table below sets out the provisional 2024/25 Outturn for the DSG

Table 5 – 2024/25 DSG Provisional Outturn

	Funding Allocation	Outturn	Deficit / (Surplus) @ 31st March 2025	Forecast Deficit / (Surplus) @ Q3	Movement Q3 to Outturn
	£'000	£'000	£'000	£'000	£'000
Schools block	139,863	139,863	**0**	0	**(0)**
Central school services block allocation	2,649	2,649	**0**	0	**0**
High needs block allocation	55,662	58,180	**2,519**	2,584	**(65)**
Early years block	30,957	29,880	**(1,077)**	0	**(1,077)**
Total DSG	**229,131**	**230,572**	**1,441**	**2,584**	**(1,143)**

High Needs Block

12.3. The main pressure remains in the High Needs Block which ended the year with a deficit of £2.5m a small improvement of £0.1m since Quarter 3.

12.4. This is largely in line with the intervention support (Safety Valve programme) agreed with the DfE to reduce the cumulative deficit and reach a positive position by 2027/28. To deliver the required improvement over the next five years the

Council has developed a DSG Management Plan which is being coproduced with various stakeholders. The plan has been approved by DfE and as a result financial support of £29.9m is being provided. In 2024/25 the Council received £1.9m of the funding to reduce the accumulated HNB deficit.

12.5. The service has seen a 5.7% rise in Education, Health and Care Plans (EHCP) plans across 2024/25. There are 2,973 active EHCP plans as at the end of March 2025 compared to the target of 2,891. A key focus for the service is closures of EHCP's for Post 16 young adults no longer continuing in Education.

12.6. There are however key risks associated with placement costs and increased demand particularly for independent school placements to meet the social, emotional and mental health needs of children.

12.7. Despite these pressures, the Council remains on track to deliver the agreed outcomes of the Safety Valve programme by 2027/28.

Early Years Block

12.8. There is an in-year surplus on the Early Years Block of £1.1m. Every year the DfE allocates indicative funding based on two actual Spring Census counts and one based on estimates. Following a review of actual 2024/25 Spring term pupil numbers in July 2024, the DfE are expected to recoup money through a clawback adjustment. The surplus is therefore transferred to the Early Years Block reserve pending final confirmation of this expected clawback.

Schools and Central Blocks

12.9. No material variances against the 2024/25 budget allocations.

SCHOOLS WITH DEFICIT BALANCES

12.10. As at the end of the year there are 33 schools with deficit balances compared to 32 schools at 31 March 2024, an increase of 1 and 31 schools in surplus. The overall Schools outturn deficit was £2.6m, compared to £0.1m in March 2024, an increase of £2.5m since last year.

12.11. There are 21 schools with Licensed Deficit Recovery Plans. Schools with deficits by March 2025 and those requiring licensed deficit recovery plans have been included in Table 6.

Table 6: Schools Budget Outturn including those requiring License Deficit Recovery Plans

Type of School	Number of Schools with Deficit	Deficit £'000	Number of Schools with Surplus	Surplus £'000	Total net deficit / (surplus) £'000	Schools with Licensed Deficit Recovery Plan	Total Forecast deficit / (surplus) @ Q3 £'000	Change Q3 to Outturn £'000

Nursery	1	21	2	(770)	(749)	0	(405)	(344)
Primary	25	5,380	26	(3,997)	1,383	20	2,903	(1,520)
Secondary	3	1,461	2	(820)	641	0	63	578
Special	3	1,185	1	(25)	1,160	0	1,072	88
Alternative Provision	1	198	0	0	198	1	176	22
Total	**33**	**8,245**	**31**	**(5,612)**	**2,633**	**21**	**3,809**	**(1,176)**

12.12. This worsening position adds additional financial risk to the Council's General Fund and focused work continues both at individual school level and the schools forum to provide support and interventions that will improve this position as we move into 2025/26.

12.13. A more structured approach is required to manage schools in deficit and a strengthening of governance is now in place. Plans include an improved coordinated approach to engaging with schools in deficit to help develop robust recovery plans and using DfE certified tools to help build staffing strategies based on pupil numbers.

Appendix 2 – HRA Outturn

Housing Revenue Account (HRA) Budget EOY compared to Q3 2024/25

HRA BUDGET 2024/25 - EOY compared to Q3	2024/25 Revised Budget	EOY Outturn 2024/25	EOY Outturn 2024/25 Variance	Q3 2024/25 Forecast Variance	Movement EOY v Q3
	£000's	£000's	£000's	£000's	£000's

Service Charge Income - Hostels	(490)	(478)	12	(8)	20
Rent - Hostels	(1,797)	(1,869)	(73)	(13)	(60)
Rent - Dwellings	(100,553)	(98,504)	2,050	1,895	155
Rent - Garages	(746)	(708)	38	38	(0)
Rent - Commercial	(664)	(507)	157	25	132
CBS - Lease Rental Income	(4,000)	(4,359)	(359)	-	(359)
Income - Heating	(1,154)	(1,150)	4	-	4
Income - Light and Power	(1,812)	(1,780)	32	36	(4)
Service Charge Income - Leasehold	(10,693)	(10,802)	(109)	-	(109)
ServChgInc SuppHousg	(1,636)	(1,640)	(4)	(7)	3
Service Charge Income - Concierge	(2,181)	(2,178)	3	(1)	4
Grounds Maintenance	(2,513)	(2,471)	42	40	2
Caretaking	(3,168)	(3,195)	(26)	10	(37)
Street Sweeping	(3,738)	(3,673)	65	57	8
HRA Income	**(135,145)**	**(133,315)**	**1,830**	**2,072**	**(242)**
Housing Management WG	25	0	-25	0	(25)
Housing Management NT	30	5	-24	0	(24)
Housing Mgmnt Hornsy	0	102	102	0	102
TA Hostels	682	629	-53	45	(98)
Sth Tottenham Area Office	0	0	0		0
HRA BUDGET 2024/25 - EOY compared to Q3	**2024/25 Revised Budget**	**EOY Outturn 2024/25**	**EOY Outturn 2024/25 Variance**	**Q3 2024/25 Forecast Variance**	**Movement EOY v Q3**
Housing Management ST	10	0	-10	0	(10)
Housing Management BWF	12	0	-12	0	(12)
Rent Accounts	0	302	302	0	302
Accountancy	0	0	0	0	0

Under Occupation	179	91	-89	-75	(13)
Repairs Cent Rechrge	2	2	0	0	(0)
Respon Repair - Hos	678	722	44	7	37
Water Rates Payable	33	107	74	0	74
Housing Mngt Recharg	4,532	4,854	321	0	321
Other RentCollection	146	233	87	0	87
Energy Billing & Collection	0	46	46	0	46
HousMgmntRechg Energ	3,175	2,584	-590	-274	(317)
Special Services Cleaning	4,053	4,284	231	150	81
Special Serv GrndMnt	2,003	1,954	-49	0	(49)
HRA Pest Control	324	399	75	96	(21)
Estate Controlled Parking	153	46	-107	0	(107)
Managed Services	0	133	133		133
Support People Paymt	1,414	1,483	69	0	69
Bad Debt Dwellings	2,949	2,363	-586	0	(586)
Bad Debt Prov - Leas	200	-273	-473	0	(473)
Bad Debt Prov - Comm	0	-32	-32		(32)
Bad Debt Prov - Host	70	0	-70	0	(70)
HRA- Council Tax	990	1,289	299	389	(90)
Supported Housing Central	660	442	-218	-49	(169)

HRA BUDGET 2024/25 - EOY compared to Q3	2024/25 Revised Budget	EOY Outturn 2024/25	EOY Outturn 2024/25 Variance	Q3 2024/25 Forecast Variance	Movement EOY v Q3
Housing Management team	0	0	0		0
Housing Strategy Team	362	311	-51	0	(51)
Housing Delivery Team	0	154	154		154
Anti Social Behav Sv	654	417	-237	-254	17

Interest Receivable	-228	-4,365	-4,137	0	(4,137)
Corporate democratic Core	681	681	0	0	0
Leasehold Payments	102	269	167	0	167
Landlords Ins - TEN	381	481	99	0	99
Landlords - NNDR	121	125	4	0	4
Landlords Ins - LSHD	3,795	3,910	116	0	116
HfH-Insourci to LBH	0	26	26	0	26
Capital Financing Costs	20,763	20,628	-135	0	(135)
Depreciation - Dwellings	22,597	22,891	294	-594	888
Community Benefit So	0	310	310	0	310
GF to HRA Recharges	2,594	2,901	307	0	307
Estate Renewal	1,202	139	-1,063	0	(1,063)
HIERS/ Regeneration Team	0	300	300		300
Operational Dir Housing Serv & Buil	7,336	7,697	361	-11	373
Housing Management Services	15,653	15,882	229	72	157
Housing Property Services	30,736	36,101	5,365	1,053	4,312
Housing Improvement Plan (HIP)	454	767	312	0	312
HRA budget release from Reserve	-2,980	-3,052	-74	0	(74)
HRA Expenditure	**126,542**	**128,339**	**1,796**	**555**	**1,241**
HRA - (Budgeted Surplus)	**8,603**	**4,976**	**(3,626)**	**(2,627)**	**(999)**

HRA BUDGET 2024/25 - EOY compared to Q3	**2024/25 Revised Budget**	**EOY Outturn 2024/25**	**EOY Outturn 2024/25 Variance**	**Q3 2024/25 Forecast Variance**	**Movement EOY v Q3**
	£000's	**£000's**	**£000's**	**£000's**	**£000's**
Housing Revenue Account (HRA) - Income	(135,145)	(133,315)	1,830	2,072	(242)
Housing Revenue Account (HRA) - Expenditure	126,542	128,339	1,797	555	1,242
HRA - (Budgeted Surplus)	**(8,603)**	**(4,976)**	**3,626**	**2,627**	**999**

1. HOUSING REVENUE ACCOUNT (HRA)

Over budget £3.6m (Movement from Q3 £1.0m adverse)

1.1. The final outturn position on the Housing Revenue Account is a surplus of £5.0m, compared to the budgeted surplus of £8.6m resulting in an adverse variance of £3.6m, worsened by £1.0m compared to that reported at Quarter 3. meaning. This is a deterioration of £1.0m compared to Quarter 3 which forecast a £2.6m adverse variance.

1.2. Part of the £5.0m surplus has been used to replenish the HRA reserve balance to £20.0m. It is usually considered best practice to have a reserve balance of 10% of annual rent income. However, a prudent decision has been made to ensure the HRA reserve balance exceeds this amount which takes into account the age and stock profile of the properties managed in Haringey, increased regulatory and statutory related works, and the need to account for unforeseen and or emergency works during the next 5 years. The 2024/25 closing reserve balance was 16% of 2024/25 income.

1.3. The Housing Repairs Service budgets continue to come under pressure with increasing demand for the service and the need to bring in additional capacity using contractors, including to cover industrial actions over an eight-week period during 2024/2025.

1.4. An options appraisal and value for money assessment of the delivery model for the Repairs Service will be carried out in 2025/26.

1.5. Disrepair expenditure was high as a result of external Legal Fees to tenant's legal representatives. This was due to an increase in operational output in a drive to close more cases, and the resolution of historic, and often complex litigated cases, which were targeted during the summer and autumn to mitigate the risks of penal notices. These cases incur significantly above average costs due to their age and escalation status, which is further compounded by the substantial variance in bill totals.

1.6. Payments typically fall due between 2 and 4 months from resolution following negotiations and assessment processes, resulting in uncertainty for forecasting purposes because of volume and costs are not known until resolved and also timing, as it is not known when costs matters will be resolved until a settlement or assessment has concluded. Ultimately the variance represents 614 cases closured by the year end which are attributable to the financial year's work, each coming with unavoidable cost, and further represents approximately two thirds of the historic backlog.

1.7. HRA Capital Programme Outturn

1.8. The HRA reports a full year capital spend of £159.9m against a revised budget of £246.3m. The end of year underspend of £86.3m.

1.9. The table below provides a comparison of the outturn to quarter 3.

Scheme	Revised Budget	Outturn	EOY YTD Variance	Q3 - P9 24/25	Movement EOY v Q3	2024/25 Outturn	Comments
	£000's	£000's	£000's	£000's	£000's	£000's	
Major Works - Haringey Standard	**35,293**	18,567	-16,726	22,580	-4,013	21,701	The reduction in forecast spend is mainly due to a reduction of £6m to the forecast spend on the Noel Park Pods programme in 2024/25. This is due to ongoing discussions to agree additional cost on the project. Only spend up to current approved budget is now expected this year.
Carbon Reduction (Affordable Energy)	**3,503**	1,130	-2,373	2,490	-1,360	278	Reduction in forecast spend is due to changing assumptions as to level of spend required in 2024/25 to support Wave 3 funding bid. Bid has been made through London Councils and currently awaiting confirmation of any grant award. Grant is dependent on spend being achieved.
Broadwater Farm New Build	**21,944**	3,876	-18,068	4,682	-806	447	Spend is reduced due to contractor not starting works until the new year as opposed to previously forecast 2024 start. Slippage reported as we have now completed the procurement of the main contractor for Phase 1(a) and cashflow for the year has been updated to reflect contractors information.
Broadwater Farm Works	**12,813**	10,176	-2,637	9,205	971	6,667	Slippage due to slower progress on Tangmere demolition than expected, the move of the community centre project into 2025/26 and out of current year forecasts and lower than anticipated acquisitions on the remaining block to be decanted.
Fire Safety Works	**11,279**	6,735	-4,544	9,506	-2,771	9,520	The end-of-year forecast currently shows a variance which we anticipate carrying forward due to slower-than-expected progress in procuring AFD works and Fire Doors, as well as delays in finalising the long-term contract for EICR.
Hsg Aids & Adaptations	**1,144**	1,155	11	1,144	11	1,505	The service is reporting an overspend due to a number of contracts through the LCP system. To help alleviate this pressure, approved adaptations are being scheduled for the 2025/2026 financial year, to help keep the overspend to a minimum.

Scheme	Revised Budget	Outturn	EOY YTD Variance	Q3 - P9 24/25	Movement EOY v Q3	2024/25 Outturn	Comments
	£000's	£000's	£000's	£000's	£000's	£000's	
	85,976	41,639	- 44,337	49,607	-7968	40,118	
TA Acquisitions	**22,825**	25,150	2,325	22,825	2,325	15,447	The scheme acquired more units than anticipated- driven by the need to increase the units available for TA use and help reduce GF pressures.
New Homes Build Programme	**101,926**	82,866	-19,060	73,977	8,889	69,515	Slippage due to slowing down the programme as some schemes were impacted by viability issues mainly due to high interest cost.
New Homes Acquisitions	**33,540**	9,487	-24,053	13,023	-3,536	33,294	This is due to delays in completion of some acquisition of homes originally anticipated to complete in 2024/25
Northumberland Park	**0**	269	269	252	17	90	This is due to cost of architect’s re-design work that was brought forward.
High Road West	**2,064**	528	-1,536	440	88	318	Development programme has slowed and is currently under review, in light of broader delivery factors, including market changes impacting viability. Acquisition of homes has been delayed to FY 2025/26. Projected spend for remainder of FY 2024/25 is project on-costs.
	160,355	**118,300**	**-42,055**	**110,517**	**7,783**	**118,664**	
Grand Total	**246,331**	**159,939**	**-86,392**	**160,124**	**-185**	**158,782**	

Appendix 3 - Capital Outturn, Carry Forward Requests and Financing

1.1. This appendix provides the detail of the Capital Programme on a scheme-by-scheme basis – comparing the outturn position to the Quarter 4 budget.

	2024/25 Revised Budget (£’000)	2024/25 Provisional Outturn (£’000)	2024/25 Budget Outturn Variance (£’000)	Q3 Forecast (£’000)
Children's Services	16,533	16,340	(193)	14,553
Adults, Health & Communities	7,444	6,778	(666)	4,977
Environment & Resident Experience	23,629	18,289	(5,340)	19,412

Placemaking & Housing	27,980	18,094	(9,886)	19,132
Culture, Strategy & Engagement	16,248	13,466	(2,782)	11,063
General Fund Total	**91,835**	**72,967**	**(18,764)**	**69,138**
HRA - Housing Revenue Account	246,331	159,939	(86,392)	160,123
Total	**338,166**	**232,906**	**(105,259)**	**229,261**
Enabling Budgets				
Placemaking & Housing (EB)	11,073	6,949	(4,124)	7,653
Total	**11,073**	**6,949**	**(4,124)**	**7,653**
Corporate Items - EFS	20,000	10,000	(10,000)	
Corporate items - Contingency	2,443	0	(2,443)	2,443
OVERALL TOTAL	**371,682**	**249,855**	**(121,826)**	**239,357**

1.2. The appendix also sets out the requested carry forwards with reasons supporting the request. Of the total General Fund underspend of £35.435m, £27.162m has been requested to be carried forward. A number of requested carry forwards have been transferred to the contingency and services will need to rebid for the funding once a case has been proven.

1.3. It should be noted that the above performance was after the reprofiling of £160m in Q2, with minor reprofiling in Q3 over later years of the MTFS.

1.4. **Children's Services. Total Budget £16.5m Outturn £16.3m.** The Children's Services outturn includes the PFI payments to academies that previously was held in the contingency. Whilst payments have been reflected in the Children's Services programme this will be funded corporately.

1.5. The outturn of £14,344m (after discounting the payments to PFI academies) is £200,000 less than that the forecast of £14.6m at quarter 3. There are a range of movements between Q3 and the outturn, but the largest was the inclusion of Art Council music Hub grant of £0.579m which was added to the programme between the quarters, and this is to be carried forward. This was offset by increased expenditure on the Safety Valve of £0.475m. The outturn includes £12.7m spent on schools, including £2m on Reinforced Autoclaved Aerated Concrete (which is largely being funded through government grant), and £1.1m on the Safety Valve programme.

1.6. **Adults, Health & Communities. Total Budget £7.444m Outturn £6.778m.** The actual outturn of £6.778m is an improvement on the Quarter 3 position of £4.997m. The largest improvement was in the Aids and Adaptations budget (which is funded by grant) where the final outturn was £1.7m higher than the Quarter 3 projection. The resolution of the staffing and procurement implementation issue in this area has contributed to the better than expected outturn and increased spend. There were a number of other minor improvements in performance.

1.7. **Environment & Resident Experience. Total Budget £23.629m Outturn £18.289m.** The forecast outturn at quarter 3 was £19.4m compared to the outturn of £18.289m. Transport and Highways Infrastructure includes, the walking and cycling action plan, Parkland Walk Bridges, Brough Roads, Flood Water

Management, Street Lighting which, spent £13.935m and which is broadly in line with the Quarter 3 position.

1.8. Parks and Leisure spent £2.532m in 2024/25, this compares to a forecast at quarter 2 of £2.314m.

1.9. The refurbishment of Leisure Centres was forecast to budget at Quarter 3, however, was lower by £1.167m due to delays in procurement. The delays to the Parkland Walk Bridges scheme resulted in a reduced outturn by £0.575m.

1.10. The Road Danger Reduction scheme received additional TfL funding so the allocated budget was not spent.

1.11. In addition, £1.5m was added to the final budget for Tottenham Parks, which was not spent but planned for spending in 2025/26.

1.12. **Placemaking & Housing. Total Budget £27.980m Outturn £18.094m.** The regeneration programmes have actual spend of £14.1m against a forecast of £16.3m. There are 2 large contributors to the revised, lower, outturn. These are the lower expenditure on the Wood Green schemes (c£1m less than the quarter 3 forecast), and the Down Lane project (which is £1m lower than forecast in quarter 3).

1.13. The Asset Management of Council Buildings outturn of spend of £4.180m was £1.3m more than forecast in quarter 3 as a result of the recruitment of an additional member of staff who was able to undertake additional projects. The outturn also includes the capitalisation of eligible staff costs that were not included in the quarter 3 position.

1.14. **Culture, Strategy & Engagement. Total Budget £16.248m Outturn £13.466m**. Digital and IT has an outturn of £5.4m which is £1m more than forecast at Quarter 3. The improved spend is down to the deployment of additional staff resources and increased delivery of projects. However, this still leaves a significant request for carry forwards which are required due to external requirements (the Big Switch off of analogue phone lines) and the life expired/non supported systems that are critical to the Council's operation.

1.15. The Civic Centre was forecasting to spend £1.05m at Quarter 3, and the outturn position of £2.830m is a £1.8m increase. This is primarily due to more work being completed under the pre-construction services agreement. Even though the spend in 2024/25 is greater than the budget, this represents an acceleration of spend and not an increase in the cost of the scheme.

1.16. **Corporate Items. Total Budget £22.443m Outturn £10.0m.** This budget includes the Exceptional Financial Support which has an outturn of £10m as against a forecast at Quarter 3 of £20m. An in-year allocation of £60,000 was made to support a IT solution in the Planning Service. There have been no allocations from the Contingency since Quarter 3. However, the recommended carry forward contingency budget is larger due to a number of underspends being transferred into it.

1.17. The outturn position on the flexible use of capital receipts was expenditure of £3.4m against the budget of £7.731m. The lower use of capital receipts is primarily due not using the budgeted receipts of £2m to fund redundancy payments due to the change in policy whereby the costs are now funded by service areas making the redundancies.

1.18. The detailed outturn and carry forward schedule is shown in the following table.

Scheme Ref. No.	Scheme Name	24/25 Full year Revised Budget (£'000)	24/25 Final Outturn (Draft) (£'000)	24/25 Variance (Underspend) / Overspend (£'000)	24/25 Capital Slippage (C/F) (£'000)	Reason for carry forward request
101	Primary Sch - repairs & maintenance	4,887	3,498	(1,388)	1,388	Contractor payments outstanding for 3 schemes either delivered in 2024/25 or currently still on site. 1 scheme has to be re-tendered
102	Primary Sch - mod & enhance (Inc SEN)	5,701	6,297	596	(596)	The overspend will be deducted from the 2025/26 budget allocation
104	Early years	428	403	(25)	25	The underspend relates to DfE - Child Care Delivery Fund
105	RAAC Schools	2,260	2,005	(255)	251	The underspend will be needed to meet the costs of retentions on the works already completed at Hornsey and Welbourne and hire costs for temporary classrooms at Park View.
110	Devolved Sch Capital	508	508	(0)	0	
114	Secondary Sch - mod & enhance (Inc SEN)	1,074	493	(581)	581	Contracted works at Fortismere School to undertake repairs primarily to the north block were delayed in FY 24/25, hence the underspend. They will be carried out in this FY, over the summer. The funding is essential to meeting this contractual commitment.
121	Pendarren House	71	29	(42)	0	At this moment in time are no contractual commitments in relation to Pendarren House. The underspend is to be transferred to contingency.
123	Wood Green Youth Hub	30	30	(0)	0	
124	In-Borough Residential Care Facility	128	0	(128)	128	Capital works is due to take place over the 2025 summer period for the overnight respite unit, this will draw down from social care capital allocation
125	Safety Valve	617	1,092	475	(475)	The overspend in 2024/25 will be offset in 2025/26

126	Children's Services LiquidLogic Implementation	250	0	(250)	0	The underspend is to be transferred to contingency.
127	Art Council Music Hub	579	0	(579)	579	Grant funded so needs to be carried forward
128	Schools PFI	0	1,984	1,984	0	
Children's Services		**16,533**	**16,340**	**(193)**	**1,881**	
201	Aids, Adap's & Assistive Tech - Home Owners (DFG)	3,497	3,215	(282)	282	Grant funded so needs to be carried forward into 2025/26.
209	Assistive Technology	815	815	0	0	
211	Community Alarm Service	177	177	0	0	
213	Canning Crescent Assisted Living	2,560	2,263	(297)	297	This budget is contractually committed. Delays in project completion caused by design deficiencies by the Design Team. This relates to issues with the air source heat pumps and damper installation as per exception report dated May 25.
214	Osborne Grove Nursing Home	1	1	0	0	
217	Burgoyne Road (Refuge Adaptations)	3	4	1	0	
221	Social Care System Implementation	72	76	4	0	
225	Locality Hub	318	226	(92)	0	The underspend is to be transferred to contingency.
Adults, Health & Communities		**7,444**	**6,778**	**(666)**	**579**	
301	Street Lighting	994	982	(12)	12	Contractually committed and carry forward required.
302	Borough Roads	6,091	6,061	(30)	30	Contractually committed and carry forward required.

303	Structures (Highways)	(370)	0	370	(370)	
304	Flood Water Management	734	734	0	0	
305	Borough Parking Plan	434	566	132	(132)	£112,500 has been received from DfT EV Charging and an additional £37,500 is expected in 25/26.
307	CCTV	129	130	1	0	
309	Local Implementation Plan(LIP)	1,558	1,972	414	(414)	Late notification of additional allocation approved by TfL meant that it could not be update in the Capital Programme and will be reflected in the 2025/-26 programme.
310	Developer S106 / S278	250	357	107	(107)	Allocations to be updated on the Capital Programme to reflect additional income from S.278 agreements.
311	Parks Asset Management:	471	299	(171)	171	The carry forward request relates to circa £90,000 NCIL contribution for Lordship Recreation Ground and £80,000 contribution to Flood Risk Management at Markfield Parks which is being funded 50/50 with Network Rail.
313	Active Life in Parks:	1,269	1,049	(220)	220	The carry forward request relates to NCIL contribution for a range of projects for which there is external funding being matched from the Football Foundation and others.
314	Parkland Walk Bridges	2,938	2,363	(575)	575	This is contractual payments due for the replacement of the Stanhope Bridge on Parkland Walk. The project has been delayed on site by 20 weeks meaning these payments now fall into 2025/26.
322	Finsbury Park	300	298	(2)	0	
328	Street & Greenspace Greening Programme	386	441	56	(56)	This overspend will be offset against next year's budget allocation
332	Disabled Bay/Blue Badge	307	152	(155)	155	Due to reduction of resources from agency staff, some projects had to be delayed. These will progress in 2025/26 with support from external sources.

333	Waste Management	148	98	(50)	50	This is external grant funding that will be spent in 2025/26 in respect to roll-out of universal food waste collection service across the borough
334	Parks Depot Reconfiguration	94	37	(57)	57	Work is ongoing across the park depot estate to improve the accommodation for staff in these locations.
335	Streetspace Plan	458	616	158	(158)	The overspend will be recovered from the 2025/26 budget.
336	New River Sports & Fitness	533	148	(385)	385	The funding is required to complete essential upgrades at the site to improve security and the maintenance of buildings. In addition, funding is required to ensure the facilities are improved to generate additional income to meet the MTFS savings targets and ensure New River is able to be self-funding.
338	Road Danger Reduction	1,033	83	(950)	950	Number of studies were undertaken in 2024/25 and utilisation of additional TfL funding made available in year meant this funding wasn't spent. Plans are underway to deliver and progress a number of projects in 2025/26.
341	Leisure Services	1,905	738	(1,167)	1,167	Procurement / approval delays have meant that some works have now fallen into 2025/26, and contracts have been awarded for this carry forward sum.
342	Public Protection - To replace life expired IT system	150	126	(24)	0	The underspend is to be transferred to contingency.
343	Tottenham Parks	1,500	0	(1,500)	1,500	This is a new project for 2025/26.
119	School Streets	763	89	(674)	674	The underspend is due to a delay in resourcing the project as resources had to be diverted to delivering the 3 LTN proposals. We have a total of 9 School Streets which are currently undergoing consultation the funding is required to deliver the physical infrastructure which will be delivered in September 2025, for the new school year.
444	Marsh Lane	214	224	10	(10)	This overspend will be met from the approved GF capital programme contingency.

452	Low Carbon Zones	129	16	(113)	113	This is S106 funding approved for fuel poverty interventions by Cabinet – its uses are therefore restricted to providing carbon savings in fuel poor households.
465	District Energy Network (DEN)		121	121	0	Grant funded so needs to be carried forward
4007	Tottenham Hale Decentralised Energy Network (DEN)	36	0	(36)	0	Grant funded so needs to be carried forward
4008	Wood Green Decentralised Energy Network (DEN)	306	31	(275)	0	Grant funded so needs to be carried forwardThis expenditure has been funded from central government commercialisation Grant.
4014	Walking and Cycling Action Plan (WCAP) LTN delivery	607	346	(261)	261	£102,000 of Council borrowing has been fully spent. Underspend is all part of the £9.8m SCIL allocated to the scheme. Now that the LTNs are made permanent, work is progressing to consider additional access for BWF residents. Funding required to progress and deliver improvements to temp infrastructure and crossings.
4015	Walking and Cycling Action Plan (WCAP) Strategic cycle route delivery	146	211	66	(66)	£66,000 overspend will be offset from 2025/26 budget which is mainly SCIL funding.
4016	Walking and Cycling Action Plan (WCAP) Cycle Parking (Hangers) delivery	118	0	(118)	118	Consultation has been undertaking on the delivery of the cycle hanger programme, the scheme is being rolled out in batches, the funding is required to deliver the remaining hangars.
Environment & Resident Experience		**23,629**	**18,289**	**(5,340)**	**5,125**	
402	Tottenham Hale Streets	2,877	3,112	234	(234)	This overspend will be offset from the 2025/26 budget.

404	Good Economy Recovery plan	994	988	(6)	0	
406	Opportunity Investment Fund	1,385	27	(1,358)	1,358	Slippage rollover required. OIF is a business loan scheme funded through business loan repayments and rolls forward each year for future loan applications. OIF Estimated projected income 2025-26 £211,000.
408	Down Lane Park	3,737	2,693	(1,044)	1,044	Underspend due to review of delivery on Phase 2A & 3 and delay start on site. This budget is required to complete on delivery of the project.
431	Gourley Triangle Development	300	47	(253)	253	This is part of the match funding to deliver Future High Streets Funds (FHSF) and will be used to support delivery of Your Seven Sisters programme (Scheme 488).
455	Replacement Cloud based IT solutions for Planning, Building Control & Land Charges	60	0	(60)	60	Carried forward required to meet statutory requirements
458	SIP - Northumberland PK BB & Workspace/Biz Support	787	312	(475)	475	SIP (an external grant) extension into 2025/26, with the final element of the contracted business support and the workspace allocation
459	Wood Green Regen Sites	1,227	794	(433)	433	Carried forward required to meet shaping Wood Green priorities.
474	Tottenham High Road Strategy	925	383	(542)	542	Match funding to support FHSF & Historic England programme with a primary focus in 2025/26 on Bruce Grove (scheme 493) and Seven Sisters 9Scheme 488); this will include public realm improvements and markets infrastructure.
478	Wood Green Good Growth Fund	197	572	375	(375)	This overspend will be offset from the 2025/26 budget
480	Wood Green Regen (2)	3,106	829	(2,277)	2,277	Carried forward required to meet shaping Wood Green priorities.

483	Productive Valley Fund (SIP)	914	1,074	160	(160)	Overspend will be offset by loan repayment income managed through monthly meetings with Accounts. PVF estimated projected income 2025/26 £370,000.
488	Liveable Seven Sisters (LSS)	1,001	531	(470)	470	Match funding to support the delivery of the FHSF. Programme has been delayed due to resources and appointment of new multi-disciplinary design team. The programme will need to complete to satisfy the requirements of DLUCH/FHSF.
493	Bruce Grove Yards (BGY)	1,973	1,311	(662)	662	Match funding to support delivery of FHSF projects including Bruce Grove public realm as per funding agreement with DLUHC
4002	Northumberland Park estate area public realm	389	3	(386)	0	Project completed.
4005	SME Workspace Intensification	87	116	29	(29)	Overspend to be offset by 2025/26 budget.
4010	Selby Urban Village Project	1,262	1,075	(187)	188	Slight underspend due to consultant procurement delays. Procurements are being finalised in line with the new spending regime. Phase one secured £20m grant funding, spend of which is being prioritised. DLUHC have confirmed extend spend profile until March 2028. Project on track to start on site March 2026.
4011	Commercial Property Remediation	500	37	(463)	0	The underspend is to be transferred to contingency.
4012	Energy Performance Certificate improvements	250	0	(250)	250	Funding required to complete statutory EPC requirements
316	Asset Management of Council Buildings	6,010	4,190	(1,820)	1,763	4 contracts awarded in 2024/25. 8 projects tendered in 2024/25 and payments to be made. £210,000 contribution to Major Projects scheme agreed from 2024/25 budget (30% of £700k) but scheme has been delayed until 2025/26.
Placemaking & Housing		**27,980**	**18,094**	**(9,886)**	**8,977**	

421	HRW Acquisition	8,100	6,796	(1,304)	1,304	Budget required as some acquisitions for 2024/25 have been deferred to 2025/26. Council contractually committed to make these acquisitions under agreements with development partner Lendlease.
430	Wards Corner Development	300	62	(238)	238	Capital carry forward is required, as acquisition of third party property and site surveys are continuing. There is a commitment to deliver on the Cabinet decision of July 2022 for a Council-led approach to the site. Slippage is due to the fact that it is not possible to put a definitive timetable on third partynegotiations/acquisitions.
509	CPO - Empty Homes	2,673	91	(2,582)	0	The underspend is to be transferred to contingency.
Placemaking & Housing (Enabling Budgets)		**11,073**	**6,949**	**(4,124)**	**1,542**	
602	Corporate IT Board	582	167	(415)	409	Carry forward requested, scheme is on budget overall – underspend due to profiling of actual expenditure; and alignment with digital services restructure and enabling services work. This budget is critical to the provision of council core services.
604	Continuous Improvement	834	621	(213)	213	Carry forward requested, scheme is on budget overall – underspend due to profiling of actual expenditure; and alignment with digital services restructure and enabling services work. This budget is critical to the provision of council core services. This funding is required in order to maintain a secure environment, e.g. Windows 11 etc.
621	Libraries IT and Buildings upgrade	2,252	1,258	(994)	994	Completion of the Libraries capital projects has been delayed due to the to the need to retender the project.
623	Wood Green Library		0	0	0	0

607	Financial Management System Replacement	1,277	1,163	(114)	114	The Council are working to revise the scope of requirements to comply with the new procurement regulations (PSR). Therefore, the carry forward is required.
624	Digital Together	268	148	(120)	120	Carry forward is required in order to support the programme for digital inclusion within the borough
625	CCTV Move and Replacement of end of Life Infrastructure	200	0	(200)	200	Carry forward requested. Cost based on similar works. The Council is reviewing options in-borough to accommodate, based on future accommodation strategy - whilst aligning requirements for a consolidated CCTV offer - based on the current services provided.
626	Corporate Data Platform	250	402	152	(152)	This programme has been accelerated and the overspend will be offset from the 2025/26 budget.
627	Hybrid AV between now and Civic Centre coming on line	50	106	56	(56)	This programme has been accelerated, and this will be offset from the 2025/26 budget.
628	Locality Hub ICT	400	11	(389)	389	Carry forward requested. The Project has been baselined with services and work underway. The delivery of a digital front door to support adults and communities, reporting, data and service modernisation to enable better life's and outcomes.
629	Leisure Insourcing ICT	433	164	(269)	269	Carry forward requested. Project slippage - re, profiling - requirement to replace dysfunctional Audio and PA solution, Digital Signage.
630	Libraries IT and Buildings upgrade	300	81	(219)	219	Carry forward requested. The people network provides digital inclusion to residents in the Borough of Haringey. The current Infrastructure is end of life and requires upgrade and replacement. This includes, with work already underway to replace aged hardware and moving to Window 11, MS office and Windows Server 2019. Work has been taking place with Library as to the library offer and peoples-residents. and a commitment

						in place to provide a supported platform for the future Library offer.
631	Ally Pally - Counter Terrorism	424	424	0	0	
632	Ally Pally - Risk to Life and Injury	823	823	(0)	0	
633	Ally Pally - Risk to Compliance	941	941	(0)	0	
634	Ally Pally - Invest to Earn		0	0	0	
635	Mobile Replacement (Smart Phones / Devices)	175	0	(175)	175	Carry forward requested. The council are currently undertaking of review of phone/device types and usage as part of a wider strategy to reduce cost. However, some 647no. Smart devices are no longer supported, End of life and require replacement to receive security and software updates.
636	Replacing Desktop AV / Screens in Offices	150	0	(150)	150	Carry forward requested. The Council have extended the life of screens of its asset wherever possible, and this has resulted in an underspend. where this has been possible. However, assets will need replacing, hence the carry forward request.
653	Capital Support for IT Projects	194	200	6	(6)	Capital scheme Closed. The overspend will be offset from scheme 602.
655	Data Centre Move	1,254	1,492	238	(238)	This programme has been accelerated, and this will be offset from the 2025/26 budget.
656	BT Big Switch Off	1,843	297	(1,546)	1,546	The scheme is on budget overall, and a carry forward is requested. The project is in full delivery with Phase 1 completed – with the retirement of the 1st PSTN BT exchange (Enfield 1) Phase 2 will commence to remediate the next telephone BT exchange to close (Tottenham) and transition of services to Digital

						Voice/IP service (Circ. 600 Lines) to be remediated in the next 12 months.
657	Corporate Laptop Refresh	100	481	381	(381)	The scheme overall is on budget. The Council have extended the life of Laptops, where this has been possible to delay the cost of replacement; and work continues on the Council workforce strategy, service modernisation and 5% reduction. The scheme was re-profiled, however, due to new demand, there has been additional expenditure in year. Laptops have been required to fulfil service requirement;. Leisure Centre Insourcing, Social care and new users.
658	ERP - Full Replacement (Investigation Only)	154	163	9	0	The scheme is on budget, a strategic decision, and funding to move to the next stage of discovery and development to full business case has been approved. Brief has been produced and approved by the ERP and Enterprise Architecture boards.
659	M365 Additional Functionality	150	129	(21)	21	The scheme is on budget. The scheme was re-profiled and prioritised with the SharePoint migration of the S: Drive to SharePoint and align with the council datacentre move. Carry forward requested to meet current commitment and scope.
447	Alexandra Palace - Maintenance	513	513	0	0	0
464	Bruce Castle	1,055	1,050	(5)	5	Additional UK Prosperity funded works undertaken
330	Civic Centre Works	1,625	2,830	1,205	(1,205)	The contractor's PCSA costs were higher than initially estimated, they were on site for longer, have completed their mobilisation and were able to start their works earlier on site.
Culture, Strategy & Engagement		**16,248**	**13,466**	**(2,783)**	**2,786**	

697	Exceptional Financial Support	20,000	10,000	(10,000)	0	Based on the provisional revenue outturn, £10m of EFS is required to balance the budget for 2024/25 and awaiting capitalisation direction from Government.
699	P6 - Approved Capital Programme Contingency	2,443	(0)	(2,443)	6,272	Where schemes have underspent or overspent in year, in certain instances the resources have been transferred to contingency. Additional capital slippage relates to the following capital schemes: 121 - Pendarren house, 126 - Children's Services LiquidLogic Implementation, 225 - Locality hub, scheme - 342 - Public Protection - To replace life expired IT system, Scheme 444 - Marsh Lane, 4002 - Northumberland Park estate area public realm, 4011 - Commercial Property Remediation, 509 - CPO - Empty Homes
Corporate Items		**22,443**	**10,000**	**(12,443)**	**6,272**	
TOTAL GF CAPITAL PROGRAMME		**125,351**	**89,915**	**(35,435)**	**27,162**	
HRA						
202	Aids & Adaptations HRA	1,144	1,155	11	0	
550	New Homes Acquisitions	33,540	9,487	(24,053)	0	
551	TA Acquisitions	22,825	25,150	2,325	0	
552	Carbon Reduction Works (Affordable Energy)	3,503	1,131	(2,372)	0	

553	Fire Safety Works	11,279	6,735	(4,544)	2,850	Carry forward £2.8m required from last year's underspend due to delays in the procurement process, which affected the start of key projects like the fire door replacement programme, Automatic Fire Detection (AFD) installations, and FRA EW assessments for high, medium, and low-rise buildings. These projects are now scheduled to begin in the 2025/26. The carry forward will allow these essential compliance and safety works without further delay and ensure continuity in delivering our planned capital programme.
554	Broadwater Farm Works	12,813	10,176	(2,637)	0	
555	High Road West HRA	2,064	528	(1,536)	1,536	Programme is currently under review, however, budget still required as the Council is contractually committed to development partner Lendlease.
556	Northumberland Park -HRA		269	269	0	
557	Broadwater Farm New Build	21,944	3,876	(18,068)	3,500	In order to fulfil contractual commitments on the new build programme, carry forward of £3m required. The current budget is £13.5m, £3.5m needed to cover existing commitments. These include: Phase 1 (onsite) , Design and optimisation work on future phases , Infrastructure works (UKPN) and adjustments to existing District Energy pipework & Early mobilisation works (Phase 2).
590	Major Works (Haringey Standard)	35,293	18,567	(16,726)	0	
599	New Homes Build Programme	101,926	82,867	(19,059)	0	
TOTAL HRA CAPITAL PROGRAMME		**246,331**	**159,940**	**(86,391)**	**7,886**	
OVERALL CAPITAL PROGRAMME		**371,682**	**249,855**	**(121,826)**	**35,048**	

Appendix 4 – Appropriations to / from Reserves

	Balance at 31/03/23	Transfer In 2023-24	Transfer Out 2023-24	Balance at 31/03/24	Transfer In 2024-25	Transfer Out 2024-25	Balance at 31/03/25
	£'000	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
General Fund Reserve	(15,140)	(54)	26	**(15,169)**	0	0	**(15,169)**
General Fund earmarked reserves:							
Risks and Uncertainties							
Transformation reserve	(8,117)	0	3,081	**(5,037)**	0	4,986	**(51)**
Labour market growth resilience reserve	(373)	0	100	**(273)**	0	87	**(186)**
Strategic Budget Planning Reserve	(6,727)	(15,037)	16,668	**(5,096)**	(4,179)	8,135	**(1,141)**
Collection Fund Smoothing reserve	**(1,231)**			**(1,231)**	0	0	**(1,231)**
Total Risk and Uncertainties	**(16,449)**	**(15,037)**	**19,849**	**(11,637)**	**(4,179)**	**13,208**	**(2,608)**
Contracts and Commitments							
Services reserve	(11,196)	(2,332)	1,831	**(11,697)**	(1,671)	4,061	**(9,307)**
Unspent grants reserve	(11,463)	(3,086)	1,844	**(12,705)**	(2,002)	4,316	**(10,390)**
PFI lifecycle reserve	(19,225)	(1,345)	15,037	**(5,533)**	(1,332)	2,906	**(3,959)**
Debt repayment reserve	(1,072)	0	0	**(1,072)**	0	0	**(1,072)**
Insurance reserve	(7,536)	0	302	**(7,234)**	0	1,724	**(5,511)**
Schools reserve	(7,846)	(1,116)	6,562	**(2,400)**	(11,425)	12,481	**(1,343)**
Budget resilience reserve	(7,303)	(19,248)	26,551	**0**	0	0	**0**
Total Contracts and Commitments	**(65,642)**	**(27,127)**	**52,128**	**(40,641)**	**(16,430)**	**25,488**	**(31,582)**
GF Earmarked reserves:	**(82,090)**	**(42,165)**	**71,977**	**(52,278)**	**(20,609)**	**38,696**	**(34,190)**
Total General Fund Usable Reserves	**(97,231)**	**(42,219)**	**72,002**	**(67,447)**	**(20,609)**	**38,696**	**(49,359)**
DSG Deficit -Unusable Reserves	**11,550**	**(12,949)**	**10,952**	**9,553**	**1,865**	**(1,910)**	**9,507**
Housing Revenue Account	**(20,520)**	**(5,753)**	**5,137**	**(21,136)**	(6,360)	7,431	**(20,066)**
Housing Revenue Account Earmarked Reserves:							
Haringey Community Benefit Society (HCBS exit reserve)	**(996)**	**(215)**	**0**	**(1,212)**	(3,931)	0	**(5,142)**
Homes for Haringey	**(51)**	**0**	**0**	**(51)**	**0**	**51**	**0**
HRA earmarked reserves	**(1,047)**	**(215)**	**0**	**(1,262)**	**(3,931)**	**51**	**(5,142)**
Total HRA Usable Reserves	**(21,567)**	**(5,968)**	**5,137**	**(22,399)**	**(10,291)**	**7,481**	**(25,208)**

Appendix 5 - Budget Virements

Virements for Cabinet Approval

Appendix 5

Transfers from Reserves & Contingencies (2024/25) - for noting							
Period	**Directorate**	**Service/AD Area**	**Rev/ Cap**	**In year £'000**	**Next year £'000**	**Reason for budget changes**	**Description**
8	Non -Service Contingencies	All areas	Revenue	5,257	5,257	Drawdown from Non Service Contingencies	Drawdown from Contingencies to cover the 2024-25 pay award
8	Housing Revenue Account	All areas	Revenue	1,705	1,705	Drawdown from HRA Reserves	Drawdown from HRA reserves to cover the 2024-25 pay award
10	Environment and Resident Experience	Parking and Highways	Revenue	283	283	Drawdown from Non Service Contingencies	Drawdown from Contingencies to cover contract inflation within Environment and Resident Experience
10	Public Health	Public Health	Revenue	487	487	Drawdown from Core Grants	Increased Public Health Grant funding to cover NHS pay awards (2024/25)
12	Environment and Resident Experience	Parks and Leisure	Revenue	440	0	Transfer to Non Service Contingencies	Adjustment to Leisure Budget following insourcing of Leisure Facilities

Virements for Approval (2024/25)							
Period	**Directorate**	**Service/AD Area**	**Rev/ Cap**	**In year £'000**	**Next year £'000**	**Reason for budget changes**	**Description**
7	Adults, Health and Communities	Adults	Revenue	942	942	Budget Realignment	Redistribution of MTFS savings within the directorate
8	Environment and Resident Experience	Parks and Leisure	Revenue	3,577	0	Budget Realignment	Realignment of leisure centre budgets post-insourcing
8	Dedicated Schools Grant	Early Years	Revenue	811	811	Grant Funding Allocation	Adjustment to the Early Years DSG Budget to reflect the July allocations
8	Adults, Health and Communities	Adult Social Services	Revenue	1,600	1,600	Budget Transfer	Transfer of budget from Care Packages budget to fund staffing
8	Adults, Health and Communities	Adult Social Services	Revenue	942	942	Budget Realignment	Realignment within Care Package budgets

9	Children's Services	Children and Families	Revenue	1,800	1,800	Budget Realignment	Budget realignment within Children's Respite to enable separation of staffing and child-related costs
9	Dedicated Schools Grant	High Needs Block	Revenue	840	840	Grant Funding Allocation	Realignment of High Needs Block budgets to reflect updated DSG allocation
10	Dedicated Schools Grant	Early Years	Revenue	568	568	Budget Realignment	Realignment of Early Years Dedicated Schools Grant to reflect expenditure
10	Environment and Resident Experience	Parking and Highways	Revenue	696	770	Budget Realignment	Realignment of budget to reflect restructure
12	Placemaking and Housing	Regeneration	Revenue	551	551	Budget Realignment	Realignment of salary and income budgets to reflect restructure
Total 2024/25				**20,499**	**16,556**		

APPENDIX 6 – Debt Write off

Write off Summary Report - Quarter 4

1.1 All Council debt is considered recoverable; the Corporate Debt Management Service makes every effort to collect charges due to the Council. However, in some circumstances it is appropriate to write off a debt when all forms of recovery action have been exhausted.

1.2 This quarterly report is for information purposes only, which details the debts that were submitted for write off for the Financial Period 1st January 2025 to 31st March 2025 **(Q4).** These relate to delinquent accounts where all forms of recovery action had been fully exhausted.

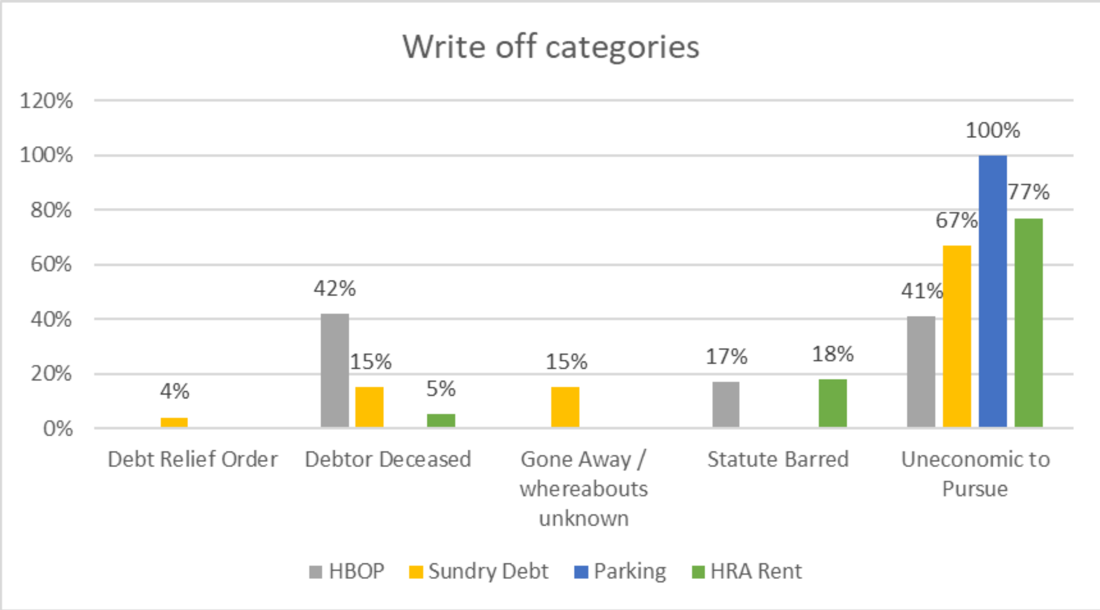
1.3 Council Debt is written off in line with the instructions set out within the Financial Regulations, following Legal advice, Court instruction or in accordance with the Limitations Act 1980. These sums have all been approved by the Director of Finance under his delegated authority and, where appropriate, the Lead Member for Finance. They have been adequately provided for in the Council's Bad Debt Provisions.

1.4 The table below summarises the Q4 write off by service type, value and volume.

Quarter 4 Write Off, Financial Period 1st Jan 2025 - 31st Mar 2025						
	Under £50k £'000	**Volume**	**Over £50k £'000**	**Volume**	**Total Value £'000**	**Total Volume**
Council Tax	0	0	0	0	0	0
NNDR (Business Rates)	0	0	0	0	0	0
HBOP (Housing Benefit Overpayments)	43	24	0	0	43	24
HRA Rent	269	360	0	0	269	360
Leaseholder	0	0	0	0	0	0
Commercial Rent	0	0	0	0	0	0
Sundry Debt	34	26	67	1	101	27
Parking	9,081	45193	0	0	9,081	45,193
Total	9,426	45,603	67	1	9,493	45,604

1.5 There is one £50k case totalling £66,961.07 for Adult Social Care. The Council invoiced the client incorrectly for 5 years.

1.6 The category composition of the above write offs is shown below.



1.7 The cumulative write off totals for 2024-25 are as follows.

Write Off Summary, Financial Year 1st April 2024 - 31st March 2025						
	Under £50k £'000	**Volume**	**Over £50k £'000**	**Volume**	**Total Value £'000**	**Total Volume**
Council Tax	38	45	0	0	38	45
NNDR (Business Rates)	68	40	67	1	135	41
HBOP (Housing Benefit Overpayments)	217	176	0	0	217	176
HRA Rent	1,340	1184	0	0	1,340	1,184
Leaseholder	0	1	0	0	0	1
Commercial Rent	0	0	0	0	0	0
Sundry Debt	243	145	359	4	601	149
Parking	18,611	92,774	0	0	18,611	92,774
Total	**20,517**	**94,365**	**426**	**5**	**20,942**	**94,370**

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Appendix 7

,

Haringey Learns Fees Policy

Academic Year: 2025-26

Appendix 7

Contents

1. About Haringey Learns

Haringey Learns is the Council's community based adult learning service based at Wood Green Library N22 and in community locations across the borough. The service is part of Haringey Council's Placemaking and Community Development Service in the Culture, Strategy and Communities directorate delivering a range of high-quality courses and training across Maths, English, ESOL as well as Employability, Bookkeeping, Health & Social Care & Early Years.

The service supports delivery of the Good Work theme of Opportunity Haringey, the Council's inclusive economy framework, through the delivery of high quality, relevant skills development and robust employability courses, helping residents progress into work or progress in work.

We aim to bring relevant learning and progression opportunities to residents with a focus on those facing the greatest barriers to work, providing a relevant, creative and innovative learning offer in the community for the community.

2. The purpose of the Fees Policy

This policy sets out how Haringey Learns applies fees for all courses set out in the Haringey Learns course prospectus. The policy operates in accordance with the requirements and funding rules of our funders and any other applicable funding or monitoring bodies' regulations.

This policy will be updated and re-issued on an annual basis and included in our Course Prospectus.

3. Course Fees

Haringey Learns applies fees for courses based on the guidelines set out by our funders.
https://www.gov.uk/government/publications/adult-skills-fund-funding-rules. Fees will cover:

- Tuition fees for all programme elements
- Examination or quality assurance fees where applicable
- Course materials where applicable

The fee charged will depend on:

- Whether a learner is eligible for Government funding*:
- The type of course and where the learning takes place**
- Whether the courses are fully or part-funded by the Government or third parties***
- Whether learners are permanent residents in the UK for 12 months and are eligible for GLA or ESFA funding
- Whether the learner is entitled to an exemption (see section 4).

Appendix 7

* Learners not eligible for Government funding are full cost learners and will be charged the full cost of a course place and all additional charges. They are not entitled to any learner support. Details are set out in appendix 1
** Learners have a legal entitlement to free tuition on certain provision. Details are set out in appendix 1
***Details are set out in appendix 1

4. Fee Exemptions

Learners may be eligible for full exemption or 30% reduction to fees depending on the course they are taking and these are set out in appendix 1, table 1 attached.

In addition to the above, exemptions apply when a learner is:

- Unemployed: In receipt of income-based benefit, such as Universal Credit, Job Seeker Allowance, or Employment and Support Allowance. (See Appendix 1 GLA Definition of Unemployed.)
- Has an income below £24,000 per annum
- If they are a veteran or retired,
- Are receiving benefits related to disability, such as Personal Independence Payment (PIP) or Disability Living Allowance (DLA)

Evidence of entitlement to benefits is required and must be current within the last 6 months from enrolment and the applicant must be receiving benefit at the time of enrolment.

5. Exams Fees

All our course fees include the full exam and registration costs. This information will be on the course information sheet and provided at the point of enrolment.

Exam entries are not refundable and cannot be transferred. If learners do not attend the examination or fail, they will have to pay the full exam entry fee again if they want to re-sit the exam. Those learners wishing to improve a grade and who are re-sitting within the same academic year will pay the full exam cost.

Haringey Learns reserves the right to charge a supplement where an awarding body increases exam charges during the year.

6. Fee Payment

Payment is due once enrolment and initial assessment processes are completed, and confirmation of a place has been issued.

7. Payment methods

- Payment can be made using most major debit and credit cards
- Cash on site in Haringey Learns

8. Non-Payment of Fees

Learners with an outstanding debt will not be able to enrol on further courses until the debt is paid. If a learner with a debt enrolls online, they will be withdrawn from the course until their debt is settled. Haringey Learns will take reasonable steps to advise and support learners in financial difficulty.

9. Course Withdrawals / Non-Attendance

If a learner voluntarily withdraws or does not attend for more than four sessions, they will still be liable to pay the full cost of the course unless they have a legitimate reason such as long-term illness or change in work commitments. (evidence will be requested)

10. REFUNDS

Refunds will only be issued in the following circumstances:

- Courses cancelled by Haringey Learns prior to opening.
- Courses cancelled by Haringey Learns within three sessions.
- Learner cancellation, notified in writing within 14 working days of initial booking and prior to attending the course** (providing the course has not commenced during that period).
- An overcharge in error.
- Transfer to a lower priced course following cancellation of a course by Haringey Learns
- Learner dissatisfaction with a course, reported in writing, and unresolved to the learner's satisfaction.
- Permanent withdrawal from a course by a learner due solely to a long-term medical condition which prevents attendance on the course, or of a person for whom the learner has a permanent care responsibility, reported in writing and supported by the written advice of a qualified medical practitioner.
- Exceptional circumstances such as close family bereavement

It should be noted that an administration fee of £25 will be applied as well as any non-refundable examination fee and course materials where applicable will be charged. Examination entry fees are non-refundable, except as provided in Examination Board Regulations

11. How to request a refund

A request for a refund must initially be submitted in writing and directed to the Business Manager at Haringey Learns as set out in Haringey Learns Prospectus. No consideration will be given to issuing a refund if a written request is not submitted and refunds will be calculated from the start date of the course up until the date a request is received.

Refunds are expected to take 10 working days to process but may take longer during holiday periods or centre closures.

12. Appeals and complaints:

In the first instance an appeal on refund decision should be made in writing to the Principal and the Employment and Skills Lead.

If you are not satisfied with their response or have a complaint regarding this policy, complaints should be addressed to Haringey Council's on [Make a complaint | Haringey Council]

13. Equality Impact Assessment - Fees Policy

- Haringey Learns is committed to the promotion of equality, diversity and providing a supportive environment for all. This policy has been reviewed to ensure that it does not discriminate (either intentionally or unintentionally) any of the protected characteristics of age, disability, gender, gender reassignment race, religion or belief, sexual orientation

14 Disclaimer

- All courses are subject to Government, Council and Governing Body Fee Policy and other Regulations.
- Haringey Learns and the Council reserve the right to amend the quoted fee when errors arise or Council/Government policy changes.
- The provision of a course is subject to class sizes. Class times may change, and classes may be amalgamated, divided or closed at the discretion of the principal.
- Examination dates are usually set by external awarding bodies. Haringey Learns cannot be held responsible for any inconvenience or loss caused if an exam date is not suitable for a learner.
- Haringey Learns reserves the right to refuse enrolment or entry to a course or examination.

Appendix 1

Funding Body – Definitions, Regulations and Information

GLA Definition of Unemployed

A learner is defined as unemployed if one or more of the following apply:

- They receive Jobseeker's Allowance (JSA), including those receiving National Insurance credits only.
- They receive Employment and Support Allowance (ESA).
- They receive Universal Credit (UC), and their take-home pay as recorded on their UC statement (disregarding UC payments and other benefits) is less than £892 a month (learner is the sole adult in their benefit claim) or £1437 a month (learner has a joint benefit claim with their partner).
- They receive other state benefits (not included in the list above) and their take-home pay (disregarding UC payments and other benefits) is less than £892 a month (learner is the sole adult in their benefit claim) or £1437 a month (learner has a joint benefit claim with their partner).
- They are not receiving any benefits, wants to be employed, and we are satisfied identified learning is directly relevant to their employment prospects and the local labour market needs.
- Offenders who are released on temporary licence, studying outside a prison environment, and not funded by the Ministry of Justice.

Appendix 7

Appendix 1: Table 1 – Course Funding Table

Funding status	Explanation	Courses	Fees
Fully Funded	These courses have full funding status set nationally; therefore, no fee will be charged.	English Maths Digital Skills to Level 1 Employability provision	**No**
Part funded courses	Learners will pay the advertised price for the course and will be entitled to a reduced price (Concessionary Fee) or free course if they are on certain state benefits. Additional charges for materials, examinations and other costs will be added, where applicable.	Bookkeeping Health & Social Care Early Years Counselling	**Yes**
Non funded courses	These courses will be charged at full cost. They are subject to exemptions as they are not funded by our funders	Level 3 + courses such as the Award in Education and Training	**Yes**

Appendix 2: Table 2

Haringey Learns Scale of Fee Charges 2025-26

Effective from 1st August 2025 for all published courses NOTE: Fees for 19+ learners				
Provision type	**Charge basis**	**Fee charge**	**Exam/accreditation fee**	**Notes**
Adult Skills Funding: Vocational Learning Provision up to and including Level 2	**Standard Fee:** subject to fee remission and concessionary rates dependent of eligibility	**Courses up to 20hrs:** £4.50 per hr. **Courses over 20 hrs:** £3.00 per hr.	Where applicable these will always be included in the course fee	**Fee exemptions** apply when a learner is: • In receipt of income-based benefit, such as Universal Credit, Job Seeker Allowance, or Employment and Support Allowance. • Has an income below £24,000 per annum • If they are a veteran or retired, • Are receiving benefits related to disability, such as Personal Independence Payment (PIP) or Disability Living Allowance (DLA) *Learners need to provide supporting evidence to qualify for fee exemption*
Tailored Learning: Courses that: • Engage &/or build confidence • Prepare for further learning • Prepare for employment & essential skills • Equip parents/ carers support children's learning • Support health & wellbeing • Develop stronger communities	**Standard Fee:** subject to fee remission and concessionary rates dependent of eligibility	**Courses up to 20hrs:** £5.00 per hr. **Courses over 20 hrs:** £4.50 per hr.		**A fee concession of 30%** applies when a learner is: • In receipt of income-based benefit, such as Universal Credit, Job Seeker Allowance, or Employment and Support Allowance. • Has an income below £24,000 per annum • If they are a veteran or retired, • Are receiving benefits related to disability, such as Personal Independence Payment (PIP) or Disability Living Allowance (DLA) *Learners need to provide supporting evidence to qualify for the concession*

SUPPORTED BY
MAYOR OF LONDON

Provision type	Charge basis	Fee charge	Exam/accreditation fee	Notes
Fully funded provision: English, ESOL, Maths, Digital Skills to Level 1 and employability to level 2	**FREE**	**FREE**	FREE	*Learners need to provide supporting evidence they meet the eligibility criteria set by the funders*
Cost recovery courses	**Standard Fee**	**Advertised Price**	Included in Advertised Price	These courses are not funded through the GLA and are not subject to any concessions

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Report for: **Cabinet 15 July 2025**

Item number: **11**

Title: **Draft 2026-27 Budget and 2026-2031 Medium Term Financial Strategy Report**

Report authorised by : **Taryn Eves, Corporate Director of Finance and Resources**

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 is the first report to Cabinet for the 2026/27 business planning process. The main purpose of this report is to specifically update on the budget preparations for 2026/27 and with a focus on the General Fund. Further updates on the Housing Revenue Account and Dedicated Schools Budget will be presented to Cabinet in December 2025.

1.2. It sets out the latest information and in particular changes in assumptions or information since the last 2025/26 Budget and 2025/2030 MTFS report agreed by Full Council on 3 March 2025. Work has been underway since then to identify the risks and opportunities for setting a balanced budget for 2026/27. These, together with the outcome of the annual review of the capital programme will be included in a report to Cabinet in October before being launched for consultation and scrutiny. The feedback from the consultation will be considered in developing the final draft budget that will be presented to Cabinet in February 2026.

1.3. The Council's annual budget, five-year capital programme and Medium Term Financial Strategy (MTFS) determine the financial resources for the delivery of the 10-year Borough Vision and the Council's priorities as set out in the Corporate Delivery Plan. This report is the starting point for the budget and business planning process for 2026/27. It explains the process for developing and agreeing business plans and the budget for 2026/27 as well as reviewing assumptions on which the current MTFS agreed in March 2025 is based. It then updates information arising from government and other announcements plus the on-going impact of challenges apparent in 2025/26 and new or emerging financial issues for 2026/27 and beyond which will be incorporated into the new MTFS.

1.4. The Budget and Business Planning process will continue through the autumn and winter. Based on the timetable proposed in this report, Council will set a budget for 2026/27, a medium-term financial strategy to 2030/31 and capital programme to 2030/31 in March 2026. This report provides context and background information as well as updates about the wider economic environment since the 2025/26 budget and Medium Term Financial Strategy was agreed in February 2025.

1.5. Although much of the current focus is on developing the draft budget for 2026/27 and minimising any ongoing reliance on Exceptional Financial Support from Government, work has also commenced on developing a longer-term approach to balancing the budget across the MTFS five-year period. Further details on the approach being taken are set out in Section 12. Efficiencies will continue to be explored, together with commercial opportunities to increase income generated and a focus on prevention to avoid the continued high spend in some areas across the medium term. It is likely that this will not be sufficient and there is a need for a deeper, structural and a cross-organisation approach that considers how services are provided and prioritised within the Council's limited financial resources, using the Corporate Delivery Plan as the foundations to these discussions.

1.6. The multi-year forecast of reserve balances is set out in Section 18 (Table 7) and includes details of all known commitments. It shows that reserves allocated for risks and uncertainties will reduce to £0m by March 2026. Over the last two financial years, reserves have been utilised for both setting a balanced budget and also at the year ends to manage the final overspend position. As a result, reserves for managing risks and uncertainties are at a minimum level so any use of reserves for balancing the budget is not sustainable and replenishment of reserves for managing risks and uncertainties will commence from 2026/27, depending on the financial position.

1.7. There is considerable further work to be undertaken between now and 3 March when next year's budget is agreed. This will include lobbying central government in relation to the latest consultation on the funding formula which suggests that Haringey could lose Government funding over the next three years; looking at additional cost reductions and ensuring value for money is achieved for each pound spent; income generation strategies and wider transformation. Despite these significant challenges the Council still must set a balanced net budget in March 2026 in line with its legal requirements.

2. Cabinet Member Introduction

2.1 Haringey can point to a number of achievements over the past 4 years. Achievements driven by our priorities. From a 'Good' rating in Children's services, building hundreds of beautiful, high quality council homes, planting thousands of trees to improving our governance and internal processes. But we are a still a council where many of our residents, especially those in our eastern wards, continue to live in circumstances of poverty, ill health and poor outcomes. As a borough, we have had to make deep savings for over 10 years. Considered outer London, we did not receive the top ups that were awarded to some councils. But we also have an economy made up of low wages and small businesses, many working from home. We do not have the vast tracts of land for development and business, that our northern neighbours can utilise. We fall through the cracks.

2.2 The high level of need, increasing numbers of those over 65 and a large number in insecure private sector housing (over 50% in some wards) continues to drive the increasing cost of providing services that our residents rely on. Adult social care, children's social care, temporary accommodation. The three primary drivers seen up and down the country.

2.3 This paper looks at our current financial position and the medium term forecast, taking into account global, national and local predictions. As a council we are doing everything possible to make sure that every pound counts, while providing the services our residents rely on. While the current proposals for fairer funding do not improve our position, we will continue to lobby strongly for a recognition of our particular circumstances and our residents.

3. Recommendations

3.1 It is recommended that Cabinet:

a) Note the Council's current financial position as set out in this report which sets the foundations for the full budget for 2026/27 that will be presented to Cabinet in February 2026 and onward to Full Council in March 2026.

b) Note the agreed pressures for 2026/27 (Appendix 1) and any additional emerging budget challenges since the last update in March 2025 that have been identified for 2026/27 and across the medium term as set out in Section 12.

c) Note the agreed revenue savings proposals summarised in Section 12.1.

d) Note the risks and uncertainties in Section 18 that still remain.

e) Note that the General Fund Revenue Budget, Capital Strategy, Capital Programme, HRA 2026/27 Budget and Business Plan and Treasury Management Strategy Statement will be presented to Cabinet on 11 February 2026 to be recommended for approval to the Full Council meeting taking place on 3 March 2026.

f) Note the new Capital Delivery Governance Framework attached as Appendix 2.

4. Reasons for decision

4.1 The Council has a statutory obligation to set a balanced budget for 2026/27 and this report forms a key part of the budget setting process by setting out the approach to delivering this and a refreshed Medium-Term Financial Strategy (MTFS). It also highlights key updates in terms of funding, expenditure, risks and issues since the last report in March 2025. The final budget for 2026/27, Council Tax levels, Capital Programme, Treasury Management Strategy, Housing Revenue Account (HRA) budget and Business Plan will be presented to Cabinet in February 2026 for recommending to Full Council on 3 March 2026.

5. Alternative options considered

5.1 The Cabinet must consider how to deliver a balanced 2026/27 budget and sustainable MTFS over the five-year period 2026/31, to be reviewed and adopted at the meeting of Full Council on 3 March 2026.

5.2 This report is a key tool in achieving this as it sets out the approach, scope and timetable to delivering the 2026/27 Budget.

6 Medium Term Financial Strategy (MTFS)

6.1 Although the statutory local authority budget setting process continues to be on an annual basis, a longer-term perspective is essential if local authorities are to demonstrate a clear understanding of their financial sustainability. Short-termism is counter to both sound financial management and governance.

6.2 The Medium-Term Financial Strategy (MTFS) provides the financial framework for the delivery of the Council's aims, ambitions, and strategic priorities as set out in the Corporate Delivery Plan (CDP). The aim of the MTFS is to:

- Plan the Council's finances over the next five years, taking account of both the local and national context.
- Provide the financial framework for the delivery of the Council's priorities and ensure that these priorities drive the financial strategy - allocating limited financial resources whilst also continuing to support residents.
- Manage and mitigate future budget risks by forward planning and retaining reserves at appropriate levels.

6.3 In December 2025, the Government will publish a three-year Local Government Finance Settlement which will give some certainty over funding levels. This will be based on the Spending Review published on 11 June 2025 and the consultation on the distribution of funding that was published on 20 June 2025. Although the certainty is welcomed, it is clear that the level of funding will still be insufficient to manage the growing pressures, particularly in social care and temporary accommodation and early indication suggest that the MTFS assumption of funding remaining at the 2025/26 level is at risk. It is therefore even more important to demonstrate a collective understanding of the best estimates of financial pressures, opportunities and funding over a longer timeframe, acknowledging financial pressures and risks.

6.4 In developing the medium to long term financial strategy, the authority must test the sensitivity of its forecasts, using scenario planning for the key drivers of costs, service demands and resources.

6.5 The MTFS must be developed in alignment with the stated objectives and priorities in the Corporate Delivery Plan and more recently the Borough Vision and needs to be reviewed regularly to test that delivery of the agreed outputs and outcomes are still achievable within the financial envelope available. Where this is not the case, plans will need to be reassessed and re-set.

Budget Principles

In setting the budget each year, the Council does so in line with the following principles:

- To support the delivery of the Council Plan and priorities.
- Financial Planning will cover at least a 4/5-year period.
- Revenue and capital of equal importance.
- Cost reductions and income generation required.
- Sustainable budget for future years (one offs not the solution).
- Not be an on-going reliance on reserves.
- Any use of reserves to balance the budget will need to be repaid.
- Estimates used for pay, price and demand based on data and evidence - pressures.
- Growth for increased service provision will be exceptional and considered on case-by-case basis.
- Loss of Government grant will result is same reduction in expenditure.
- All services will ensure value for money and productivity.

7 Borough Vision and Corporate Delivery Plan

7.1 On 15 October 2024, Haringey's Borough Vision was published with 'Making Haringey a place where everyone can belong and thrive is at the heart of a new shared vision for the borough'. The aim of the vision is to galvanise the actions not just of the council but also of partners, residents and businesses behind a set of common objectives. Haringey 2035 identifies the six key areas for collaborative action over the next decade:

- Safe and affordable housing
- Thriving places
- Supporting children and young people's experiences and skills
- Feeling safe and being safe

- Tackling inequalities in health and wellbeing
- Supporting greener choices

7.2 This builds on the Haringey Deal which sets out the council's commitment to developing a different relationship with residents, alongside the Corporate Delivery Plan (CDP) which sets out the organisational priorities every two years.

7.3 The most recent CDP was approved by Cabinet in July 2024 and can be found here - The Corporate Delivery Plan 2024-2026 (haringey.gov.uk). it outlines the strategic objectives, priorities, and initiatives aimed at creating a fairer, greener borough. The plan is set out in eight separate themes:

- Resident experience and enabling success
- Responding to the climate emergency
- Children and young people
- Adults, health and welfare
- Homes for the future
- Safer Haringey
- Culturally rich borough
- Place and economy.

7.5 The Budget and MTFS process is the way in which the Council seeks to allocate financial resources in order to support the delivery of this plan alongside analysing and responding to changes in demand, costs and external factors. In light of the financial pressures facing the Council and as the end of the current Corporate Plan period is approaching, the Council is taking stock of progress and considering whether the small number of activities currently RAG rated 'Red' (as reported in the 6 monthly update to Cabinet) can still be delivered as originally envisaged. Where this looks challenging, consideration is being given to whether the desired outcomes can be achieved in other ways, in particular whether this can be done within reduced resources.

8 National Financial Context

8.1 On 11 June 2025, Government published the outcome of its multi-year Spending Review which sets the financial envelope for all Government Departments over the three-year period from 2026/27 to 2028/29. Local government funding allocations will not be known until the provisional local government finance settlement in December 2025 but on 20 June 2025, Government published its consultation on funding reforms.

8.2 The announcements relevant to Local Government and London from the Spending Review are summarised below.

2025 Spending Review – Key Messages

8.3 Government's key announcement was the aim to prioritise growth and put public services back on track, with a boost for housing investment and funding for social care and homelessness.

8.4 The key headlines include:

- Core Spending Power (across England) will increase by an average of 2.6% a year over the next three years (assuming maximum council tax increases), front-loaded with a 3.8% in 2026/27 followed by increases of 1.9% and 2.2% for the subsequent two years, respectively. This includes £3.4bn of new grant funding over three years– with over £500m earmarked for Children's social care to help more children stay with their families, and £560m to refurbish and expand children's homes and foster care placements.

- Additional funding of £100m towards early interventions to prevent homelessness including £87m from the Transformation Fund in 2026-27 and 2027-28.

- An additional £760m to reform the SEND system in 2026/27 – with details set out in the schools White Paper in the autumn. Related Schools funding matters such as the DSG statutory override (where DSG deficits of Local Authorities can be excluded from main revenue budgets, preventing a breach in the statutory duty to balance the budget) will be incorporated into the local government funding reforms consultation.

- The schools' budget will rise by £2bn in real terms over the Spending Review period, with a £4.7bn annual cash increase by 2028-29, delivering 1.1% average growth per pupil.

- There were no significant announcements for adult social care as the government is waiting on the independent Casey Review, scheduled for release from 2026, which will focus on how to implement a national care service and longer-term recommendations for transformation of adult social care.

- The Household Support Fund and the Discretionary Housing Payment grants will be replaced by an £842 million annual Crisis and Resilience Fund.

- The government will provide £39bn of funding for the Affordable Homes Programme (AHP) over ten years from 2026-27 to 2035-36. This is an average annual spend of £3.9bn compared with the current five-year AHP's average annual spend of £2.3bn.

- There will be a 10-year social housing rent settlement increasing at CPI+1% annually, and the government will soon launch a consultation on implementing social rent convergence both of which will impact the Business Plan for the Housing Revenue Account that will be published later in the year. A fourth round of the Local Authority Housing Fund has been announced with £950m to be made available from 2026/27 to 2029/30.

- An integrated Settlement was confirmed for the GLA starting from 2026/27, covering economic development and regeneration, transport and local infrastructure, adult skills, employment support, housing and strategic planning, environment and climate change, health, wellbeing and public service reform.

- Investment of £200m to end housing asylum seekers in hotels in this parliament.

- For 2026/27 there is an assumption that all authorities raise council tax by the maximum permitted each year. For London boroughs, this will remain at 3% (main rate) and 2% for the ASC precept.

8.5 Government launched its consultation on Local Government Funding reform on 20 June 2025. This covers the proposed new methodology and data sources to distribute the total local government budget, agreed in the SR25. This has not been reviewed or updated for 10+ years, and the outcome will have major implications for individual authorities' funding allocations.

9. Haringey Context

9.1 Haringey is an outer London borough – receiving outer London levels of funding but which exhibits many inner London characteristics including levels of deprivation, high housing costs and urban density. Unlike many other London boroughs, it also continues to have a growing population – with the number of over 65s 24% higher in 2025 than it was in 2011.

9.2 The core grant funding available from government for Haringey to deliver services and meet the needs of residents is around £143m less in real terms than it was in 2010/11.

9.3 Haringey's local population has been hit hard by the increased cost of living which continues to have an impact.

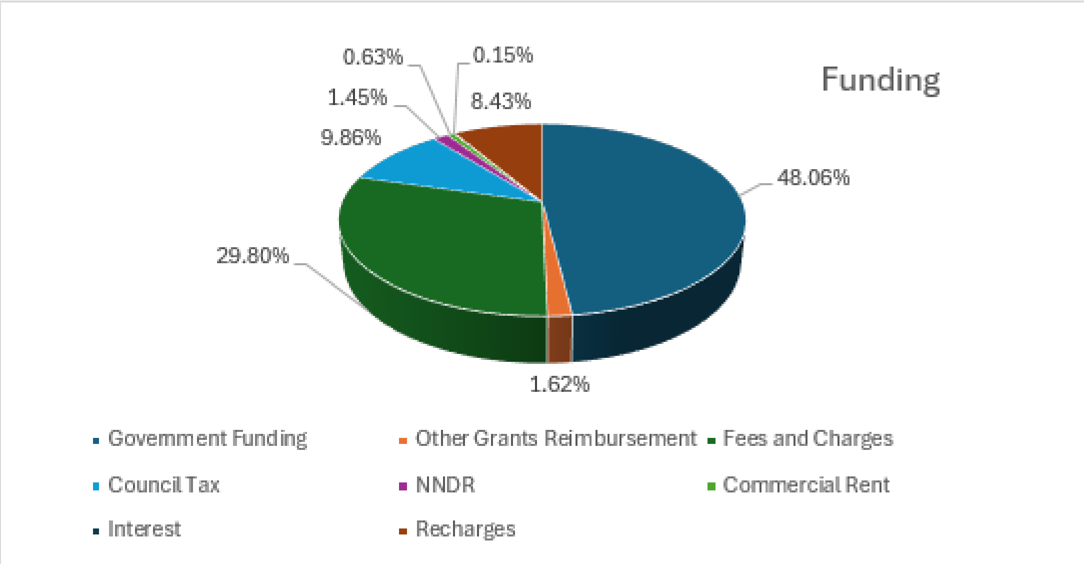
9.4 The most recently reported data shows that 25% of residents aged 16 to 65 were claiming Universal Credit in Haringey in May 2025 – over 47,000 people. 7.9% of residents aged 16+ were claiming unemployment-related benefits in Haringey in May 2025 – ca. 15,000 people, one of the highest figures of the last 3 years and higher than the averages for London and our statistical neighbours. One in five households have an active mortgage so may be impacted by the continuing high interest rates.

9.5 For schools, falling rolls in primary classes are adding additional pressures on stretched budgets particularly as grant income is linked to pupil numbers. Even where numbers have been relatively stable, cost inflation on key items such as utilities and building maintenance, continues to provide challenges and 33 schools are carrying budget deficits.

10 Revenue Budget – Income

10.1 With a statutory requirement to set a balanced budget each year, the Council's spending power is determined by its income levels. The Council's main funding sources for 2025/26 are set out in Chart 1 and includes Government Grant, Council Tax and Business Rates, fees and charges and rental income and other partner contributions, such as from health.

Chart 1: 2025/26 Gross Income



<u>Government Funding</u>

10.2 Core Spending Power is used by the Government as a measure of resources available to local authorities to fund service delivery and is a combination of Government funding and Council Tax.

10.3 The provisional local government finance settlement which includes details of the level of Government funding is published in December of each year, followed by final settlements published in the February.

10.4 Current financial plans assume that Government funding for 2026/27 will be in line with that of 2025/26 and the Spending Review 2025 did not include anything that would suggest any change to this assumption. The more recent consultation on funding reforms would suggest that the level of Government funding for London as a whole is reducing and for Haringey there is a real risk that Government funding will fall over the next three years. As a Council already reliant on EFS this poses a significant challenge to the financial position next year and over the medium term.

10.5 Over and above the grants published in the Local Government Finance Settlement, there are a number of service specific grants which are included in individual service budgets. Financial Plans for 2026/27 also currently assume that these service specific grants continue at the same level as in 2026/27. In line with budget principles, any reductions in Government Grant must result in an equivalent reduction in spend.

Business Rates

10.6 Business rates are set nationally. The valuation of business premises is set by the Valuation Office and Government sets the multiplier which determines the pence per pound paid in tax. The Council is currently a ‘top up’ authority which means that it does not generate sufficient business rates income to meet the needs of residents in the borough and therefore receives a top up amount on baseline business rates funding. Each year, the business rates baseline funding is increased in line with inflation as of September. With inflation rates still volatile no changes have yet been assumed about any potential changes in business rates baseline funding.

10.7 Furthermore, the Government has been consulting on plans to finally deliver a reset to the individual authority baselines which have not been revised since the current business rate retention scheme was created in 2013. The consultation asked for views on a range of factors covering the period between this and future resets; the inter-relationship between this and appeals and bad debt provisions. It is unclear on the implications for Haringey and how this aligns with the impact from the funding reforms.

10.8 The approach to the reset is further complicated by it coinciding with a revaluation and new multipliers. This will result in the business rates system being more complex, uncertain and possibly less responsive to local economic conditions.

10.9 It is unclear when the outcome of the consultation will be shared but any outcome (positive or negative) will most likely only be known when the provisional local government finance settlement is published.

10.10 In 2025/26, Haringey is part of an eight borough Business Rates Pool with other London boroughs which is expected to generate a financial benefit of £2.1m in 2025/26. Any decision to continue the pool is subject to review each year and with the proposed changes to business rates as highlighted in the paragraphs above no assumption has been made for 2026/27, either in terms of participation in the pool or any financial benefit.

Council Tax

10.11 Income collected through Council Tax is determined by the level of the tax and the council tax base.

10.12 Financial Plans currently assume that the council tax base will increase by an average of 1% in 2026/27 to reflect the Council's ambitious housebuilding programme and takes into account the number of households receiving Council Tax reduction and other discounts. The average Council Tax band is expected to remain as Band C – the average across London is a Band D.

10.13 The Spending Review and recent consultation on funding reforms assumes all authorities raise council tax by the maximum permitted each year. For London boroughs, this will remain 3% (main rate) and 2% for the ASC precept. The March assumptions for 2026/27 council tax increases was 1.99% (main rate) and 0% for the ASC precept. Any final Council Tax increases are part of the budget setting process and agreed by Full Council each March. Through this report the financial position is presented as three scenarios – no increase to the 2025/26 rate: a 1.99% Council Tax increase and a 4.99% increase. Each 1% increase in Council Tax generates approximately an additional £1.4m in income after taking into consideration the impact of the Council Tax Reduction Scheme.

10.14 The table below exemplifies the financial impact of 1.99% and 4.99% Council Tax increases across the MTFS period.

Table 1 – Scenarios for 1.99% and 4.99% Council Tax Increase 2026-2031

Scenario	2026/27	2027/28	2028/29	2029/30	2030/31
	£'000	£'000	£'000	£'000	£'000
Income from 1.99% increase	149,617	154,071	158,660	161,797	166,667
Income from 4.99% increase	153,971	163,174	172,933	181,691	192,664
Increase in income	4,354	9,102	14,273	19,893	25,997

10.15 The 2024/25 Council tax was an estimated surplus, with the Council's share totalling £2.46m. This will be recognised in 2025/26. It is too early in the year to make any concrete assumptions about any surplus/deficit impacting 2026/27 however, it should be recognised that the overall collection rate for 2024/25 was only 94.03% against a target of 96.75%. Collection rates are dropping across many of Haringey's statistical neighbours and Haringey's target for 2025/26 was set at 95.75% (96.75% 2024/25). Performance against this will continue to be measured on a monthly basis and this will help inform overall council tax income built into the 2026/27 budget.

Fees and Charges

10.16 Income from fees and charges (including rents from commercial and operational properties) is around 29.8% of the Council's income. Many of these are set by Government but there are many which the Council has discretion over the level.

10.17 Each year, all fees and charges are subject to review which is also expected to identify any opportunities to introduce new services which could contribute additional income. This review process is currently underway, and proposed changes will be approved by Cabinet in December. Every 1% increase in fees and charges equates to approximately £4.3m of additional income.

10.18 For budget planning purposes, it is assumed that all fees and charges will increase by the inflation level as at October 2025 in line with our budget principles, with exception to those which are already at full cost recovery or analysis shows it would be detrimental to income levels to increase by inflation. Full details will be included in the report to Cabinet in December 2025.

11 Revenue Expenditure

11.1 Spending patterns are volatile and each year there are new pressures. Medium term financial planning and the budget for 2026/27 aims to review both existing pressures and understand new pressures emerging to enable a budget to be set that is robust and achievable. The starting position is a review of the financial position in the previous and current financial years.

2024/25 Budget Outturn

11.2 The revenue outturn position for 2024/25 is an overall net overspend of £10m which is expected to be met via a capitalisation direction from government allowing the authority to fund the overspend via borrowing or capital receipts. The final outturn incorporated an overspend of £37.8m on service budgets, offset by an underspend on non-service budgets (including Contingency) of £20.4m and additional income of £4.0m on financing budgets. It also required unbudgeted drawdowns from reserves of £9.3m in addition to the £5.1m that had been agreed when the budget was set in March 2024 which leaves the Council’s useable reserve balances largely depleted.

11.3 The overspend on service budgets included £7.5m (37%) non-delivery of savings. Of these, £440,000 was written out of budget plans for 2025/26 as unachievable but the remainder is still expected to deliver albeit on a delayed profile.

11.4 The report to Cabinet in February 2025 acknowledged the service pressures manifesting during 2024/25 which remained consistently around £37m throughout the year and £56m additional budget was allocated to services in 2025/26, primarily, adults and children’s social care and temporary accommodation but this was only possible by assuming a £37m use of Exceptional Financial Support (EFS). The £37m is a one off and through borrowing from Government, incurring borrowing costs over the next 20 years and therefore the Council has put in place a Response and Recovery

Plan to reduce the reliance on EFS in future years. This means that with a budget gap of £44m for 2026/27, the next budget would need to reduce by £81m for the Council to not be reliant on EFS in 2026/27.

2025/26 Budget Position

11.5 Despite an additional £56m being provided to services in 2025/26, early indications suggest that demand and cost of services is continuing to increase. Internal monthly monitoring of spend is in place and the first update will be reported to Cabinet in September based on the forecast position at the end of Quarter 1. All services must remain within their budget and mitigating actions will need to be taken for any areas forecasting an overspend or non delivery of their assumed in year savings.

Financial Recovery

11.6 In light of the Council's financial position and the reliance on Exceptional Financial Support from Government in 2024/25 and 2025/26, emergency financial controls have been put in place across the organisation to reduce non-essential spend. This includes:

- Spending Control Panel who meet twice weekly to consider all non essential spend over £1,000.
- Recruitment Panel who meet fortnightly to consider all non essential recruitment requests.
- Emergency Planning arrangements across the whole organisation, overseen by GOLD and SILVER arrangements whose focus is on implementation of the Council's Financial Response and Recovery Plans.

The implementation of the Financial Response and Recovery Plan is aimed at taking the necessary action to restore the Council's financial stability and reducing the reliance on EFS.

12 Approach to 2026/27 Financial Planning

12.1 The council's revenue budget supports a range of service provisions which contributes to the council's priorities and the Borough Vision. Most of these services continue from one year to the next.

12.2 Due to the continuity of service provision, the first step in building the budget for 2026/27 will be to roll forward 2025/26 budgets. This starting point will then be adjusted for changes planned for 2026/27 built into the MTFS agreed in February 2025. This is then further refined throughout the year until final proposals are recommended to Cabinet and Full Council in February and March 2026.

12.3 Work began on a structured budget planning process for setting the 2026/27 budget early in the 2025/26 financial year. This process consists of the Council's leadership team working together to collectively understand the budget position and what is driving any spend pressures; to share information across directorates, review external benchmarking and learn from best practice service delivery in similar authorities to identify cross - directorate and directorate specific savings proposals to address the financial challenge. The outcome of this process will be presented to Cabinet in October 2025 to agree any proposals to be launched for budget consultation over the winter.

12.4 A key strand of understanding the budget position and the gap between forecast income and expenditure to maintain services is to analyse the spend pressures and understand in detail the drivers, such as demand, cost or level of service. This will start with considering the 2024/25 outturn position and any data or insight from the first quarter of 2025/26. Scenario planning is underway to provide a range of figures backed up by detailed assumptions and consideration of the impact on services by making different choices in how services are provided and to what level. This activity is also considering the benefits of 'invest to save' projects although these might be limited due to the lack of available balances to forward fund spending.

12.5 Benchmarking is a key tool in both understanding service pressures but also in identifying possible new saving streams.

To date services have produced initial estimates of new pressures above that already assumed in the current MTFS that was published in March 2025. However, these require further review and challenge before they can be built into the 2026/27 financial budget but indications are that pressures continue to be increasing.

12.6 Budget growth proposals are requests for increased spending power to increase or enhance services. These are unlikely to be agreed given the tight budget position facing the council.

<u>Pressures</u>

12.7 The existing MTFS published in March 2025 provided for £15.7m of service pressures and £30.7m of corporate pressures over and above existing budgets as set out in the table below.

Table 2 – Previously Approved Pressures (2026-2030)

Management Area	2026/27 £'000s	2027/28 £'000s	2028/29 £'000s	2029/30 £'000s
Children's Services	3,496	1,772	1,772	1,680
Adults, Housing & Health	11,446	9,210	9,200	7,920
Environment and Resident Experience *	-849	-134	-2,000	0
Culture, Strategy & Communities	559	23	23	23
Finance & Resources	1,000	0	0	0
Chief Executive Office	0	0	0	0
Capital Financing Charges	2,619	2,360	2,000	2,000
Contingency	10,149	10,134	10,000	10,000
Treasury Management Charges	422	3,122	23	23
Other Corporate Budgets	17,505	15,938	17,736	21,289
TOTAL	**46,347**	**42,425**	**38,754**	**42,935**

* The negative pressure figures in Environment and Resident experience relate to the unwinding of additional budget built into the Housing Benefit service in 2025/26 which is expected to reduce as the transition of claimants to universal credit completes and the policy on support exempt accommodation providers embeds.

Service Pressures for 2026/27

12.8 The estimated pressures are based on a series of assumptions with the best-known information at the current time. Many of these assumptions will carry risk and uncertainty and therefore for demand led services, such as social care and housing, scenario planning is undertaken to identify a best case and worst-case scenario before a judgement is made and forms the basis for estimating future service pressures. At this stage in the process, firm figures are not provided, and the pressures assumptions remain as at March 2025.

12.9 Work is underway to review all pressures for 2026/27 and based on the outturn position outlined in 11.2, it is highly likely that the service pressures have increased from that reported in March 2025 in Table 2. An assumed £10m has been built into the budget gap for 2026/27 pending this further analysis. A further update will be provided in October 2025. Details in Appendix 1.

Adults Social Care

12.10 The adult social care market continues to be challenging with providers faced with London living wage increases as well as increased employer national insurance; Brexit has also removed an accessible pool of workers. Consequently, when new placements are being made, especially for residential, prices are continuing to rise with very few providers now prepared to accept the Council’s usual maximum rates. The current MTFS allows for a £8.4m increase in costs in 2026/27.

12.11 Over the past five years the number of older adults (65+) with a care package has increased by 31%, for younger adults (18-64) it has increased by 26%. This trend in numbers requiring support is only likely to continue as we see the proportion of older adults needing care and support increasing and younger adults requiring support increasing where the number young people supported by SEND have increased significantly in recent years.

12.12 Work is underway to model various scenarios around future numbers requiring support using a range of available data.

12.13 With respect to the cost of care, the weekly care commitments have increased by 56% for younger adults and 58% for older adults over the past five years reflecting major changes to the care market where employee pay has increased significantly in that period and providers have increasingly driven prices upwards. At the same time, the support needs of individuals have become more complex, with double handed care packages becoming more frequent.

Housing Demand (Homelessness)

12.14 The current MTFS allows for a £3m increase in Temporary Accommodation costs in 2026/27. Work is underway to assess the sufficiency of this allowance, and an update will be provided to Cabinet in October.

Children's Social Care

12.15 The current MTFS allows for a £3.5m increase in costs in 2026/27. Whilst the number of young people supported may have marginally decreased over the past five years across most areas apart from early help, the cost of providing support has significantly increased over the same period where annual spend has increased by 30%. This reflects the concern that the market may be considered to be "broken", and steps need to be taken to change the balance between provider and commissioner.

12.16 Work is underway to model scenarios around future numbers and cost.

Other Services

12.17 The current MTFS allows for a £0.7m for other service pressures increases in costs across other services in 2026/27. Work is underway to assess the sufficiency of this allowance and an update will be provided to Cabinet in October.

12.18 All assumptions will remain under review over the next few months as new information emerges and the budget for 2026/27 can be set on the most up to date, realistic and reliable estimates of service pressures.

Council Wide Pressures for 2026/27

12.19 The current MTFS has built in £30.7m for corporate related pressure in 2026/27. The majority of this is for estimated inflation increases (pay award, corporate contracts), concessionary fares, NLWA levy, capital financing.

Details provided in Appendix 1. The sections below provide narrative on the key budget heads.

Price Inflation

12.20 Based on the latest March 2025 forecast by the Office for Budget Responsibility (OBR) published in June 2025, the Consumer Price Index is expected to rise to 3.21% in 2025 and then fall rapidly to around the 2.0% target from mid-2026 onwards. A further updated forecast from the OBR is expected to be shared at the same time as the Autumn Statement.

12.21 These updated forecasts are in line with the assumptions made in March. Although considerably lower than a couple of years ago, inflation continues to be volatile and on the larger budgets, such as pay and social care/housing contracts and a small increase can be significant. At this stage the budget assumptions have not been amended but will be kept under review up to the end of the planning process. This does remain a key risk for the authority.

12.22 The 2025/26 London Living Wage (LLW) saw an increase 5.3%. The Council has made a commitment to ensure LLW is paid to all direct employees and those through contracts. This is of particular importance for the Adults budget as pay levels in the care sector are heavily influenced by the National Living Wage (NLW) and LLW. Government has yet to confirm the indexation which will be applied to maintain its value now that its original policy objective has been met. The Low Pay Commission, which advises Government on the rate at which the NLW should be set, has published a projection for April 2026 of between £12.50 per hour and £12.80. Its central estimate is £12.65, which would represent growth of 3.5%. The LLW will be a higher percentage increase.

Pay inflation

12.23 The Council employs approximately 2,260 staff, excluding schools and staff funded from the HRA, and has a pay budget for 2025/26 of around £165m. Annual pay awards are determined by national agreement which are invariably confirmed post the annual budget approval. For planning purposes, it is currently assumed that for 2026/27 onwards pay will rise by 2%. The cost of a 1% pay award is approximately £1.7m. No change to this assumption is being made at this point.

Interest Rates and Treasury Management

12.24 The 2025/26 budget agreed in March 2025 assumed new treasury investments will be made at an average rate of 4.00%, and new long-term loans will be borrowed at an average rate of 5.50%. In May 2025, the Bank of England's reduced the base rate to 4.25% (4.5% March 25). The June meeting agreed to hold the base rate at 4.25%. The Council borrows and invests sums of surplus money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. Fluctuations in interest rates impact on the expenditure required to service any borrowing the Council undertakes and therefore whilst reduced interest rates will reduce the revenue impact of borrowing to fund the capital programme, this will also result in reduced investment income. The 2026/27 budget gap assumes a net budget of £14.3m for treasury management activities.

12.25 Borrowing for local authorities receiving exceptional financial support (EFS), does not have to be made on the open market but can be borrowed from the Public Works Loan Board (PWLB), part of the Treasury department which offers a lower rate. However, this still equates to circa £72,000 for every £1m borrowed. The balanced budget for 2025/26 assumed the use of £37m EFS, with a further £10m assumed to meet the provisional 2024/25 outturn overspend. The cost of this borrowing has been built into the current MTFS assumptions. Any additional sums required to deliver a balanced 2026/27 budget, will need to be factored into the final budget proposals. The Council has a structured and planned asset management programme. Any disposals that result in capital receipts will be considered as a funding source for EFS and reduce the reliance on borrowing.

12.26 The Council has a Treasury Management Strategy Statement (TMSS) which sets out in detail the Council's approach to managing its cash flows, borrowing and investment activity, and the associated risks. 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. The TMSS for 2026/27 will be considered by Audit Committee in January 2026 and Cabinet in February 2026 for recommendation for approval by Full Council in March 2026. The TMSS will also be considered by Overview and Scrutiny Committee in January as part of the budget scrutiny process and in accordance with the CIPFA Treasury Management Code of Practice.

Contingency Budgets

12.27 The MTFS assumes the maintenance of a corporate contingency budget at £10m across the whole period. There are currently no proposals to reduce this, in the light of the lack of useable reserves and the scale of the savings programme to deliver. Increasing the value of this budget is recommended but this is dependent on the final funding settlement from government, the size of any increased pressures that must be funded and the level of new saving proposals.

Other Corporate Budgets

12.28 All other key corporate budgets have been reviewed but most of the larger budget areas such as Concessionary Fares and the North London Waste Levy (NLWA) are determined by other bodies who are, like Haringey, still in the early stages of budget setting for 2026/27. For budget planning purposes these are assumed to increase by inflation.

12.29 The NLWA levy has been forecast to rise significantly for some years however there have been delays in progressing the new plant which has delayed planned increases. Indicative figures for 2026/27 will be available from late November with final levy published in February 2026. At this point no changes to current budget assumptions can be made however, this does remain a risk for the council. The 2025/26 levy is £11.3m and current estimates are that this will rise to £17m in 2028/29.

Budget Reductions

12.30 As reported in the 2024/25 Outturn report, £7.5m of savings were undelivered as at the end of March 2025. The majority of these relate to Adults Services and the delays in the delivery of these savings are largely as a result of challenges relating to workforce and vacancy levels.

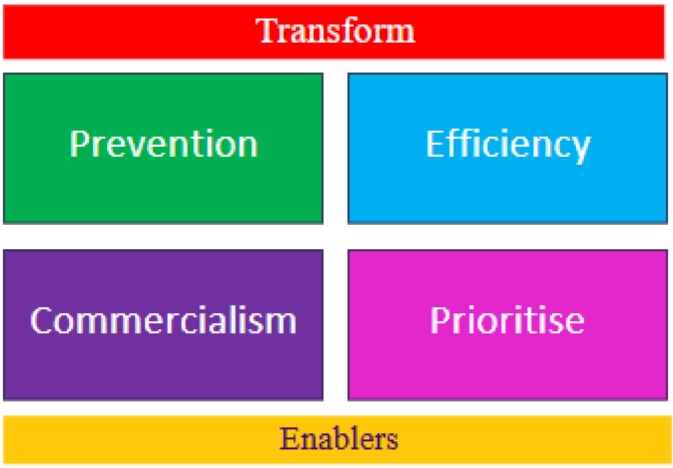
12.31 The existing budget for 2026/27 includes £17.9m of existing budget reductions (reduced spend and increased income) and these are set by Service in the table below and full details are within the budget report that was published in March 2025.

Table 3 – Previously Approved Savings

Management Area	2026/27 £'000s	2027/28 £'000s	2028/29 £'000s	TOTAL £'000s
Children's Services	320	365	50	735
Adults, Housing & Health	5,656	2,989	1,920	10,565
Environment and Resident Experience	1,133	1,257	886	3,276
Culture, Strategy & Communities	488	605	125	1,218
Finance & Resources	4,258	3,260	885	8,403
Council wide savings to be allocated	4,089	3,505	0	7,594
CTRS related schemes	2,000	0	0	2,000
TOTAL	**17,944**	**11,981**	**3,866**	**33,791**

Approach to New Savings

12.32 The focus of the Budget Series in 2025 has been to identify new savings options (reduce costs and increase income) for balancing the budget in 2026/27 and across the medium term. These have been considered in accordance with the four financial sustainability lenses shown in the graphic and with an overarching theme of transformation and service re-design.



Prevention

12.33 Reducing the high expected demand for social care and housing services expected over the medium term, it is critical that the Council has a greater focus on prevention and early intervention. There is evidence that supporting people at an earlier stage leads to better outcomes for the individuals as well as reducing costs to the Council.

Efficiency

12.34 Achieving efficiencies must be part of the annual budgeting setting process across all services to ensure value for money. This will include modernising the way we work and deliver services, reducing and removing waste and consolidating and streamlining processes to consider how we achieve the same value with less resource or deliver more value for the same resource.

Commercialism

12.35 Increasing income provides an opportunity to protect the Council's spending on priority services. An annual review of fees and charges to reflect full cost recovery will be undertaken and will include an improvement in internal processes to ensure income due can be collected as well as making it easier for residents, businesses and visitors to make payment through increased use of technology and digital channels. The Council will also consider opportunities on how the Council can generate additional revenue through greater utilisation of its assets and services, through partnership and shared working across the public and the private sector, maximising opportunities for external funding and considering alternative arrangements for protecting service delivery such as shared services.

Prioritise

12.36 With a legal requirement to set a balanced budget each year and to minimise the use of Exceptional Financial Support, a smaller financial envelope will mean that some prioritisation of services will be required because not everything may be affordable. Protecting services for the most vulnerable will always be a priority and any prioritisation of services will be within the context of the Corporate Delivery Plan.

12.36 All services will continue to review all of their budgets in light of the benchmarking available and as the financial planning process progresses, all services will be required to demonstrate that services are delivering value for money. Where there is discretion, all fees and charges must be reviewed well ahead of the annual corporate collation process to ensure that they adhere to the agreed External Income Policy. This includes ensuring that the full cost of service provision is included in the charge where appropriate. Services are also reviewing opportunities to develop new discretionary services which can bring in net additional income into the council

13 Updated 2026/27 Financial Position

13.1 Based on the provisional 2024/25 outturn and the early spend projections for 2025/26, the 2026/27 budget gap reported to Council on 3 March has been adjusted. This adds a further £10m to the assumed budget gap for 2026/27. This is illustrated in Table 4 below. The table then builds on this to show the impact of various scenarios on this adjusted in 2026/27 budget gap.

Table 4: Impact of various scenarios on budget gap

	2026/27	2026/27	2026/27
	Current Assumption	**Best Case**	**Worst Case**
	£'000	**£'000**	**£'000**
Budget Gap (as at March 2025)	**34,178**	**34,178**	**34,178**
Early 2025/26 budget forecast service overspend/pressure	10,000	10,000	10,000
Adjusted Current Assumption (based on early 2025/26 budget forecasts)	44,178	44,178	44,178
Increase in service pressures by 3%			9,901
Review of Corporate Budget assumptions (increase by 1%)			578
Pay assumptions (increase by a further 1%)			1,654
Inflation assumptions (increase by 1%)			404
No increase in Council Tax and collection rate reduced to 95%			5,880
Revised Gap (as at July 2025)	**44,178**	**44,178**	**62,595**
Additional income from 2.99% Council Tax and 1.99% Adult Social Care precept and 97% collection rate		**-4,354**	
Revised Gap (as at July 2025)	**44,178**	**39,823**	**62,595**

13.2 Work will continue with the services over the next couple of months to further refine the pressures assumptions. An update on this and the overall gap will be provided in the next report to Cabinet in October 2025.

13.3 However, even if no additional pressures emerge before the budget is formally set, the Council still has at least £44.2m of budget reductions to identify before a balanced budget for 2026/27 can be approved in March 2026. This assumes that the £37m expected use of EFS in 2025/26 will continue to be borrowed year on year from the Government and no further EFS is required to balance the budget for future years. The ongoing borrowing of the £37m is not ideal but considered realistic at this stage given the new financial pressures the Council is dealing with over the next five years. The Council will continue to express its concern to Government that EFS and the impact this has on borrowing costs year on year is not a solution to dealing with the shortfall of funding in the sector.

13.4 It is therefore essential that any use of EFS in 2025/26 (currently assumed to be £37m) is kept to a minimum. This is being addressed through the implementation of the Financial Recovery Plan and the controls on non-essential spending that have been put in place as highlighted in paragraphs 11.5 and11.6.

13.5 All budget assumptions remain under review and therefore are subject to change. Any change will impact on the budget gap position. The next update will be published in October 2025.

14 Financial Position for 2027/28

14.1 The focus of this report has been on preparations for the 2026/27 budget. Financial planning across the medium term is more difficult because, although a three-year funding settlement will be published later in the year which will give some certainty on government provided grant income, spending pressures and other income streams remain volatile.

14.2 The SR25 published in June only provided government departmental budgets. Local authority allocations will not be known until late November or December. However, it is now clear from the SR25 documents and the recent consultation of funding reform that there is little new funding being put into the system, with the majority of the core spending power (CSP) growth being generated from assumed council tax increases. These documents also suggest that any new funding is front loaded.

14.3 Therefore, assuming a balanced budget is set for 2026/27, there will remain an estimated cumulative budget gap of £161.5m by 2029/30.

14.4 The key drivers of this cumulative budget gap are the estimated year on year increasing costs of providing demand led services; estimated inflationary provisions; corporate pressures such as capital financing costs and North London Waste Authority levy increases. The current assumption of no increase in government grant income adds further pressure, which we now know is a risk.

14.5 This forecast gap is based on the best estimates at this stage and includes:

- Government funding remains in line with 2025/26 allocations, which we know from the funding consultation is now a risk.
- Service demand pressures of £45.1m (2026/27-2030/31).
- Pay and price inflation of 2%.
- Interest rate of borrowing costs remain 5% however this under review and will be updated based on the latest forecast from Treasury Advisers and will form part of the October report to Cabinet.
- Council Tax base increase of 1% and Council Tax level increase of 1.99% for the remainder of the MTFS period.
- Delivery of £33.8m of savings for 2026/27 to 2028/29 that have been previously approved.
- Corporate Contingency remains at £10m.
- Services stay within their approved budget allocation and do not overspend.
- Contribution of £3m per year in 2026/27 to 2029/30 to the strategic budget planning reserve to replenish reserves

Table 5 - Budget Gap 2026/27 to 2029/30

Type	**2026/27**	**2027/28**	**2028/29**	**2029/30**	**Total**
	£'000	**£'000**	**£'000**	**£'000**	**£'000**
Previously Agreed Pressures	46,347	42,425	38,754	42,935	**170,461**
Previously Agreed Saving	-17,944	-11,981	-3,866	0	**-33,791**
Grant Funding Changes	12,640	100	150	200	**13,090**
Government & Other Funding Changes	-6,865	-10,318	-6,852	-4,209	**-28,244**
Cumulative Total	**34,178**	**20,226**	**28,186**	**38,926**	**121,516**
Early 2025/26 budget forecast service overspend/pressure	10,000	10,000	10,000	10,000	**40,000**
Adjusted Current Assumption (based on early 2025/26 budget forecasts)	**44,178**	**30,226**	**38,186**	**48,926**	**161,516**

14.6 Like 2026/27, the number of people requiring Council support is expected to continue to increase over the next five years. Addressing a budget gap of this scale will require a more fundamental review of Council services to determine which and how services are provided rather than the more traditional salami slicing across all budgets. In the future, not everything may be affordable, and the Council's limited financial resources will need to continue to be prioritised to the most vulnerable and ensure all spend is aligned to the priorities as set out in the Borough Vision and Corporate Delivery Plan. This may mean spending more in some areas of greater need and priority and more significant reductions in other areas.

15 Capital Strategy and Capital Programme

15.1 The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a Capital Strategy which will provide the following:

a) a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
b) an overview of how the associated risk is managed
c) the implications for future financial sustainability

15.2 The aim of the strategy is to ensure that all of the Council's elected members and other stakeholders fully understand the overall long-term policy objectives and resulting Capital Strategy requirements, governance procedures and risk appetite.

15.3 Cabinet, in March 2025, approved an initial version of the Capital Strategy for 2025/2026. It had been compiled in accordance with the Financial Management Code which:

a) Reinforces the need for Local Authorities to have capital programmes that are, in the long term, financially sustainable,
b) Ensures that the capital programme and strategy conform to the CIPFA Prudential Code for Capital Finance in Local Authorities; and,
c) That the Capital Programme and Capital Strategy directly inform the Treasury Management Strategy Statement.

15.4 It was also highlighted in the March report that Haringey's Capital Strategy would be revised and updated annually as we move incrementally from a compliant Strategy to one that is an exemplar of good practice.

15.5 The principles set out in the March report remain valid, so the majority of which won't be repeated here, however, certain key principles are worthy of restating here given their significant importance at a time of severe financial challenge, before we implement a revised Capital Strategy later in the year.

15.6 Like most authorities, the Council's capital investment requires a level of borrowing for which borrowing costs need to be funded through the revenue budget, allowing for the interest on borrowing and for the repayment of the debt (known as the minimum revenue provision). The current 2025/26 programme assumes that 68% is funded by borrowing. £132.5m (30%) will be borrowed for general fund and £167.9m for the HRA (38%). The general fund revenue budget includes £19.2m to cover the external interest (borrowing costs).

15.7 With interest rates remaining high in the short term at least, it is essential that levels of borrowing are kept to a minimum. It is estimated that for every £1m of capital expenditure that is funded through borrowing, the Council has to budget £72,000 per annum to pay the interest and repay the debt.

15.8 The Council will continue to identify external funding that can be utilised to fund the capital programme to reduce the need for borrowing, including grants and other contributions such as Section 106, CIL and the contributions parking income can make to eligible spend within the programme on essential maintenance to roads and other transport schemes across the borough.

15.9 Each year, there will also be a need for new capital investment and for 2026/27 this will be limited to only essential spending required for health and safety, maintenance and maintaining essential services and largely relates to the maintenance of the Council's highways infrastructure, operation and commercial estate. Capital investment can provide opportunities to deliver revenue savings or additional income and for 2026/27, it is proposed to invest in the Council's digital technology which will improve the efficiency across a range of services as well as improve the customer experience.

15.10 Given the more unpredictable nature of capital spending plans, the delivery plans and the profile of spend over the capital programme period continues to be the subject of review as the Council determines the level of borrowing required both in 2026/27 and over the on-going MTFS period.

15.11 Only schemes which are sufficiently developed, have approved outline business cases and have been subject to internal governance and decision-making processes (see below) will be included in the capital programme going forward and will be presented as either 'in delivery' or 'planned delivery' over the five-year capital programme period. All other schemes will be held in the 'pipeline' and reviewed as part of the review of the capital programme each year.

15.12 Proposals for the 2026/27 capital programme will be considered over the summer and autumn and reviewed against estimated resources available.

Capital Delivery Governance Framework

15.13 A new Capital Delivery Governance Framework has been produced and is set out in Appendix 2. This framework aims to standardise and strengthen the governance around capital programmes by establishing consistent processes including a single set of gateways for all general fund and HRA capital delivery, refreshed governance structures, guidance and templates.

15.14 The framework aims to:

- Enhance monitoring, control, and reporting
- Support agile and efficient project delivery
- Ensure appropriate oversight and management control over capital programmes and projects, via a single set of common gateways

- Enable robust portfolio management, including on the overall affordability of the Capital Programme

15.15 The framework is intended to facilitate and support wider culture change across the organisation and ensure that the agreed capital programme is deliverable and affordable, with a clear focus on forward planning. Project gateways, business case templates and a new governance framework are in the process of being implemented, pending Cabinet approval of this framework and while further phases of this work are developed.

Current Agreed Capital Programme 2025/26 to 29/30

15.16 Table 6 below sets out the current capital programme as agreed by Full Council in March 20205.

Table 6: 2025/26 to 29/30 Capital Programme agreed in March 2025

	2025/26 Budget	**2026/27 Budget**	**2027/28 Budget**	**2028/29 Budget**	**2029/30 Budget**	**Total**
	(£'000)	**(£'000)**	**(£'000)**	**(£'000)**	**(£'000)**	**(£'000)**
Children's Services	28,276	12,206	5,031	5,031	5,031	**55,575**
Adults, Health & Communities	12,715	2,878	2,377	2,200	2,200	**22,370**
Environment & Resident Experience	21,438	18,420	41,104	15,827	10,880	**107,668**
Placemaking & Housing	36,140	73,322	58,110	44,662	87,600	**299,834**
Culture, Strategy & Engagement	44,427	39,373	5,896	0	0	**89,696**
Corporate Items - GF Capital Continency	5,000	5,000	0	0	0	**10,000**
Corporate Items - EFS	37,000	0	0	0	0	**37,000**
Total General Fund (GF)	**184,996**	**151,198**	**112,518**	**67,720**	**105,711**	**622,143**
HRA	**333,768**	**278,291**	**278,991**	**273,873**	**241,412**	**1,406,335**
Total Capital Programme	**518,764**	**429,489**	**391,509**	**341,593**	**347,123**	**2,028,478**

15.17 Given the more unpredictable nature of capital spending plans, the delivery plans and the profile of spend over the capital programme period will all be subject to review over the next few months and will determine the level of borrowing required both in 2026/27 and over the five-year MTFS period.

15.18 Only schemes which are sufficiently developed, have approved outline business cases and have been subject to internal governance and decision-making processes will be included in the capital programme going forward and will be presented as either 'in delivery' or 'planned delivery' over the five-year capital programme period. All other schemes will be held in the 'pipeline' and reviewed as part of the review of the capital programme each year.

15.19 There are significant levels of salary capitalisation within the capital programme to deliver the schemes. As the capital programme reduces there is a risk that the level of capitalised salaries will be unachievable, creating a pressure on revenue.

15.20 To manage a level of uncertainty with schemes, including inflation and other essential repairs, maintenance or health and safety requirements, it is proposed to increase the capital programme contingency by £5m in 2026/27.

16 HRA Update

16.1 This update on Financial Plans is primarily focussed on the Council's General Fund. A separate process is underway for reviewing the Housing Revenue Account (HRA) 30 year Business Plan and developing the draft revenue budget and capital programme for 2026/27. This will be presented to the Housing, Planning and Development Scrutiny Panel before being presented to Cabinet in February and for recommending to Council for approval on 3 March 2026.

16.2 The financial position of the HRA remains very challenging, particularly in the short term whilst the Council's new build programme and investment into existing stock is underway which longer term will increase the supply of permanent housing across the borough. Therefore, the work continues to identify efficiencies and opportunities to delay borrowing for the HRA capital programme to improve the position over the next two to three years.

17 Dedicated Schools Budget (DSG) Update

17.1 Haringey's National Funding Formula (NFF) allocation for 2025/26 was an increase of 7.2% based on the December 2024 published allocations, with the final school finance settlement confirmed usually in July 2025 for the updated Early Years Block census. This was detailed in the last budget report (3 March 2025 Full Council Budget Report).

17.2 Cabinet will receive updates on DSG 2026/27 budgets in future reports which will include progress on delivery of the Safety Valve programme.

18 Risk Management

18.1 The Council has a risk management strategy in place and operates a risk management framework that aids decision making in pursuit of the organisation's strategic objectives, protects the Council's reputation and other assets and is compliant with statutory and regulatory obligations.

18.2 The Council recognises that there will be risks and uncertainties involved in delivering its objectives and priorities, but by managing them and making the most of opportunities it can maximise the potential that the desired outcomes can be delivered within its limited resources more effectively.

18.3 There is a need to plan for uncertainty as the future is unknown when formulating the budget. This is achieved by focussing on scenario planning which allows the Council to think in advance and identify drivers, review scenarios and define the issues using the most recent data and insight.

18.4 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 February 2026 and will draw on independent assessments of the Council's financial resilience where available. It is critical that this report outlines the number and breadth of potential risks and uncertainties the council faces when arriving at the budget proposals.

18.5 Risks and uncertainties currently known are set out in the following paragraphs.

Government Funding and Legislation

18.6 There will be a three year funding settlement from 2026/27 and Government published its consultation on the new funding formula on 20 June. Officers are currently considering the new formulas for the distribution and a fuller update will be in the next report in October, however it is clear that funding will reduce in London and likely for Haringey which poses a significant financial challenge in balancing the budget in future years. The financial position set out in this report for 2026/27 currently assumes that funding levels remain the same in 2025/26. The Council will respond to the consultation to make the case to Government on the need to recognise the deprivation levels within Haringey and the need for additional funding to meet increasing demands and consideration that Haringey is already reliant of EFS to set a legally balanced budget which is not sustainable. Funding allocations will be published in early December.

Inspection and Regulation

18.7 Local Authorities are subject to increasing inspection and regulation, including by Ofsted, CQC and the Regulator of Social Housing as well as additional requirements that have emerged from the Grenfell Inquiry report. All of these could have financial implications for the Council in preparing and supporting the inspection as well as implementation of any recommendations.

Economic Conditions

18.8 The Office for Budget Responsibility published the latest forecast for inflation and interest rates in March 2025 and forecast details were published in the budget report in March 2025.

18.9 It should be noted that national inflation figures are not always reflected in cost of services, such as social care so there remain a risk that the forecast additional budget assumed in this report for pay and price is not sufficient. Volatility is likely to continue for some time from the on-going impact of wars and unrest internationally which will impact on the Council's cost of services and supply chains.

18.10 The high cost of living continues to impact on many of our residents which results in more requiring support from the Council, particularly with housing support. Since 2021 the Haringey Support Fund has provided hardship funding to more that 4,000 local residents and the HRA Tenant Hardship Fund provides one-off rent credits to tenants who have fallen into arrears. The Government has announced a new Crisis and Resilience Fund but allocations for Haringey are not yet known.

Estimate of Pressures for 2026/27

18.11 The update in this report uses the best-known information for demand and other service pressures in 2026/27 and has been based on the outturn position in 2024/25 and the latest in year monitoring position. There is a risk that the in year monitoring position could worsen when the quarter 1 report is published with further overspends continuing into 2026/27. In addition, the 2024/25 accounts are currently subject to External Audit and therefore the outturn position for last year remains provisional until the process is complete.

18.12 The £46.3m identified in Table 2 is based on a series of assumptions that will continue to be reviewed over next few months and therefore the position for 2026/27 is subject to change. All services are considering actions and mitigations that continue to support the needs of our most vulnerable but in a more cost effective way to reduce these future pressures and the Council's stricter spending controls are limiting non essential spend. However, small scale changes in these areas are not going to be sufficient and will require more fundamental changes in how we deliver these services and with a focus on prevention and early intervention which will take time to have an impact. Sufficient pace is needed to make these changes. Short term solutions are still needed for the 2026/27 budget to be sustainable.

18.13 There are also some budget increases that will not be known until later in the year, such as the increase of levy payments. Financial Plans currently assume minimal increase.

Identifying and Delivery of Budget Reductions

18.14 As set out in this report, a significant budget gap for 2026/27 remains and work is continuing to identify additional savings and actions to mitigate the significant additional budget required to meet demand pressures. There is a risk that insufficient proposals are identified and ongoing reliance of EFS is required.

18.15 The financial position and budget gaps set out in this report assume that all savings in 2025/26, previously approved savings and any new savings for 2026/27 when the budget is approved in March 2026 are delivered in full. In advance of the full draft budget being presented to Cabinet in February 2026, all assumed savings will need to have full delivery plans in place that provide assurance on delivery.

Changes in Accounting Practice

18.16 The Dedicated Schools Grant (DSG) currently has a statutory override which allows the Council to separate DSG deficits from local authority reserves which is in place until March 2028. Funding arrangements are not known after 2028 and there is a risk that this deficit will fall to the Council to fund from its own reserves. The Safety Valve programme is delivering well to reduce the spend on the high needs block and is in line with the agreed timetable but at the same time the Council continues to see increases in the number of children with Education Health and Social Care Plans over and above what had been assumed when agreeing the programme with the DfE. The Council's low level of reserves will make it particularly challenging if the funding of the DSG deficit falls to the Council after 2028 and work will continue with the DfE to find a longer-term solution to funding for schools and high needs.

18.17 To recognise the financial impact of risks facing the Council and manage this uncertainty it is vital that adequate reserve levels are maintained and the budget each year includes a level of contingency. The current level of reserves is lower than the Council would want, and the aim is to increase levels over the course of the MTFS and where there is an unplanned drawdown of reserves they will need to be replenished.

Reserves and Contingency

18.18 The Councils corporate contingency budget for 2026/27 is currently assumed at £10m, the same as the previous year. With minimal useable reserves and significant savings programme and upward demand, the aspiration must be to increase this budget contingency before the final plans are recommended to Council in March. The General Fund reserve will be maintained at £15.2m, with other reserves forecast to total £27.7m in March 2026, much of which is assumed to be committed but this is subject to review in Quarter 1 of 2025/26.

18.19 Any use of reserves to balance the budget next year is not a viable option. The current MTFS assumes a planned replenishment of reserves to a more sustainable level. Replenishment means making an annual contribution to reserves included in the budget agreed in March each year. This figure is currently set at £3m.

18.20 A forecast of reserve balances to 31 March 2028 is shown in Table 7. This will be updated for the Budget report to Cabinet in February 2026.

Table 7: Reserves Forecasts to March 20208

Reserve	Actual	Forecast		
	31 March 2025	March 2026	March 2027	March 2028
	£'000	£'000	£'000	£'000
General Fund Reserve	15,140	15,410	15,410	15,410
Risks and Uncertainties				
Transformation Reserve	0	0	0	0
Labour market resilience reserve	186	0	0	0
Budget Planning reserve	1,141	0	3,000	6,000
Collection Fund	1,231	0	0	0
Total Risk and Uncertainties	**2,558**	**0**	**3,000**	**6,000**
Contracts and Commitments				
Services Reserve	9,358	9,358	9,358	9,358
Unspent grants reserve	10,391	10,391	10,391	10,391
PFI lifecycle reserve	3,959	0	0	0
Debt Repayment Reserve	1,072	1,072	1,072	1,072
Insurance Reserve	5,510	5,510	5,510	5,510
Schools Reserve	1,344	1,344	1,344	1,344
Total Contracts and Commitments	**31,634**	**27,675**	**27,675**	**27,675**
Grand Total	**49,332**	**43,085**	**46,085**	**49,085**

19 Contribution to the Corporate Delivery Plan 2024-2026 High level Strategic outcomes

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

20 Carbon and Climate Change

20.1 There are no direct carbon and climate change implications arising from the report.

21 Statutory Officers comments (Director of Finance, Head of Procurement, Director of Legal and Governance, Equalities)

Finance

21.1 The financial planning process ensures that the Council's finances align to the delivery of the Council's priorities as set out in the Borough Vision and Corporate Delivery Plan. 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.

21.2 Ensuring the robustness of the Council's 2026/27 budget and its MTFS 2026/27 – 2030/31 is a key function for the Council's Section 151 Officer (CFO). 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.

21.3 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 2026.

Procurement

21.4 Strategic Procurement have been consulted in the preparation of this report and will continue to work with services to support delivery of the Council's financial strategy and corporate priorities.

Director of Legal & Governance

21.5 The Director of Legal and Governance has been consulted in the preparation of this report.

21.6 The Local Government Finance Act 1992 places a statutory duty on local authorities to produce a balanced budget each financial year. The Local Government Act 2003 requires the Chief Financial Officer of the authority to report to it on the robustness of the estimates made and the adequacy of the proposed financial reserves.

21.7 The Local Authorities (Standing Orders) (England) (Regulations) 2001 and the Budget and Policy Framework Procedure Rules at Part 4 Section E of the Constitution, set out the process that must be followed when the Council sets its budget. It is for the Cabinet to approve the proposals and submit the same to the Full Council for adoption in order to set the budget. However, the setting of rents and service charges for Council properties is an Executive function to be determined by the Cabinet.

21.8 The Council must ensure that it has due regard to its public sector equality duty under section 149 of the Equality Act 2010 in considering whether to adopt the recommendations set out in this report.

21.9 The report proposes new savings proposals for the financial year 2026/27, which the council will be required to consult upon and ensure that it complies with the public sector equality duty.

Equality

21.10 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.

21.11 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.

21.12 Although it is not enforced in legislation as a protected characteristic, Haringey Council treats socioeconomic status as a local protected characteristic.

21.13 This report details the agreed budget proposals for 2026/27 and MTFS to 2030/31, including budget adjustments and capital proposals.

21.14 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 2026/27 Budget and MTFS. The decision is recommended to comply with the statutory requirement to set a balanced budget for 2026/27 and to ensure the Council's finances on a medium-term basis are secured through the four-year Medium-Term Financial Strategy.

21.15 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.

21.16 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.

21.17 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 2026.

21.18 Savings proposals identified between the publication of this report and the final package of proposals identified in February 2026 will undergo an equalities screening process to identify where negative impacts on protected groups may arise. Where such potential impacts are identified, a full Equalities Impact Assessment will take place to understand the impacts in full and describe the actions 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.

21.19 Initial Equality Impact Assessments for relevant savings proposals will be published in February 2026 and reflect feedback regarding potential equality impacts gathered during the consultation, where proposals are included. 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. Final EQIAs will be published alongside decisions on specific proposals. Where there are existing proposals on which decisions have already been taken, existing Equalities Impacts Assessments will be signposted.

22 Use of Appendices

Appendix 1 – 2026/27 Previously Agreed Budget Pressures
Appendix 2 – Capital Delivery Governance Framework

23 Background papers

None

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2026/27 Previously Agreed Budget Pressures **Appendix 1**

Directorate	Description	2026/27 £'000
Children's Services	Home to School Transport	621
Children's Services	Subject Access Requests (SARS)	20
Children's Services	Increase in the number and cost of high-cost placements to support looked after children and those requiring Council's support.	2,855
Children's Services Total		**3,496**
Corporate Services	Capital Financing Growth	3,019
Corporate Services	Concessionary Fares	1,749
Corporate Services	Contingencies	10,000
Corporate Services	Levies and Subscriptions	3,552
Corporate Services	Non- pay Inflation Pressures	3,075
Corporate Services	Pay inflation Pressures	6,300
Corporate Services	Reserves Replenishment	3,000
Corporate Services Total		**30,695**
Adults Housing Demand	Temporary Accommodation Pressure: market led increased unit costs and demand offset by cost saving initiatives and other mitigations	3,000
Adults Housing Demand Total		**3,000**
Adults Social Services	Budget realignment	-250
Adults Social Services	Substitution of resettlement funding (partnerships and communities)	416
Adults Social Services	Demand Pressures: demographic changes including those with multiple or lifelong health conditions, age of individuals and other socio-economic factors and market led unit cost increases.2	8,280
Adults Social Services Total		**8,446**
Finance & Resources	Digital Contract pressures	30
Finance & Resources	School Landlord functions - Organisational Resilience Asbestos Surveys	-30
Finance & Resources	Strategic Asset Management Team restructure	1,000
Finance & Resources Total		**1,000**

Directorate	Description	2026/27 £'000
Culture, Strategy and Communities	LIFT (Low Income Family Tracker) System	-38
Culture, Strategy and Communities	Funding for 2026/27 Local Election	550
Culture, Strategy and Communities	Contract Inflation within HR	47
Culture, Strategy and Communities Total		**559**
Environment and Residents Experience	Pension related Pressures Veolia	300
Environment and Residents Experience	Year one unwinding of 2025/26 applied Housing Benefit Pressure2	-1,149
Environment and Residents Experience Total		**-849**
Overall Total		**46,347**

Appendix 2

Capital Delivery Governance Framework

Finance and Resources PMO

Version: V3.0

Contents

Executive Summary

A new Capital Delivery Governance Framework is to be implemented Council-wide. A standardized set of processes, governance, guidance and templates have been developed and are now being iterated. These will support the need for robust monitoring and controls, streamlined and agile delivery, and better reporting and escalation. This document captures that framework at a high level and will be updated as it is implemented.

The framework is intended to be facilitative and to support wider culture change across the organization – to empower project managers to drive delivery of their projects, support senior managers to have appropriate oversight and control over programmes of work, and to create and maintain robust portfolio management of the overall capital programme.

Investment in capital expenditure supports the Council to deliver on key priorities as set out in the Corporate Delivery Plan and also contributes towards 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, and that delivery is subject to robust management oversight and controls.

The recent economic environment has had major implications for the existing and future Capital Programme. In 2024/25, the Council undertook a fundamental review of the existing capital programme, removing or deferring a number of schemes which resulted in a reduction in the Capital programme, with a similar review to be carried out annually.

A new Capital Strategy was approved at Cabinet in February 2025 and sets out a high-level, long term overview of capital expenditure and capital financing and the approach for determining and delivering on the Council's capital ambitions. Implementation of the strategy will ensure that the capital programme agreed each year is deliverable and affordable, is in line with the Corporate Delivery Plan and Borough Vision and there is a clear framework in place for tracking progress and adopting an improved forward planning approach.

The Capital Strategy necessitates the need to review capital delivery processes and governance, to ensure the agreed capital programme is deliverable and affordable and a clear focus on forward planning. Alongside the new Capital Strategy, the Council also underwent a senior level restructure which significantly changed the senior structure realigned reporting lines. As such, a new governance and gateway process is being introduced, the main benefits of which are:

- An improved and consistent approach to decision making thresholds, processes, roles and responsibilities and ultimately delivery
- 'One version of the truth' to support financial monitoring and reporting on capital projects and programmes, with enhanced quarterly reporting
- A focus on overall strategic benefits of capital investment (including a standardised approach and templates for business cases)
- A 'centre of excellence' for portfolio/programme management, including training and support, assurance and monitoring/reporting
- Enhanced management controls via a new series of Tier 2 / Tier 3 Boards
- Enhanced alignment with 'business as usual' activity and other business processes (risk, strategic planning, budget and service planning, resource management, stakeholder engagement)
- Increased visibility of pipeline projects and lessons learned following completion of projects

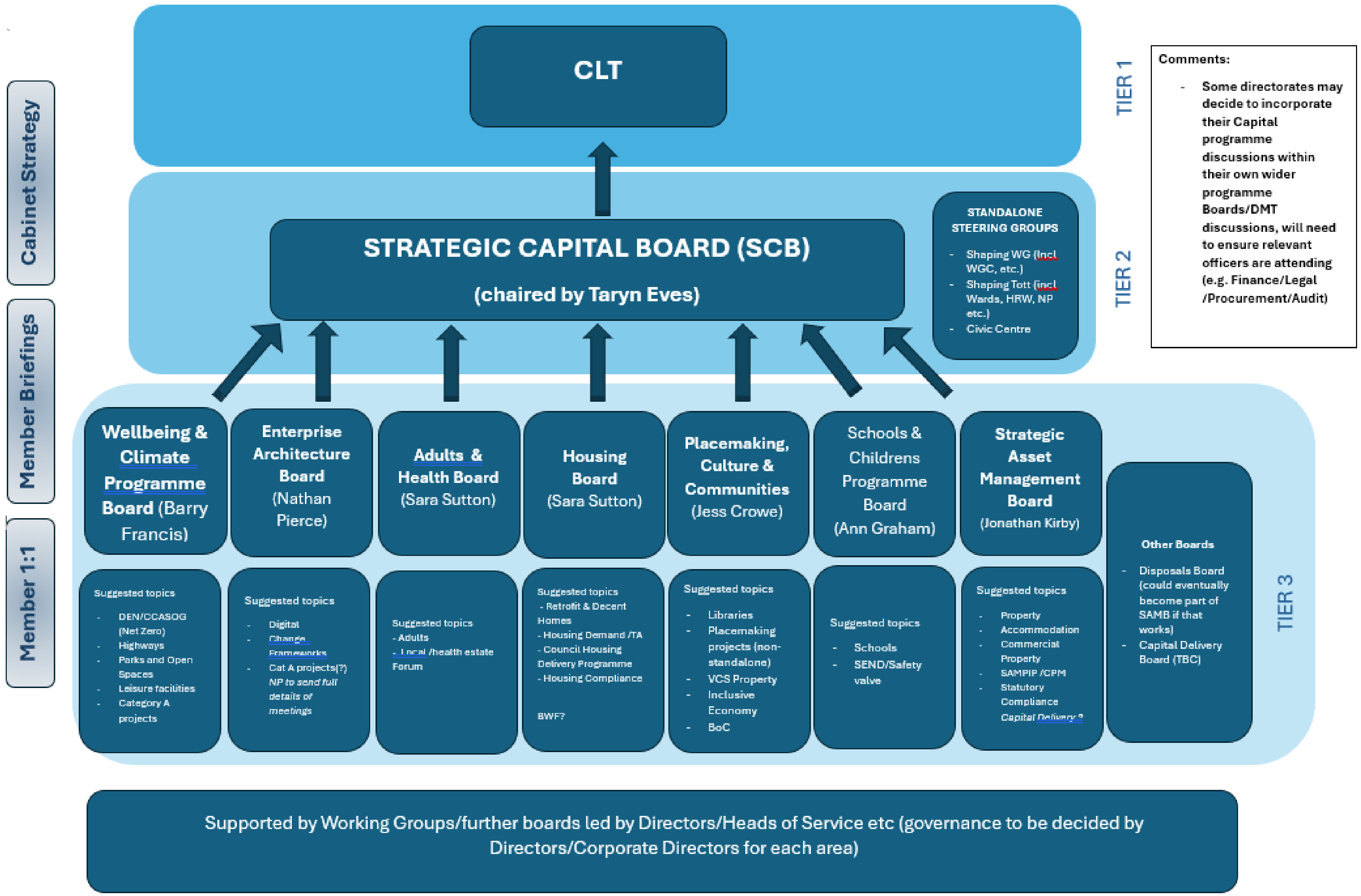
The Capital Delivery Framework has been developed in parallel with other strategic initiatives, including the Corporate Property Model and subsequent Strategic Asset Management and Property Improvement Plan 2023–2028 (approved by Cabinet in April 2023); and the Land and Property Disposal Policy (approved in June 2025). This framework will aim to create a more streamlined and effective governance model for capital oversight and approvals.

Key Challenges

Area	Previous Challenges	Resolution	Benefits
Forums and Meetings	Involvement, role and approval capabilities of key forums unclear	Strategic Capital Board and Tier 3 Boards Terms of Reference	Clear and transparent governance navigation
Reporting and monitoring	Information not effectively aggregated and analysed	Streamlined information flows to support new corporate structure with consistent reporting/templates and clear ownership from services	Streamlined, agile and summarized reporting
Planning	Project Plans are unconsolidated and inconsistent with a lack of pipeline transparency	Standardised templates based on tiering	Portfolio, resource planning enabled with clear milestones and clear indicators for success
Business Case	Information duplicated across documents/reports; or no formal documentation exists	Live document builds on itself with information based on tiering and up to date information	Less duplication, improved change control and clear governance
No "one version of the truth" for Capital Budget reporting	Different documents exist on budgets with different figures – does not allow effective capital monitoring or budget management	Clear standardized reporting using corporate tools and management templates	Streamlined, agile and summarized capital monitoring reporting
No process for early feasibility	Early feasibility costs are subsumed into capital costs which may not then progress	A feasibility process will be managed at Tier 2, with revenue funding available, to assess the project's viability before moving to the pre-pipeline stage.	Implement a clear and transparent process to enhance control and ensure the proper utilisation of capital budgets.
Defining Capital Programme stages of pre-pipeline, pipeline and delivery	There is a lack of clarity regarding the project's stage, approval status, and the viability of its success. Projects are inconsistent and disorganized.	Clear definition of each stage supported by documentation templates and clear governance mapping for approvals	Establish clear and transparent governance approval processes to enhance control and increase the chances of project success.

Delivery & Governance Model

- The **governance model below** describes how governance for projects is navigated, monitored and reported. This will include oversight of projects with relevant controls to minimise risk and capture / escalate / resolve issues and challenges. The governance model will allow PMO to implement standardised practices across the Council for Capital Delivery ensuring consistency, best practice and alignment all services. **Governance controls vary based on thresholds and triaging of programmes**.
- **Gateway methodology** is followed for the standard lifecycle of all projects, which is aligned with the Council's delivery framework. The **delivery model outlines** the key steps, documents and approvals that projects must follow over the project lifecycle, based on a triage framework. The delivery steps may need to vary on occasion but would need agreement. The Delivery and governance framework follows Gateway/PRINCE2 best practices and adheres to relevant Council processes and standing orders.



Capital Delivery Lifecycle: What is it?

- All projects follow a standard lifecycle which is **aligned to the Council's delivery framework and is based on Gateway/PRINCE2 best practice.**
- Each stage in the lifecycle is **aligned to delegations, standard templates and documents**, and governance appropriate to the scale of the project (which would be agreed at the initiation stage)
- **Gateway reviews are introduced at each stage** to ensure quality, review progress and mitigate risk.
- The process **mandates sharing / approval of key documentation, and formal approval from required stakeholders** to progress, including for change requests and variations
- Sponsor/client splits detail and identify responsibility at each stage of the project and promotes clear ownership and governance mechanisms.

Project Stage	Statement of Need	Outline Business Case	Initial Business Case	Full Business Case and Procurement	Achieving Agreed Outcomes	Benefit Realisation
Gateway Process	Gateway 0	Gateway 1	Gateway 2	Gateway 3	Gateway 4	Gateway 5
Key Outcome	Approval of Statement of Need to continue to OBC (Feasibility)	Project Appraisal - Feasibility and Viability	Approval to the Preferred Option	Final approval of proposed project and approval to proceed	Confirm agreed outcomes delivered/achieved ; handover as appropriate to users/Sponsor sign off.	Present benefit realisation and lessons learnt report
Final Approval Route	Tier 3 Boards or at working Group (Tier 4)	TIER 2	Tier 3	Tier 2 for approval of BC then Procurement Board for Procurement Strategy	Tier 3	Tier 3 Tier 2 if significant issues/learnings

Governance Model | Roles and Responsibilities

Sponsor: The Corporate Director ultimately responsible for providing resources support and strategic alignment for a project. A key overarching role on a large or complex capital project where the outcomes contribute towards larger strategic aims of the Council. Overall leadership on promotion, advocacy and initiation of new projects and programmes. Ongoing responsibility, throughout the project lifecycle, for securing financial resources for the project and releasing funds for delivery, strategic alignment with the Council's objectives, and stakeholder management including external partners, funders and members. No matter which delivery route is followed, the sponsor retains these key roles, including overall budgetary responsibility for project funding.

Senior Responsible Officer (SRO): The individual senior manager (often Director or Head of Service from the sponsoring directorate) accountable for a project or programme's success, ensuring it meets its objectives and delivery benefits.

User / Client: The Council department who ultimately accepts the project's outputs and therefore has a key role in project initiation, acceptance and feedback. A client department may take on direct project delivery (i.e. Housing Delivery) from the outset and throughout the lifecycle of a project, or it may hand this over to a specialist delivery team. The client must take a significant role in agreeing the business case justification for a project, and must be closely involved in gateway decisions at all stages. NB for complex projects with multiple end-users there may be multiple clients; in this case a lead client must be identified.

Delivery Lead: The Council department taking primary responsibility for execution, commissioning and completion of the project; instructing, procuring and holding a delivery contract and overseeing construction work (e.g. Major Projects; Highways; Housing Delivery; etc.) delivery, in cases with multiple clients or where project particulars require a lead to be identified (e.g. Corporate Property Model).

Project Delivery: Day-to-day management of the project, ensuring that the project is completed on-time, within budget and to the required quality standards. Regular reporting through highlight reports, and submission of exception reports and change request as needed. Procurement, including tendering and contract management. Overseeing construction work, ensuring it meets the required standards and specifications. Comms with internal stakeholders, including the sponsor (re: budget, overall strategic alignment and items which require external stakeholder engagement) and the client (re: specification or and acceptability of project outputs and handover). NB: this role can carried out by the Sponsor, or Client, or specialist project management team (i.e. Major Projects), or it can be handed over from one to another at a stage in the project lifecycle.

Project Lifecycle: This is the process needed to take a project from project initiation, through agreeing an outline, then full, business case to authorise capital spend, and ultimately overseeing a delivery contract to project closure and acceptance of outputs.

Programme Management: Overall oversight and scrutiny of capital delivery, including ownership of PPM tools and processes. Setting standards required from key project elements, including business cases, gateway reports, highlight reports, exception reports and change requests; providing advice, guidance. Overall reporting to boards on project delivery, and escalation of key risks & issues, as well as tracking agreed mitigations. 'Critical friend' role to all of the sponsor, client, and project management leads at all stages in the project lifecycle. Training and upskilling for all areas and targeted capacity-building as required

Please note that the following pages outline high-level principles, which will continue to evolve as we further refine the capital framework; this will be taken back to Cabinet in due course

Governance Model | Documents and Templates

- All projects must start with the Statement of Need, which must be approved at Tier 3 boards. This document includes the strategic case for change and outline of alignment with strategic objectives – taking into account impact on MTFS proposals. The document will also identify the initial sponsor and key stakeholder. All projects must have an **Statement of Need** (or equivalent) approved via boards by a sponsor or Corporate Director.

- If approved, the Statement of Need will be developed into an Outline Business Case (OBC) to progress to feasibility stage – pending approval of any feasibility budget via Tier 2 board.

- Following approval of the Outline Business Case (OBC), a Project Initiation Document (PID) should be prepared. As the project progresses through the Feasibility stage and more information becomes available, the OBC will be refined into the Initial Business Case, and subsequently into the Full Business Case. Each stage of documentation will be subject to formal approval through Gateway Reviews, in line with the established delivery model.

- **The PID is a live document** which is updated, reviewed and approved at each applicable stage. Once the PID is live, all approved project changes must be continuously reflected in all impacted documentation.

Governance Model | Forums and Meetings

The Governance Map on page 5 outlines the proposed governance forums. There will be a degree of flexibility for services in the format of the forums for Tier 3 and below, however all Tier 3 boards will be required to discuss the following items as standard at each meeting:

- **Summarised portfolio level scrutiny** of budgets, risks / issues, timelines and change controls (ensure appropriate checks are in place at both an operational and strategic level)

- Approval of formal change control mechanisms as outlined and agreed upon in the project documentation.

- Summarised portfolio and key projects are reviewed and escalated as appropriate

- A standardised monthly reporting cycle is implemented across the Council (links to Reporting below)

- Approval of the project / programmes as outline at each of the Gateway stages (outlined on page 6), with relevant project documentation completed as specified

Governance Model | Reporting

- Project/programme managers produce **highlight / summary (project) reports** each month. These are reviewed by Commissioning Leads in internal Monthly Reviews and presented at **relevant boards/meetings** using appropriate tools available. This use of a consistent reporting mechanism will result in "one version of the truth" and will provide effective and efficient portfolio/programme reports

- The highlight reports will provide detailed data on high-risk (red-rated) and potentially contentious projects. Tier 2 and Tier 3 boards can then establish mechanisms for stringent oversight, such as forming cross-functional panels with stakeholder attendance as needed.

- Project/Programme managers will liaise with Finance colleagues to extract and present financial data in relation to Capital spend and MTFS for reporting to Tier 2 and Tier 3 boards.

Governance Model | Planning

- All projects have standard **detailed milestone plans as will be detailed in the Full Business Case (FBC)**

- All plans are subject to **formal change control**

Governance Model | Risks and Issues Capture and Management

- Risk and issue management is critical to ensure that projects / programmes are delivered on **time**, to **quality and scope** and within **budget**.

- Project risks and issues are tracked throughout the **entire project lifecycle** from Initiation through to Closure, and are reviewed on regular basis through a range of forums/tools which could include:
  - Weekly/Monthly by the Project delivery in project meetings
  - Monthly in project, programme, and portfolio reporting
  - In Tier 3 / 4 Boards (both project and programme level)
  - During Gateway Reviews as per the delivery model
  - In Lessons Learnt and Project Closure

- All projects / programmes **track risks and issues** using Haringey Council's standard best practice.

- Commissioning Leads report risks ahead of each **Gateway Review** in order to fully inform stakeholders of potential impacts and mitigation plans.

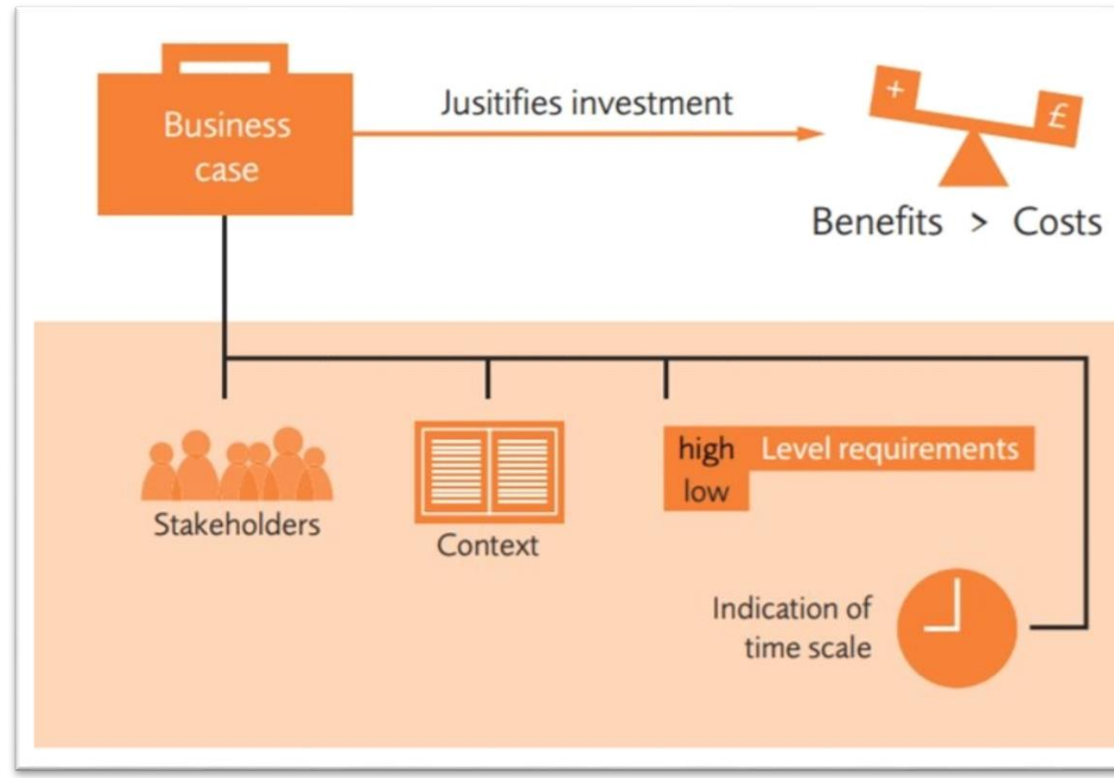
- Key risks and issues are reported and **escalated** through the standard reporting practices to Tier 3/ SCB as appropriate

Governance Model | Pre-Pipeline

(Revenue) Gateway 0 – Statement of Need – This is the first presentation of a project opportunity and seeks endorsement from Tier 3 boards to develop an idea. The statement of need is an opportunity for early collaboration and steer from the PMO and programme board before resources are committed to the development of a business case. A workshop may follow an endorsed statement of need, to start the development of an outline business case

(Revenue) Gateway 1 – Outline Business Case – A capital project must clear respond to a strategic need or corporate objective. Building on the statement of need, the outline business case is developed with internal stakeholders to develop a rationale for the project. It will contain:

- A high-level options analysis identifying the options that best meet the Council’s objectives, and those that have been discarded because they do not.
- at least three options to be explored for feasibility testing
- will seek to secure / ringfence funding for feasibility and viability testing from Strategic Capital Board
- a programme for the Strategic Capital Board to consider the Initial Business Case.



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(Feasibility/Capital) Gateway 2 – Initial Business Case – The initial business case presents a preliminary, but detailed rationale for the proposed project. It will set out:

- An objective assessment criterion for testing the feasibility of a project
- an evaluation of options, supported by evidence, including an overview the benefits and risks of each option
- Recommend an option to progress to Full Business Case, based on a matrix of strategic fit, financial viability and benefit realisation
- Will seek to secure a budget and resource to develop a Full Business Case

Capital Gateway 3 – Full Business Case – A full business case is the final justification for investment and will in enable the project to be added to the Capital Programme Pipeline. The full business case should include, not limited to:

- Detailed plan of the project option including proposed delivery plan and procurement strategy *NB: prior to approval of the FBC, the Procurement Strategy will be approved at Procurement Board.*
- Overview of costs, funding strategy and financial risks
- Equality and Health Impact Assessments and subsequent action plans, if relevant
- Developed benefits and risk analysis
- Resource and stakeholder management plan
- Transition plan, from project to business as usual

Capital PMO Support

It has been agreed that there is a requirement for PMO support for the Capital Framework governance in order to retain oversight and ensure that the is a consistent approach to approvals and processes. The level of PMO support will be dependent on the level of resources and governance available in the individual service areas. The PMO will be supporting the introduction of a Portfolio management approach.

PMO support will be provided in two phases:

Initially PMO will work with Corporate Leadership Team to work towards implementation of the governance framework including:

- Setting up initial boards
- Providing initial secretariat support for the Capital element of governance
- Providing templates and process maps
- Providing initial training in the form of “familiarisation sessions” for staff

The PMO will continue to provide permanent support of the Capital governance framework as below:

- Engagement begins with Statement of Need submission, triggering initial identification of sponsor / lead commissioner / user(s) and project delivery approach; continuing with support clarifying roles & responsibilities between sponsor/lead commissioner/users/project delivery throughout project lifecycle

- Standardised templates – statement of needs, business cases (initial/outline/full), highlight reports, programme reports

- Advice and guidance on governance routes and on business case completion (NB: clear distinctions between project/programme management responsibilities will be identified)

- Servicing for Tier 2, and elements if not all of Tier 3 Boards. This will include programme reporting and working with Corporate finance on quarterly financial monitoring

- Highlight reporting process and project panel reviews for high-risk or exceptional cases, with critical friend assurance role

- Training and upskilling in aspects of PPM; ‘Centre of excellence’ ensuring continued best practice, guidance and continuous service improvement

- Working with key partners (Finance, Audit, Risk Legal) to provide assurance on the capital programme

- For all new and in-flight projects, the **demand management process ensures that each stage is reviewed prior to the commencement of a project** to minimise risk, and ensure any omitted steps are re-evaluated.

APPENDIX 1

Templates (including those to be developed)

1. Gateway Cover Sheet
2. Statement of Need
3. Outline Business Case
4. Initial Business Case
5. Full Business Case
6. Project Initiation Document (PID) – *to be finalised*
7. Programme Plan – *to be finalised*
8. Cashflow – *to be finalised*
9. Risk Register – *to be finalised*
10. Exception Report/Change Request – *to be finalised*
11. EQIA
12. Project Closure report – *to be finalised*

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Report for: Overview and Scrutiny Committee – 22nd July 2025

Title: Overview and Scrutiny Committee Work Programme

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

Lead Officer: Dominic O'Brien, Principal Scrutiny Officer
Tel: 020 8489 5896, E-mail: dominic.obrien@haringey.gov.uk

Ward(s) affected: N/A

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

1. Describe the issue under consideration

1.1 This report provides an update on the work plan for 2025-26 for the Overview & Scrutiny Committee.

2. Recommendations

2.1 To note the current work programme for the Overview & Scrutiny Committee and agree any amendments, as appropriate.

2.2 That the Committee give consideration to the agenda items and reports required for its meetings in 2025/26. The next meeting is scheduled to be held on 18th September 2025.

3. Reasons for decision

3.1 The Overview and Scrutiny Committee (OSC) is responsible for developing an overall work plan, including work for its standing Scrutiny Panels. In putting this together, the Committee will need to have regard to their capacity to deliver the programme and officers' capacity to support them in that task.

4. Background

4.1 The current draft iteration of the Committee's work plan for 2025-26 is provided as **APPENDIX A**.

4.2 The current Overview & Scrutiny Work Programme specifies that the meeting scheduled to be held on 18th September 2025 will include:

- Cabinet Member Questions – Leader of the Council
- Finance and Performance update (Quarter 1)

4.3 The Committee should give consideration to the items for the next meeting and any amendments that it wishes to make to the Work Programme for the meetings scheduled in 2025/26.

4.4 Given the Council's difficult financial situation, the terms of reference for Overview and Scrutiny has been updated to allow more prominent focus on budget monitoring and performance. This includes in-year finance and performance monitoring items on a quarterly basis which are scheduled to take place on:

- 22nd July 2025 – Provisional Financial Outturn report (Q4)
- 18th September 2025 – Q1
- 11th December 2025 – Q2
- 12th March 2026 – Q3

4.5 The Committee retains a focus on an overall strategic focus and a number of policy areas including oversight of customer focus and worklessness which is in response to community views expressed at the Scrutiny Café in September 2024. There are two meetings in the schedule specifically set aside to consider policy issues not directly related to finance. These are scheduled to take place on:

- 20th October 2025
- 12th February 2026

5. Effective Scrutiny Work Programmes

5.1 An effective scrutiny work programme should reflect a balance of activities:

- Holding the Executive to account;
- Policy review and development – reviews to assess the effectiveness of existing policies or to inform the development of new strategies;
- Performance management – identifying under-performing services, investigating and making recommendations for improvement;
- External scrutiny – scrutinising and holding to account partners and other local agencies providing key services to the public;
- Public and community engagement – engaging and involving local communities in scrutiny activities and scrutinising those issues which are of concern to the local community.

5.2 Key features of an effective work programme:

- A member led process, short listing and prioritising topics – with support from officers – that;
    - reflects local needs and priorities – issues of community concern as well as Borough Plan and Medium Term Financial Strategy priorities
    - prioritises topics for scrutiny that have most impact or benefit
    - involves local stakeholders
    - is flexible enough to respond to new or urgent issues

5.3 Depending on the selected topic and planned outcomes, scrutiny work will be carried out in a variety of ways, using various formats. This will include a variety of one-off reports. In accordance with the scrutiny protocol, the OSC and Scrutiny Panels will draw from the following to inform their work:

- Performance Reports;
- One off reports on matters of national or local interest or concern;
- Issues arising out of internal and external assessment (e.g. Ofsted, Care Quality Commission);
- Reports on strategies and policies under development or other issues on which the Cabinet or officers would like scrutiny views or support;
- Progress reports on implementing previous scrutiny recommendations accepted by the Cabinet or appropriate Executive body.

5.4 In addition, in-depth scrutiny work, including task and finish projects, are an important aspect of Overview and Scrutiny and provide opportunities to thoroughly investigate topics and to make improvements. Through the gathering and consideration of evidence from a wider range of sources, this type of work enables more robust and effective challenge as well as an increased likelihood of delivering positive outcomes. In depth reviews should also help engage the public and provide greater transparency and accountability.

5.5 It is nevertheless important that there is a balance between depth and breadth of work undertaken so that resources can be used to their greatest effect.

6. Contribution to strategic outcomes

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

7. Statutory Officers comments

Finance and Procurement

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

Legal

7.2 There are no immediate legal implications arising from the report.

7.3 In accordance with the Council's Constitution, the approval of the future scrutiny work programme falls within the remit of the OSC.

7.4 Under Section 21 (6) of the Local Government Act 2000, an OSC has the power to appoint one or more sub-committees to discharge any of its functions. In accordance with the Constitution, the appointment of Scrutiny Panels (to assist the scrutiny function) falls within the remit of the OSC.

7.5 Scrutiny Panels are non-decision making bodies and the work programme and any subsequent reports and recommendations that each scrutiny panel produces must be approved by the Overview and Scrutiny Committee. Such reports can then be referred to Cabinet or Council under agreed protocols.

Equality

7.6 The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:

- Tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;

- Advance equality of opportunity between people who share those protected characteristics and people who do not;

- Foster good relations between people who share those characteristics and people who do not.

7.7 The Committee should ensure that it addresses these duties by considering them within its work plan and those of its panels, as well as individual pieces of work. This should include considering and clearly stating;

- How policy issues impact on different groups within the community, particularly those that share the nine protected characteristics;

- Whether the impact on particular groups is fair and proportionate;

- Whether there is equality of access to services and fair representation of all groups within Haringey;

- Whether any positive opportunities to advance equality of opportunity and/or good relations between people, are being realised.

7.8 The Committee should ensure that equalities comments are based on evidence. Wherever possible this should include demographic and service level data and evidence of residents/service-users views gathered through consultation.

8. Use of Appendices

APPENDIX A – OSC Workplan 2025-26

Overview and Scrutiny Committee

Draft Work Plan 2025-26

Date	**Potential Items**	**Lead Officer/Witnesses**
19 June 2025	Terms of Reference & Panel Portfolios	Principal Scrutiny Officer
	Overview and Scrutiny Work Plan	Principal Scrutiny Officer
22 July 2025	2024/25 Provisional Financial Outturn report	Cabinet Member for Finance & Corporate Services, Director of Finance
	Update report on preparation for 2026/27 Budget and 2026/31 MTFS	Cabinet Member for Finance & Corporate Services, Director of Finance
18 Sep 2025	Cabinet Member Questions - Leader of the Council	Leader and Chief Executive
	Finance and Performance update – Q1	Cabinet Member for Finance & Corporate Services, Director of Finance

20 Oct 2025	Non-finance items (TBD)	
27 Nov 2025	Budget Scrutiny – Culture, Strategy & Engagement	Cabinet Member and Officers Deputy Chair (in the Chair)
11 Dec 2025	Finance and Performance update – Q2	Cabinet Member for Finance & Corporate Services, Director of Finance
19 January 2026 (Budget)	Budget Scrutiny - Panel feedback and recommendations. To consider panel's draft recommendations and agree input into Cabinet's final budget proposal discussions	Cabinet Member and Officers Deputy Chair (in the Chair)
	Treasury Management Strategy Statement	Assistant Director - Finance
12 February 2026	Non-finance items (TBD)	
12 March 2026	Finance and Performance update – Q3	Cabinet Member for Finance & Corporate Services, Director of Finance