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## Full Council

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To: The Mayor and Councillors of Haringey Council.

Dear Sir/Madam,

A meeting of the Council of the London Borough of Haringey will be held at the Civic Centre, High Road, Wood Green, N22 8LE on MONDAY, 4TH FEBRUARY, 2008 at 19:30 HRS, to transact the following business:

### **AGENDA**

- 1. TO RECEIVE APOLOGIES FOR ABSENCE**
  
- 2. TO ASK THE MAYOR TO CONSIDER THE ADMISSION OF ANY LATE ITEMS OF BUSINESS IN ACCORDANCE WITH SECTION 100B OF THE LOCAL GOVERNMENT ACT 1972**

### **3. DECLARATIONS OF INTEREST**

A member with a personal interest in a matter who attends a meeting of the authority at which the matter is considered must disclose to that meeting the existence and nature of that interest at the commencement of that consideration, or when the interest becomes apparent.

A member with a personal interest in a matter also has a prejudicial interest in that matter if the interest is one which a member of the public with knowledge of the relevant facts would reasonably regard as so significant that it is likely to prejudice the member's judgment of the public interest and if this interest affects their financial position or the financial position of a person or body as described in paragraph 8 of the Code of Conduct and/or if it relates to the determining of any approval, consent, licence, permission or registration in relation to them or any person or body described in paragraph 8 of the Code of Conduct.

### **4. TO ASK MEMBERS WHETHER THEY NEED TO MAKE A DECLARATION IN ACCORDANCE WITH SECTION 106 OF THE LOCAL GOVERNMENT FINANCE ACT IN RELATION TO UNPAID COMMUNITY CHARGE OR COUNCIL TAX LIABILITY WHICH IS TWO MONTHS OR MORE OUTSTANDING.**

Members to whom this applies must make a declaration if they are present at any part of the meeting and must not vote on any matter relating to the budget. It is not sufficient for such members to refrain from voting or to absent themselves from the chamber for particular parts of the meeting.

### **5. TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE COUNCIL HELD ON 21 JANUARY 2008 (TO FOLLOW)**

### **6. TO RECEIVE SUCH COMMUNICATIONS AS THE MAYOR MAY LAY BEFORE THE COUNCIL**

### **7. TO RECEIVE THE REPORT OF THE CHIEF EXECUTIVE (PAGES 1 - 2)**

### **8. TO RECEIVE THE REPORTS OF THE MONITORING OFFICER AND HEAD OF LEGAL SERVICES**

### **9. TO MAKE APPOINTMENTS TO OUTSIDE BODIES**

### **10. TO CONSIDER REQUESTS TO RECEIVE DEPUTATIONS AND/OR PETITIONS AND, IF APPROVED, TO RECEIVE THEM**

- 11. TO CONSIDER A "STATE OF THE BOROUGH" REPORT BY THE LEADER OF THE COUNCIL.**
- 12. TO RECEIVE REPORTS FROM THE FOLLOWING BODIES (PAGES 3 - 134)**
- a) The Cabinet – Report number 8 – 2007/8 – Financial Planning 2008/9 -2010/11.
  - b) Overview and Scrutiny Committee – Report number 3 – 2007/8 (To follow).

Dr Ita O'Donovan  
Chief Executive  
River Park House  
225 High Road  
Wood Green  
London N22 8HQ

Friday, 25 January 2008

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Haringey Council

Agenda item:

## Council Meeting – 4 February 2008

Report Title: **Appointment of Monitoring Officer and Changes to Committee memberships.**

Forward Plan reference number (if applicable): n/a

Report of: **Chief Executive**

Wards(s) affected:

Report for: Non key decision.

### 1. Purpose

- 1.1 To note the appointment of a Monitoring Officer.
- 1.2 To note changes to the membership of Licensing Sub Committee C.

### 2. Recommendations

- 2.1 That the appointment of John Suddaby as Head of Legal Services and Monitoring Officer with effect from 14 January 2008 be noted.

Report Authorised by: **Chief Executive**

Contact Officer: **Ken Pryor, Deputy Head of Local Democracy and Member Services**  
**Tel: 0208 489 2915**

### 3. Chief Financial Officer Comments

The appointment will have no direct financial implications.

### 4. Head of Legal Services Comments

The Council must by law appoint a single officer with overall responsibility for performing the duties imposed by section 5 of the 1989 Local Government and Housing Act.

### 5. Local Government (Access to Information) Act 1985

The following papers have been used in the preparation of this report and can be inspected at River Park House, 225 High Road Wood Green, London, N22 8HQ by contacting Ken Pryor on 020 8489 2915.

Background papers

Report to Council 19 March 2007.

## **6. Financial Implications**

- 6.1 There are no perceived financial implications arising from this report.

## **7. Legal Implications**

- 7.1 The Council must by law appoint a single officer with overall responsibility for performing the duties imposed by section 5 of the 1989 Local Government and Housing Act.

## **8. Background**

- 8.1 On 14 January 2008 John Suddaby was appointed as Head of Legal Services and Monitoring Officer. Prior to that Mr Suddaby had been performing the role of Acting Head of Legal Services and Monitoring Officer, having been appointed to that role by Council on 19 March 2007 until the permanent recruitment to the post of Head of Legal Services.
- 8.2 The 1989 Local Government and Housing Act states that a duty of the authority is "to designate one of their officers (to be known as "monitoring officer") as the officer responsible for performing the duties imposed by section 5 of the Act.
- 8.3 Section 5A (10) goes on to state that " The duties of an authority's monitoring officer under this section shall be performed by him personally or, where he is unable to act owing to absence or illness, personally by such member of his staff as he has for the time being nominated as his deputy for the purposes of this section."
- 8.4 The constitution identifies the Monitoring Officer as one of three key posts that the Authority must appoint.

## **9. Licensing Sub – Committee C**

- 9.1 The Licensing Committee agreed to appoint Councillor Dodds to the vacancy on Licensing Sub-Committee C, created by Councillor Dobbie's resignation from that body.

Chair:  
Councillor George Meehan

Deputy Chair:  
Councillor Lorna Reith

## **INTRODUCTION**

- 1.1 The Council has reserved to itself the exercise of certain functions including the approval of the budget, levying Council Tax and setting the non-domestic rate multiplier. The full list of functions of the full Council are specified in Part 2 Article 4 of the Constitution – The Full Council.
- 1.2 The budget process timetable provides for consideration by the Council of the Executive's budget package prior to the approval of the final budget and the Council Tax on 18 February 2007.
- 1.3 This report covers the budget package which we considered at our meeting on 22 January 2008.

## **ITEM FOR DISCUSSION**

### **Finance**

#### **2. FINANCIAL PLANNING - 2007/08 TO 2010/11**

- 2.1 Following our meetings on 17 July, 20 November and 18 December 2007 we reported to the Council on the key financial planning issues facing the Council and proposed a process for the detailed consideration of our budget package. We have now considered a report which set out the medium term financial strategy for the three-year period of the current administration and which would be reviewed on an annual basis. The initial financial planning report in July identified a budget gap of £15.2 million over the four year period. The business planning process this year has aimed to close this gap as well as reviewing the pre-agreed savings totalling £16.4 million.
- 2.2 The report we considered on 22 January (attached at Appendix 1) proposed a budget package for the period 2008/09 to 2011/12 which was in 12 sections:
  - government support
  - changes and variations
  - strategic approach
  - consultation
  - savings options
  - investment options
  - the children's service budget within the dedicated schools grant
  - the Housing Revenue Account budget
  - the capital programme
  - the treasury management strategy
  - council tax; and
  - key risk factors.

The report was supported by various appendices as follows:

- appendix A set out the gross budget trail
- appendix B tracked the resource shortfall over the planning period
- appendix C was the budget report of Overview and Scrutiny Committee and the Cabinet response
- appendix D set out proposed investments
- appendix E set out proposed efficiency savings
- appendix F was the proposed budget for children's services within the dedicated schools grant (DSG)
- appendix G was the Housing Revenue Account budget
- appendices H, I and J related to the capital programme
- appendix K was the treasury management statement.

2.3 We noted that based on the proposed budget package and an increase in formula grant of 2% the Council Tax increase for 2008/09 would be 3.0%. The report proposed a budget for the schools element of children's services within the ring-fenced dedicated schools grant (DSG) where overall resources were increasing by 4.1% per pupil. The report also proposed a balanced budget for the HRA based on an average rent increase of 6.5% and a capital programme based on the existing policy framework for capital expenditure. The treasury management strategy and policy recommended for approval proposes an expansion in the types of instruments used within the investment strategy.

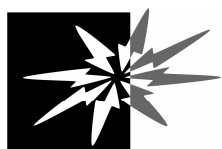
2.4 We report that we adopted the recommendations contained in the report which, in accordance with the agreed budget timetable, we refer to the Council for discussion and agreement in so doing noting that the final decision on the budget and Council Tax for 2008/9 would be made at the meeting on 18 February 2008. We also agreed that, with regard to the housing rent increase proposed, this element of our budget package be referred to the Overview and Scrutiny Committee for comments which appear in a separate report on this agenda.

#### **NOTE BY THE HEAD OF LOCAL DEMOCRACY AND MEMBER SERVICES**

Following consideration by the Cabinet of the joint report of the Director of Corporate Resources and the Chief Financial Officer, the final revenue grant settlement for 2008/09 was announced on 24 January. The version of the report now attached has been updated to take account of this and changes made at the Cabinet meeting which are reflected in the additional paragraph numbered 8.18 reproduced below and in revised versions of Appendices A and B -

'8.18 The **final settlement** was announced on 24 January. This will be laid before Parliament for the first week in February. The Minister has broadly confirmed the proposals as set out in the draft settlement with only data corrections and changes included in the final formula position. There is an adjustment to the base for all authorities in respect of public law family court fees as the court service move to full cost recovery for proceedings under the Children's Act. An estimate of this cost to Haringey has been made and it is proposed to add this sum to the cash limit for Children and Young People. The remainder of the additional grant is added to the contingency line.'





Haringey Council

Agenda Item

**Cabinet****On 22 January 2008**Report title: **Financial Planning 2008/09 to 2010/11**Report of: **The Director of Corporate Resources and Chief Financial Officer**Ward(s) affected: **All**Report for: **Key Decision****1. Purpose**

- 1.1 To consider the Cabinet's proposed budget package for 2008/09 and later years.

**2. Introduction by Cabinet Member for Resources**

- 2.1 Following previous reports to Cabinet as part of this process we are now able to recommend a balanced budget package for the next three years. The tight grant settlement has been balanced with significant efficiency savings across the Council, but still delivering investment in key priorities and a recommended council tax increase of 3%.

**3. Recommendations**

- 3.1 To agree the changes and variations set out at paragraph 9.3 and appendix B.
- 3.2 To note the outcome of the consultation processes set out at paragraph 11.
- 3.3 To agree the new investment proposals set out in appendix D.
- 3.4 To agree the revised and new savings proposals set out in appendix E.
- 3.5 To approve the approach and provision for redundancies as set out in paragraph 13.5.
- 3.6 To agree the proposals for the children's services (DSG) budget set out in appendix F.

- 3.7 To agree the proposals for the HRA budget set out in appendix G.
- 3.8 To approve the housing rent increase at an average of £4.77 per week (6.5%) and that this element of the budget package be referred to the Overview and Scrutiny Committee for comment.
- 3.9 To approve the housing service charge increase at an average of £2.55 per week.
- 3.10 To agree the proposals for the capital programme and funding set out in appendices H and J and the capital resource allocation policy at appendix I.
- 3.11 To agree the treasury management strategy and policy and prudential limits set out in appendix K.
- 3.12 To agree the proposed general fund budget requirement of £399.578m, subject to the decisions of precepting and levying authorities, and the consequences for council tax levels
- 3.13 To note that the final decision on budget and council tax for 2008/09 will be made at the Council meeting on 18 February.

Report authorised by: **Gerald Almeroth, Chief Financial Officer**

Contact officer: **Gerald Almeroth, Chief Financial Officer, 020 8489 3823**

#### **4. Executive Summary**

- 4.1 The report sets out the Cabinet's budget package for recommendation to Council. Based on this the council tax increase for 2008/09 will be 3.0%.
- 4.2 The report proposes a budget for the schools element of children's services within the ring-fenced dedicated schools grant (DSG) with the remainder of children's services included in the Council's mainstream budget plans.
- 4.3 The report proposes a balanced budget for the HRA based on an average rent increase of 6.5%.
- 4.4 The report proposes a capital programme based on the existing policy framework for capital expenditure.
- 4.5 The treasury management strategy and policy is recommended for approval and proposes an increase in the types of instruments used within the investment strategy.

**5. Reasons for any change in policy or for new policy development (if applicable)**

5.1 The budget is designed to deliver the Council's existing policy framework.

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

6.1 The following papers were used in the preparation of this report:

- Report of the Director of Corporate Resources and Chief Financial Officer to Cabinet on 18 December 2007
- The draft local authority revenue support grant settlement 2008/09 issued 6 December 2007
- Report of the Director of Corporate Resources and Chief Financial Officer to Cabinet on 20 November 2007
- Report of Acting Director of Finance to Cabinet on 17 July 2007

**7 Background**

7.1 The reports to the Cabinet on 17 July, 20 November and 18 December 2007 set out the key financial planning issues facing the Council and follow the agreed process for the detailed consideration of the Cabinet's budget package. This report sets out the medium term financial strategy for the three-year period of the current administration and this will be reviewed on an annual basis. The initial financial planning report in July identified a budget gap of £15.2m over the four year period. The business planning process this year has aimed to close this gap as well as reviewing the pre-agreed savings totalling £16.4m.

7.2 This report proposes a budget package for the period 2008/09 to 2010/11 and is in 12 sections:

- government support;
- changes and variations;
- strategic approach;
- consultation;
- savings options;
- investment options;
- the children's service budget within the dedicated schools grant;
- the housing revenue account budget;
- the capital programme;
- the treasury management strategy;
- council tax, and;
- key risk factors.

7.3 The report is supported by various appendices as follows:

- appendix A sets out the gross budget trail;
- appendix B tracks the resource shortfall over the planning period;
- appendix C is the budget report of Overview and Scrutiny Committee and the Cabinet response;
- appendix D sets out proposed investments;
- appendix E sets out proposed efficiency savings;
- appendix F is the proposed budget for children's services within the dedicated schools grant (DSG);
- appendix G is the Housing Revenue Account budget;
- appendices H, I and J relate to the capital programme, and;
- appendix K is the treasury management statement.

7.4 The Council will consider the budget package and the limits under the prudential code on 4 February and the final council tax (including the GLA precept) and the policy and decision on reserves on 18 February.

## **8 Government support**

8.1 Members will recall that there were major changes to grant distribution in 2003/04 when Standard Spending Assessments (SSA) were replaced by Formula Spending Shares (FSS). Those changes removed significant sums from the Council's base allocation and meant that we received the grant floor increase for 2003/04 onwards.

8.2 There were then a number of significant changes in the formula that provided a two year settlement position for 2006/07 and 2007/08. The key changes were as follows:

- the transfer of schools' resources from formula spending shares (FSS) to a ring-fenced dedicated schools grant (DSG);
- an alternative grant system based on separate blocks for relative needs, resources, a 'basic amount' and damping, replacing the previous formula spending shares by service (FSS);
- three-year settlements for individual local authorities based on frozen or projected data and linked to government spending review periods;
- use of projected population and tax base information, and;
- reduced weighting for deprivation in the formula for Children's and Younger Adults Social Care resulting in a significant shift of resources away from Haringey and London generally.

8.3 Separate damping floors within the formula were introduced for the Social Services blocks above to minimise disruption with redistribution.

8.4 The government consulted on changes to the formula for the three year settlement period from 2008/09. Of particular interest to Haringey were the options to:

- provide a new geographical banding for East Inner London, within the area cost adjustment, and;
- remove the separate damping floors for Children's and Younger Adults Social Care.

8.5 The **provisional revenue grant settlement** for 2008/09 was announced on 6 December 2007. Responses to the consultation on the proposed settlement were due on 8 January 2008. The settlement provides indicative figures for the following two years as part of the government's proposal to move to three-year settlement announcements for individual local authorities. This is based on frozen or projected data and linked to spending review periods and therefore this time matches the Comprehensive Spending Review 2007 (CSR07) issued in October 2007.

8.6 This new three year grant settlement has set overall floors for the three year period. The settlement for Haringey is shown in the table below:

<b>Formula grant</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
National average increase	3.7%	2.8%	2.6%
London average increase	2.4%	2.1%	2.0%
Floor increase	2.0%	1.75%	1.5%
Haringey increase	2.0%	1.75%	1.5%
Haringey grant increase (£m)	£2.7m	£2.4m	£2.1m

8.7 As expected Haringey has received a **floor increase** for all three years. There is an increase in the number of London authorities now on the floor to 27 compared to 20 previously. Haringey is calculated at being £7.5m below the grant floor in 2008/09. This is mainly as a result of the removal of the separate floors for Children's and Younger Adults Social Care.

8.8 The option to provide a new East Inner London geographical banding, a change that Haringey worked closely with Newham and Barking and Dagenham to lobby government on, has not been introduced.

8.9 As reported previously the **population** projections used in the grant settlement show a reduction over the next three years. It is my view that this is under-enumerating the true position in Haringey. A recently commissioned independent report accompanied a letter from the Leader's to the Minister prior to the grant settlement announcement and highlighted the inconsistencies of the reducing figures provided by the ONS in comparison with other data that is rising, e.g. council tax base, and the omission of any reasonable position on the issue of counting short term migrant movements. The government and ONS are planning reviews of the data and methodology over the next three years and before the next census in 2011.

8.10 The **dedicated schools grant** (DSG) is in respect of the money that goes directly to fund schools and the pupil led services within the LEA. Education services continue to receive above inflation increases from the government although the increases over the next three years are below that previously

received. Haringey has received an increase of 4.1% per pupil for 2008/09, which is the minimum increase available.

<b>DSG per pupil</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>
National average increase	4.6%	3.7%	4.3%
London average increase	4.4%	3.8%	4.3%
Haringey increase	4.1%	3.5%	3.9%

- 8.11 The 4.1% increase represents a 3.1% basic increase plus funding for other priority areas such as personalised learning. This higher level of resources is designed to fund the minimum funding guarantee per pupil for all schools of 2.1% although the final cash sum available for each school will depend on the number of pupils as recorded in the January 2007 count. The implications for children's services budgets are explored later in the report.
- 8.12 Under the Council's policy on capital expenditure, increases in grant in relation to **capital financing** are earmarked to fund the revenue consequences of supported borrowing. The estimated increase in this part of the formula is £0.8m and this will be required to fund the increased costs of borrowing. However, due to the way the grant floors operate, the Council will not receive any actual additional cash grant to support this cost. The significant majority of the approvals relate to the capital programme in the Children's Service for schools.
- 8.13 The draft settlement reflects function changes in respect of **specific grants** as reported previously. A total of £4.5m is added to the formula grant settlement in respect of these grants, the majority of which relates to children's services grant and social care access and systems capacity grant.
- 8.14 As previously reported a number of existing specific grants will be received through a new **area based grant** (ABG). This is a general non ring-fenced grant to be used for agreed local priorities. The overall position that has been announced is that the Council will receive £21.8m, which is approximately £0.5m (2.4%) less than received in 2007/08. The allocation of this will need to be agreed in conjunction with our partners as the new Local Area Agreement (LAA) is formed through the Haringey Strategic Partnership (HSP) and agreed with the Government Office for London (GoL).
- 8.15 The main change within the ABG is that the **neighbourhood renewal fund** (NRF) ceases and is replaced with a new grant **working neighbourhood fund** (WNF). The new grant is allocated to areas with higher levels of worklessness and there is an expectation that this issue will be a high priority within the LAA.
- 8.16 The position on the grant from **Local Authority Business Growth Incentive** (LABGI) is not known at this time and an announcement is expected in February, although the government are reviewing the position in light of recent legal challenges. The allocation is based on rateable values for the previous calendar year so it is difficult to predict. It is proposed that as in previous years any sum received from this will be added to balances. In future years there will be significantly less LABGI available nationally.

- 8.17 The Leader sent a response to the Minister in reply to the draft settlement by the 8 January deadline and also, with other Labour Leaders, met with the Minister on 16 January.
- 8.18 The **final settlement** was announced on 24 January. This will be laid before Parliament for the first week in February. The Minister has broadly confirmed the proposals as set out in the draft settlement with only data corrections and changes included in the final formula position. There is an adjustment to the base for all authorities in respect of public law family court fees as the court service move to full cost recovery for proceedings under the Children's Act. An estimate of this cost to Haringey has been made and it is proposed to add this sum to the cash limit for Children and Young People. The remainder of the additional grant is added to the contingency line.

## 9 Changes and variations

- 9.1 The 2007/08 budget was set as part of a process, which covered the previous four year planning cycle. A number of budget changes and variations were recognised in the 2007/08 process and these are brought forward in the approved financial plans. During this year financial planning reports to the Cabinet in respect of 2008/09 onwards have agreed further changes and variations.
- 9.2 The changes and variations already agreed by the Cabinet are as follows:
- an additional budget of £338k for waste disposal costs as a result of the Budget in March 2007 increasing **landfill tax** by £8 per tonne from April 2008;
  - an increase in the 2007/08 base cost of **concessionary fares** of £235k and the ongoing impact of that in future years;
  - a notification in June 2007 of a reduction in **housing benefit administration** grant from the Department of Work and Pensions with an impact of £194k in 2008/09;
  - a **contingency** amount was approved by Cabinet in July 2007 to allow for other known or likely cost pressures amounting to £2.4m in 2008/09 and £0.5m in each of the later two years; this included equal pay costs, inter-fund issues, NLWA waste disposal costs and land charges income;
  - the actuary's triennial valuation of the **pension fund** up to 2007 was completed in November 2007. As previously reported this takes into account implementation of the aspects of the 'new look' scheme due to come into effect from April 2008. The report states that the Council's employer's contribution rate can remain at the current level of 22.9%. The funding level is now estimated at 77.7% compared to the previous valuation in 2004 of 69.0%. This increase is due to an improvement in investment earnings and value, and the planned stepped increases in employers' contributions from 2004. In the last three years during the budget process

an additional 1% contribution was provided for in anticipation that increases above the 22.9% would be required at this stage. This is not now required and this equates to a saving of £3.18m over the planning period;

- the government have issued guidance on the subsidy arrangements in respect of **homelessness** and have reduced the current thresholds by 10% in 2008/09 on top of the 5% reduction in 2007/08. They have signalled their intention to carry out a more fundamental review of how funding is allocated in time for 2009/10. Work has been done to estimate the potential financial impact of this including looking at 'cost plus' models. A base contingency of £3m is now included and this will need to be reviewed as the government review progresses, and;
- the savings assumptions from the **Achieving Excellence** programme in the original budget plans are £3m in 2008/09 and £2m in 2009/10. Although the programme and individual projects are progressing it has been agreed that the profile of this savings target is revised moving £2m into 2010/11 from 2008/09. This reflects a more realistic time period for asset disposals and therefore revenue savings arising from the smart working and accommodation strategy projects.

### 9.3 The additional changes and variations reported now are as follows:

- recent meetings with the Home Office and their special team dealing with the backlog of **asylum** cases have been positive. It is expected that we will see a reduction in the number of cases directly supported by the Council over time. A reduction of costs in 2008/09 should lead to spend within the existing budget for the year and a saving of £0.5m in 2009/10 is proposed;
- the basis for allocating the cost of the **concessionary fares** levy under the new national scheme has been reviewed recently by London Councils. There is a desire to move towards actual usage data, however it was agreed that for 2008/09 a higher level of weighting should be placed on disabled passes, providing a small saving, but this will be reviewed for future years. The option using base TfL usage data would mean an increase in costs to Haringey of nearly £2m therefore this is reflected in the budget plans proposed;
- recent changes to the apportionment of costs for the **waste disposal** levy in respect of non-household waste data proposed by the NLWA and the latest budget projections provides an estimated saving of £0.5m in 2008/09 and 2009/10. This includes resources for the procurement process for new facilities in the long term. It is estimated that costs will return to the same level by 2010/11;
- the original school **PFI contract** arrangements had an affordability gap that the Council resolved to reduce or fund. The report to Executive on 20 July 2004 approved the planned contribution level at almost £1.6m from 2007/08 onwards. Since that decision the Council has been successful in obtaining additional PFI credit from the government and a further saving



accrued as a result of the change to the revenue grant being paid on a annuity basis nationally. As a result of these changes and the final resolution to the future arrangements during BSF, this provision can now be removed;

- the lease transfer in respect of **Alexandra Palace** has not been implemented this year as planned. Whilst the Trust is fully committed to the development progressing it is prudent at this stage to restore the budget provision for the base level of support and add back the £1m originally removed as a saving in 2007/08;
- revenue costs in respect of **capital financing** were previously provided for at higher levels by nearly £1m for the investment in Building Schools for the Future, however, it is confirmed that the majority of this will be financed by capital grant, thereby avoiding additional borrowing costs for the Council;
- increased performance on **treasury management** investment earnings through debt restructuring, improved cash flow and higher interest rates, as reported in performance reports this year, can be reflected on an ongoing basis, albeit phased downwards in later years as it is expected that interest rates will fall in the medium term;
- notification has been received from government that **housing benefit administration grant** will reduce further in the later two years of the planning period and it is proposed that this is reflected in the budget plans, and;
- a review of the **contingency** provision agreed earlier in the budget process has concluded that a reduction in the base by £0.5m can be made in 2008/09 in respect of the additional allowance set aside for the ongoing impact of equal pay. However in light of the key risk factors set out in section 19 of this report, it is recommended that a sum of £1m is added in each of the later years. In particular this is in respect of concessionary fares, asylum, waste disposal, homelessness and Alexandra Palace.

9.4 These changes and variations are summarised at appendices A and B.

## 10 Strategic approach

10.1 The key drivers for the strategic context in business planning process have been derived from the current jointly agreed Community Strategy, the majority party Manifesto and the approved priorities within the Council Plan as follows:

- Making Haringey one of London's greenest boroughs
- Creating a Better Haringey: cleaner, greener and safer;
- Encouraging lifetime well-being at home, work, play and learning;
- Promoting independent living while supporting adults and children when needed, and;
- Delivering excellent, customer focused, cost effective services.

10.2 The Council Plan for 2007/10 has a set of key short and medium term actions that contribute to meeting the above priorities, which in turn will contribute to the Community Strategy as agreed by the Haringey Strategic Partnership. The financial plans arise from the business planning process, through Pre-business plan reviews (PBPR) and allocate resources to priorities as well as delivering efficiency savings and contributing to the value for money agenda. The final budget proposals will form the medium term financial strategy and will be aligned to the Council Plan. Individual annual business plans will be published in April 2008.

## **11 Consultation**

11.1 Consultation on budget options is as follows:

- consideration of financial strategy and the pre-business plan reviews (PBPRs) by the Overview and Scrutiny Committee;
- a discussion of the Council's medium term financial plans with partners within the Haringey Strategic Partnership;
- consideration of Children's Service budget issues by schools;
- consultation with tenants and leaseholders via Homes for Haringey on rent increases and budget proposals;
- a presentation of the Council's strategic plans at an event for local businesses;
- trade union representatives; and,
- other stakeholders.

### **11.2 Scrutiny**

11.2.1 The Overview and Scrutiny Committee met on 10 and 13 December to consider the Council's financial strategy and the general fund revenue savings and investment options included in the PBPR's for each of the business units. The conclusion and comments of the Overview and Scrutiny Committee are attached in their report at appendix C2.

11.2.2 The Cabinet has given careful consideration to the specific budget issues that have been raised as part of the process and the responses are set out in appendix C1. The Cabinet concur with many of the recommendations made by Overview and Scrutiny Committee and some changes have been made to the budget proposals attached as noted. The capital investment bids for corporate resources were considered by Overview and Scrutiny Committee on 7 January 2008 and a summary of their comments are also included.

11.2.3 Overview and Scrutiny will also be meeting on 31 January to provide comments in respect of the Housing Revenue Account proposals including the proposed rent increase. These comments will be reported separately to Council on 4 February.

### 11.3 Haringey Strategic Partnership

11.3.1 Key partners have been consulted individually through this budget process. It is also proposed that the Council will report to the Haringey Strategic Partnership (HSP) in February to discuss the Council's medium term financial strategy in the context of the wider review of the funding, commitments and targets included in the Local Area Agreement and the allocation of the area based grant and other funding streams.

### 11.4 Schools

11.4.1 Budget planning issues were discussed at head teacher meetings and at the Schools Forum during the autumn term and more recently in a detailed report on the dedicated schools grant settlement at the Forum meeting on 13 December 2007. The recommendations extracted from the minutes of that meeting are attached at appendix F and all of these are included in the proposed budget plans.

11.4.2 The recommended budget changes together with the grant settlement position result in £3.34m of 'headroom' being available above the minimum funding guarantee. The Forum has recommended that this should be distributed to schools through additional educational needs (AEN) factors. This is in line with the recently agreed policy of increasing the AEN/deprivation funding in the formula.

11.4.3 Further details on schools funding and the proposed budget are set out later in this report.

### 11.5 Tenants and leaseholders

11.5.1 Homes for Haringey held a meeting of the Residents Finance Panel on 8 January 2008 and discussed the budget proposals in detail. Tenant and leaseholder representatives are members of the group.

11.5.2 The rent increase is driven by the government's rent restructuring guidance. Consultation was through the Residents Finance Panel on 8 January and some direct tenant communication as well as general publicity to all tenants. The consultation period, which began on 10 December, closed on 11 January. The general feedback from the small number of individual tenants is that the rent increase is too high and that housing stock is need of improvement. The Resident's Finance Panel resolved to respond as follows:

- the large increases through the government's policy to increase rents to the levels charged by housing associations were putting an unfair burden on tenants. This burden was particularly hard for tenants on pensions and fixed incomes;
- such increases in rent along with other rises in the cost of living such as council tax eroding tenant's standard of living;
- the government should use the consumer price index as a basis for setting rent increases as this index is used to assess pension increases; The use of the retail price index [*in the rent restructuring formula*] (which

is generally higher than the consumer price index) was an inequitable basis for setting rents, and;

- improvements in income collection performance should be sought as this would help to keep rents down.

11.5.3 For leaseholders, the proposals on the HRA reflect the recovery of leasehold management and overhead costs as previously consulted upon and approved.

#### 11.6 Business event

11.6.1 A business event was held on 24 January 2008 at which a presentation was given on the Council's financial strategy and the increase in business rates by the government. The event was well attended and a number of comments were received, in particular businesses were asking how they could assist in recycling their waste.

#### 11.7 Trade unions

11.7.1 Meetings on 29 November and 10 January have been held with representatives of the trade unions to discuss the financial strategy and the pre-business plan reviews at a high level. Written responses have been received on the detailed proposals and these are being discussed at departmental levels. The key overall views expressed are set out in the following paragraphs.

11.7.2 We note that these proposals arise in response to financial restrictions imposed upon Local Government by Central Government. At national level, the three trades unions that make up Employee Side have made and continue to make strong representations that the public sector provides services that are essential to the well being and quality of life of the people of this country and that the public sector as a whole is being ill-advisedly undervalued. It is in this context that we comment on these budget proposals.

11.7.3 We realise that the Council has to respond to the financial restraints that it finds itself facing but we wish to put forward a view of how it should approach this response and what the priorities should be in making savings. The business of the Council is to deliver high quality services to its residents on a sound value for money basis. This requires a sufficient workforce who are motivated and feel that the Council is using its resources wisely and in furtherance of its core purpose. In looking at savings, therefore, we feel that the Council should only resort to staff cuts when other reasonable savings have already been taken. In undertaking expenditure, we believe the Council should ask whether the expenditure really furthers the delivery of services to those who live in or visit the Borough. This does not seem to have always been done. For example, the recent re-branding of the Council achieved nothing but a superficial change of image. The costs of that could have been used to offset some of the savings demanded by Central Government. Members of staff feel demoralised when they feel that their job security is diminished and their capacity to deliver a service compromised by the diversion of resources into something that provides no discernable benefit to anyone.

11.7.4 We welcome the work that has already been done and will continue to be done to reduce the level of redundancies that will arise from these cuts. We also welcome the Council's commitment to the redeployment process and to providing retraining to facilitate redeployment. The trade unions look forward to co-operating in these processes.

## 11.8 Other stakeholders

11.8.1 Views of other stakeholders have been sought and received as part of the budget process including specifically with partners such as the Primary Care Trust, the Mental Health Trust and voluntary organisations.

11.8.2 The Leader has met with a number of voluntary groups in January to discuss the overall financial position, proposed budget options and the medium term financial strategy.

## 12 **Investment options**

12.1 The PBPR process has identified new investment opportunities which align with the Council's strategic agenda. These are set out in appendix D together with some other unavoidable growth items and are recommended for acceptance. These total £6.8m in the general fund revenue budget over three years. The Council's priorities provide the rationale for the allocation of investment resources as set out in the appendix. The key areas for investment are as follows:

- promotion of direct payments for social care;
- additional resources for adoptions and special guardianship;
- learning and physical disability services – meeting additional demand;
- street cleansing – additional sweeping;
- highways – pot-hole repairs;
- additional recycling services;
- greenest borough strategy resources, and;
- enforcement – bringing derelict houses back into use.

12.2 A review of the pre-agreed investments under previous budget processes have confirmed the key areas for investment already in place and due to come in over the next two years as:

- recycling expansion of services;
- street cleansing additional resources;
- enforcement – additional out of hours noise services, and;
- youth services additional provision.

### 13 Savings options

- 13.1 Proposed savings totalling £16.4m over the planning period were agreed as part of the previous budget processes. These savings have been reviewed through the PBPR process and either confirmed as sound and achievable or have been deemed as not achievable and are replaced with new items. Some savings proposals have been re-phased to reflect a more realistic delivery profile. The changes to the **pre-agreed savings** are set out in appendix E and this is a shortfall against the original plans of £2.7m.
- 13.2 Through the PBPR process new savings options have been identified against agreed targets and these are included at appendix E. The appendix sets out those **new savings** proposals in respect of the general fund, which are recommended by the Cabinet for agreement, and total £15.6m over the next three years.
- 13.3 Members are aware of the government's plans to generate **efficiency savings**, originally set out in the Gershon review, more latterly in the comprehensive spending review 2007 (CSR07). Local government has been set a target of £4.9bn, which equates to 3% of the net base budget and achievement of this has been taken into account in the grant settlement as being delivered in cash. In the previous financial planning period the target was a 1.25% cashable saving. Each local authority currently reports progress on efficiencies to the government in Annual Efficiency Statements (AES), this may be done through the new national indicator for value for money in the future.
- 13.4 The Council's ability to deliver budget savings is confirmed as a key aspect of the response to the strategic agenda in order to re-allocate resources to priorities and maintain essential services. The plans set out in this report include significant identified savings which can be summarised as follows:

Budget	2008/09		2009/10		2010/11	
	£m	%	£m	%	£m	%
General fund	12.548	5.2%	8.359	3.4%	8.467	3.4%
DSG (excl ISB)	0.800	3.8%	1.277	6.6%	0.457	2.5%
HRA	3.324	3.9%	0.544	0.6%	0.100	0.1%
<b>Total</b>	<b>16.672</b>	<b>4.8%</b>	<b>10.180</b>	<b>3.8%</b>	<b>9.024</b>	<b>3.2%</b>

- 13.5 The staffing implications of the savings proposals include the deletion of a number of posts as highlighted through the PBPR's. All efforts will be made to minimise the impact on permanent staff. The Council has a well established process for managing workforce reductions, which will apply. Redeployment, retraining, and the review of vacancies/temporary employment will assist to minimise the impact of reductions in the staffing establishment. The Council's trade unions have been consulted during the budget making process and will be closely involved in the actions described here. However, it is envisaged that some redundancies will be unavoidable and the due statutory process will be followed. It is proposed to make a one-off corporate provision for

redundancy costs in the region of £2m. This will be funded from revenue reserves or from underspends in 2007/08 wherever possible. It is proposed that a small proportion of this could be utilised to support redeployment where it is cost effective. It is the Council's aim to minimise the use of this provision and progress will be reported back to Members in due course.

#### 14 Children's services budget - dedicated schools grant (DSG)

- 14.1 On the 12 November the Minister for Schools and 14-19 Learners announced the details of the Dedicated Schools Grant (DSG) settlement for 2008/09 and the indicative settlement for the following two years.
- 14.2 The headline figure for Haringey is a **4.1% increase per pupil** in 2008/09, compared with 6.9% in 2007/08. This represents a 3.1% basic increase plus funding for ministerial priorities, primarily personalised learning. This compares unfavourably with the national per pupil increase of 4.6% and the London increase of 4.4%. Haringey Council has made representations to the Secretary of State pointing out that amongst London authorities we have the fifth highest deprivation funding and the fourth highest additional needs yet rank 15th for per pupil funding, despite facing the same teacher costs as inner London authorities.
- 14.3 The **minimum funding guarantee** (MFG) is set at **2.1%** for each of the next three years, compared with 3.7% in the current year. The Minister, in announcing the MFG, noted that it would reflect average cost pressures and that their assessment of the cost pressures includes an assumed efficiency gain of 1% pa.
- 14.4 The actual cash settlement will be determined by January pupil numbers, but the Department for Children, Schools and Families (DCSF) makes an estimate of the number of pupils in calculating an indicative DSG. Last year their estimate proved to be substantially overstated and for prudence this report assumes the same pupil numbers as this year.
- 14.5 The table below sets out a summary of the current year's settlement and the indicative ones for the next three years including the minimum funding guarantees.

Year	Per Pupil Amount £	Increase over previous year %	Pupil numbers DCSF indicative No.	DSG at Jan 07 pupil no.s £m	MFG %
2007/08 Actual	4,791	6.9	32,207	154.297	3.7
2008/09 Indicative	4,987	4.1	33,039	160.617	2.1
2009/10 Indicative	5,161	3.5	33,588	166.220	2.1
2010/11 Indicative	5,364	3.9	34,303	172.758	2.1

- 14.6 The total DSG budget position is balanced and is summarised in the table below and in more detail in appendix F1. The overall schools budget, funded totally by the DSG, is subject to statutory consultation with the **Schools Forum**. The forum met on 13 December 2007 and considered the schools budget position and the recommendations are reflected in the proposed position in this report. The minutes of the forum meeting are attached for information.

Dedicated schools grant	<b>DSG - ISB</b> £m	<b>DSG -non ISB</b> £m	<b>Total DSG</b> £m
Estimated grant increase	5.204	1.116	6.320
Transfer of resources	2.326	-2.326	0
<b>Total increased resource</b>	<b>7.530</b>	<b>-1.210</b>	<b>6.320</b>
PBPR estimated net budget growth including inflation	4.190	-1.210	2.980
Estimated headroom	3.340	0	3.340
<b>Total increased costs</b>	<b>7.530</b>	<b>-1.210</b>	<b>6.320</b>

\* ISB – Individual Schools Budgets

- 14.7 The appendix to this report sets out the proposed use of the increased resources from the DSG settlement (£6.32m in 2008/09). The adjustments to the base budget for pre-agreed growth and savings items, mainly in the non ISB, include the pre-opening costs for the new sixth form centre and the single status contingency for back dated pay. The adjustments will have the effect of increasing the resources that will be made available to schools within their delegated budgets and will ensure the **schools budgets** see a **5.6% increase** compared to a 6.1% reduction to the non ISB (i.e. LEA side).
- 14.8 The use of '**headroom**' (residual funding available following allocation of DSG) was the subject of discussion by the Schools Forum. Their recommendation is to allocate the full £3.34m of 'headroom' in line with **AEN/deprivation factors** in the school funding formula. This is line with the policy agreed at Cabinet on 18 December 2007 in terms of passporting a higher level of resources through these factors.



## 15 Housing revenue account

- 15.1 The final housing revenue account (HRA) **subsidy determination** was received on 15 January as in line with the draft position issued on 23 November. The rent restructuring formula changes result in a recommended average **rent increase** of 6.5% equating to an average of £4.77 per week. In the last couple of years the government have introduced a maximum cap on the average rent increase of 5.0% funded by additional subsidy however this is not in place for 2008/09. The Council made representations to government on this issue, but the final determination was unchanged. The proposed rent increase for each individual property is therefore determined by the application of the government's rent restructuring formula, which aims to align HRA rents to the average Housing Association rent levels. The Council consulted with tenants on the rent increase based on the draft determination in order to meet the statutory deadlines. Although the average increase is 6.5%, rents are calculated on an individual property basis and the large majority of changes will be affecting the 1 to 3 bedroom properties and the range of variations in rent will be from 9.2% increase to 1.9% reduction.
- 15.2 A full review of service charges was carried out in this budget process. Since 2003/04 local authorities have been required to disaggregate service charges to tenants from rent. **Service charges** have generally risen in line with general inflation, however, it is clear that some costs have risen at a faster rate and therefore some service charges are out of line with the Council's general external income policy to recover full costs. This budget proposes to raise those charges, which will result in an average increase of £2.55 per week. The range will be from £0.02 to £5.81 per week. The cost of these elements of the service charges can be taken into account in the assessment for housing benefit and approximately 70% of tenants are currently in receipt of housing benefit.
- 15.3 In addition to the above, the medium term financial strategy for the HRA includes the following:
- delivery of savings under the new repairs and maintenance contract, won under competitive tendering by the in-house team within Homes for Haringey;
  - delivery of savings from the value for money reviews conducted by Homes for Haringey;
  - slight shortfall in subsidy than planned (£128k);
  - reduced rent income as a result of reducing properties, including recent approval for hostel disposals, and;
  - increased funding for revenue maintenance of aids and adaptations;
  - delivery of rent collection at the agreed performance levels at 99% with a void rate of 2% on general stock.
- 15.4 The government subsidy position continues to worsen on an annual basis. The final subsidy determination for 2008/09 shows an overall increase of 1.59% for Haringey. This is considerably lower than inflation. The budget plans assumed a gain of £476k and there is shortfall on the forecast of £128k.

- 15.5 The management element of the subsidy increased by 4.58% and reflects an additional £4 per dwelling to fund Energy Performance Certificates. Government has indicated that this additional sum will be retained in the allowances for at least the next 10 years.
- 15.6 The maintenance element does not increase in 2008/09. This reflects the fact that entitlement under the formula is below previous years allowances. Under transitional arrangements allowances have been retained at last year's cash level in order to align maintenance allowances with the formula levels over time.
- 15.7 In the final subsidy determination the government have signalled their intention to carry out a wider review of the HRA subsidy system and therefore this settlement is for one year only.
- 15.8 The current approved HRA budget position in 2007/08 is set out in the table below, together with the proposed changes to give an overall position for the HRA. This table is shown in more detail in appendix G. The target level of balances for the HRA is £5m and this is broadly achieved over the planning period. The planned opening balance for 2007/08 of £3.432m has been revised to £3.596m as a result of the closing of the 2006/07 accounts.

<b>£000</b>	<b>2007/08</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>2011/12</b>
Planned opening balance	(3,596)	(4,690)	(5,227)	(5,593)	(5,235)
In year budget	(1,094)	(537)	(365)	358	(2)
Proposed closing balance	(4,690)	(5,227)	(5,593)	(5,235)	(5,237)

## **16 Capital programme**

- 16.1 A capital programme has been developed, driven by the Council's agreed policy framework for capital expenditure, the approved capital strategy and underpinned by asset management plans across the Council. The overall proposed programme is attached at appendix J.
- 16.2 The existing resource allocation strategy adopted by the Executive on 21 October 2003 uses the Community Strategy and Council's Corporate Plan as its framework for determining priorities and is delivered through the Council's business planning process. This is updated and attached at appendix I.
- 16.3 The main resources for capital expenditure are provided through borrowing approvals i.e. supported capital expenditure (revenue) or SCE (R) and through grant, mainly supported capital expenditure (capital) or SCE (C). Both forms of funding can be ring-fenced by the government. Corporate resources comprise non-housing and education borrowing limits, non-ring-fenced grant and all capital receipts. The estimated resources available for capital investment are set out in the table below over the next four years. The estimates for the investment for decent homes and BSF are shown separately.

<b>Capital Programme – Resources Utilisation</b>	<b>2007/08 £'000</b>	<b>2008/09 £'000</b>	<b>2009/10 £'000</b>	<b>2010/11 £'000</b>	<b>Total 2008/09 -2010/11 £'000</b>
	*				
<b>Supported (Earmarked) Expenditure</b>					
<b>Housing (HRA)</b>					
SCE® Single Capital Pot	6,233	6,233	6,233	6,233	18,699
SCE® Separate Programme Element (Decent Homes)	0	36,105	61,737	61,951	159,793
Major Repairs Allowance (MRA)	11,991	11,855	11,581	11,813	35,249
	<b>18,224</b>	<b>54,193</b>	<b>79,551</b>	<b>79,997</b>	<b>213,741</b>
<b>Children &amp; Young People's Services</b>					
BSF (SCE®, SCE® & other finance)	36,712	47,871	62,801	34,507	145,179
Targeted Capital Fund	125				0
Other SCE® (excluding BSF)	7,820	6,479	4,655	6,396	17,530
Other SCE® (excluding BSF)	7,958	6,245	12,444	15,617	34,306
Other Grants & Contributions	144	250	2,922	0	3,172
	<b>52,759</b>	<b>60,845</b>	<b>82,822</b>	<b>56,520</b>	<b>200,187</b>
<b>Urban Environment</b>					
Tfl Grant (Local Implementation Plan)	<b>4,215</b>	<b>5,337</b>	<b>6,000</b>	<b>6,000</b>	<b>17,337</b>
<b>Corporate Resources</b>					
SCE® (corporate applied)	191	0	0	0	0
Capital Receipts (corporate applied)	8,216	18,167	10,628	10,107	38,902
Local Public Sector Agreement (LPSA) Reward Grant (applied)	1,506	0	0	0	0
	<b>9,913</b>	<b>18,167</b>	<b>10,628</b>	<b>10,107</b>	<b>38,902</b>
<b>Other Grants &amp; Contributions</b>	<b>12,381</b>	<b>6,891</b>	<b>7,086</b>	<b>870</b>	<b>14,847</b>
<b>Prudential borrowing</b>	<b>592</b>	<b>962</b>	<b>1,234</b>		<b>2,196</b>
<b>Total Capital Programme</b>	<b>98,084</b>	<b>146,395</b>	<b>187,321</b>	<b>153,494</b>	<b>487,210</b>

\* 2007/08 figures provided for comparison purposes

- 16.4 It should be noted that under the previous formula grant system the translation of SCE (R) into a revenue stream in the formula and then cash grant does not reflect the actual **cost of borrowing**. This is partly because a notional rate of interest of 5.5% is used compared to the actual average Haringey rate of 7.23% and the figures are also scaled down to the national total resources available. Under the new formula grant system, the capital financing element is included in the Council's relative needs factor and there is now less certainty about the amount of grant that finally finds its way through to the Council. This is particularly true for authorities on the grant floor in that the revenue grant support for capital borrowing will be added to the formula but will not result in any actual additional cash being received by the Council. As the table above shows for Haringey this is largely in respect of spending within the Children's Services and the capital programme for schools. The revenue cost of this in 2008/09 is approximately £0.7m.

- 16.5 The strategic context for **housing** is the investment gap to deliver against the decent homes target. Homes for Haringey have now successfully achieved the two star inspection, which was a pre-requisite for the release of decent homes funding. The bid for investment funding was £231m above existing funding streams and the DCLG are in dialogue with all local authorities in wave six regarding the timing and scale of the final approval. There is pressure from government to release the funding over a longer time period than the current CSR period as well as challenging the bid amount.
- 16.6 The capital programme proposed includes substantial sums of corporate resources (capital receipts) for investment in housing including estate improvement works that will contribute to the overall decent homes programme as well as provision for investment in major works voids, conversions and extensions. The programme for housing also includes a higher proportion of works on planned and preventative maintenance works.
- 16.7 For **children's services**, the key strategic issues are in respect of the Building Schools for Future (BSF) programme (including the new 6<sup>th</sup> form centre) and the primary places expansion. A total of £199m is planned to be spent on BSF (made up of £179m of mainstream central government resources, £10m from the Learning Skills Council contributing towards the cost of the new 6<sup>th</sup> form centre, a specific capital receipt and revenue contributions from the DSG).
- 16.8 The new **6<sup>th</sup> form centre** has already been successfully delivered, on time and on budget, as an early part of the BSF programme. The final capital cost of this project is £29m.
- 16.9 The funding announcements for 2008/09 and beyond are now known following the CSR07 and final notification in November. Previously a prudent estimate of basic need **formulaic funding**, plus funding for modernisation and access had been included at approximately £5m per annum. The notified amount for 2008/09 is £7.368m. This has allowed appropriate provision to be made in the programme for pressures including those related to major schemes as set out below.
- 16.10 The plan for 2008/09 is largely committed to the completion of the major **pupil place expansions** at Coldfall, Tetherdown and Coleridge and to the completion of the children's centres programme in Haringey, with the Highgate children's centre drawing on phase 3 capital resources.
- 16.11 Fundamental reviews have been carried out of the cost plans for the Coleridge and Tetherdown expansion schemes in the light of higher than expected tender returns for the final phases of each project, additional planning conditions at Coleridge and additional costs (some still disputed) in the first phases of both projects. There have been no significant changes to the original design of these two projects, but more prudent assumptions are now being made about contingencies and the costs of final fitting out of the new facilities. Coleridge is now budgeted at £7.5m, from £6.5m and Tetherdown at £6.7m from £5.8m. Significant effort is in place for the project management and control of these complex projects to ensure they are brought in on time and below these

revised budget limits. These increases can be accommodated within the funded resources.

- 16.12 Plans for the period from 2009 to 2011 and beyond are tentative at this stage. They will be finalised following the development of a Primary Strategy for Change (PSfC) in order to release the new **Primary Capital Programme (PCP)** resource, which amounts to £12 million in the latter two years. This will be the subject of a further report to Cabinet in April 2008. The PSfC must be approved by DCSF and will be based upon consultation with schools and other interested parties.
- 16.13 These plans are required to demonstrate a joined up approach to capital investment and we would expect them to include considerable pooling of the PCP resources with those for extended schools, children's centres, harnessing technology and devolved formula capital.
- 16.14 The draft programme includes provision for the planned **inclusive learning campus** at Broadwater Farm. In December 2007 Cabinet agreed the school organisation proposal that allows Moselle and William C. Harvey special schools to be reorganised into a primary and secondary special school. The secondary special school is under development as part of BSF at the Woodside High site. The costs shown are an early estimate and a detailed budget plan for this investment will be reported to members in due course.
- 16.15 The requirements for **streetscene** were set out in the Local Implementation Plan, which was agreed by the Cabinet on 24 April 2007 as a draft (final version delegated to the Cabinet Member for Environment and Conservation and Director of Urban Environment) and submitted to the Mayor as a bidding document. A letter from Transport for London (TfL) on 15 November confirmed the grant approval of £5.36m compared to the total bid in 2008/09 of £10.2m. The grant approval is an increase of £1.176m (28%) on 2007/08; the overall increase in London was only 2.8%. The additional sums are mainly in respect of schemes for town centres (Tottenham High Road), bridge assessment and strengthening, and measures to promote walking, cycling and school and work travel plans.
- 16.16 The utilisation of **corporate resources** for capital investment has been considered through the pre-business plan reviews. The process for appraising bids for corporate resources include how investments support the community strategy priorities and the asset management plan. The proposed schemes, attached in detail at appendix H will give an overall utilisation of corporate resources as follows:

£000	2008/09	2009/10	2010/11	Total
Resources available	(18,204)	(8,004)	(17,779)	(43,987)
Proposed programme	18,167	10,628	12,107	40,902
Shortfall / (surplus)	(37)	2,624	(5,672)	(3,085)

16.17 The assumption on income from **capital receipts** includes:

- ongoing right to buy receipts of £2m per annum;
- £16m from disposal of strategic sites including Bull Lane, the Civic Centre and Hornsey Depot (although only part of the receipt for this site is included in the third year with the rest coming later), and;
- a number of housing hostel properties that have been identified as surplus to requirements.

16.18 The commitment to the proposed programme of investment relies on achieving these disposals at the required values and any significant variation to this may require a review of the spending commitments at the appropriate time. It is proposed the shortfall of £2.6m in the second year can be managed through revenue contributions into the financing reserve.

16.19 The previously approved £2m within capital to support the implementation of the Achieving Excellence programme is switched to revenue in these proposals. This can be achieved within the flexibility of revenue contributions to capital.

16.20 The capital investment package delivered from corporate resources as proposed will contribute significantly to the **Council's priorities**, in particular:

One of London's greenest boroughs

- significant investment in recycling services, including expansion on housing estates and improving the Council's own recycling facilities, and;
- continuation of the tree planting programme.

Better Haringey: cleaner, greener and safer

- increased investment in street lighting (£1m pa increased from current £750k pa);
- increased investment in roads and footways (£1.7m pa increased from current £1.4m pa);
- new investment in parks and open spaces, and;
- investment in flood relief/gully works.

Encouraging lifetime well-being, at home, work and play

- strategic renewals investment in leisure services building;
- additional £1m investment in housing estate improvements;
- provision of £1.5m budget for small grants and loans to improve private sector rented housing stock condition;
- investment for major works voids, conversions and extensions, and;
- contribution to improvement works in respect of the decent homes programme.

Promoting independent living while supporting adults and children when needed

- significant capital investment, £3.2m in 2008/09, to provide aids and adaptations for people living at home.

- 16.21 There is an assumption of a small amount of new **prudential borrowing** in the proposed programme. This in addition to the existing approval in relation to the investment in Leisure facilities and IT investment. In all cases the proposals need to meet the approved Council's policy on passing the affordability test where the cost of borrowing is being met by additional revenue income and or expenditure savings.
- 16.22 The Local Government Act 2003 and the CIPFA Prudential Code introduced a new prudential system for local authority capital finance and came into effect on 1 April 2004. The key objectives of the code are to ensure:
- capital investment plans are affordable, prudent and sustainable;
  - treasury management decisions are taken in accordance with good professional practice; and,
  - fulfilment of the above objectives by setting out prudential indicators that must be set and monitored.
- 16.23 In addition, significant capital investment will need to have regard to the Council's **sustainable procurement policy** which is due to be considered by Members shortly and will include sustainable environmental impact as well as whole life costing evaluation.
- 16.24 The prudential indicators are included for approval within the Treasury Management Statement see below and in appendix K.

## 17 Treasury management strategy

- 17.1 The Council is required to consider an annual Treasury Strategy under the CIPFA Code of Practice on Treasury Management, which was adopted by the Council in May 2002.
- 17.2 The Local Government Act 2003 also requires the Council to have regard to the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable. We have also set out our Prudential Indicators for year four of our financial planning process.
- 17.3 In line with the suggestion in the ODPM's investment guidance we have combined the Treasury Strategy Statement and Annual Investment Strategy into one document. This is set out in full in Appendix K and includes the proposed prudential indicators for 2008/09 to 2010/11.
- 17.4 The strategy is based upon the Council's Treasury officers' views on interest rates, supplemented with leading market forecasts provided by the Council's external treasury advisor. The strategy covers:
- treasury limits for 2008/09 to 2010/11, which will limit the treasury risk and activities of the Council;
  - prudential indicators
  - the current treasury position and borrowing requirement;

- prospects for interest rates;
- the borrowing strategy;
- the extent of debt rescheduling opportunities;
- the investment strategy including the treasury management policy.

- 17.5 The proposed authorised limits for external debt in 2008/09 to 2010/11 are consistent with the authority's current commitments, existing plans and the proposals in this budget report for capital expenditure and financing, and with its approved treasury management policy statement and practices. They are based on the estimate of the most likely forecast position, but with sufficient headroom over and above this to allow for operational cash flow management.
- 17.6 In the Council's 2008/09 to 2010/11 budget plans the capital programme is mainly based on the amount of supported borrowing and grant from central government and a projection of potential capital receipts. There is one new scheme that includes an assumption for unsupported borrowing. It will be funded within available resources and as such is a 'spend to save' projects. Therefore there is no increase in council tax or housing rent to fund a higher level of spend above the level of resources available.
- 17.7 The capital financing requirement (CFR) is planned to increase in 2008/09 by £38m as a consequence of the capital programme proposed. The net borrowing will be funded within the supported resources available.
- 17.8 The increase is primarily because of the anticipated additional supported investment in respect of Housing decent homes – potentially up to £231m of capital investment additional resources in housing stock from 2008/09 onwards. It is assumed that this will be financed by supported borrowing. The impact of supported borrowing in revenue terms will largely be in the housing revenue account. The cost of borrowing should be met by actual government support through housing subsidy although this will be kept under close review.
- 17.9 The Building Schools for the Future programme (BSF) has a total of £199m planned to be spent on BSF (made up of £179m of central government resources, £10m from the Learning Skills Council contributing towards the cost of the new 6<sup>th</sup> form centre, a specific capital receipt and revenue contributions from the DSG). This is largely to be met from grant.
- 17.10 Sector, our external advisers, has indicated that some debt restructuring could potentially bring about a financial benefit. There is also a possibility of rescheduling some debt, which could improve our risk profile measured over the next 50 years. These opportunities will be reviewed and form part of the strategy.
- 17.11 The annual investment policy forms part of the appendix. There are some proposed changes to the types of investment instruments permitted following the recommended review last year and these are to take advantage of some types of non-specified instruments that cover a period longer than 365 days. These are set out in section 8 and will be utilised to take advantage of locking in excess cash to higher interest rates for longer periods, particularly when the



market is predicting a falling base rate. These instruments are fairly liquid and therefore can be called in if necessary and therefore financial risk is low.

- 17.12 A further change is an increase in some of the counterparty investment limits, which have not been increased for some time and with the current high levels of cash-flow the limits are restricting investment returns.

## 18 Council tax

- 18.1 The planning assumption following the conclusion of the 2007/08 process was that the council tax would increase by 3% in 2008/09 and each year thereafter. This is within the majority group Manifesto commitment of council tax increases not being more than 3%. Members will be aware that Ministers wish to see council tax increases of 'substantially below 5%' as stated with the announcement of the draft revenue support grant settlement.
- 18.2 Ministers made use of capping powers in respect of the budget decisions of a number of authorities for 2007/08. The powers are framed in terms of both tax and budget increases and can take account of a number of years. The specific criteria for application of capping powers is within Minister's discretion.
- 18.3 I have considered the position with regard to the Council's tax base for 2008/09 and have updated the figure for the latest estimate in line with our recent return to the government. I have also decided that the collection rate remains unchanged at 96%. In respect of the position on the collection fund I consider any projected surplus or deficit at this stage is not significant enough to impact on the levels of council tax.
- 18.4 Appendix A to this report shows a general fund budget requirement generated by the various factors set out in this report and the Cabinet's budget package at £399.578m. The final budget requirement is subject to:
- changes in resources arising from the finalisation of the local government finance settlement;
  - the determination of funding requirements by the various precepting and levying authorities.
- 18.5 The council tax for 2008/09 will be set formally by Council on 18 February. Subject to the factors set out above, and the provisional plans for future years, the proposed increase in Haringey's council tax will be as follows:

2008/09	<b>3.0%</b>
2009/10	<b>3.0%</b>
2010/11	<b>3.0%</b>

- 18.6 The Council's current plans assume that any increase in the GLA precept will be passported through to taxpayers. The Mayor is consulting on an increase of 2.4% for 2008/09, which would give an overall band D increase of 2.9%. The GLA base precept includes £20 at band D from 2006/07 for 10 years to contribute towards the 2012 Olympics. There is no further addition to this in 2008/09.

## 19 Key risk factors

19.1 The management of risk is a key part of the Council's business and budget planning processes and is fully reflected in the PBPRs. The most significant financial risk factors are as follows:

- the Council's **financial reserves** are a key determinant of financial strength and standing. Our reserves position remains strong, continuing to attract a good score within the CPA process. This financial strength plays a vital part in enabling the Council to respond vigorously to the strategic and performance agendas whilst managing the financial risks inherent in the operation of a large and complex organisation without disruption to services or future plans. The latest budget management information indicates no significant net overspending. The current cost pressures in Social Services are recognised in these budget plans, but it is essential, however, that the budget management process remains challenging and robust so that any issues which do arise can be resolved effectively. The current policy and plans allow for general reserves to be maintained at the target level of £10m over the period. Planned use of this in 2008/09 will be reimbursed in 2009/10. I will be reporting formally, as part of my statutory duty, on the adequacy of reserves in the final tax setting report to Council;
- the position in respect of **homelessness** direct costs is set out in paragraph 9.2 of this report. The high number of clients is starting to reduce, however there is still significant demand for housing in Haringey and the strategy to meet the government reduction targets will need to be strictly adhered to. There is considerable uncertainty associated with the subsidy regime from 2009/10 onwards and this will remain a key risk area for the Council. A further risk is the potential for the government to claw back subsidy from previous years subject to the justification of rent setting policies and given the considerable size of this service in Haringey this could be a significant financial impact;
- the implementation of '**single status/equal pay**' arrangements incorporating manual staff from April 2007 is nearing conclusion and a provision for the ongoing cost of this has been made in the budget plans. The issue of backdating is also close to agreement, subject to negotiations with unions at a national level. The plans for funding this are to utilise the capitalisation direction obtained from the government, but this can only be used if the payments are made in 2007/08;
- the **supporting people** programme is a key area of service delivery for the Council with grant funded expenditure of £21.3m in 2007/08. Haringey's allocation has been reduced by £0.65m (3% for 2008/09) and by a further 5% for future years. Such reductions were not unexpected, and plans are in hand to manage the impact on the level of services which can be commissioned, however, this will need to be managed through the area based grant from 2009/10 onwards. There is a risk of larger reductions in later years as the consultation on allocating grant on a formula basis continues;

- uncertainty still remains in respect of funding arrangements for **asylum seekers**. Despite recent announcements on settlement of previous years special claims by the Home Office, there may be a reduced chance of special circumstances claims being agreed in the future. There are also positive messages coming from the Home Office in terms of clearing the back log of cases to be heard and appeals, however, there is still a risk these may not result in positive action;
- commissioning strategies for **looked after children** and **adult social care** clients are demand driven to some extent and although estimated growth based on current evidence currently is included in the budget plans, the position remains a volatile one and is therefore still considered a high risk area;
- **waste disposal** costs are budgeted to increase over the next three years in line with NLWA projections including known tax increases. The plans for the major procurement to secure new long term recycling and environmentally sound disposal facilities are underway, which may have significant cost implications for the member boroughs. The plans will seek to obtain additional PFI credits announced in the CSR07 in order to reduce the net additional ongoing revenue costs, but this is not yet certain;
- the budget position in respect of the **pension fund** reflects the 2007 actuarial review and although the Council is on target with its recovery plan, the investment returns are subject to sometimes considerable volatility in the markets and therefore the governance arrangements for monitoring investment performance will play an important part in maintaining the current stability in respect of this;
- there is now a significant level of planned **savings** that underpin the medium term financial strategy, the delivery of which will need to be specifically monitored through the budget management process and through the existing risk management strategy and project management framework. The project management framework will also be used to deliver the Achieving Excellence programme. The target £5m budget savings over the next three years have been re-profiled to reflect a more realistic timescale of achievement. This will require significant corporate effort to ensure this is delivered and will need to be managed closely through these project governance arrangements;
- the re-allocation of resources within the new **area based grant**, through the LAA to support delivery of locally agreed priorities, may present some difficulties in transition. Although the overall amount of grant remains fairly constant in 2008/09 there may be issues in moving away from NRF funding to the new working neighbourhoods funding (WNF);
- the lease transfer position on **Alexandra Palace** remains uncertain and the previously agreed budget position for support to the Trust is proposed in this report; significant one-off costs have arisen in 2007/08 and it is

proposed that any further additional costs are met from within the base contingency sum set aside in this year's budget process;

- the **HRA** medium-term strategy requires significant revenue savings to be delivered, in particular on the new competitively tendered repairs service. The estimated impact on the general fund of savings from value for money reviews has been provided in the budget plans. The timing and final quantity of capital resources being secured for the decent homes investment following the achievement of two stars in the inspection is still a risk as will the cost effective arrangements for implementation of the investment, and;
- the BSF programme, primary capital programme and the additional housing capital resources for Decent Homes will constitute a **capital programme** of exceptional magnitude. The procurement and delivery of these investment programmes will need to be carefully and effectively managed to ensure value for money and delivery within time and budget.

## **20 Summary and conclusions**

- 20.1 This report sets out the Cabinet's general fund budget proposals for 2008/09 and the plans for the subsequent two years. The budget is balanced with plans for significant levels of savings proposals, the draft grant settlement position and council tax increases of 3.0% in each of the three years.
- 20.2 The plan for the HRA is balanced within the ringfenced resources available.
- 20.3 The DSG financial plans, as agreed with the School's Forum, provides an overall balanced position that includes a significant shift of resources to schools from the central element.
- 20.4 A capital programme is proposed in line with asset management plans and the existing policy framework for resource allocation.

## **21 Recommendations**

- 21.1 To agree the changes and variations set out at paragraph 9.3 and appendix B.
- 21.2 To note the outcome of the consultation processes set out at paragraph 11.
- 21.3 To agree the new investment proposals set out in appendix D.
- 21.4 To agree the revised and new savings proposals set out in appendix E.
- 21.5 To approve the approach and provision for redundancies as set out in paragraph 13.5.
- 21.6 To agree the proposals for the children's services (DSG) budget set out in appendix F.
- 21.7 To agree the proposals for the HRA budget set out in appendix G.

- 21.8 To approve the housing rent increase at an average of £4.77 per week (6.5%) and that this element of the budget package be referred to the Overview and Scrutiny Committee for comment.
- 21.9 To approve the housing service charge increase at an average £2.55 per week.
- 21.10 To agree the proposals for the capital programme and funding set out in appendices H and J and the capital resource allocation policy at appendix I.
- 21.11 To agree the treasury management strategy and policy and prudential limits set out in appendix K.
- 21.12 To agree the proposed general fund budget requirement of £399.578m, subject to the decisions of precepting and levying authorities, and the consequences for council tax levels
- 21.13 To note that the final decision on budget and council tax for 2008/09 will be made at the Council meeting on 18 February.

## **22 Equalities Implications**

- 22.1 Equalities implications are considered through the business planning process and are a specific consideration within the pre-business plan reviews. As reported to members in November a detailed equalities impact assessment has been carried out on the final recommended budget package and the issues and mitigating actions will be incorporated in the final individual detailed business plans for April 2008.

## **23 Comments of the Head of Legal Services**

- 23.1 The Head of Legal Services confirms that this financial planning report is part of the budget strategy and fulfils the Council's statutory requirements in relation to the budget.

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<b>Gross Budget Trail</b>	<b>2008/09 £'000</b>	<b>2009/10 £'000</b>	<b>2010/11 £'000</b>
<b>Budget brought forward</b>	<b>384,602</b>	<b>399,578</b>	<b>410,511</b>
<u>Changes and variations</u>			
Inflation	7,670	8,090	8,510
Agreed in previous years budget process	11,517	(4,303)	2,648
Changes and variations agreed 17 July 2007	3,164	500	500
Changes and variations agreed 18 December 2007	950	1,940	(3,070)
Changes and variations in this report (see appendix B)	(3,536)	546	4,450
Draft settlement function changes (specific grants)	4,533	(85)	(33)
<u>Investments</u>			
2006/07 process	(75)		
2007/08 process	668	0	40
2008/09 process	5,294	1,030	530
	5,887	1,030	570
<u>Savings</u>			
2007/08 process	(9,837)	(3,847)	(2,745)
2008/09 process	(4,711)	(4,512)	(3,722)
	(14,548)	(8,359)	(6,467)
<u>Dedicated schools grant (DSG)</u>			
Passporting of DSG	6,320	5,603	6,538
Prior year adjustment for actual pupil numbers	(2,532)		
	3,788	5,603	6,538
<u>Balances</u>			
Contribution to / (from) balances 2005/06 process	(642)		
Contribution to / (from) balances 2006/07 process			
Contribution to / (from) balances 2007/08 process	(2,865)	5,725	(2,645)
Contribution to / (from) balances 2008/09 process	(942)	246	696
<b>Gross Council budget requirement</b>	<b>399,578</b>	<b>410,511</b>	<b>422,208</b>
Less dedicated schools grant (specific grant)	(160,617)	(166,220)	(172,758)
<b>Net Council budget requirement</b>	<b>238,961</b>	<b>244,291</b>	<b>249,450</b>
<b>Funding</b>			
Council tax (see below)	98,806	101,771	104,825
Government support - formula grant and NNDR	140,155	142,520	144,625
	<b>238,961</b>	<b>244,291</b>	<b>249,450</b>
<b>Resource shortfall/(excess)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Council tax</b>	<b>£</b>	<b>£</b>	<b>£</b>
Council tax (LBH)	1,161.66	1,196.51	1,232.41
Council tax base (after provision for non-recovery)	85,056	85,056	85,056
<b>Precept</b>	<b>98,806,153</b>	<b>101,770,355</b>	<b>104,823,865</b>
Rate of council tax increase (Haringey element)	3.0%	3.0%	3.0%
GLA rate of council tax increase	2.4%	n/a	n/a
Combined council tax increase	2.9%	n/a	n/a
£ per week increase (Haringey element)	£0.65	£0.67	£0.69

<b>Resource Shortfall Tracker</b>	<b>2008/09 £'000</b>	<b>2009/10 £'000</b>	<b>2010/11 £'000</b>	<b>Total £'000</b>
<b>Position at end of 2007/08 process</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<u>Update for 2008/09 process</u>				
Change in assumption in formula grant	3,578	2,722	2,775	9,075
<u>Changes and variations 17 July 2007</u>				
- contingency items	2,400	500	500	3,400
- concessionary fares	235			235
- additional landfill tax	335			335
- reduction in housing benefit admin grant	194			194
	3,164	500	500	4,164
Proposed investment fund	2,000			2,000
<b>Position as at 17 July 2007</b>	<b>8,742</b>	<b>3,222</b>	<b>3,275</b>	<b>15,239</b>
<u>Changes and variations 18 December 2007</u>				
- homelessness		3,000		3,000
- pension fund employer's contribution	(1,050)	(1,060)	(1,070)	(3,180)
- Achieving Excellence re-profiling	2,000		(2,000)	0
	950	1,940	(3,070)	(180)
<u>Provisional grant settlement</u>				
- formula grant increase	(2,741)	(2,445)	(2,132)	(7,318)
<b>Position as at 18 December 2007</b>	<b>6,951</b>	<b>2,717</b>	<b>(1,927)</b>	<b>7,741</b>
<u>Changes and variations now reported</u>				
- asylum cost saving target		(500)		(500)
- concessionary fares	(232)		2,000	1,768
- NLWA waste disposal levy	(500)	(500)	1,000	0
- PFI affordability gap provision	(1,592)			(1,592)
- Alexandra Palace	1,000			1,000
- capital financing	(997)			(997)
- treasury management investment earnings	(1,000)	350	250	(400)
- housing benefit admin grant		196	200	396
- variation of contingency provision	(400)	1,000	1,000	1,600
- increased public law family court fees	185			185
	(3,536)	546	4,450	1,460
<u>Investments</u>				
Proposed new investments and growth	5,294	1,030	530	6,854
Less previously agreed investment fund	(2,000)			(2,000)
	3,294	1,030	530	4,854
<u>Savings</u>				
Proposed new savings	(7,043)	(4,822)	(3,758)	(15,623)
Changes to pre-agreed savings	2,332	310	36	2,678
	(4,711)	(4,512)	(3,722)	(12,945)
<u>Council tax</u>				
Actual increase in council tax base Dec 07	(683)	(21)	(21)	(725)
<u>Final grant settlement</u>				
- additional grant increase	(373)	(6)	(6)	(385)
<u>Use of balances</u>				
Contribution to / (from) balances	(942)	246	696	0
<b>Position as at 22 January 2008</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>



**FINANCIAL PLANNING 2008/09 – 2010/11**

**Cabinet responses to the recommendations made by Overview and Scrutiny Committee at their meetings on 10 & 13 December 2007 and 7 January 2008 to discuss the revenue savings and investment and capital investment options as part of the budget process**

	<b>Recommendation of Overview &amp; Scrutiny</b>	<b>Cabinet response</b>
<b>A.</b>	<b>Revenue</b>	
	<b>Government Grant Settlement</b>	
1.	That the Cabinet continue to press the case for a more favourable settlement for Haringey with appropriate Government Ministers and to seek the support of local MP's.	Agreed – the Council will continue its dialogue with the government pressing for an improved settlement. The Leader has written to the Minister in formal response to the draft grant settlement and copied this to local MPs David Lammy and Lynne Featherstone. Particular attention was drawn to the inequitable area cost adjustment in the funding formula and population projections.
	<b>Children &amp; Young People</b>	
2.	That the Cabinet propose a corporate review on its transport provision.	Agreed – the report to be brought back to Scrutiny in 2008.
3.	That the Cabinet defer the £125k efficiency saving identified in respect of the integration of services as the Childrens' networks develop until financial year 2009/10.	Agreed.
	<b>Leisure, Culture &amp; Lifelong Learning</b>	
4.	That Haringey staff and non residents should be charged the full premium rate for their Leisure cards	Agreed – the concurrent report on this agenda deals with this issue and others in the pricing policy review.
5.	That the Cabinet do not accept the £35k new revenue saving attached to the capital bid for Parks R&M (Greenflags).	Agreed. This saving was dependent on a high level of capital investment, which is not possible. This revenue saving proposal of £35k has been removed.
	<b>Adult, Social Care &amp; Wellbeing</b>	
6.	That the cabinet set a more rigorous target that £400k over 3 years in relation to the move to a more commissioned based approach.	Agreed. The service will be asked to reassess this proposal in consultation with Corporate Procurement as the approach progresses, however, currently the target saving is included as

		proposed.
	<b>Housing</b>	
7.	That the Cabinet set a limit on the number of temporary staff held against permanent posts.	It is not necessarily appropriate to set limits, however, it is something that is monitored in detail on a regular basis and the service is achieving a current downward trend.
	<b>Environment</b>	
8.	(1) That the Cabinet set a more challenging savings target resulting from the letting of a new integrated waste management and transport contract and (2) that the cabinet support a 2008/09 bid for additional repairs to the Borough's roads.	(1) Not agreed – the proposed saving is felt to be at a prudent level, given that the procurement option has not yet been selected, however, this will be kept under review. (2) Agreed. A new investment proposal is now included for an additional £200k annual revenue budget for pot-hole repairs across the borough.
	<b>Community Cohesion &amp; Involvement</b>	
9.	That the Cabinet delay the efficiencies to Neighbourhood Management until the grant funding position was clear.	Not agreed. This service is only partly funded by grant and it is agreed that all areas of the council should be subject to finding efficiencies. The Area Based Grant allocations are currently being considered, but the overall position is that there is only a small reduction in the total grant. The Theme Board and HSP will make the final decision on funding at project level.
10.	That the Cabinet obtain an estimate from an external advertising agency of the likely advertising income that might be accrued from selling space in Haringey People.	Agreed - but not before approval of the Council to the proposed saving from this initiative. The information will help achieve the agreed saving going forward.
	<b>Leader of the Council</b>	
11.	That the Cabinet bring forward the staffing efficiency savings identified for Legal in 2009/10.	Not agreed – the saving is not felt to be achievable before 2009/10.
	<b>Resources</b>	
12.	That the investment proposal of £65k in respect of Lymington Avenue be recouped as part of the regeneration of that site.	This is a revenue budget adjustment for lost income as a number of properties are being held vacant to facilitate the development. It is expected that this will be more than recouped by the capital receipt from

		the disposal however this cannot be treated as revenue.
13.	That the Cabinet commission a council-wide energy audit.	Agreed – a number of activities are in place in relation to the green agenda and this will form part of a wider report for consideration on this subject.
14.	That the Cabinet Member for Resources report back to the O&S Committee in February 2008 to identify where the Achieving Excellence specific £5m of savings will be made.	Agreed. A report is due to come to Cabinet on this issue in February 2008 so it could follow soon after.
<b>B.</b>	<b>Capital</b>	
	<b>Supported Capital Bids</b>	
15.	Street Lighting – bid £9m  The committee would, however, question the level of investment proposed and would propose a lesser amount. It would also like to know if there are any revenue or service implications e.g. saving on power, safer streets.	Agreed – the Cabinet will be supporting £1m p.a. (£3m over the planning period), which is higher than the current £0.75m pa.
16.	Thermal Efficiency - £175k  The committee would, however, question the level of investment proposed and would propose a lesser amount. It would also like to know if there are any revenue or service implications.	Agreed – but the Cabinet will be supporting the bid in full.
17.	Borough Roads and Footways – bid £10.5m  The committee would, however, question the level of investment proposed and would propose a lesser amount.	Agreed - the Cabinet will be supporting £1.7m p.a. (£5.1m over the planning period), which is higher than the current £1.4m pa.
18.	Flood Relief – bid £4.5m  The committee question the need for the level of investment proposed and consider it inappropriate to spend at the proposed sum in	Agreed - the Cabinet will be supporting £300k p.a. (£900k over the planning period). Currently there is no allocated budget to this.

	year 2008/09.	
19.	Strategic Renewal of Leisure Centres – bid £2.003m	Agreed.
20.	Belmont Recreation Ground £150k and Stationers Park Fort £190k  Agreed in principle but the Committee would like to see if a greater percentage of match funding could be achieved.	Agreed.  Cabinet are rejecting the bid but support the view that full alternative sources of funding should be sought.
21.	Bury Road Car Park £450k  The committee was strongly of the view that local shops, who would benefit as a result of this investment should be requested to make a contribution.	Cabinet are rejecting the bid but support the view that local shops should contribute to the funding of this project.
22.	Energy Management £150k  The committee would however like to see revenue budget savings of the measures to be introduced.	Cabinet are rejecting the bid but support the view that a business case should be put through the sustainable investment fund and should deliver revenue budget savings
23.	Payment Kiosks £120k	Agreed.
24.	Contribution to BSF Programme £2m	Agreed.
<b>Bids not supported or not deemed of sufficient priority</b>		
25.	Major Works Voids (HRA) £400k and Major Works Voids, Conversions and Extensions (Part 2) (HRA) £1.0m  The committee was of the opinion that there should be one bid with a rigorous business case provided in support.	Not agreed - the Cabinet believe that there is sufficient need and benefit for these investment bids, however the need for the provision of a rigorous business case is supported.
26.	Commingled Recycling Bring Sites £340k	Not agreed – the Cabinet feel that this meets an important Council priority and should be supported.

	The committee was not convinced of the need identified.	
27.	Burial Village at all cemeteries £1.624m  The committee thought this item should be self financing and not subsidised by the Council.	Agreed in part – in that the Cabinet feel that additional external funding should be sought but that a Council investment of £800k is appropriate.
28.	Upgrade to Civica £60k and Authority Traffic Upgrade to Civica £150k  These should be funded from within the requested resource for the IT Capital Programme	Agreed.
29.	Council Office Recycling £250k  The case presented did not convince the Committee.	Not agreed – the Cabinet feel that this meets an important Council priority and should be supported.
30.	Open Space Improvement Programme £1.5m  This is in addition to the current spending of £250k per year on improvements. The case presented did not convince the Committee	Agreed in part – in that the Cabinet are prepared to support £250k p.a. (£750k over the planning period).
31.	Private Sector Housing Activity £1.5m  The case presented did not convince the Committee	Not agreed – the Cabinet feel there is a significant need for this investment. The proposal is however to be re-profiled over the three year planning period. Grants and loans will be registered as a charge on the property to be recovered when sold.
32.	Single Business Account £300k  Need to consider the possibility of joint working opportunities. The case presented did not convince the Committee	Agreed.
33.	IT Capital Programme £9.452	The Cabinet will be supporting a Corporate IT capital programme of

	<p>The committee did not have sufficient information to form an opinion. The Committee agreed, however, that the current proposed methodology for approving individual bids by judging each proposal on its own merits as appropriate. Additionally, the Committee felt that individual IT proposals should have a 5 year payback period.</p>	<p>£4.8m over the planning period and a clear business case for individual projects will be a requisite. A more detailed list of the bids as considered by Cabinet in September are attached at appendix H2.</p>
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## Agenda Item

<b>OVERVIEW &amp; SCRUTINY COMMITTEE</b> <b>CABINET</b>	<b>10 January 2008</b> <b>22 January 2008</b>
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**Report title:** BUDGET SCRUTINY 2008/09 – PRE BUSINESS PLAN REVIEW

**Report of:** Chair of Overview and Scrutiny Committee

<b>Ward(s) affected</b> ALL	
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**1. Purpose**

- 1.1 To agree the comments and recommendations that the Committee will make to the Cabinet as part of their budget setting process.
- 1.2 To report to Cabinet on the issues raised by the Overview and Scrutiny Committee on departmental Pre Business Plans and Cabinet budget proposals.

**2. Recommendations**

- 2.2 That the Overview and Scrutiny Committee agree the comments it will forward to the Cabinet regarding the budget proposals under consideration and the areas where the Committee would like the Cabinet to take account of the Committee's recommendations.

**Report authorised by:** Chair of Overview and Scrutiny Committee

**Contact officer:** Trevor Cripps – Overview and Scrutiny Manager

Telephone: 020 8489 6922

**3. Executive Summary**

3.1 The report contains the results from detailed scrutiny of Pre Business Plan Review documents and proposals for budgetary savings and investments for 2007/08. The detailed work has been completed by the Overview and Scrutiny Committee and the report is an accurate reflection of the issues raised.

**4. Reasons for any change in policy or for policy development**

None

**5. Access to information:**

Local Government (Access to Information) Act 1985

5.1 The background papers relating to this report are:

**Financial Strategy 2008/9 to 2010/11, report of Director of Finance  
Pre Business Plan Reviews 2008/9  
O&S Committee, minutes for meetings on 10<sup>th</sup> and 13th December 2007 and  
07th January 2008.**

Copies are available on request, from Jeremy Williams, Members Services (non executive Committees), on telephone 020 8489 2919.

**Report****6. BACKGROUND**

Pre Business Plan Reports 2007/08 were released by the Cabinet in November 2007. The approach adopted was of pre decision scrutiny, where the Cabinet Portfolio Holders were invited to Overview and Scrutiny Committee to explain the rationale behind their proposals as necessary. The proposals were in respect of growth and savings bids in relation to pre agreed savings and Revenue expenditure for the three year planning period commencing in 2008/9. A separate meeting to discuss capital budget proposals was held on 7<sup>th</sup> January 2008.

As part of the scrutiny process some issues have been identified that the Committee wished to bring to the attention of the Cabinet. This report identifies items which the Committee considered and wished to make comment on the proposals, or where the Committee would like the Cabinet to take account of the Committee's recommendations.

**7. GOVERNMENT GRANT SETTLEMENT**

In carrying out the budget scrutiny exercise the Committee has assimilated a large amount of budgetary information and there are issues and risks that have become apparent as a result. The committee recognises that the council budget has, by necessity, been re-profiled as a result of unachieved pre agreed efficiency savings. For planning purposes a settlement figure of zero growth in each of the three years was assumed.

The Government grant settlement for the next financial year once again left this council



(and 27 other London Boroughs) with “at floor” settlements, however, overall the Council will receive £2.7m more than last year in formula grant. The reasons for the low settlement were discussed by the committee and it is strongly recommended that the council produce accurate demographic evidence to justify lobbying the Government for more money. Local MP’s should also be asked to support any request for a higher settlement.

#### **Recommendation 1.**

**That the Cabinet continue to press the case for a more favourable settlement for Haringey with appropriate Government Ministers and to seek the support of local MP’s.**

### **8. CHILDREN’S & YOUNG PEOPLES – CABINET PORTFOLIO**

#### **Children & Families**

The Committee was informed that the saving proposals put forward were not without risk and that they would be monitored closely.

Savings accruing to a review of transport were identified. The committee noted that transport was an area identified in other portfolios as an area of saving and suggest that a corporate review of council-wide transport provision would be likely to provide greater integration, flexibility and efficiency, rather than each directorate doing its own review.

#### **Recommendation 2.**

**That the Cabinet commission a corporate review on its transport provision.**

The committee was concerned at the £125k saving identified as part of the integration of services as the Children’s networks develop and whether these could actually be achieved in the coming year. The committee was of the view that a deferral of the saving to the financial year 2009/10 was more achievable.

#### **Recommendation 3.**

**That the Cabinet defer the £125k efficiency saving identified in respect of the integration of services as the Childrens’ networks develop until financial year 2009/10.**

It was also concerned over savings relating to children with Special Educational Needs.

The committee supported the introduction of Direct Payments which would eventually produce savings.

#### **Schools**

The Committee noted that a large proportion of the budget was ring-fenced (the Dedicated Schools Grant) directly to schools, however they noted that some of the savings identified would place additional burden on school budgets.

### **9. LEISURE, CULTURE AND LIFELONG LEARNING – CABINET PORTFOLIO**

The committee supported the proposal to increase revenue by growth of the customer base. They also supported the pricing policy as long as the focus remained on the ability to pay. The committee did not support concessions given to staff and non Haringey residents.

**Recommendation 4.**

**That Haringey staff and non residents should be charged the full premium rate for their Leisure cards.**

There was concern at the efficiencies to the Parks Constabulary and the Committee wished to be informed if there was potential funding from the Mayor of London and requested a breakdown of the current funding sources for this service.

The identified saving of £35k dependent on capital funding bid should not be agreed, as it was unclear whether the Capital bid for Parks R&M (Greenflags) had been successful.

**Recommendation 5.**

**That the Cabinet do not accept the £35k new revenue saving attached to the Capital bid for Parks R&M (Greenflags).**

The committee was concerned at the proposed review of staffing levels within libraries and wished the Cabinet to explore all avenues to replace libraries savings with external funding.

The committee wished the Cabinet to note its concern at the lack of parks investment.

**10. ADULT SOCIAL CARE AND WELLBEING – CABINET PORTFOLIO**

The committee recognised the significant pressures on the budget and the projected level of overspend. The committee recognised the potential benefits as the council moved away from more direct delivery of services to a commissioning based approach.

**Recommendation 6.**

**That the Cabinet set a more rigorous target than £400k over 3 years in relation to the move to a more commission based approach.**

There were items regarding efficiencies on transport and the committee would like these included as part of a corporate review.

The committee wished to express its concern on efficiencies to the Learning Difficulties budgets and wished the Cabinet to make every effort to maintain the current expenditure in this area. This needed to be looked at in conjunction with LD in Children and Young People's budget.

**11. HOUSING – CABIBET PORTFOLIO**

In respect of pre agreed savings the committee was concerned at the level of back loading to year 2009/10.

The committee was concerned of the need for a speedy resolution to Service Level Agreements with Homes for Haringey and their potential impact on corporate costs and overheads resulting from any withdrawal of HfH income.

The committee was concerned at the level of absence and agency costs and on the services ability to achieve the figure identified.

The committee was concerned at apparent high levels of temporary staff and wished the Cabinet to set a limit on the number of temporary staff employed in Housing.

#### **Recommendation 7.**

**That the Cabinet set a limit on the number of temporary staff held against permanent posts.**

### **12. URBAN ENVIRONMENT AND CONSERVATION - CABINET PORTFOLIO**

The committee wished to express its concern to the Cabinet at the state of repair of some of the boroughs roads and that a revenue bid would be supported.

The committee questioned the conservative level of potential efficiencies identified as part of the letting of a new integrated waste management and transport contract. It was confident that with a little more rigor, more could be achieved.

#### **Recommendation 8.**

**(1) That the Cabinet set a more challenging savings target resulting from the letting of a new integrated waste management and transport contract and (2) that the cabinet support a 2008/09 bid for additional repairs to the Borough's roads.**

### **13. COMMUNITY COHESION AND INVOLVEMENT – CABINET PORTFOLIO**

The committee noted there were no revenue investment proposals

The committee noted that neighbourhood management posts were funded via various sources mainly by grants about to expire. Until the level of grant funding through the LAA's become apparent, it was difficult to assess the efficiency savings identified. The committee wished to delay the savings until there was a fuller picture and the effect of the proposals would have for Neighbourhood Management

#### **Recommendation 9.**

**That the Cabinet delay the efficiencies to Neighbourhood Management until the grant funding position was clear.**

The committee welcomed the proposals in relation to Print.

In respect of Haringey People magazine the committee wished an external advertising agency to give an estimate of the potential income that would result from the sale of advertising space.

**Recommendation 10.**

**That the Cabinet obtain an estimate from a external advertising agency of the likely advertising income selling space in Haringey People.**

**14. LEADER OF THE COUNCIL - PORTFOLIO AREA**

The committee received an assurance that there was no cross subsidy as a result of SLA arrangements with Homes for Haringey.

The committee was of the opinion that the proposed efficiency savings in Legal could be achieved earlier.

**Recommendation 11.**

**That the cabinet bring forward the staffing efficiency savings identified for Legal in 2009/10.**

**15. RESOURCES – CABINET PORTFOLIO**

The committee noted the position in respect of Alexandra Palace.

The committee made a number of requests for further information as detailed in the Committee Action List which is attached as an appendix to this report.

The committee would like to see the investment proposal of £65k in respect of Lymington Avenue, recouped as part of the regeneration of that site.

**Recommendation 12.**

**That the investment proposal of £65k in respect of Lymington Avenue be recouped as part of the regeneration of that site.**

The committee discussed the procurement of energy and wish to recommend that a council wide energy usage and purchase audit be carried out.

**Recommendation 13.**

**That the Cabinet commission a council-wide energy audit.**

The committee noted that £5m of saving was identified in one line on the budget summary in relation to the Achieving Excellence Programme. There was no detailed explanation on how this may be achieved. The committee requested the Cabinet Member for Resources produce a briefing and come back to the Committee outside the budget process, in February 2008, to identify where specific savings will be made.

**Recommendation 14.**

**That the Cabinet Member for Resources report back to the O&S Committee in February 2008 to identify where specific savings will be made as part of the Achieving Excellence Programme.**

**16. REGENERATION AND ENTERPRISE - CABINET PROTFOLIO**

All proposals were noted and there were no recommendations to the Cabinet.

**17. ENFORCEMENT AND COMMUNITY SAFETY – CABINET PORTFOLIO**

All proposals were noted and there were no recommendations to the Cabinet.

**18. CAPITAL BUDGET PROPOSALS**

The committee received information on the capital expenditure proposals received where there was choice on how resources could be allocated. It did not receive information on all capital schemes, as some are ring fenced due to the requirements of the Capital grants received and therefore there was no discretion as to where and on what the investment could be made.

The committee noted that there were limited capital resources available and that there was an approximate £14m shortfall between bids received and funding available. The committee was informed that the majority, but not all, of bids had been scored and subsequently placed in priority order by officers from Corporate Finance. The committee requested information on the scoring mechanism and evaluations used to prioritise the bids.

The committee sought and was given further explanation and information on many of the bids by the Cabinet Members and Officers present.

**General issues**

The committee identified the following:

- Many of the bids received clearly had potential revenue savings or service delivery benefits which had not been identified or quantified, either in monetary terms or in increased outcomes. This should be done in future.
- As a general rule The Cabinet may wish to consider a higher priority for those bids which attract match funding, where there was a risk that the match funding would not be available in future and therefore opportunity would be lost.
- The cabinet should consider adopting a payback principle over a period of 5 years for suitable IT Capital bids. It would be helpful if the bid identified whether it was a service priority or an efficiency project.

**Comment to Cabinet on Capital Bids Received**

Based on the information available and answers received from Cabinet Members and Officers, the Overview and Scrutiny Committee has attempted to give the Cabinet an indication below of its views on the capital bids received. Where the committee could not reach an opinion or where there was none, no comment has been made. For simplicity only two categories have been used:

- a) bids that were supported as a priority or in principle (some with a proviso).
- b) bids not supported or not deemed a sufficient priority.

**Bids supported as a priority or in principle****Recommendation 15.****Item 8** – the bid of £9m for Street Lighting

The committee would, however, question the level of investment proposed and would propose a lesser amount. It would also like to know if there are any revenue or service implications e.g. saving on power, safer streets.

**Recommendation 16.****Item 10** – the bid of £175k for Thermal Efficiency

The committee would, however, question the level of investment proposed and would propose a lesser amount. It would also like to know if there are any revenue or service implications.

**Recommendation 17.****Item 21** – the bid for £10.5m for Borough Road and Footways improvements

The committee would, however, question the level of investment proposed and would propose a lesser amount.

**Recommendation 18.****Item 25** – The bid of £4.5m for Flood Relief including gullies and gully pots

The committee question the need for the level of investment proposed and consider it inappropriate to spend at the proposed sum in year 2008/09.

**Recommendation 19.****Item 35** – the bid of £2.003m for Strategic Renewals of Leisure Centres**Recommendation 20.****Item 29** – the bid of £150k for Belmont Recreation Ground play area improvements  
**And****Item 32** – the bid for £190k for Stationers Park Fort

Agreed in principle but the Committee would like to see if a greater percentage of match funding could be achieved.

**Recommendation 21.**

**Item 45** – the bid for £450k for Bury Road Car Park

The committee was strongly of the view that local shops, who would benefit as a result of this investment should be requested to make a contribution.

**Recommendation 22.**

**Item 50** – the bid for £150K for Energy Management

The committee would however like to see revenue budget savings of the measures to be introduced.

**Recommendation 23.**

**Item 51** - the bid for £120k for Payment Kiosks.

**Recommendation 24.**

**Item 60** – the bid for £2m for Contribution to BSF Programme.

**Bids not supported or not deemed of sufficient priority****Recommendation 25.**

**Item 4** – bid for £400k for Major Works Voids (HRA)

**And**

**Item 58** – bid for £1.0m for Major Works Voids (Part 2) (HRA)

The committee was of the opinion that there should be one bid with a rigorous business case provided in support.

**Recommendation 26.**

**Item 6** – the bid for £340k for Commingled Recycling Bring Sites

The committee was not convinced of the need identified.

**Recommendation 27.**

**Item 15** – the bid for £1.624m for Burial Village at all cemeteries.

The committee thought this item should be self financing and not subsidised by the Council.



**Recommendation 28.**

**Item 16** the bid for £60k for Upgrade to Civica

**And**

**Item 52** – the bid for £150k for Authority Traffic Upgrade to Civica

These should be funded from within the requested resource for the IT Capital Programme.

**Recommendation 29.**

**Item 19** – the bid for £250k for Council Office Recycling

The case presented did not convince the Committee.

**Recommendation 30.**

**Item 26** – the bid for £1.5m for Open Space Improvement Programme.

This is in addition to the current spending of £250k per year on improvements. The case presented did not convince the Committee.

**Recommendation 31.**

**Item 34** – the bid for £1.5m for Private Sector Housing Activity

The case presented did not convince the Committee.

**Recommendation 32.**

**Item 43** – the bid for £300k for single Business Account

Need to consider the possibility of joint working opportunities. The case presented did not convince the Committee.

**Recommendation 33.**

**Item 55** – the bid for £1.0m Redundancies in Homes for Haringey.

Redeployment should be used, probability that there will be no redundancies.

**Recommendation 34.**

**Item 48** – the bid for £9.452m for IT Capital Programme

The committee did not have sufficient information to form an opinion. The Committee agreed, however, that the current proposed methodology for approving individual bids by judging each proposal on its own merits as appropriate. Additionally, the Committee felt that individual IT proposals should have a 5 year

payback period.

**19. LEGAL AND FINANCIAL IMPLICATIONS**

The Council is under a statutory duty to set a balanced budget having regard to the report of its Chief Financial Officer as to the robustness of the estimates and the adequacy of proposed financial reserves. This must be preceded by robust and comprehensive financial planning.

**20. EQUALITIES IMPLICATIONS**

These are considered as part of the pre business plan review documents.

**21. CONSULTATION**

This report forms part of the consultation on the business and financial planning process.

**22. USE OF APPENDICES**

Appendix 1: Summary of Capital Proposals 2008/09 – 2010/11.

Summary Analysis of Proposed Investments from the 2008/09 PBPR Process

Directorate	2008/09 over 2007/08 £'000	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	Cumulative Total £'000
Adult Culture & Community Services	2,550	1,100	300	3,950
Chief Executive	0	0	300	300
Corporate Resources	402	0	0	402
Children & Young People Services	729	80	80	889
Urban Environment	1,613	(150)	(150)	1,313
<b>Total New Proposed Revenue Fund Investments (General Fund)</b>	<b>5,294</b>	<b>1,030</b>	<b>530</b>	<b>6,854</b>

## Appendix D

London Borough of Haringey  
New Proposed Revenue Investments 2008/09-2010/11 (General Fund)

Item No.	Portfolio	Directorate	Business Unit	Proposed Use of Investment	2008/09 over 2007/08 £'000	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	Cumulative Total £'000	Impact on Service / Performance	Priority
1	Adult Social Care and Wellbeing	Adults Culture & Community Service	Adult Social Care	Day Care. Revenue budget for Hornsey Central Dementia day-care.	300	300		300	Hornsey Day centre will come on stream in January 2009. There is a commitment to open the Hornsey Central day centre jointly with the P.C.T. The only alternative to fund the service is to close the Grange and to transfer services to Hornsey Central.	Promoting independent living while supporting adults and children when needed.
2	Adult Social Care and Wellbeing	Adults Culture & Community Service	Adult Social Care	Nursing Care. Shortfall in Osbourne Grove Funding - temporary over 3 years	350	(100)	(100)	150	Members have agreed to open Osbourne Grove as a nursing home. Part year funding has been approved. The 32 bed home is opening in October 2007 and will require full funding in 2008/09. This funding will be temporary for 3 years.	Promoting independent living while supporting adults and children when needed.
3	Adult Social Care and Wellbeing	Adults Culture & Community Service	Adult Social Care	Learning Disabilities estimated cost of new services - transition to adult care from services as children	1,200	900	400	2,500	It is estimated there are a high number of clients with learning disabilities in transition from Children's Services. The services provided to these clients are statutory and therefore assessed.	Promoting independent living while supporting adults and children when needed.
4	Adult Social Care and Wellbeing	Adults Culture & Community Service	Adult Social Care	Physical Disabilities Commissioning - increased demand for services	400			400	Full year effect of current commitments is 400k over budget. This assumes no further growth in service from the end of August to the end of the financial year	Promoting independent living while supporting adults and children when needed.
5	Adult Social Care and Wellbeing	Adults Culture & Community Service	Adult Social Care	Adaptations Service - minor equipment	600			600	There is an increased requirement for minor equipment and repairs to adaptations. The bid includes the cost of 2 drivers to deliver and install the equipment. In addition, the housing inspection recommended that equipment less than £1,000 carried out in the public sector should be the responsibility of the social services authority. These costs were previously met by the HRA	Promoting independent living while supporting adults and children when needed.
<b>Adult Social Care Total</b>					<b>2,550</b>	<b>1,100</b>	<b>300</b>	<b>3,950</b>		

London Borough of Haringey  
New Proposed Revenue Investments 2008/09-2010/11 (General Fund)

Appendix D

Item No.	Portfolio	Directorate	Business Unit	Proposed Use of Investment	2008/09 over 2007/08 £'000	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	Cumulative Total £'000	Impact on Service / Performance	Priority
6	Performance	Chief Executive's Service	Electoral Services	One-off funding to cover the cost of local elections in 2010/11 for which we receive no central government support.	0	0	300	300		Delivering excellent, customer focused cost effective services.
<b>Electoral Services Total</b>					<b>0</b>	<b>0</b>	<b>300</b>	<b>300</b>		
7	Resources	Corporate Resources	Benefit & Local Taxation	Commission charged for Baliff action to recover Overpaid Housing Benefit.	24			24	Improved recovery of overpaid Housing Benefit, increasing income collection into the Authority	Delivering excellent, customer focused cost effective services.
<b>Benefit &amp; Local Taxation Total</b>					<b>24</b>	<b>0</b>	<b>0</b>	<b>24</b>		
8	Resources	Corporate Resources	Property	Improve use of property resources by proactive contribution to planning and decision making across the Council through strategic property advice and effective corporate challenge.	138			138	Proactive approach to supporting Council priorities enabling "thinking out of the box" and facilitating greater partnership working within the Council and with external partners.	Delivering excellent, customer focused cost effective services.
9	Resources	Corporate Resources	Property	Above inflation price increase in electricity supply for River Park House	120			120	Adversely affecting FM budget through additional expenditure.	Utility price increases
10	Resources	Corporate Resources	Property	Payment of empty business rates for empty commercial properties following the change in law at April 2008 which will make the owner responsible for paying full rates on empty properties	55			55	This will impact on our budget for marketing vacant properties as we will now have to allow for extra rates demands and will reduce the total income received from the portfolio	Change in legislation
11	Resources	Corporate Resources	Property	Lymington Avenue Wood Green - rental shortfall due to regeneration plans.	65			65	Adversely affecting Commercial budget through loss of income and additional expenditure.	Delivering excellent, customer focused cost effective services.
<b>Property Total</b>					<b>378</b>	<b>0</b>	<b>0</b>	<b>378</b>		

## Appendix D

London Borough of Haringey  
New Proposed Revenue Investments 2008/09-2010/11 (General Fund)

Item No.	Portfolio	Directorate	Business Unit	Proposed Use of Investment	2008/09 over 2007/08 £'000	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	Cumulative Total £'000	Impact on Service / Performance	Priority
12	Children and Young People	Children & Young People's Service	Children & Families	Increase investment in Direct Payments	229	80	80	389	APA indicator, Haringey were judged to have a low level of DP in the JAR. By supporting families DP reduces the need for residential placements of children. Budget constraints have hindered progress	Promoting independent living while supporting adults and children when needed.
13	Children and Young People	Children & Young People's Service	Children & Families	Special Guardianship and Adoption Support	500	0	0	500	PAFC23 adoption and special guardianship. Supports commissioning strategy will assist in achieving reductions in commissioning budget in medium term by reducing no.s of Children in Care.	Promoting independent living while supporting adults and children when needed.
<b>Children &amp; Families Total</b>					<b>729</b>	<b>80</b>	<b>80</b>	<b>889</b>		
14	Environment and Conservation	Urban Environment	Streetscene	Review of parking enforcement policy and estimated reduction in income	350	150		500		Delivering excellent, customer focused cost effective services.
15	Environment and Conservation	Urban Environment	Streetscene	Bank Holiday Sweeping - BVPI 199a (CPA E4) & Customer satisfaction BVPI 89 (CPA E38)	56			56	The Integrated Waste Management contract does not provide sweeping on residential roads on bank holidays. This adversely effects the performance and perception of the service especially for those residents whose road is normally swept on a Monday. Provision of a street sweeping service on all bank holidays will improve customer satisfaction and BVPI 199a results. Linked to LAA Stretch target for street cleansing of 20% by 2009/10.	Creating a Better Haringey: cleaner, greener and safer
16	Environment and Conservation	Urban Environment	Streetscene	Pot-hole repairs - a dedicated pot-hole response service and a ward by ward pot-hole blitz team.	200			200	The response service will enable reported faults to be dealt with effectively with guaranteed remedy response times and a separate blitz team could cover every ward on an inspect and fix basis at least once per year.	Creating a Better Haringey: cleaner, greener and safer

## Appendix D

London Borough of Haringey  
New Proposed Revenue Investments 2008/09-2010/11 (General Fund)

Item No.	Portfolio	Directorate	Business Unit	Proposed Use of Investment	2008/09 over 2007/08 £'000	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	Cumulative Total £'000	Impact on Service / Performance	Priority
17	Environment and Conservation	Urban Environment	Streetscene	Greenest Borough Strategy - project team lead and resources	200			200	This funding will support a team to begin the work around Managing our Environmental Resources, as part of the developing Greenest Borough Strategy. This will enable the Council to plan and deliver projects around energy efficiency, and other environmental resources; begin outreach work with residents, businesses and community groups to raise awareness and seek behaviour changes; and identify and apply for external funding to expand the work of the team.	Making Haringey one of London's greenest boroughs
18	Environment and Conservation	Urban Environment	Streetscene	Council office recycling - running costs of expanded scheme for council premises	120			120	This is subject to a capital investment. Proposal will allow expansion of services to other council buildings and expansion of recycling services at existing buildings	Making Haringey one of London's greenest boroughs
19	Environment and Conservation	Urban Environment	Streetscene	Commissioning team for design and implementation of Public Realm/Waste Strategy contracts to replace the existing Accord contract.	150			150	This funding will be a corporate resource to support a team to work on commissioning major contracts/projects around the public realm/waste strategy areas. This funding is needed for 3 years and will come out in 2011/12.	Creating a Better Haringey: cleaner, greener and safer
20	Environment and Conservation	Urban Environment	Streetscene	External legal, technical and other professional support for public realm / waste strategy contracts.	350	(200)	(150)	0	This bid is a corporate resource to provide external legal, technical and professional support for the public realm contracts process. It is for two years only.	Delivering excellent, customer focused cost effective services.
<b>Streetscene Total</b>					<b>1,426</b>	<b>(50)</b>	<b>(150)</b>	<b>1,226</b>		
21	Enforcement and Safer Communities	Urban Environment	Enforcement	To cover Compulsory Purchase Orders on empty or derelict housing properties and the revenue costs arising that cannot be recovered.	50	0	0	50	We will not be able to develop and deliver a programme.	Creating a Better Haringey: cleaner, greener and safer
<b>Enforcement Total</b>					<b>50</b>	<b>0</b>	<b>0</b>	<b>50</b>		

London Borough of Haringey  
New Proposed Revenue Investments 2008/09-2010/11 (General Fund)

Appendix D

Item No.	Portfolio	Directorate	Business Unit	Proposed Use of Investment	2008/09 over 2007/08 £'000	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	Cumulative Total £'000	Impact on Service / Performance	Priority
22	Enforcement and Safer Communities	Urban Environment	Housing Services	Running costs for Hearthstone when 2007/08 capital expansion project completed.	63			63	Subject of a successful capital bid in 2007/08. The scheme is now being developed and due to result in a £63,000 per annum revenue charge and additional funding required to support expanded service	Encouraging lifetime well being at home, work, play and learning
23	Housing Services	Urban Environment	Housing Services	Two dedicated Housing Benefit staff to assist income recovery function. These posts will generate income in future years.	74	(100)		(26)	Value For Money and higher quality services. Some savings should be possible in year 1 too but a virement is required from Ring fence.	Delivering excellent, customer focused cost effective services.
<b>Housing Services Total</b>					<b>137</b>	<b>(100)</b>	<b>0</b>	<b>37</b>		
<b>Grand Total</b>					<b>5,294</b>	<b>1,030</b>	<b>530</b>	<b>6,854</b>		



# Summary Analysis of Savings (Reprofiled Pre-agreed & New) from the 2008/09 PBPR Process

Pre-agreed savings	2008/09 over 2007/08 £'000	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	Cumulative Total £'000
Total pre-agreed savings (excluding Achieving Excellence £5m)	6,837	1,847	2,745	11,429
Proposed changes to these pre-agreed savings	(2,332)	(310)	(36)	(2,678)
Net savings proposed	4,505	1,537	2,709	8,751

Proposed new savings	2008/09 over 2007/08 £'000	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	Cumulative Total £'000
Adult Culture & Community Services	1,810	1,156	892	3,858
Chief Executive	523	303	325	1,151
Corporate Resources	1,348	1,020	855	3,223
Children & Young People Services	1,389	798	1,007	3,194
Urban Environment	1,973	1,545	679	4,197
<b>Total New Proposed Savings</b>	<b>7,043</b>	<b>4,822</b>	<b>3,758</b>	<b>15,623</b>

London Borough of Haringey  
Proposed changes to pre-agreed savings  
(General Fund)  
2009/09 - 2010/11

Directorate	Business Unit	Details of Efficiency	2008/09 over 2007/08 £'000	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	Total £'000	Progress	2008/09 over 2007/08 £'000	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	Total £'000	Variance 2008/09 over 2007/08 £'000	Variance 2009/10 over 2008/09 £'000	Variance 2010/11 over 2009/10 £'000	Cumulative Variance (Agreed - Revised)	Portfolio	
Adults Culture & Community Service	Adult Social Care	market the Community Alarm service - additional income (charge of £4 p.w.)	100	0	0	100	The number of units marketed is increasing each month. The targets for 07/08 are ambitious. The service continues to develop strategies to achieve the target.	80	0	0	80	(20)	0	0	0	(20)	Adult Social Care and Wellbeing
Adults Culture & Community Service	Adult Social Care	Merge Winkfield and Haven Day centres	185	0	0	185	Decision made not to progress with this.	0	0	0	0	(185)	0	0	0	(185)	Adult Social Care and Wellbeing
Adults Culture & Community Service	Adult Social Care	Review administration and stream line access processes	250	75	0	325	The Division will make savings by reviewing staffing structures and this is reflected in the new savings proposals. This is part of the department realignment process.	0	0	0	0	(250)	(75)	0	0	(325)	Adult Social Care and Wellbeing
Adults Culture & Community Service	Adult Social Care	Voluntary Sector Review across the Council. The voluntary sector has not been fully reviewed for a number of years – ensure sufficient re-provision available	1,000			1,000	Service departments have put forward some proposals on an individual basis and therefore are shown under new savings.	0	0	0	0	(1,000)	0	0	0	(1,000)	
Adults Culture & Community Service	Adult Social Care Total		1,535	75	0	1,610		80	0	0	80	(1,455)	(75)	0	0	(1,530)	
Adults Culture & Community Service	Recreation Services	Options for Leisure Transfer	260	100	104	464	Decision made not to progress with this. Alternative savings retaining in-house management are shown under new savings.	0	0	0	0	(260)	(100)	(104)	0	(464)	Leisure, Culture and Lifelong Learning
Children and Young People's Service	Recreation Services Total		260	100	104	464		0	0	0	0	(260)	(100)	(104)	0	(464)	
Children and Young People's Service	School Standards & Inclusion	Integration of services as children's networks develops	125	0	0	125	Further time is required to deliver savings at this level	0	125	0	125	(125)	125	0	0	0	Leisure, Culture and Lifelong Learning
Children and Young People's Service	School Standards & Inclusion		125	0	0	125		0	125	0	125	(125)	125	0	0	0	
Corporate Resources	Benefit & Local Taxation	Increased benefit overpayment income covered by subsidy.	0			0	Recovery of HB Overpayments is currently exceeding planned monthly targets, and we are on course to achieve full year savings. A new focussed recovery project has been initiated to increase recovery of old outstanding debt.	45			45	45	0	0	0	45	Resources

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Corporate Resources	Benefit & Local Taxation	Potential savings from the value for money review	45							0	(45)	0	0	(45)	Resources
	<b>Benefit &amp; Local Taxation Total</b>		45	0	0	0	45			45	0	0	0	0	0
Corporate Resources	Corporate Procurement	Re-organisation & Natural Wastage	0	52	63	13	115	PO1 post made redundant but delayed by 6 months. Savings partially met.	63	128	13	0	0	13	13 Resources
Corporate Resources	Corporate Procurement	Flexible Working	17	0	0		17	Opportunities not yet identified. Will be picked up in Achieving Excellence.	0	0	(17)	0	0	(17)	(17) Resources
Corporate Resources	Corporate Procurement	XVIL Middleware providing savings in the e-ordering process	5	10	10	0	25	Business case not proven, alternative savings included in new savings options list.	0	0	(5)	(10)	(10)	(25)	Resources
	<b>Corporate Procurement Total</b>		22	62	73	13	157		52	128	(9)	(10)	(10)	(29)	(29)
Corporate Resources	Property	Hornsey Town Hall – Operational staff reductions			42		42	Hornsey Town Hall – Operational staff reductions - due to the method of disposal the estimated date for handing over the site to a developer has slipped from August 08 to March 2010 this will mean that there will be a requirement for on going reception and portage unless a different method of disposal is implemented.	106	106	0	0	64	64	64 Resources
Corporate Resources	Property	Tottenham Town Hall – Operational staff reductions				18	0	Vacation of Tottenham Town Hall has slipped to April 2008. Staff will need to be retained until then.		18	18	0	0	18	18 Resources
Corporate Resources	Property	Energy Conservation Savings (see capital bid)	30			30	30	Dependant upon Capital bid in 2007/08 which was unsuccessful. Working with Procurement to identify alternative solutions and the capital bid has been resubmitted this year.	30	60	0	30	0	30	30 Resources
Corporate Resources	Property	Review of Commercial Portfolio and implementation of Manhattan with improved debt management	150			100	150	Review of the commercial Portfolio is unlikely to produce savings this year. There will be some reductions through improved debt management.	100	200	(50)	100	0	50	50 Resources
Corporate Resources	Property	Advertising Hoardings - Use of external contractor to maximise income from existing sites and regulate illegal sites.	50	50	50	50	150	Work programmed to start in October 2007 in order to achieve savings in future years.	50	50	0	(50)	(50)	(100)	(100) Resources
	<b>Property Total</b>		230	50	92	198	372		106	434	(32)	80	14	62	62

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Corporate Resources	Legal Services	Registrars – potential new income stream from naming and renewal of vows ceremonies	3	3	3	3	3	9	Take up of new ceremonies has been very slow with only 4 ceremonies taken place and £450 additional income generated	3	4	4	11	0	1	1	2	Leader
	<b>Legal Services Total</b>		3	3	3	3	3	9		3	4	4	11	0	1	1	2	
Corporate Resources	Customer Services	Opportunities for absorbing additional front-line service work in Customer Services assisted by some development of the Seibel CRM system.	218	194	0	0	0	412	Achieved savings target for 2007/08. Alternative strategy being developed and different savings proposals put forward in new savings list.	0	0	0	0	(218)	(194)	0	(412)	Community Cohesion and Involvement
	<b>Customer Services Total</b>		218	194	0	0	0	412		0	0	0	0	(218)	(194)	0	(412)	
Corporate Resources	IT	Supplies and Services: The Web Services Contract (Northgate Information Solutions) expires June 2009.		150	100	100	100	250	Achievable earlier with no impact on service provision	100	150		250	100	0	(100)	0	Resources
	<b>IT Total</b>		0	150	100	100	250	60	This cut was proposed when the High Rd team was within Neighbourhoods and when agency project officers were employed. Achieved through efficiencies shown in new savings proposals.	100	150	0	250	100	0	(100)	0	
Policy Performance Partnership & Comms.	Partnerships	Reduced use of agency staff	20	20	20	20	20	60	Being achieved through CED funding in 2007-8. Funding can not be relied upon in future years - has relied on NRF/SSCF	0	0	0	0	(20)	(20)	(20)	(60)	Community Cohesion and Involvement
	<b>Partnerships Total</b>		20	20	20	20	20	60		0	0	0	0	(20)	(20)	(20)	(60)	
Policy Performance Partnership & Comms.	Partnerships	Area assemblies - maximise use of e invites	10					10	Small savings achieved so far on course to achieve for 07-08, but 08-09 savings are not achievable.	0	0	0	0	(10)	0	0	(10)	Community Cohesion and Involvement
	<b>Partnerships Total</b>		10					10		0	0	0	0	(10)	0	0	(10)	
Policy Performance Partnership & Comms.	Partnerships	Broadwater Farm Community Centre (BWF CC) new hire charges in place	35	35	30	30	30	100	Budgeted for 2008/9 but is unlikely to be achieved and presents risk across the service	0	0	0	0	(35)	(35)	(30)	(100)	Community Cohesion and Involvement
	<b>Partnerships Total</b>		35	35	30	30	30	100		0	0	0	0	(35)	(35)	(30)	(100)	
Policy Performance Partnership & Comms.	Partnerships	Reprofile of reduced use of agency staff/external funding	20		(40)	(40)	(40)	(20)	Achieved through loss of agency staff at BWF for 08-09	20		0	20	0	0	40	40	Community Cohesion and Involvement
	<b>Partnerships Total</b>		20		(40)	(40)	(40)	(20)		20		0	20	0	0	40	40	
Policy Performance Partnership & Comms.	Partnerships	Enhancing BWF CC - new hire charges in place, proposal to move to existing centre with an acceptable level of subsidy or reconfigure centre. Decision point Sept 2007	75	72	(30)	(30)	(30)	117	Feasibility consultant appointed. £10k savings achieved on salaries in 07-08. These efficiencies render BWFCC as unviable, and may result in significant overspend placing the Partnerships budget at serious risk.	0	0	0	0	(75)	(72)	30	(117)	Community Cohesion and Involvement
	<b>Partnerships Total</b>		75	72	(30)	(30)	(30)	117		0	0	0	0	(75)	(72)	30	(117)	
	<b>Partnerships Total</b>		180	147	0	0	0	327		20	0	0	20	(160)	(147)	0	(307)	



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1	Adult Social Care and Wellbeing	Adults Culture & Community Service	Adult Social Care	Review the staffing levels and service efficiency within the Adult Placement Teams in Learning Difficulties.	57			57	CSCI recently assessed the team as being good. It also raised the issue of managing the current workload and ensuring that any backlogs are dealt with effectively. This should be achievable after the review.
2	Adult Social Care and Wellbeing	Adults Culture & Community Service	Adult Social Care	Learning Difficulties. Review the management levels in the Combined Team.		50		50	The service responds to both the changing needs of people who are known to the service and the increased number of young people coming up through transition. This reduction may also reduce our capacity to respond to Protection of Vulnerable Adults (POVA) issues. Also the capacity to undertake effective supervision, care review, clinical and casework audit will be reduced. We will review business processes to mitigate against this impact.
3	Adult Social Care and Wellbeing	Adults Culture & Community Service	Adult Social Care	Learning Difficulties. Review the staffing levels and service efficiency of the case reviewing function.		30		30	Since the establishment of the review team 2 years ago, performance in this area has consistently improved. The loss of this post may reduce performance in D40 and reduce the capacity to review all aspects of placements including costs. We will review business processes to mitigate against this impact.
4	Adult Social Care and Wellbeing	Adults Culture & Community Service	Adult Social Care	Learning Difficulties. Review the admin support resources for the Combined Team.	22			22	The social care element of the team excluding admin staff is 11 workers. Although all of the team do directly input into FWI they are supported in a range of tasks by admin that allows them to concentrate on the more specialist nature of their work. The reduction in these posts may see a slowing down of the general workflow in the team resulting in delays in booking reviews and assessments (D40 and D55). The admin staff provide a range of reception, typing, minute taking and business support to staff.
5	Adult Social Care and Wellbeing	Adults Culture & Community Service	Adult Social Care	Community Mental Health Team (CMHT). Review levels of management resource employed within the team.		52		52	In the course of the recent Mental Health restructuring, management weaknesses were identified but could only be partially addressed through the significant restructuring. In years 2 and 3 this can be furthered and 1 CMHT Deputy/ Manager can be deleted.
6	Adult Social Care and Wellbeing	Adults Culture & Community Service	Adult Social Care	Commissioning Savings from new Strategic Commissioning and brokerage function.	100	150	150	400	Commissioning savings from creation of the Strategic Commissioning Team and associates savings from enhanced brokerage team. The new teams will develop a greater understanding of the provider markets and their cost drivers. It will also aid in developing the market place to meet the needs of our client groups. Improved needs analysis on short and medium terms will provide for effective planning. The brokerage teams will make optimum use of internal and block provision.

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7	Adult Social Care and Wellbeing	Adults Culture & Community Service	Adult Social Care	Home Care. Decrease FTE's to 83 and build up carer bank to 194+	532	167	167	866	Homecare has made significant efficiencies in reducing management costs and creating a staff bank. This proposal aims to build on this success and create a more efficient and flexible service. It has, over the last year developed the carer bank to provide 'as and when' services rather than the historic model of employing carers on fixed hour contracts. The number of fixed hour contracts are reducing as employees leave the service through natural turnover. There are currently 108 carers on the bank and the target is to increase this over the three years to 194+. Successful implementation of this proposal will reduce the unit cost of home care.
8	Adult Social Care and Wellbeing	Adults Culture & Community Service	Adult Social Care	Day Care Service - review of admin staffing levels and service support functions	37			37	Low Risk
9	Adult Social Care and Wellbeing	Adults Culture & Community Service	Adult Social Care	Day Care Service - review of day care staffing levels and service efficiency		27	56	83	Can be managed over time but may affect capacity.
10	Adult Social Care and Wellbeing	Adults Culture & Community Service	Adult Social Care	Reconfigure Transport to African Caribbean Leadership Council (ACLC) and Asian Centre on the basis of individualised basis and demand	58			58	Review driver/resort services at both ACLC and the Asian Centre. The proposal is net of provisioning costs to ensure that all service users who need transport will have this provided by internal services.
11	Adult Social Care and Wellbeing	Adults Culture & Community Service	Adult Social Care	Cease the non-statutory provision of transport to Cypriot Centre	40			40	The current transport is provided for a non statutory service i.e. delivering meals to the Cypriot Community Centre.
12	Adult Social Care and Wellbeing	Adults Culture & Community Service	Adult Social Care	Physical Disabilities. Restructure occupational therapy services	57			57	Current level of management resource could be reduced
13	Adult Social Care and Wellbeing	Adults Culture & Community Service	Adult Social Care	Physical Disabilities. Review Winkfield Resource Centre staffing levels and service efficiency developing new services and improved use of the building			94	94	Develop Winkfield's remit as a hub for people with PD (health and social care services) as well as carers and the voluntary sector. Generally, increase the use of the building.
14	Adult Social Care and Wellbeing	Adults Culture & Community Service	Adult Social Care	Physical Disabilities. Review Transport provision to Winkfield Resource Centre			35	35	Reduced level of resources required
15	Adult Social Care and Wellbeing	Adults Culture & Community Service	Adult Social Care	Mental Health Provider. Review centre manager resources and amalgamate where possible		43		43	Part of modernisation of the service. Will look at management resources of centres such as Claredon and 684 (day centre).
16	Adult Social Care and Wellbeing	Adults Culture & Community Service	Adult Social Care	CMHT. Review Care Manager staffing levels and service efficiency			103	103	The Mental Health Trust is completing its reconfiguration which includes deleting some care manager posts. In time (years 2/3) with further work related to the reconfiguration, efficiencies will be possible. The impact of this reduction is the potential impact on key PT's in terms of D55 (Waiting times for assessments) and D40 (reviews).

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<b>Adult Social Care Total</b>					<b>903</b>	<b>519</b>	<b>605</b>	<b>2,027</b>	
17	Leisure, Culture and Lifelong Learning	Adults Culture & Community Service	Recreation Services	Sports & Leisure (S&L) pricing policy review - increase income by restructuring price to focus on ability to pay	215			<b>215</b>	Review pricing policy with focus upon 'ability to pay' but retaining essential policy led concessions. Average 8% increase.
18	Leisure, Culture and Lifelong Learning	Adults Culture & Community Service	Recreation Services	Cremation price increase - over and above inflation to 12% to bring us closer to the top of the London operators	115			<b>115</b>	Will take LBH close to /above London average and limit scope for future prudential borrowing. Average 12% increase.
19	Leisure, Culture and Lifelong Learning	Adults Culture & Community Service	Recreation Services	Recreation organisation changes - by structuring in management, development and business support function.		90		<b>90</b>	Largely Management, Development and Business Support capacity reduction. Reduced capacity to engage 'change' agenda.
20	Leisure, Culture and Lifelong Learning	Adults Culture & Community Service	Recreation Services	Review of parks constabulary service to provide a focussed and specific open space warden and ranger service.		200		<b>200</b>	A reduced function in terms of current constabulary service, but resources redirected into specific open space wardening and rangering services.
21	Leisure, Culture and Lifelong Learning	Adults Culture & Community Service	Recreation Services	Review the staffing levels and service efficiency of the parks grounds maintenance function.		100	100	<b>200</b>	Management and operational arrangements will need to be reviewed. Maintenance of performance at LAA target levels will need to be managed carefully.
22	Leisure, Culture and Lifelong Learning	Adults Culture & Community Service	Recreation Services	Parks sponsorship - to actively pursue and market to business community sponsorship in Parks open space and flower beds to generate additional annual income		25	25	<b>50</b>	Potential adverse public /resident reaction.
23	Leisure, Culture and Lifelong Learning	Adults Culture & Community Service	Recreation Services	Leisure Centre management - review the staffing levels and service efficiency of the in-house management function	0	120	0	<b>120</b>	The review will be carefully managed to ensure a high level of service and user satisfaction is maintained
24	Leisure, Culture and Lifelong Learning	Adults Culture & Community Service	Recreation Services	S & L income/business growth (includes Park Road Leisure Centre Parking charges)	100			<b>100</b>	Further growth from Fitness. Introduction of Park Road Leisure Centre parking charges and catering leases.
<b>Recreation Services Total</b>					<b>430</b>	<b>535</b>	<b>125</b>	<b>1,090</b>	



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25	Leisure, Culture and Lifelong Learning	Adults Culture & Community Service	Adult Learning, Libraries & Culture	Reconfigure Early Years Outreach Library Services to under 5's currently provided through Baby Book Bus & Book & Toy Buses plus Toy library sessions in 7 libraries.	95	0	0	95	We will revise the focus of the mobile library to include young children. This service is able to operate flexibly to serve harder to reach areas and client groups. There may be an impact on our library PT's, however, we plan to focus more strongly on delivering services to the under 5's and their parent/carers through our static library facilities.
26	Leisure, Culture and Lifelong Learning	Adults Culture & Community Service	Adult Learning, Libraries & Culture	Review the staffing levels within Libraries for non-statutory functions such as Community Programmes, Arts and Culture.	147	0	0	147	This will compromise our ability to deliver an extensive Culture programme in libraries. Some community programme work can be shared with other existing staff.
27	Leisure, Culture and Lifelong Learning	Adults Culture & Community Service	Adult Learning, Libraries & Culture	Deletion of vacant post in Schools Library Service- service to be managed by existing Children & Young People's Service Manager.	35	0	0	35	This will enable us to save the cost of the unfilled Schools Library Service Manager post while maintaining the delivery of the service.
28	Leisure, Culture and Lifelong Learning	Adults Culture & Community Service	Adult Learning, Libraries & Culture	Reduction in IT budget which is used for investment in new technologies in both service delivery and People's Network facilities.	0	0	86	86	This will reduce our investment capability in new technologies linked to People's Network & IT in libraries
<b>Adult Learning, Libraries &amp; Culture Total</b>					<b>277</b>	<b>0</b>	<b>86</b>	<b>363</b>	
29	Adult Social Care and Wellbeing	Adults Culture & Community Service	Strategic Services	Staffing efficiencies - engagement/closer partnership working with DWP	0	32	0	32	There may be an impact on the levels of client contributions to the service. This can be compensated by more partnership working with the DWP and the delivery of the Income Maximisation strategy.
30	Adult Social Care and Wellbeing	Adults Culture & Community Service	Strategic Services	Staffing efficiencies - with the introduction of Telephone Monitoring linked to block providers there is a potential to make efficiencies in the support resources.	0	26	26	52	Implementation of new systems will make for more efficient use of support resources.
31	Adult Social Care and Wellbeing	Adults Culture & Community Service	Strategic Services	Management staffing efficiencies following the merger of the OP and Adults Payments Teams	38	0	0	38	No impact on performance as the two teams are merging, although management resources will be spread more thinly
32	Adult Social Care and Wellbeing	Adults Culture & Community Service	Strategic Services	Staffing efficiencies achieved through establishment of integrated commissioning, contracts, brokerage and payments service in 2008/09	0	44	50	94	The proposed savings are a target to be achieved through efficiency savings once the new integrated unit is fully established.
33	Adult Social Care and Wellbeing	Adults Culture & Community Service	Strategic Services	Close public reception function at 40 Cumberland Road and redirect callers to Customer Service Centre.	29	0	0	29	May result in some inconvenience for a small number of callers but overall impact should be very limited. The number of visitors to reception has decreased substantially in the last few years. The average contact per day with clients is approx 1 hour out of an 8 hour day. Much of the information requested is generic and could be dealt with via Customer Services.

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34	Adult Social Care and Wellbeing	Adults Culture & Community Service	Strategic Services	Review of resources for Policy & Planning function	35	0	0	35	Will reduce Directorate's capacity to manage and respond to its substantial policy agenda, requests for briefings, etc.
35	Adult Social Care and Wellbeing	Adults Culture & Community Service	Strategic Services	Delete Members Enquiry vacant post	23	0	0	23	Currently vacant - PAs to Assistant Directors to monitor; Complaints Officer to incorporate in performance meetings
36	Adult Social Care and Wellbeing	Adults Culture & Community Service	Strategic Services	Staffing efficiencies following the merger of Adults Social Care with Libraries and Leisure - Information provision function	19	0	0	19	More limited capacity to promote directorate services and provide consistent high quality information to the public. Possible impact on delivery of BVPI 157 (Web)
37	Adult Social Care and Wellbeing	Adults Culture & Community Service	Strategic Services	Staffing efficiencies - review office services function	23	0	0	23	Some loss of support at Woodside House, where staff would have to manage their own post, stationery, etc
38	Adult Social Care and Wellbeing	Adults Culture & Community Service	Strategic Services	Reduce Franking & Printing budgets	33	0	0	33	No impact
<b>Strategic Services Total</b>					<b>200</b>	<b>102</b>	<b>76</b>	<b>378</b>	
39	Leader	Chief Executive's Service	Electoral Services	Finance of temporary seasonal election support posts via external funding and deletion in 2010	3	3	3	9	Permanent staff will be expected to fulfil wider role.
40	Leader	Chief Executive's Service	Electoral Services	Less use of Temporary staff. Change in postal products. Change in some supplies.	24	5	6	35	Postal demand is rising year-on-year and funding will need to be re-inserted to finance elections in 2010.
<b>Electoral Services Total</b>					<b>27</b>	<b>8</b>	<b>9</b>	<b>44</b>	
41	Resources	Corporate Resources	Benefit & Local Taxation	Reshaping of the BLT Fraud Investigation Team - responding to recommendations from the 2007 BFI inspection	37			37	The reshaping of the Fraud Team should improve performance through the strengthening of the teams intelligence function and process improvements.
42	Resources	Corporate Resources	Benefit & Local Taxation	Deletion of two scale 3/4 administration posts. (Currently covered by Agency Staff)		37		37	None - Second generation Comino Workflow 2 efficiency savings will have been bedded in.
43	Resources	Corporate Resources	Benefit & Local Taxation	NNDR Shared Service Proposal			54	54	performance should be enhanced through shared knowledge base and shared bailiff and IT costs.
44	Resources	Corporate Resources	Benefit & Local Taxation	Introduction of E-Benefits system allowing on-line applications to be made.	0	156	0	156	Performance should be improved through HB claims being submitted 'right first time'. Data entry into I-World and Comino will be automated.
<b>Benefit &amp; Local Taxation Total</b>					<b>37</b>	<b>193</b>	<b>54</b>	<b>284</b>	

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45	Resources	Corporate Resources	Corporate Finance	Reshaping of the Financial Systems Team	38	0	0	38	A thorough review of the working practices of the FST has been undertaken and the outcome is that the team can still meet all of its objectives with this lower staffing base.
46	Resources	Corporate Resources	Corporate Finance	The planned reshape/restructure of the whole Business Unit will ensure both the pre agreed savings for 07/08 and now these further savings are achieved in 2010/11.	0	0	72	72	The reshape will focus on improved efficiency to minimise impact on service delivery. However reductions in staff numbers regularly have a detrimental impact but this will be avoided if at all possible.
<b>Corporate Finance Total</b>					<b>38</b>	<b>0</b>	<b>72</b>	<b>110</b>	
47	Resources	Corporate Resources	Property	Optimisation of planned & reactive maintenance works following new contract in Sept. 2008	40	70	70	180	Streamlined process and speed response times to works required. Economies of scale from the contract will start to show savings and system beds -in.
48	Resources	Corporate Resources	Property	Staffing savings through structural changes, rationalisation of responsibilities and co-location	74	59	19	152	No or minimal impact on front-line service delivery and performance.
49	Resources	Corporate Resources	Property	Expenditure budget reductions in the Commercial portfolio.	60			60	No impact on front-line service delivery and performance.
50	Resources	Corporate Resources	Property	Facilities Management & Cleaning - savings on administration and premises expenditure		25	50	75	New working methods and equipment to be phased in. This will allow for economies reflected in these savings.
51	Resources	Corporate Resources	Property	Commercial Income - above inflation growth on income in future years.		33	65	98	Improved revenue income.
<b>Property Total</b>					<b>174</b>	<b>187</b>	<b>204</b>	<b>565</b>	
52	Leader	Corporate Resources	Legal Services	Investing in legal research database (cost £70k over next 3 years funded from legal budget) to save on library (legal research materials') costs.	10	5		15	Improved access to legal research database through desktop will improve both speed and quality in provision of legal advice
53	Leader	Corporate Resources	Legal Services	deleting 4 vacant legal posts from the establishment - £100k including oncosts	100			100	There will be no negative impact on current performance levels as work will be covered by revised establishment
54	Leader	Corporate Resources	Legal Services	Making savings on cost of counsel and reducing use of counsel	20	30	100	150	There will be no negative impact on current performance levels and more work will be covered in house
55	Leader	Corporate Resources	Legal Services	Strategic value for money review of legal services		140	70	210	A major aim of the review will be to improve current performance levels
56	Leader	Corporate Resources	Legal Services	Savings resulting from an expected downturn in 2008/09 in Legal work resulting from current pressure on clients' budgets which will be met by the non-filling of posts or reduction in agency Staff.	50			50	

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Legal Services Total					180	175	170	525	

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Item No.	Portfolio	Directorate	Business Unit	Details of Efficiency	2008/09 over 2007/08 £'000	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	Cumulative Total £'000	Impact on service delivery
57	Community Cohesion and Involvement	Corporate Resources	Customer Services	Channel shift	60	142	94	296	Transition of customer contact through differing channels by moving more transactions to the web.
58	Community Cohesion and Involvement	Corporate Resources	Customer Services	Uniforms	7	0	0	7	NIL
59	Community Cohesion and Involvement	Corporate Resources	Customer Services	Withdrawal to 6pm to 8pm PM call centre	47	0	0	47	No service to customers
60	Community Cohesion and Involvement	Corporate Resources	Customer Services	Income generation	4	8	10	22	NIL
61	Community Cohesion and Involvement	Corporate Resources	Customer Services	Review of staffing levels and service efficiency	133	0	0	133	reduction of service to customers if not achieved by efficiency improvements
62	Community Cohesion and Involvement	Corporate Resources	Customer Services	SAP development	50	80		130	General efficiencies by process improvement.
63	Community Cohesion and Involvement	Corporate Resources	Customer Services	Review of staffing levels and service efficiency	168		114	282	Reduction of service to customers if not achieved by efficiency improvements or reduction in management costs.
<b>Customer Services Total</b>					<b>469</b>	<b>230</b>	<b>218</b>	<b>917</b>	
64	Resources	Corporate Resources	IT	Increased level of efficiencies from the Insourcing of IT Services with higher levels of work being absorbed internally and some additional savings on 4 existing vacant posts.	450			450	Achievable with no impact on service provision. All posts are vacant.
65	Resources	Corporate Resources	IT	CRM savings following full implementation on SAP and repayment of lease		235	137	372	Achievable with no impact on service provision
<b>IT Total</b>					<b>450</b>	<b>235</b>	<b>137</b>	<b>822</b>	

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Item No.	Portfolio	Directorate	Business Unit	Details of Efficiency	2008/09 over 2007/08 £'000	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	Cumulative Total £'000	Impact on service delivery
66	Children and Young People	Children & Young People's Service	Director of Children & Young People's Service	Reduction in project management costs due to permanent appointments in the structure.	55			55	Potential reduction in the capacity of the service to manage and deliver stand alone projects or respond flexibly to incoming new areas of work.
67	Children and Young People	Children & Young People's Service	Director of Children & Young People's Service	Review of staffing levels in the policy & performance team.		55		55	Less capacity for the management of data, needs analysis, and links with corporate systems.
68	Children and Young People	Children & Young People's Service	Director of Children & Young People's Service	Review of staffing levels in the Parent Partnership Management look at SIP posts.	74			74	Sufficient flexibility with vacant posts. Reduced capacity now in the SIP team.
69	Children and Young People	Children & Young People's Service	Director of Children & Young People's Service	Some initial cost of setting up children's networks relate to high levels of statutory training, awareness raising and external evaluation of newly integrated services. The need for this reduces as practice becomes embedded.		29	45	74	Less training awareness raising and opportunities for sharing practice
<b>Director of Children &amp; Young People's Service Total</b>					<b>129</b>	<b>84</b>	<b>45</b>	<b>258</b>	
70	Children and Young People	Children & Young People's Service	Children & Families	Efficiencies in commissioning budget arising from reduction in CIC through investment in adoption and special guardianship	200	150	150	500	PAF A to increase the numbers of children subject to adoption and special guardianship orders.
71	Children and Young People	Children & Young People's Service	Children & Families	Relocation of staff from Pulford Rd and sale of building to release capital.			21	21	None
72	Children and Young People	Children & Young People's Service	Children & Families	Review of funding of non statutory voluntary sector contracts. NCH			220	220	Crisis intervention service which works with adolescents and their families to prevent family breakdown or return YP from care will cease. Can work to seek alternative external funding.
73	Children and Young People	Children & Young People's Service	Children & Families	Review of funding voluntary centre contracts Homestart and Space			62	62	Reduction in family support services if fully withdrawn, but can work to seek alternative external funding.
74	Children and Young People	Children & Young People's Service	Children & Families	Further efficiencies from service integration		93	183	276	

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Item No.	Portfolio	Directorate	Business Unit	Details of Efficiency	2008/09 over 2007/08 £'000	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	Cumulative Total £'000	Impact on service delivery
<b>Children &amp; Families</b>									
<b>Total</b>					<b>200</b>	<b>243</b>	<b>636</b>	<b>1,079</b>	
75	Children and Young People	Children & Young People's Service	School Standards & Inclusion	Professional Development Centre (PDC)/Training income target to be increased	50	20		70	Dependent on making the income target.
76	Children and Young People	Children & Young People's Service	School Standards & Inclusion	Core funded post in Early Years to be partly grant funded	35			35	Grant is being used instead of core funding with the risk being subject to any variations in the grant.
77	Children and Young People	Children & Young People's Service	School Standards & Inclusion	Replace core funding with grant funding in National Strategies	55			55	Grant is being used instead of core funding with the risk being subject to any variations in the grant.
78	Children and Young People	Children & Young People's Service	School Standards & Inclusion	Review staffing levels in the ICT Team	56			56	Grant is being used instead of core funding with the risk being subject to any variations in the grant.
79	Children and Young People	Children & Young People's Service	School Standards & Inclusion	Review staffing levels and grant funded posts in the inclusion team	40			40	Grant is being used instead of core funding with the risk being subject to any variations in the grant.
80	Children and Young People	Children & Young People's Service	School Standards & Inclusion	Additional income target for governor support	8			8	Some additional work required to manage any risk in not meeting the income target.
81	Children and Young People	Children & Young People's Service	School Standards & Inclusion	Savings in catering costs & other general office costs across the service	25			25	Can be well managed.
82	Children and Young People	Children & Young People's Service	School Standards & Inclusion	Review staffing level requirements for the school improvement service.	147			147	Grant funded posts are concentrated in school improvement at 60% of overall service. Risk is subject to any variation in grants.
83	Children and Young People	Children & Young People's Service	School Standards & Inclusion	Higher income target for Pendarren House	15			15	Higher charges may reduce take up.
84	Children and Young People	Children & Young People's Service	School Standards & Inclusion	Voluntary grants to playgroups reviewed and to be funded via General Sure Start Grant	130	100		230	None, because grant funding will replace core funding.

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85	Children and Young People	Children & Young People's Service	School Standards & Inclusion	Further review of staffing levels and service requirements		91	141	232	Managed within grant allocations.
<b>School Standards &amp; Inclusion Total</b>					<b>561</b>	<b>211</b>	<b>141</b>	<b>913</b>	
86	Children and Young People	Children & Young People's Service	Business Support & Development	Schools Personnel & Payroll - SLA income increase charges by a further 2% above the 3% inflation rate increase.	11			11	Still competitively priced SLA - but this proposal is dependant on the number of SLA schools being maintained at the current level. No impact on service delivery.
87	Children and Young People	Children & Young People's Service	Business Support & Development	Review of time allocation for Union Duties in line with other Local Authorities	7			7	
88	Children and Young People	Children & Young People's Service	Business Support & Development	Maternity Insurance Scheme for Schools administered centrally- increase admin charge from 8% to 10%	10			10	Minimal impact but is dependant on SLA school being maintained at current level. Some schools already dropped out in 2007-08.
89	Children and Young People	Children & Young People's Service	Business Support & Development	Recruitment Strategy - (a) advertising reduce by 50%, (b) reduction in expenses (car allowances, travel, mobile phones), (c) income target increase by 20% by increasing fees for school training and Headteacher recruitment.	7			7	Impact on recruitment to be carefully monitored, especially NQT's.
90	Children and Young People	Children & Young People's Service	Business Support & Development	Premature Retirement Costs (PRC) Non-schools - no new commitments	3			3	Impact carefully monitored.
91	Children and Young People	Children & Young People's Service	Business Support & Development	PRC Schools - no new commitments	10	10	10	30	Impact carefully monitored.
92	Children and Young People	Children & Young People's Service	Business Support & Development	Premature Retirement Costs Schools - New Year cost - no new commitments	63			63	Requires change to the scheme for financing schools to levy full costs of any school staff redundancies on schools
93	Children and Young People	Children & Young People's Service	Business Support & Development	PRC Residual Further Education - (ie ex-College of North East London employees) historical year on year reduction	7	7	7	21	no impact



Item No.	Portfolio	Directorate	Business Unit	Details of Efficiency	2008/09 over 2007/08 £'000	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	Cumulative Total £'000	Impact on service delivery
94	Children and Young People	Children & Young People's Service	Business Support & Development	ICT School Support - Further reduction of budget for SLA-based repair of schools' Administrative computers & printers. Increase SLA income by 4% over inflation.	17			17	
95	Children and Young People	Children & Young People's Service	Business Support & Development	ICT LEA Support -(a) Mand Awards admin charge from Standards Fund (b) capitalisation of ICT staff costs (c) charging staff time against Contact Point grant (d) replacement of School-to-LA file transfer utility by Teachernet s2s	60			60	Will reduce capital and grant available for other purposes.
96	Children and Young People	Children & Young People's Service	Business Support & Development	Publication/Print/Translation - (a) reduction in the nos of the consultations printed (approx reduced x3 consultations/year), (b) abandon printing of staff newsletter	16			16	
97	Children and Young People	Children & Young People's Service	Business Support & Development	Commissioning - Increase in income generation activity through external funding pots, by developing and leading commissioning processes and by providing contract implementation and review and monitoring	50			50	Needs careful monitoring to ensure that this will be possible.
98	Children and Young People	Children & Young People's Service	Business Support & Development	Student Support Serv Mgt - Administration. Further review of staffing levels as front line services are nationalised.	34	60	110	204	Potentially could require redundancies in future years.
99	Children and Young People	Children & Young People's Service	Business Support & Development	Directorate Support - vacant post.	29			29	Could impact on member enquiry handling.
100	Children and Young People	Children & Young People's Service	Business Support & Development	Property & Contracts - PFI Monitoring Officer charged to Life Cycle Fund and reduction of the NNDR and catering budget	45			45	Need to review charge is within guidelines. Reduces funds available for maintenance and repair of school estate.
101	Children and Young People	Children & Young People's Service	Business Support & Development	Review staffing levels for communications provision	22			22	Will aim to reduce impact on reputation-related work by re-shaping Information team to take on the role.
102	Children and Young People	Children & Young People's Service	Business Support & Development	Reduction of 25% of catering related expenditure within BSD	5			5	no impact

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103	Children and Young People	Children & Young People's Service	Business Support & Development	Review of staffing levels and service efficiency within the Transport Service		150		150	Detailed review to assess feasibility to be completed until March 08
104	Children and Young People	Children & Young People's Service	Business Support & Development	Further reviews of staffing levels and service efficiency as the Children's Networks are established over the next 2 years.	103	33	58	194	A potential high risk item as final details of the saving have yet to be formulated.
<b>Business Support &amp; Development Total</b>					<b>499</b>	<b>260</b>	<b>185</b>	<b>944</b>	
105	Resources	People & Organisational Development	Human Resources	Delete currently vacant Head of Employment Strategy post	66			66	Achieving this saving will result in Head of HR taking on more responsibility and reduce the service's ability to deliver a strategic service
106	Resources	People & Organisational Development	Human Resources	Review the team leader staffing resources for HR support			45	45	Performance will be managed within a revised Model of Service Delivery
107	Resources	People & Organisational Development	Human Resources	Review the resources for internal HR advice and consultancy support			43	43	Performance will be managed within a revised Model of Service Delivery
<b>Human Resources Total</b>					<b>66</b>	<b>0</b>	<b>88</b>	<b>154</b>	
108	Resources	People & Organisational Development	Organisational Development & Learning	Cut Council Wide Short course programme by 50% and allow services to pay directly if demand requires provision	50			50	This saving will result in staff no longer being able to attend courses without direct charge that are not essential to role ie report writing; making public consultation work; achieving equalities and diversity.
109	Resources	People & Organisational Development	Organisational Development & Learning	Review training provision and development schemes such as graduates, aiming high, and leadership			27	27	Partial reduction in some development schemes
<b>Organisational Development &amp; Learning Total</b>					<b>50</b>	<b>0</b>	<b>27</b>	<b>77</b>	
110	Community Cohesion and Involvement	People & Organisational Development	Local Democracy	Review level of support re Member Information services	38			38	Achieving this saving will reduce the service's ability to develop the information service to elected Members.
<b>Local Democracy Total</b>					<b>38</b>	<b>0</b>	<b>0</b>	<b>38</b>	

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Item No.	Portfolio	Directorate	Business Unit	Details of Efficiency	2008/09 over 2007/08 £'000	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	Cumulative Total £'000	Impact on service delivery
111		Policy Performance Partnership & Comms.	Community Safety	Reconfigure Emergency Planning & Business Continuity Team and work load	0	10	0	10	Statutory requirements will be met; training provided will be reduced; external business continuity work may be reduced
<b>Community Safety Total</b>					<b>0</b>	<b>10</b>	<b>0</b>	<b>10</b>	
112	Community Cohesion and Involvement	Policy Performance Partnership & Comms.	Partnerships	Review of the staffing resources at management level for the Neighbourhood Management Team	106	0	0	106	The review is being undertaken jointly with Urban Environment. Partnerships and voluntary sector functions to be absorbed elsewhere in PPP&C.
113	Community Cohesion and Involvement	Policy Performance Partnership & Comms.	Partnerships	Review business management and support arrangements within the Partnerships Team	46	0	0	46	Post vacant and other staff will have to absorb these functions
114	Community Cohesion and Involvement	Policy Performance Partnership & Comms.	Partnerships	Reductions in grants budget eg new initiatives grants and individual reductions to various grants allocated .	0	20	12	32	Reduces the flexibility to respond to new initiatives , contingency funding etc
115	Leader	Policy Performance Partnership & Comms.	Partnerships	Review staffing levels and service efficiency in respect of Partnerships Support	22	10	0	32	Other staff will have to pick up administrative duties.
116	Community Cohesion and Involvement	Policy Performance Partnership & Comms.	Partnerships	Reorganise team for future delivery of outcomes for partnerships following settling in of new LAA's	0	0	68	68	Review will be required once new LAA in place.
117	Community Cohesion and Involvement	Policy Performance Partnership & Comms.	Partnerships	Review of staffing levels and service efficiency within the Neighbourhood Management Service	112	105	0	217	A review is underway to identify the impacts upon service delivery and how more integrated working with the area based service within U/E can be achieved
<b>Partnerships Total</b>					<b>286</b>	<b>135</b>	<b>80</b>	<b>501</b>	

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118	Community Cohesion and Involvement	Policy Performance Partnership & Comms.	Performance & Policy	Reduce administrative support to scrutiny	9			9	Administrative support will be absorbed into the main business unit administration team.
119	Leader	Policy Performance Partnership & Comms.	Performance & Policy	Policy - reduction in supplies and services budgets	4			4	none predicted
120	Leader	Policy Performance Partnership & Comms.	Performance & Policy	Review of staffing levels in the Improvement and Performance Team		29	38	67	Reduced capacity to deliver service improvement projects. This is the year when changes proposed by the White Paper come into effect. (plus deferred saving of £20k from pre-agreeds 2007/08 mean that £49 k is being cut)
<b>Performance &amp; Policy Total</b>					<b>13</b>	<b>29</b>	<b>38</b>	<b>80</b>	
121	Community cohesion and involvement	Policy Performance Partnership & Comms.	Communications	Haringey People Magazine additional advertising revenue	40	42	42	124	No impact
122	Community cohesion and involvement	Policy Performance Partnership & Comms.	Communications	Print Efficiencies 08/09	3	79	41	123	No impact
<b>Communications Total</b>					<b>43</b>	<b>121</b>	<b>83</b>	<b>247</b>	
123	Regeneration and Enterprise	Urban Environment	Planning Policy & Development	Increased fee income for Development Control due to be set nationally	128			128	No obvious impact on performance, although quality will need to be maintained.
124	Regeneration and Enterprise	Urban Environment	Planning Policy & Development	Review of staffing levels for Development Control Planning Posts	50			50	Any impact on performance will be closely monitored and action taken to minimise
125	Regeneration and Enterprise	Urban Environment	Planning Policy & Development	Introduction of Pre Application Advice charging regime	20	25	25	70	To be managed within existing resources. Improved application processing performance, reduced refusal rate, improved customer satisfaction
126	Regeneration and Enterprise	Urban Environment	Planning Policy & Development	Additional Major site income	40	41		81	Additional performance pressures from dealing with Major Applications will be managed within existing resources.
<b>Planning Policy &amp; Development Total</b>					<b>238</b>	<b>66</b>	<b>25</b>	<b>329</b>	

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Appendix E

Item No.	Portfolio	Directorate	Business Unit	Details of Efficiency	2008/09 over 2007/08 £'000	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	Cumulative Total £'000	Impact on service delivery
127	Regeneration and Enterprise	Urban Environment	Economic Regeneration	Shut Wood Green Town centre office, as it now only has one officer	11			11	will require 1 additional desk space in RPH within the UE directorate.
128	Regeneration and Enterprise	Urban Environment	Economic Regeneration	Review level of business support resources	32			32	This can be managed without a redundancy. Workload will be transferred to managers reducing their time for Econ. Regen. work
129	Regeneration and Enterprise	Urban Environment	Economic Regeneration	Cut planning development project budget	28			28	Would reduce the capacity to undertake work such as supplementary planning guidance or support to ad hoc external initiatives.
130	Regeneration and Enterprise	Urban Environment	Economic Regeneration	Salary savings from flexible working for Asst. Dir. Econ. Regeneration	6			6	
131	Regeneration and Enterprise	Urban Environment	Economic Regeneration	Review the funding arrangements for the Town Centre Management in Wood Green.			46	46	During 08/09 to 09/10 businesses will be encouraged to establish a Business Improvement District.
132	Regeneration and Enterprise	Urban Environment	Economic Regeneration	Back office efficiency savings	45			45	Review to be implemented soon as part of UE reshaping
<b>Economic Regeneration Total</b>					<b>122</b>	<b>0</b>	<b>46</b>	<b>168</b>	
133	Environment and Conservation	Urban Environment	Streetscene	Sweeping of Headings - current service is Zone 1Y (2x per day Mon to Fri & 1x per day Sat/Sun) to Zone 1Z (1x per day Mon to Fri). May encounter contractual difficulties with HAL.		100		100	This proposal is to reduce the frequency of cleansing the top part of side roads off main roads. This is likely to impact on cleanliness and public perception since residents will see fewer sweepers working on the streets.
134	Environment and Conservation	Urban Environment	Streetscene	Bring in-house Haringey Accord recycling services rounds one and two.	50			50	No impact.
135	Enforcement and Safer Communities	Urban Environment	Streetscene	Enforcement of trade waste abuse	100	150		250	Dedicate enforcement Officers to deal with trade waste abuse. Concern over the number of black (unpaid sacks) collected by trade waste refuse crews as part of clear all policy. Savings generated by HAL paying for disposal. Corporate finance will benefit by the same amount as household waste levy charge will also reduce.
136	Environment and Conservation	Urban Environment	Streetscene	Improvement in managing sickness levels within Waste Management	10			10	None
137	Environment and Conservation	Urban Environment	Streetscene	Contract savings	200			200	None
138	Environment and Conservation	Urban Environment	Streetscene	Utility weekend Enforcement	50	50		100	This will improve performance as it enforces compliance of during the weekends

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139	Environment and Conservation	Urban Environment	Streetscene	Restructure within Highways	200	250		450	To achieve this level of saving in Highways structure will involve increased capitalisation of the salaries of engineers against council capital funding allocations. Otherwise ability to deliver capital spend will be adversely affected.
140	Environment and Conservation	Urban Environment	Streetscene	Increase Charges within Highways	25	25		50	It must be recorded that if the increases from licence fees are to be achieved the amount of construction activity on the public highway must be sustained at current levels or increased.
141	Environment and Conservation	Urban Environment	Streetscene	Improvement in managing sickness levels within Highways	15			15	No direct impact on performance
142	Environment and Conservation	Urban Environment	Streetscene	Review of Freedom Pass criteria		100		100	"Changes to freedom pass criteria in line with national scheme and London Councils recommendation."
143	Environment and Conservation	Urban Environment	Streetscene	Reduction in Blue Badge issue	16			16	"The service will achieve this saving by tightening up enforcement and reducing fraudulent use of badges."
144	Environment and Conservation	Urban Environment	Streetscene	Retendering of contracts within Parking		300		300	This will involve combining two contracts and retendering for one 'nuisance vehicle contract
145	Environment and Conservation	Urban Environment	Streetscene	Continued increase in the number of new Controlled Parking Zones meeting the expected demand		70	80	150	This involves the delivery of the parking plan and additional income generated
146	Environment and Conservation	Urban Environment	Streetscene	Increase of 2.5% on fees and charges above inflation (RPI))	65	66	68	199	Increase in parking fees and charges over and above inflation (RPI) of 2.5%.
147	Environment and Conservation	Urban Environment	Streetscene	Increase of 1.5% on permit charges above inflation assumed in budget to be in line with RPI.	22	22	23	67	Increase of 1.5% on permit charges above inflation assumed in budget to be in line with RPI.
148	Environment and Conservation	Urban Environment	Streetscene	Review staffing levels and service efficiency of the On-Street Parking enforcement service.			240	240	These estimates are based on delivery of a 6% improvement in productivity and efficiency realising a cashable saving.
149	Environment and Conservation	Urban Environment	Streetscene	Review of back office function	25			25	There will not be major impact on service delivery.
150	Environment and Conservation	Urban Environment	Streetscene	Review the traffic management arrangements and operations of bus lanes.	80			80	This will improve traffic management flows in the borough for public transport.
151	Environment and Conservation	Urban Environment	Streetscene	Review overall staffing levels and service efficiency within Parking	70			70	Any impact on performance will be closely monitored and action taken to minimise

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152	Environment and Conservation	Urban Environment	Streetscene	Replacing the parking automated telephone payment (ATP) system.		150		150	There are no service delivery implications arising as the replacement system would be on a like for like basis.

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153	Enforcement and Safer Communities	Urban Environment	Streetscene	Additional income from volume increases of activity arising from existing parking plan.	200			200	In particular the impact of newly installed cameras
154	Enforcement and Conservation	Urban Environment	Streetscene	Integrated Waste Management & Transport contract			145	145	Part of re-tendering of the contract. Realisation of efficiency savings through the re-tendering of the integrated collection and street cleansing contract should deliver the savings for 2010/11
155	Enforcement and Conservation	Urban Environment	Streetscene	Commingled Recycling Bring Sites	0	70	0	70	By providing a commingled collection service for bring sites the Council will be able to increase the number of materials collected (plastics and cardboard) and the collection methodology would change to include compaction. This new process will reduce the number of vehicles required from 5 to 2. Dependant on £340k capital bid. Linked to LAA Stretch target for recycling of 32% by 2009/10.
<b>Streetscene Total</b>					<b>1,128</b>	<b>1,353</b>	<b>556</b>	<b>3,037</b>	
156	Enforcement and Safer Communities	Urban Environment	Enforcement	Reduction in legal expenditure by a combination of measures. These include improved recovery of costs, use of alternatives to litigation and alternative case management arrangements.	14	37		51	It is intended that the approach will not have an adverse impact on performance. Risks include the capacity to deal with peaks in activity and the lack of support a legal team would normally enjoy.
157	Enforcement and Safer Communities	Urban Environment	Enforcement	Increase number of FPNs issued	0		20	20	Increased enforcement should lead to favourable service outcome.
158	Enforcement and Safer Communities	Urban Environment	Enforcement	Back office efficiency savings.	50			50	Review to be implemented soon as part of UE reshaping.
<b>Enforcement Total</b>					<b>64</b>	<b>37</b>	<b>20</b>	<b>121</b>	
159	Housing Services	Urban Environment	Housing Services	Storage project: storage of clients possessions to be paid for by the service only as required by statute.	100			100	Staff resources will need to be devoted to this initially but service delivery should not be affected.
160	Housing Services	Urban Environment	Housing Services	Improve levels of voids on PSLs and HALs	100			100	This should be an efficiency gain
161	Housing Services	Urban Environment	Housing Services	Reduction of levels of absence and agency costs achieving salary efficiency savings	221	89	32	342	Although this is a large sum to find at a time the service is facing so many challenges, all areas will be reviewed and efficiency savings achieved
<b>Housing Services Total</b>					<b>421</b>	<b>89</b>	<b>32</b>	<b>542</b>	
<b>Grand Total New Proposed Savings</b>					<b>7,043</b>	<b>4,822</b>	<b>3,758</b>	<b>15,623</b>	



Indicative Dedicated Schools Grant 2008-09 to 2010-11											
2008/09						2009/10					
Children's Service Budget Analysis	Notes	Dedicated Schools Grant				Dedicated Schools Grant				Dedicated Schools Grant	
		ISB	Non ISB	DSG Total	Uplift	ISB	Non ISB	DSG Total	ISB	Non ISB	DSG Total
		£	£	£	%	£	£	£	£	£	£
<b>Prior Year DSG</b>		<b>134,424,909</b>	<b>19,871,883</b>	<b>154,296,792</b>		<b>141,955,013</b>	<b>18,661,883</b>	<b>160,616,896</b>	<b>148,443,217</b>	<b>17,776,783</b>	<b>166,220,000</b>
Adjustment for Final Pupil Numbers for 2007/08	1	(457,735)	457,732	0							
<b>Increase in DSG</b>											
Personalised Learning and other earmarked funding		1,540,000	33,000	1,573,000	1.0	981,000		981,000	1,840,000		1,840,000
Basic Uplift		4,121,642	625,462	4,747,104	3.1	4,085,067	537,037	4,622,104	4,195,562	502,438	4,678,993
<b>Indicative DSG for Year</b>	2	<b>139,628,819</b>	<b>20,988,077</b>	<b>160,616,896</b>	4.1	<b>147,021,080</b>	<b>19,198,920</b>	<b>166,220,000</b>	<b>154,478,779</b>	<b>18,279,221</b>	<b>172,758,000</b>
<b>Budget Changes for year</b>		<b>5,203,910</b>	<b>1,116,194</b>	<b>6,320,104</b>	4.1	<b>5,066,067</b>	<b>537,037</b>	<b>5,603,104</b>	<b>6,035,562</b>	<b>502,438</b>	<b>6,538,000</b>
Inflation and uplift to Minimum Funding Guarantee		2,822,923	414,000	3,236,923	2.1	2,981,055	391,900	3,372,955	3,117,308	373,312	3,490,620
Increased resources for earmarked funding incl. personalised learning		1,540,000	33,000	1,573,000		981,000		981,000	1,840,000		1,840,000
<b>Removal of Prior Year Investments</b>											
Sixth Form Centre			(370,000)	(370,000)							
Autism			(125,000)	(125,000)							
Aspergers			(125,000)	(125,000)							
Premature Retirement Costs (14-18 Transition costs)			(125,000)	(125,000)							
Single Status Costs (still to be finally quantified) Note 1			(1,500,000)	(1,500,000)							
Contribution to Recovery of PFI benchmarking 2006/07		(284,587)		(284,587)							
Reduction to ECM base budget			(575,000)	(575,000)							
<b>Prior Year Commitments (PBPR)</b>											
Campbourne (Prudential Borrowing and revenue costs)			75,000	75,000							
<b>New Revenue Investments (PBPR)</b>											
New School Opening Costs		112,000		112,000		394,000		394,000	395,000		395,000

[illegible]

**FINANCIAL PLANNING 2008/09 – 2010/11****Haringey Schools Forum – Budget Consultation**

	<b>2008/09 Schools Budget (DSG) Recommendations of the Haringey Schools Forum at their meeting held on 13 December 2007.</b>
1.	That the additional funding allocated for personalised learning is delegated through AEN funding factors.
2.	That a budget of £0.112m be created for the pre-opening costs of the new secondary school.
3.	That funding of £0.033m be retained centrally to meet the cost of providing for excluded pupils from day 6.
4.	That one-off funding of £0.37m agreed for 2007/08 for the start-up costs of the Sixth Form Centre is removed from 2008/09.
5.	That funding of £0.25m is retained centrally to meet the cost of providing for children with autism and aspergers.
6.	That the contingency of £0.125m for PRC costs relating to the Sixth Form Centre is removed (see recommendation 4 above).
7.	That the one-off contingency of £1.5m agreed for 2007/08 for the estimated backdating/compensation costs of the single status pay review is removed from 2008/09.
8.	That funding of £0.575m is retained centrally for targeted services around the Every Child Matters (ECM) agenda and that further detail of the proposed expenditure is provided to the Schools Forum at their next meeting.
9.	That additional funding £0.075m for autistic provision at Campsbourne / Moselle School is agreed.
10.	That additional funding of £0.263m for out of borough special needs placements is agreed.
11.	That DSG pre-agreed savings totalling £0.8m be re-phased to 2009-10 pending a review of these areas by the Schools Forum.
12.	That the remaining headroom of £3.34m be delegated to schools through AEN factors. This recommendation is in line with the recent Cabinet decision subsequent to the Schools Forum recommendation around additional funding being targeted at schools with higher levels of deprivation from 2008/09.

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# Appendix G

## Housing Revenue Account – Medium Term Financial Strategy – 2008/09 – 2011/12

Summary HRA	2007/08 Org.		2007/08		2008/09		2009/10		2010/11		2011/12		2012/13	
	Draft Budget	Increase / (Decrease)	Draft Budget	Increase / (Decrease)	Draft Budget	Increase / (Decrease)	Draft Budget	Increase / (Decrease)	Draft Budget	Increase / (Decrease)	Draft Budget	Increase / (Decrease)	Draft Budget	Increase / (Decrease)
Company Income	(53,653)	(84)	(53,737)	897	(52,756)	(550)	(53,306)	(1,114)	(54,420)	(999)	(55,419)	(1,097)	(56,516)	(1,097)
Chief Executive	248	-	248	5	253	5	258	5	263	6	269	5	274	5
Housing Management	9,787	769	10,556	997	10,784	(241)	10,543	218	10,761	223	10,984	227	11,211	227
Business Improvement	2,793	46	2,839	(113)	2,680	(26)	2,654	58	2,712	59	2,771	67	2,838	67
Finance	1,827	(53)	1,774	180	2,007	44	2,051	44	2,095	(104)	1,991	42	2,033	42
Building Services - Client	11,908	793	12,701	1,122	13,030	224	13,254	230	13,484	246	13,730	171	13,901	171
Building Services - Repair Operations	17,898	(792)	17,106	(1,329)	16,569	359	16,928	368	17,296	375	17,671	383	18,054	383
Corporate	9,192	(679)	8,513	(1,759)	7,433	185	7,618	191	7,809	194	8,003	202	8,205	202
<b>Total Company Accounts</b>	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Rental Income	(60,225)	(2,175)	(62,400)	(4,279)	(64,504)	(2,894)	(67,398)	(3,022)	(70,420)	(3,156)	(73,576)	(3,295)	(76,872)	(3,295)
Non Dwelling Rents	(2,127)	(46)	(2,173)	-	(2,127)	-	(2,127)	-	(2,127)	-	(2,127)	-	(2,127)	-
HRA Subsidy	(19,128)	-	(19,128)	3,048	(16,081)	3,029	(13,052)	2,297	(10,755)	1,345	(9,409)	1,456	(7,954)	1,456
Leasehold Service Charge Income	(5,330)	-	(5,330)	600	(4,730)	(128)	(4,858)	(131)	(4,990)	(135)	(5,125)	(138)	(5,263)	(138)
Tenant Service Charge Income	(6,480)	(527)	(7,008)	(2,104)	(8,585)	(206)	(8,790)	(211)	(9,001)	(216)	(9,217)	(221)	(9,438)	(221)
Miscellaneous Income	(4,947)	-	(4,947)	(679)	(5,626)	(106)	(5,732)	(109)	(5,841)	(111)	(5,952)	(113)	(6,064)	(113)
Housing Management Costs	5,537	39	5,576	1,287	6,824	156	6,980	160	7,140	163	7,303	167	7,470	167
Repairs & Maintenance	205	-	205	5	210	5	215	5	221	6	226	6	232	6
Bad Debt Provision	718	382	1,100	382	1,100	-	1,100	-	1,100	-	1,100	-	1,100	-
Service Charge Costs	7,221	(275)	6,946	(43)	7,178	179	7,357	184	7,541	189	7,729	193	7,923	193
<b>Total Managed Accounts</b>	<b>(84,557)</b>	<b>(2,602)</b>	<b>(87,158)</b>	<b>(1,785)</b>	<b>(86,341)</b>	<b>36</b>	<b>(86,305)</b>	<b>(827)</b>	<b>(87,132)</b>	<b>(1,915)</b>	<b>(89,047)</b>	<b>(1,946)</b>	<b>(90,993)</b>	<b>(1,946)</b>
Temporary Accommodation Income	(5,885)	27	(5,858)	954	(4,931)	(101)	(5,031)	(106)	(5,137)	(111)	(5,248)	(116)	(5,364)	(116)
Housing Management Direct Costs	1,400	-	1,400	35	1,435	36	1,470	37	1,507	38	1,545	39	1,584	39
Supported Housing Costs	3,081	-	3,081	94	3,175	73	3,248	75	3,322	76	3,398	78	3,476	78
Repairs & Maintenance	300	-	300	8	308	8	316	8	323	8	332	8	340	8
Capital Financing Charges	43,447	88	43,535	152	43,599	(149)	43,450	711	44,160	840	45,001	849	45,849	849
Other Property Costs	2,454	-	2,454	44	2,498	45	2,543	47	2,590	48	2,638	49	2,687	49
Bad Debt Provisions	31	-	31	-	31	-	31	-	31	-	31	-	31	-
ALMO Management Fee	40,174	948	41,122	(484)	39,690	224	39,914	779	40,693	656	41,349	745	42,093	745
<b>Total Retained Accounts</b>	<b>85,002</b>	<b>1,063</b>	<b>86,064</b>	<b>803</b>	<b>85,804</b>	<b>136</b>	<b>85,940</b>	<b>1,550</b>	<b>87,490</b>	<b>1,555</b>	<b>89,045</b>	<b>1,651</b>	<b>90,696</b>	<b>1,651</b>
<b>TOTAL HOUSING REVENUE ACCOUNT</b>	<b>445</b>	<b>(1,539)</b>	<b>(1,094)</b>	<b>(982)</b>	<b>(537)</b>	<b>172</b>	<b>(365)</b>	<b>723</b>	<b>358</b>	<b>(359)</b>	<b>(2)</b>	<b>(296)</b>	<b>(297)</b>	<b>(297)</b>
<b>Planned Opening HRA Balance</b>	<b>(3,878)</b>		<b>(3,596)</b>		<b>(4,690)</b>		<b>(5,227)</b>		<b>(5,593)</b>		<b>(5,235)</b>		<b>(5,236)</b>	
In-Year Use of Balances	445		(1,094)		(537)		(365)		358		(2)		(297)	
<b>Planned Closing Balance</b>	<b>(3,433)</b>		<b>(4,690)</b>		<b>(5,227)</b>		<b>(5,593)</b>		<b>(5,235)</b>		<b>(5,236)</b>		<b>(5,236)</b>	

**HRA Summary - Budget Variations****Managed and Retained Budgets**

Change	2008/09 over 2007/08 £000s	2009/10 over 2008/09 £000s	2010/11 over 2009/10 £000s	2011/12 over 2010/11 £000s	2012/13 over 2011/12 £000s
Rent Increase	-4,017	-3,317	-3,466	-3,622	-3,785
Service Charges	-2,200	-477	-488	-500	-512
New Efficiencies	-1,101	0	0	0	0
ALMO Management Fee	-484	224	779	656	745
Capital Financing Charges	152	-149	711	840	849
New Investment	54	0	0	0	0
Inflation	566	530	542	555	568
Increase In Bad Debts Provision	982	0	0	0	0
Contingency change	500	0	0	0	0
Housing Stock Reduction	1,518	331	348	365	383
Subsidy	3,048	3,029	2,297	1,345	1,456
<b>Total Variations Managed and Retained</b>	<b>-982</b>	<b>172</b>	<b>723</b>	<b>-359</b>	<b>-296</b>

**Company Budgets**

New Investment	911	-73	22	-114	-41
New Efficiencies	-1,160	-444	0	0	0
Existing Efficiencies	-1,064	-100	-100	-100	-100
Inflation	829	841	857	870	886
ALMO Management Fee	484	-224	-779	-656	-745
<b>Total Variations Company</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Variations - All HRA**

Rent Increase	-4,017	-3,317	-3,466	-3,622	-3,785
Service Charges	-2,200	-477	-488	-500	-512
ALMO Management Fee	0	0	0	0	0
Capital Financing Charges	152	-149	711	840	849
Inflation	1,395	1,371	1,399	1,425	1,454
Increase In Bad Debts Provision	982	0	0	0	0
Contingency change	500	0	0	0	0
Housing Stock Reduction	1,518	331	348	365	383
Subsidy	3,048	3,029	2,297	1,345	1,456
New Investment	965	-73	22	-114	-41
New Efficiencies	-2,260	-444	0	0	0
Existing Efficiencies	-1,064	-100	-100	-100	-100
ALMO Management Fee	0	0	0	0	0
<b>Total Variations All HRA</b>	<b>-982</b>	<b>172</b>	<b>723</b>	<b>-359</b>	<b>-296</b>

**HRA New Investment and Efficiencies****HRA Summary - New Investment**

Change	2008/09 over 2007/08 £000s	2009/10 over 2008/09 £000s	2010/11 over 2009/10 £000s	2011/12 over 2010/11 £000s	2012/13 over 2011/12 £000s
Additional Client cost of Refuse Collection	52	0	0	0	0
Additional Tenants Incentive	2	0	0	0	0
Repairs to Aids and Adaptations	200	0	0	0	0
Communications Budget	10	0	0	0	0
Concierge uniforms	19	0	0	0	0
Contractual Costs 1 FTE	162	-11	0	0	0
Governance	13	30	0	0	0
HR and Accommodation Issues	46	-47	0	0	0
Improving Customer Access	30	-30	0	0	0
Improving Customer Feedback 0.5 FTE	52	-5	0	0	0
IT Development Fund	146	0	0	-146	0
Meeting the Needs of Vulnerable Residents	50	0	0	0	0
New Charge for ALMO Client	0	0	0	0	0
Outreach Work 1 FTE	42	-28	2	2	9
Performance Certificates	42	18	0	0	0
Performance Officer 1 FTE	40	0	0	0	0
Potential Procurement Costs 1 FTE	0	0	0	0	0
Procurement Costs	0	0	20	30	-50
Rent Consultation	5	0	0	0	0
Viewing Officers 2 FTE	54	0	0	0	0
<b>Total New Investment</b>	<b>965</b>	<b>-73</b>	<b>22</b>	<b>-114</b>	<b>-41</b>

**HRA Summary - New Efficiencies**

Change	2008/09 over 2007/08 £000s	2009/10 over 2008/09 £000s	2010/11 over 2009/10 £000s	2011/12 over 2010/11 £000s	2012/13 over 2011/12 £000s
No lunches at training	-5	0	0	0	0
Delete Housing Manager PA 1 FTE	-37	0	0	0	0
Delete Income Collection Team Leader 1 FTE	-47	0	0	0	0
Delete Former Tenant Arrears Manager 1 FTE	-37	0	0	0	0
Delete Former Tenant Arrears Officers 1.5 FTE	-46	0	0	0	0
Delete Housing Area Office Manager 1 FTE	-37	0	0	0	0
Delete Housing Area Office Admin post 1 FTE	-28	0	0	0	0
Delete Housing Manager /Tenancy Man Officer 1 FTE	-37	0	0	0	0
Reduce materials costs	-108	0	0	0	0
Reduce Operations contractors	-545	0	0	0	0
Delete vacant Surveyor post 1 FTE	-73	0	0	0	0
Reduce Client contractors	-100	0	0	0	0
Reduce AM supplies & services	-2	0	0	0	0
Delete Tenancy Management Officer posts 6 FTE	0	-220	0	0	0
Delete Area Admin posts 3 FTE	0	-84	0	0	0
Delete Team Leader 1 FTE	0	-47	0	0	0
Broadwater Farm Admin Posts 2 FTE	0	-56	0	0	0
Broadwater Farm Hou Man Post 1 FTE	0	-37	0	0	0
Training Support Officer 1 FTE	-41	0	0	0	0
Training Support Officer .6 FTE	0	0	0	0	0
Reduce Market Research (one off)	-17	0	0	0	0
Effect of lower right to buy sales	-826	0	0	0	0
Grounds Maintenance - Second Prune not required	-45	0	0	0	0
Adjustment to Housing Business Unit costs	-230	0	0	0	0
<b>Total New Efficiencies</b>	<b>-2,260</b>	<b>-444</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Net Change</b>	<b>-1,295</b>	<b>-517</b>	<b>22</b>	<b>-114</b>	<b>-41</b>

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**Capital Programme Forecast 2008/09 to 2010/11****Bids For Corporate Resources Funding**

<b>1 Capital Expenditure Forecast</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Directorate Capital Bids (Agreed)</b>				
Urban Environment (including Housing General Fund)	6,762	4,232	4,400	<b>15,394</b>
Adults, Culture and Community Services	3,770	1,396	1,557	<b>6,723</b>
Corporate Resources	3,735	3,200	2,350	<b>9,285</b>
Children & Young People	0	0	2,000	<b>2,000</b>
<b>Sub-total</b>	<b>14,267</b>	<b>8,828</b>	<b>10,307</b>	<b>33,402</b>
Homes for Haringey Ltd	3,900	1,800	1,800	<b>7,500</b>
<b>Sub-total</b>	<b>3,900</b>	<b>1,800</b>	<b>1,800</b>	<b>7,500</b>
<b>Total Accepted Capital Bids (Fully &amp; Partly)</b>	<b>18,167</b>	<b>10,628</b>	<b>12,107</b>	<b>40,902</b>
<b>Financing</b>				
Forecast Use Of Capital Receipts	(18,167)	(10,628)	(12,107)	<b>(40,902)</b>
	<b>(18,167)</b>	<b>(10,628)</b>	<b>(12,107)</b>	<b>(40,902)</b>
<b>A Total Accepted Bids (Fully &amp; Partly)</b>	<b>18,167</b>	<b>10,628</b>	<b>12,107</b>	<b>40,902</b>
Total Rejected Bids	<b>11,516</b>	<b>9,347</b>	<b>8,215</b>	<b>29,078</b>
<b>Total Capital Bids</b>	<b>29,683</b>	<b>19,975</b>	<b>20,322</b>	<b>69,980</b>
<b>2 Corporate Funding Resources</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>i Capital Receipts:</b>				
Estimated Capital Receipts opening balance 01.04.08	(8,500)			<b>(8,500)</b>
<b>ii Estimated capital receipts received in year:</b>				
General capital receipts	(9,600)	(4,900)	(4,675)	<b>(19,175)</b>
Strategic Sites		(3,000)	(13,000)	<b>(16,000)</b>
	<b>(9,600)</b>	<b>(7,900)</b>	<b>(17,675)</b>	<b>(35,175)</b>
<b>Total Capital Receipts (i+ii)</b>	<b>(18,100)</b>	<b>(7,900)</b>	<b>(17,675)</b>	<b>(43,675)</b>
<b>iii Corporate SCE(R):</b>				
**Children's Services SCE (R)	(104)	(104)	(104)	<b>(312)</b>
**Provisional Formula Grant Settlement in Dec 07 (to be confirmed)				
<b>B Total estimated resources available (i+ii+iii)</b>	<b>(18,204)</b>	<b>(8,004)</b>	<b>(17,779)</b>	<b>(43,987)</b>
<b>3 Application of Resources to Bids</b>	<b>2008/09</b>	<b>2009/10</b>	<b>2010/11</b>	<b>Total</b>
	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Brought-forward resources (surplus)/deficit</b>		<b>(37)</b>	<b>2,587</b>	
<b>B Total estimated resources</b>	<b>(18,204)</b>	<b>(8,004)</b>	<b>(17,779)</b>	<b>(43,987)</b>
<b>A Total proposed expenditure</b>	<b>18,167</b>	<b>10,628</b>	<b>12,107</b>	<b>40,902</b>
<b>In year (surplus)/deficit</b>	<b>(37)</b>	<b>2,624</b>	<b>(5,672)</b>	<b>(3,085)</b>
<b>Carry-forward resources (surplus)/deficit</b>	<b>(37)</b>	<b>2,587</b>	<b>(3,085)</b>	

Capital Bids For Corporate Resources Funding  
Financial Years: 2008/09 to 2010/11

Capital Investment Bids (For Corporate Resources)

				Corporate Resources Funding Bid				Total Capital Cost				Net Revenue Implications (postive cost; negative income or saving or both)				Corporate Resources as a Contribution of Capital Cost %	Recommendation (For Corporate Resources Funding)	ACCEPTED FIGURES (Recommended)			
Ref No.	Directorate	Business Unit	Capital Project Title	2008-09	2009-10	2010-11	Total	2008-09	2009-10	2010-11	Total	2008-09	2009-10	2010-11	Total			2008-09	2009-10	2010-11	Total
				£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%		£'000	£'000	£'000	£'000
1	Urban Environment	Streetscene	Replacement Wheeled Bins & Green Boxes	168	132	0	300	168	132		300	0	0	0	0	100%	Accept	168	132	0	300
2	Adults Culture & Community Service	Recreation Services	Markfield Park Redevelopment Project	450	0	0	450	1,244	1,011		2,255	0	50	0	50	20%	Accept	450	0	0	450
3	Urban Environment	HRA Housing Services (HRA)	Transferable Discount Scheme	750	800	850	2,400	750	800	850	2,400	18	18	18	55	100%	Part Accept - Seek alternative sources of funding	250	250	250	750
4	Urban Environment	HRA Housing Services (HRA)	Major Works Voids	400	0	0	400	400	0	0	400	(15)	(31)	(31)	(77)	100%	Accept	400			400
5	Urban Environment	Streetscene	Mechanical Lifting Equipment On Commingled Vehicles	31	0	0	31	31			31	0	0	0	0	100%	Accept	31	0	0	31
6	Urban Environment	Streetscene	Commingled Recycling Bring Sites	340	0	0	340	340			340	0	(70)	0	(70)	100%	Accept	340	0	0	340
7	Urban Environment	Streetscene	Estates Recycling Expansion	543	0	0	543	543			543	280	15	0	295	100%	Accept	543			543
8	Urban Environment	Streetscene	Street Lighting	3,000	3,000	3,000	9,000	3,000	3,000	3,000	9,000	0	0	0	0	100%	Part Accept	1,000	1,000	1,000	3,000
9	Adults Culture & Community Service	Recreation Services	Trees Planting Strategy	80	80	0	160	100	100		200	0	0	0	0	80%	Accept	80	80	0	160
10	Urban Environment	Enforcement	Thermal Efficiency	175	0	0	175	175			175				0	100%	Accept	175	0	0	175
11	Urban Environment	Enforcement	Compulsory Purchase Order (CPO) Programme	500	0	0	500	500			500	50	0	0	50	100%	Accept	500	0	0	500
12	Urban Environment	Streetscene	Fuel Management System	50	0	0	50	50			50	0	0	0	0	100%	Accept	50	0	0	50
13	Urban Environment	Streetscene	Parking Plan - CPZ	600	600	600	1,800	600	600	600	1,800	0	0	0	0	100%	Part Accept - Accept 50% for Parking Plan.	300	300	300	900
14	Adults Culture & Community Service	Recreation Services	Allotments Infrastructure Improvement Programme (AIIP)	150	150	150	450	150	150	150	450	0	0	0	0	100%	Reject - Seek alternative sources of funding or prudential borrowing				0
15	Adults Culture & Community Service	Recreation Services	Burial Village At Cemeteries	812	812	0	1,624	1,624	1,625		3,249	0	0	0	0	50%	Part Accept		400	400	800
16	Urban Environment	Streetscene	Upgrade Of Existing Parking Management System (Civica)	60	0	0	60	60			60	0	0	0	0	100%	Reject - To consider seeking Corporate IT funding source				0
17	Urban Environment	Streetscene	Steam Cleaning Ramps	39	0	0	39	39			39	0	0	0	0	100%	Reject - Seek alternative sources of funding				0
18	Urban Environment	Streetscene	Vehicle Workshop Ramps	120	0	0	120	120			120	0	0	0	0	100%	Reject - Seek alternative sources of funding				0
19	Urban Environment	Streetscene	Council Office Recycling	250	0	0	250	250			250	120	0	0	120	100%	Accept	250			250
20	Adults Culture & Community Service	Recreation Services	Noel Park Improvement Plan	250	0	0	250	391			391	0	25	0	25	64%	Accept	250	0	0	250
21	Urban Environment	Streetscene	Borough Roads And Footways	3,500	3,500	3,500	10,500	3,500	3,500	3,500	10,500	0	0	0	0	100%	Part Accept	1,700	1,700	1,700	5,100
22	Adults Culture & Community Service	Recreation Services	Tennis Court Refurbishment At Bruce Castle Park & Priory Park	220	0	0	220	364			364	(1)	0	0	(1)	60%	Reject - Seek alternative sources of funding				0
23	Urban Environment	HRA Housing Services (HRA)	Estate Improvement Programme	1,000	0	0	1,000	1,000	0	0	1,000	0	0	0	0	100%	Accept	400			400
24	Adults Culture & Community Service	Recreation Services	Downhills Park Community Interest Company (CIC)	90	0	0	90	340			340	(25)	(5)	(5)	(35)	26%	Accept	90	0	0	90

**Capital Bids For Corporate Resources Funding**  
**Financial Years: 2008/09 to 2010/11**

**Appendix H**

**Capital Investment Bids (For Corporate Resources)**

				Corporate Resources Funding Bid				Total Capital Cost				Net Revenue Implications (postive cost; negative income or saving or both)				Corporate Resources as a Contribution of Capital Cost %	Recommendation (For Corporate Resources Funding)	ACCEPTED FIGURES (Recommended)			
Ref No.	Directorate	Business Unit	Capital Project Title	2008-09	2009-10	2010-11	Total	2008-09	2009-10	2010-11	Total	2008-09	2009-10	2010-11	Total			2008-09	2009-10	2010-11	Total
				£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%		£'000	£'000	£'000	£'000
25	Urban Environment	Streetscene	Flood Relief Including Gullies And Gully Pots	1,500	1,500	1,500	4,500	1,500	1,500	1,500	4,500	0	0	0	0	100%	Part Accept	300	300	300	900
26	Adults Culture & Community Service	Recreation Services	Open Space Improvement Programme (OSIP)	500	500	500	1,500	500	500	500	1,500	(35)	0	0	(35)	100%	Part Accept	250	250	250	750
27	Urban Environment	Streetscene	Borough Wide Commingled Recycling Collection Service	405			405	405			405	163	0	0	163	100%	Accept	405	0	0	405
28	Adults Culture & Community Service	Recreation Services	Paignton Park Improvement Plan	70			70	234			234	0	25	0	25	30%	Accept	70			70
29	Adults Culture & Community Service	Recreation Services	Belmont Recreation Ground Play Area Improvement Plan	150			150	190			190	0	25	0	25	79%	Accept	150			150
30	Urban Environment	Economic Regeneration	English Heritage - Psica (Tottenham High Road, Tottenham Green And Bruce Grove)	100	100	100	300	220	220	220	660	0	0	0	0	45%	Accept	100	100	100	300
31	Urban Environment	Streetscene	Road Safety (Including Coleridge School)	400	250	250	900	400	250	250	900	0	0	0	0	100%	Part Accept	300	100	100	500
32	Adults Culture & Community Service	Recreation Services	Stationers Park Fort/ Innovative Play + Water Feature Overhaul	190			190	230			230	0	0	0	0	83%	Reject - Seek alternative sources of funding				0
33	Corporate Resources	Benefit & Local Taxation	E-Benefits	108	0	0	108	108			108	22	(156)	0	(134)	100%	Reject - To consider seeking Corporate IT funding source				0
34	Urban Environment	GF Housing Services (General Fund)	Private Sector Housing Activity - To Help Improve Private Sector Stock Condition Through Grant Activity	1,500			1,500	1,500			1,500	0	0	0	0	100%	Accept - Recommended reprofile of spend	500	500	500	1,500
35	Adults Culture & Community Service	Recreation Services	Strategic Renewals Of Leisure Centres (SRLC)	1,430	166	407	2,003	1,580	588	407	2,575	80	(80)	0	0	78%	Accept	1,430	166	407	2,003
36	Urban Environment	Streetscene	On-Line Representations	30			30	30			30				0	100%	Reject - To consider seeking Corporate IT funding source				0
37	Corporate Resources	Property	Provision Of Public Toilet Facilities In Libraries	115			115	115			115	0	0	0	0	100%	Accept	115	0	0	115
38	Corporate Resources	Property	Community Buildings Repairs & Maintenance	200	500	200	900	200	500	200	900	0	0	0	0	100%	Part Accept	100	100	100	300
39	Corporate Resources	Property	Improving The Environment Of Council Industrial Estates	100	50	50	200	100	50	50	200	0	0	0	0	100%	Reject - Please seek alternative sources of funding				0
40	Urban Environment	Economic Regeneration	English Heritage Myddleton Road Pscia Project	100	100	100	300	200	200	200	600	0	0	0	0	50%	Accept	100	100	100	300
41	Corporate Resources	Property	Green Agenda - Recycling, Energy Efficiency And Sustainability	50			50	50			50	0	0	0	0	100%	Accept	50	0	0	50
42	Adults Culture & Community Service	Adult Social Care	Aids & Adaptations in the Private Sector	500	500	500	1,500	1,100	1,100	1,100	3,300	0	0	0	0	45%	Accept	500	500	500	1,500
43	Urban Environment	Economic Regeneration	Single Business Account	100	100	100	300	100	100	100	300	100	100	100	300	100%	Reject - To consider seeking Corporate IT funding source				0
44	Adults Culture & Community Service	Adult Learning, Libraries & Culture	Libraries Interior Improvements	100	110	115	325	100	110	115	325	0	0	0	0	100%	Reject - Please seek alternative sources of funding				0
45	Urban Environment	Streetscene	Bury Road Car Park	450			450	450			450	0	0	0	0	100%	Reject - Please seek alternative sources of funding				0

Capital Bids For Corporate Resources Funding  
Financial Years: 2008/09 to 2010/11

Capital Investment Bids (For Corporate Resources)

				Corporate Resources Funding Bid				Total Capital Cost				Net Revenue Implications (postive cost; negative income or saving or both)				Corporate Resources as a Contribution of Capital Cost %	Recommendation (For Corporate Resources Funding)	ACCEPTED FIGURES (Recommended)			
Ref No.	Directorate	Business Unit	Capital Project Title	2008-09	2009-10	2010-11	Total	2008-09	2009-10	2010-11	Total	2008-09	2009-10	2010-11	Total			2008-09	2009-10	2010-11	Total
				£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	%		£'000	£'000	£'000	£'000
46	Urban Environment	GF Housing Services (General Fund)	Social Housing Grant - To Enable The Development Of A Wheelchair Accessible Bungalow	80			80	240			240	0	0	0	0	33%	Reject - Please seek alternative sources of funding				0
47	Urban Environment	Streetscene	Parking Lines & Signs	300			300	300			300	0	0	0	0	100%	Accept - Change profile of budget to 2010/11			300	300
48	Corporate Resources	IT	IT Capital Programme	4,352	2,700	2,400	9,452	4,352	2,700	2,400	9,452	0	0	0	0	100%	Part Accept - The part accepted figures match the indicatively agreed figures from 2007/08	2,300	1,500	1,000	4,800
49	Corporate Resources	Property	Repair & Maintenance Of Council Buildings	1,000	1,000	1,000	3,000	1,000	1,000	1,000	3,000	0	0	0	0	100%	Accept	1,000	1,000	1,000	3,000
50	Corporate Resources	Property	Energy Management - Systems And Control To Reduce Energy Usage In Buildings	75	75		150	75	75		150	0	0	0	0	100%	Reject - To seek funding from the Council Sustainable Infrastructure Fund (SIF)				0
51	Corporate Resources	Corporate Finance	Implementation Of Payment Kiosks	120			120	120			120	0	(125)	0	(125)	100%	Accept	120	0	0	120
52	Urban Environment	Streetscene	Authority Traffic Upgrade To Civica	150			150	150			150	0	0	0	0	100%	Reject - To consider seeking Corporate IT funding source				0
53	Corporate Resources	Property	Ashley Road Depot - Electrical & Drainage Infrastructure Refurbishments	50	600	250	900	50	600	250	900	0	0	0	0	100%	Accept	50	600	250	900
54	Children & Young People's Service	Business Support & Development	Campsbourne Primary Specialist Provision	130	0	0	130	130	0	0	130	0	0	0	0	100%	Reject - Use Schools Capital resources				0
55	Adults Culture & Community Service	Adult Learning, Libraries & Culture	Muswell Hill Library Improvement/ Refurbishment	600	600	0	1,200	600	600	0	1,200	0	0	0	0	100%	Part Accept	500	0	0	500
56	Urban Environment	HRA Housing Services (HRA)	Aids and adaptations - HRA Properties	650	150	150	950	2,100	1,600	1,600	5,300	0	0	0	0	18%	Accept	650	150	150	950
57	Urban Environment	HRA Housing Services (HRA)	Major works voids, conversions and extensions (Part 2)	600	200	200	1,000	600	200	200	1,000	0	0	0	0	100%	Accept	600	200	200	1,000
58	Urban Environment	HRA Housing Services (HRA)	Estate remodelling and other communal works & improvements complementing and adding to the Decent Homes Programme	1,600	1,200	1,200	4,000	1,600	1,200	1,200	4,000	0	0	0	0	100%	Accept	1,600	1,200	1,200	4,000
59	Children & Young People's Service	Business Support & Development	Contribution To The Building Schools For The Future (BSF) Programme / Land Purchase For Heartlands School	0	0	2,000	2,000	0	0	2,080	2,080	0	0	0	0	96%	Accept			2,000	2,000

Total Capital Investment Bids	31,383	19,475	19,122	69,980	36,368	24,011	21,472	81,851	757	-209	82	631						18,167	10,628	12,107	40,902
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Total Accepted Capital Bids	18,167	10,628	12,107	40,902
Total Rejected Capital Bids	11,516	9,347	8,215	29,078
Total Capital Investment Bids	29,683	19,975	20,322	69,980

Capital item	8/9	9/10	10/11	Total
	£000	£000	£000	
1. SAP Strategy	£1,350	£1,000	£1,000	
2. e-payments strategy	£100			
3. Support for mobile working	£350	£100	£100	
4. Additional funding Support for e-care Phase 2	£152			
5. Development and evolution of external and internal websites	£150	£150	£250	
6. Graphical representation of service and demographic information.	£100			
7. Planning and testing of the Corporate Applications platform	£100	£100		
8. SAN Replacement (Storage Area Network)		£400		
9. IP Telephony Deployment	£1,000			
10. Extranet Maintenance	£100			
11. Desktop Maintenance	£500	£500	£500	
12. Server Maintenance	£100	£100	£100	
13. Network security enhancements			£100	
14. Programme Management	£350	£350	£350	
<b>Total cost of items requested</b>	<b>£4,352</b>	<b>£2,700</b>	<b>£2,400</b>	<b>£9,452</b>
<b>Indicative Budget allocated by Cabinet 18.9.07 and now being proposed by Cabinet 2008/9 Submissions</b>	<b>£2,300</b>	<b>£1,500</b>	<b>£1,000</b>	<b>£4,800</b>
1. Upgrade of the existing Parking Management system (TMA)	£60			
2. Additional funding for Parking system replacement	£150			
3. e-benefits solution	£108			
4. Online representations	£30			
5. Single business account	£100	£100	£100	
<b>Total</b>	<b>£448</b>	<b>£100</b>	<b>£100</b>	<b>£648</b>

In September 2007, the Cabinet approved the funding amount for 2007/8 of £2.3m for allocation to primarily business projects that required IT systems to be upgraded or introduced at that time. The budgeting exercise however identified a future 3 year demand for systems of £9.45m, far in excess of the proposed £4.8m over the same period. The report presented at that meeting highlighted the issue of higher demand and stated that a prioritisation process would be used to manage future years and ensure that best value could be achieved from the allocated amounts.

The table shows that in some cases the outline business case is well defined with a reasonable rate of return. In others, the full benefits will not be known until project resources are assigned to perform a more detailed study. Due to the timetable for approval (sept 2007), many of the projects planned have not yet started and therefore the justifications have not been fully developed. In any case a much more detailed business case will be required prior to investment being agreed.

The current expectation is that each project will need to prove at least one of the benefits below:-

- a. Payback within 5 years
- b. Show that cost avoidance will result from the investment
- c. The council will be placed at risk if investment is not made
- d. Measurable service improvement will result from the project.

During this years budget process a further £648k of projects have been identified giving a total of £10.1m of bids over the 3 years. The proposals before Members is to allocate £4.8m leaving a gap of £5.3m. The prioritisation process will need to address this gap.

Director of Corporate Resources

## London Borough of Haringey

### Capital resource allocation policy

Following the introduction of the prudential regime in April 2004, councils have had greater flexibility regarding capital expenditure. The removal of controls on the levels of borrowing was helpful in terms of flexibility and local autonomy, but that the key determinant is the affordability, which is still effectively controlled by government. Allocations of revenue support for capital expenditure are still be made by individual government departments.

In the light of this strategic context, a resource allocation policy was adopted by Executive on 21 October 2003 and an updated version is set out here for approval:

- *that the framework for determining the Council's priorities, and therefore resource allocation, will remain the Community Strategy, given effect in the Council Plan via the business planning process;*
- *that housing and education will be allocated their (revenue support derived) borrowing limits and ring-fenced grants;*
- *that other services are allocated their ring-fenced grants;*
- *that all other (revenue support derived) borrowing limits and grants are allocated through the business planning process and the capital programme appraisal framework;*
- *that increases in revenue formula grant for supported borrowing are earmarked to fund the actual costs of this in the revenue budget;*
- *that PFI is retained as an option for delivering capital investment;*
- *that unsupported (prudential) borrowing should be considered for 'invest to save' proposals, or where the revenue borrowing are proven to be contained within existing budgets;*
- *that capital receipts are managed corporately and applied in accordance with the business planning process;*
- *that best consideration will be sought for all disposals, except in the case of agreed discounting to social housing providers;*
- *that the spending power derived from capital receipts is maximised through the use of the offsetting provisions for pooled (non-right to buy) housing receipts.*

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Draft Summary Capital Programme 2008/09 to 2010/11				
	Proposed Budget 2008/09 £'000	Indicative Budget 2009/10 £'000	Indicative Budget 2010/11 £'000	Total £'000
<b>Draft Expenditure Budget</b>				
<b>Urban Environment (including Housing General Fund)</b>	<b>14,870</b>	<b>10,372</b>	<b>10,400</b>	<b>35,642</b>
<b>Adults, Culture and Community Services</b>	<b>7,087</b>	<b>4,951</b>	<b>2,427</b>	<b>14,465</b>
<b>Corporate Resources</b>	<b>5,500</b>	<b>7,825</b>	<b>2,350</b>	<b>15,675</b>
<b>Children &amp; Young People</b>	<b>60,845</b>	<b>82,822</b>	<b>56,520</b>	<b>200,187</b>
<b>Housing Services (HRA)</b>	<b>58,093</b>	<b>81,351</b>	<b>81,797</b>	<b>221,241</b>
<b>Total Capital Programme</b>	<b>146,395</b>	<b>187,321</b>	<b>153,494</b>	<b>487,210</b>
<b>Draft Capital Financing</b>				
1 Capital grants from central government departments (inc SCE(C))	56,893	75,615	48,494	181,002
2 Grants and contribution from private developers & leaseholders	115	1,074	0	1,189
3 Grants & contributions from non-departmental public bodies	325	0	0	325
Capital grants from the National Lottery	1,409	1,591	0	3,000
4 Capital funding from GLA bodies	5,337	6,000	6,000	17,337
5 Use of capital receipts	18,167	10,628	12,107	40,902
Capital expenditure financed by the Major Repairs Reserve (MRR) - Govt Grant	11,855	11,581	11,813	35,249
Capital expenditure financed from the General Fund Revenue Account	500	500	500	1,500
6 SCE (R) Single capital pot	12,712	10,888	12,629	36,229
7 SCE (R) Separate Programme Element	36,105	61,737	61,951	159,793
Other borrowing & credit arrangements not supported by central government	962	1,234	0	2,196
Financing From Reserves	1,765	4,625	0	6,390
Capital Grants Unapplied from central government departments (inc SCE (C))	250	1,848	0	2,098
<b>Total Capital Financing</b>	<b>146,395</b>	<b>187,321</b>	<b>153,494</b>	<b>487,210</b>
<b>Notes</b>				
1 Include capital expenditure financed by capital grants from all central government departments (including BSF). Exclude capital expenditure financed by Major Repairs Reserve (MRR).				
2 Include contributions from private developers. Include leaseholders contributions made specifically towards the cost of capital works on the premises of which the leaseholder's property forms part.				
3 Include capital grants from all non-departmental public bodies such as the Sports Council, English Heritage, Arts Council, Museums and Galleries Commission and the Countryside Agency.				
4 Include capital funding from the Greater London Authority (GLA), including capital funding from its four functional bodies i.e. TFL, London Development Agency, Metropolitan Police Authority and London Fire and Emergency Planning Authority.				
5 Include all capital expenditure financed by applying capital receipts. Exclude capital receipts applied to make payments to the Secretary of State under sections 11 (2) (b) and 11 (3) of the Local Government Act 2003.				
6 SCE(R) Single Capital Pot - include capital expenditure financed by borrowing and other credit that will attract central government support through RSG or HRA subsidy i.e. Supported Capital Expenditure (Revenue) - SCE(R) Single Capital Pot.				
7 SCE(R) Separate Programme Element Include capital expenditure financed by borrowing and other credit that will attract central government support through RSG or HRA subsidy i.e. Supported Capital Expenditure (Revenue) - SCE(R) Separate Programme Element. For e.g. BSF / Decent Homes				

Draft Capital Programme 2008/09 to 2010/11		Total Planned Expenditure (3 years)					
Ref. No.	Name of Capital Scheme	Total Estimated Projected Spend Up To 31.3.08 (where stated) £'000	Proposed Original Budget 2008/09 £'000	Indicative Original Budget 2009/10 £'000	Indicative Original Budget 2010/11 £'000	Total £'000	Total Including Pre 2008/09 Spend (where stated) £'000
	<b>Urban Environment</b>						
1	Principal Road Renewal		400	0	0	400	
2	Bridge Assessment & Strengthening		995	0	0	995	
3	Local Safety Schemes		545	0	0	545	
4	20mph Zones		180	0	0	180	
5	Walking		135	0	0	135	
6	Cycling Non LCN+		130	0	0	130	
7	Cycling LCN+		802	0	0	802	
8	Bus Stop Accessibility		208	0	0	208	
9	Bus Priority		205	0	0	205	
10	Town Centres		1,000	0	0	1,000	
11	School Travel Plans		612	0	0	612	
12	Travel Awareness		30	0	0	30	
13	Environment		55	0	0	55	
14	Local Area Accessibility		40	0	0	40	
15	Local Implementation Plan (LIP) submission*		0	6,000	6,000	12,000	
16	Replacement Wheeled Bins & Green Boxes		168	132	0	300	
17	Mechanical Lifting Equipment On Commingled Vehicles		31	0	0	31	
18	Commingled Recycling Bring Sites		340	0	0	340	
19	Estates Recycling Expansion		543	0	0	543	
20	Street Lighting		1,000	1,000	1,000	3,000	
21	Thermal Efficiency		175	0	0	175	
22	Compulsory Purchase Order (CPO) Programme		500	0	0	500	
23	Fuel Management System		50	0	0	50	
24	Parking Plan - CPZ		300	300	300	900	
25	Council Office Recycling		250	0	0	250	
26	Borough Roads And Footways		1,700	1,700	1,700	5,100	
27	Flood Relief Including Gullies And Gully Pots		300	300	300	900	
28	Borough Wide Commingled Recycling Collection Service		405	0	0	405	
29	English Heritage - Psica (Tottenham High Road, Tottenham Green And Bruce Grove)		100	100	100	300	
30	Road Safety (Including Coleridge School)		300	100	100	500	
31	Private Sector Housing Activity - To Help Improve Private Sector Stock Condition Through Grant Activity		500	500	500	1,500	
32	English Heritage Myddleton Road PSCIA Project		100	100	100	300	
33	Parking Lines & Signs		0	0	300	300	
34	Section 106 - Bounds Green Middlesex University Site		115	0	0	115	
35	Bruce Grove Core Centre		250	140	0	390	
36	New Deal for Communities		2,406	0	0	2,406	
	<b>Total Urban Environment</b>	<b>0</b>	<b>14,870</b>	<b>10,372</b>	<b>10,400</b>	<b>35,642</b>	<b>0</b>

Draft Capital Programme 2008/09 to 2010/11		Total Planned Expenditure (3 years)					
Ref. No.	Name of Capital Scheme	Total Estimated Projected Spend Up To 31.3.08 (where stated) £'000	Proposed Original Budget 2008/09 £'000	Indicative Original Budget 2009/10 £'000	Indicative Original Budget 2010/11 £'000	Total £'000	Total Including Pre 2008/09 Spend (where stated) £'000
<b>Adults, Culture and Community Services</b>							
37	Markfield Park Redevelopment Project		1,244	1,011	0	2,255	
38	Trees Planting Strategy		80	80	0	160	
39	Burial Village At Cemeteries		812	1,212	400	2,424	
40	Noel Park Improvement Plan		250	0	0	250	
41	Downhills Park Community Interest Company (CIC)		340	0	0	340	
42	Open Space Improvement Programme (OSIP)		250	250	250	750	
43	Paignton Park Improvement Plan		70	0	0	70	
44	Belmont Recreation Ground Play Area Improvement Plan		150	0	0	150	
45	Strategic Renewals Of Leisure Centres (SRLC)		1,580	588	407	2,575	
46	Aids & Adaptations in the Private Sector*		1,100	1,100	1,100	3,300	
47	Development of social care infrastructure to meet government requirements for information technology		271	270	270	811	
48	Muswell Hill Library Improvement/ Refurbishment		500	0	0	500	
49	Coombes Croft Library		440	440	0	880	
<b>Total Adults, Culture and Community Services</b>		<b>0</b>	<b>7,087</b>	<b>4,951</b>	<b>2,427</b>	<b>14,465</b>	<b>0</b>
<b>Corporate Resources</b>							
50	Accommodation Strategy Capital Programme		1,765	4,625	0	6,390	
51	Provision Of Public Toilet Facilities In Libraries		115	0	0	115	
52	Community Buildings Repairs & Maintenance		100	100	100	300	
53	Green Agenda - Recycling, Energy Efficiency And Sustainability		50	0	0	50	
54	IT Capital Programme		2,300	1,500	1,000	4,800	
55	Repair & Maintenance Of Council Buildings		1,000	1,000	1,000	3,000	
56	Implementation Of Payment Kiosks		120	0	0	120	
57	Ashley Road Depot - Electrical & Drainage Infrastructure Refurbishments		50	600	250	900	
<b>Total Corporate Resources</b>		<b>0</b>	<b>5,500</b>	<b>7,825</b>	<b>2,350</b>	<b>15,675</b>	<b>0</b>

## Total Draft Capital Programme 2008/09 to 2010/11

## Appendix J

Draft Capital Programme 2008/09 to 2010/11		Total Planned Expenditure (3 years)					
Ref. No.	Name of Capital Scheme	Total Estimated Projected Spend Up To 31.3.08 (where stated) £'000	Proposed Original Budget 2008/09 £'000	Indicative Original Budget 2009/10 £'000	Indicative Original Budget 2010/11 £'000	Total £'000	Total Including Pre 2008/09 Spend (where stated) £'000
<b>Children &amp; Young People</b>							
58	Winter Contingency		0	400	400	800	
59	Professional Fees		350	450	450	1,250	
60	Planned M & E Replacement		100	330	200	630	
61	Modernisation: Primary		61	159	100	320	
62	Access Initiative		59	659	408	1,126	
63	Coldfall Primary: Expansion	5,366	131	3	0	134	5,500
64	Tetherdown Primary: Expansion	5,413	1,287	22	0	1,309	6,722
65	Rokesly Infant: Expansion Ph III		20	20	0	40	
66	PSU Coppetts & Commerce Road		50	50	20	120	
67	Coleridge Primary School: Expansion	3,536	3,518	468	14	4,000	7,536
68	Primary Capital Programme		0	4,790	7,168	11,958	
69	Programme Contingency		137	1,260	900	2,297	
70	Extended Schools		487	516	267	1,270	
71	Children's Centres Ph III (Sure Start)		357	736	457	1,550	
72	Targeted Capital Fund (TCF): Broadwater Farm ILC		250	4,686	6,187	11,123	
73	Harnessing Technology Grant		701	796	876	2,373	
74	Devolved Capital (*estimated figure in 2010/11)		3,113	3,063	3,063	9,239	
75	Kitchen H&S		50	110	0	160	
76	Crowland re-instatement DDA Works		180	0	0	180	
77	Youth Capital Fund		160	160	160	480	
78	Mobile Technology for Social Workers		74	0	0	74	
79	Targeted Capital Fund (TCF): Federations		10	0	0	10	
80	Building Schools for the Future (BSF)	54,421	47,871	62,801	34,507	145,179	199,600
81	Early Years - Quality & Access		1,343	1,343	1,343	4,029	
82	Schools - Other ICT		536	0	0	536	
<b>Total Children &amp; Young People</b>		<b>68,736</b>	<b>60,845</b>	<b>82,822</b>	<b>56,520</b>	<b>200,187</b>	<b>219,358</b>

Draft Capital Programme 2008/09 to 2010/11		Total Planned Expenditure (3 years)					
Ref. No.	Name of Capital Scheme	Total Estimated Projected Spend Up To 31.3.08 (where stated) £'000	Proposed Original Budget 2008/09 £'000	Indicative Original Budget 2009/10 £'000	Indicative Original Budget 2010/11 £'000	Total £'000	Total Including Pre 2008/09 Spend (where stated) £'000
	<b>Housing Services (HRA)</b>						
83	Transferable Discount Scheme		250	250	250	750	
84	Major Works Voids		1,400	1,000	1,000	3,400	
85	Major Works Voids, Conversions & Extensions (Part 2)		600	200	200	1,000	
86	Estate remodelling and other communal works & improvements complementing and adding to the Decent Homes Programme		1,600	1,200	1,200	4,000	
87	Decent Homes Works*		36,105	61,737	61,951	159,793	
88	Capitalised Repairs		4,363	4,363	4,363	13,089	
89	Cash Incentives Scheme		250	250	250	750	
90	Professional Fees		1,177	1,206	1,236	3,619	
91	Aids & Adaptations		2,100	1,600	1,600	5,300	
92	Boiler Replacement		1,664	1,500	1,350	4,514	
93	Estate Improvement Programme		737	120	120	977	
94	Essential Capital Works		200	200	200	600	
95	Structural works		604	600	600	1,804	
96	Mechanical and Electrical works		4,366	4,515	4,867	13,748	
97	Energy Conservation		110	110	110	330	
98	Planned Preventative Maintenance		2,567	2,500	2,500	7,567	
	<b>Total Homes for Haringey Ltd</b>	<b>0</b>	<b>58,093</b>	<b>81,351</b>	<b>81,797</b>	<b>221,241</b>	<b>0</b>
	<b>Total Capital Programme</b>	<b>68,736</b>	<b>146,395</b>	<b>187,321</b>	<b>153,494</b>	<b>487,210</b>	<b>219,358</b>
	Schemes marked (*) are estimates. Funding TBC						

Draft Capital Programme 2008/09 to 2010/11		Total Funding Source (3 years)											
Ref. No.	Name of Capital Scheme	Capital Grants £'000	Capital Funding From GLA Bodies £'000	Use Of Capital Receipts £'000	Financing From HRA £'000	Financing From Major Repairs Reserve (MRR) £'000	Financing From General Fund Revenue Account £'000	SCE (R) Single Capital Pot £'000	SCE (R) Separate Programme Element £'000	Other Borrowing & Credit Arrangements Not Supported By Central Government £'000	Financing From Reserves £'000	Capital Grants Unapplied from central government departments (inc SCE (C)) £'000	Total £'000
	<b>Urban Environment</b>												
1	Principal Road Renewal	0	400	0	0	0	0	0	0	0	0	0	400
2	Bridge Assessment & Strengthening	0	995	0	0	0	0	0	0	0	0	0	995
3	Local Safety Schemes	0	545	0	0	0	0	0	0	0	0	0	545
4	20mph Zones	0	180	0	0	0	0	0	0	0	0	0	180
5	Walking	0	135	0	0	0	0	0	0	0	0	0	135
6	Cycling Non LCN+	0	130	0	0	0	0	0	0	0	0	0	130
7	Cycling LCN+	0	802	0	0	0	0	0	0	0	0	0	802
8	Bus Stop Accessibility	0	208	0	0	0	0	0	0	0	0	0	208
9	Bus Priority	0	205	0	0	0	0	0	0	0	0	0	205
10	Town Centres	0	1,000	0	0	0	0	0	0	0	0	0	1,000
11	School Travel Plans	0	612	0	0	0	0	0	0	0	0	0	612
12	Travel Awareness	0	30	0	0	0	0	0	0	0	0	0	30
13	Environment	0	55	0	0	0	0	0	0	0	0	0	55
14	Local Area Accessibility	0	40	0	0	0	0	0	0	0	0	0	40
15	Local Implementation Plan (LIP) submission*	0	12,000	0	0	0	0	0	0	0	0	0	12,000
16	Replacement Wheeled Bins & Green Boxes	0	0	300	0	0	0	0	0	0	0	0	300
17	Mechanical Lifting Equipment On Commingled Vehicles	0	0	31	0	0	0	0	0	0	0	0	31
18	Commingled Recycling Bring Sites	0	0	340	0	0	0	0	0	0	0	0	340
19	Estates Recycling Expansion	0	0	543	0	0	0	0	0	0	0	0	543
20	Street Lighting	0	0	3,000	0	0	0	0	0	0	0	0	3,000
21	Thermal Efficiency	0	0	175	0	0	0	0	0	0	0	0	175
22	Compulsory Purchase Order (CPO) Programme	0	0	500	0	0	0	0	0	0	0	0	500
23	Fuel Management System	0	0	50	0	0	0	0	0	0	0	0	50
24	Parking Plan - CPZ	0	0	900	0	0	0	0	0	0	0	0	900
25	Council Office Recycling	0	0	250	0	0	0	0	0	0	0	0	250
26	Borough Roads And Footways	0	0	5,100	0	0	0	0	0	0	0	0	5,100
27	Flood Relief Including Gullies And Gully Pots	0	0	900	0	0	0	0	0	0	0	0	900
28	Borough Wide Commingled Recycling Collection Service	0	0	405	0	0	0	0	0	0	0	0	405
29	English Heritage - Psica (Tottenham High Road, Tottenham Green And Bruce Grove)	0	0	300	0	0	0	0	0	0	0	0	300
30	Road Safety (Including Coleridge School)	0	0	500	0	0	0	0	0	0	0	0	500
31	Private Sector Housing Activity - To Help Improve Private Sector Stock Condition Through Grant Activity	0	0	1,500	0	0	0	0	0	0	0	0	1,500
32	English Heritage Myddleton Road PSCIA Project	0	0	300	0	0	0	0	0	0	0	0	300
33	Parking Lines & Signs	0	0	300	0	0	0	0	0	0	0	0	300
34	Section 106 - Bounds Green Middlesex University Site	115	0	0	0	0	0	0	0	0	0	0	115
35	Bruce Grove Core Centre	390	0	0	0	0	0	0	0	0	0	0	390
36	New Deal for Communities	2,406	0	0	0	0	0	0	0	0	0	0	2,406
	<b>Total Urban Environment</b>	<b>2,911</b>	<b>17,337</b>	<b>15,394</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>35,642</b>

Draft Capital Programme 2008/09 to 2010/11		Total Funding Source (3 years)											
Ref. No.	Name of Capital Scheme	Capital Grants £'000	Capital Funding From GLA Bodies £'000	Use Of Capital Receipts £'000	Financing From HRA £'000	Financing From Major Repairs Reserve (MRR) £'000	Financing From General Fund Revenue Account £'000	SCE (R) Single Capital Pot £'000	SCE (R) Separate Programme Element £'000	Other Borrowing & Credit Arrangements Not Supported By Central Government £'000	Financing From Reserves £'000	Capital Grants Unapplied from central government departments (inc SCE (C)) £'000	Total £'000
<b>Adults, Culture and Community Services</b>													
37	Markfield Park Redevelopment Project	1,805	0	450	0	0	0	0	0	0	0	0	2,255
38	Trees Planting Strategy	0	0	160	0	0	0	0	0	0	0	0	160
39	Burial Village At Cemeteries	0	0	800	0	0	0	0	0	1,624	0	0	2,424
40	Noel Park Improvement Plan	0	0	250	0	0	0	0	0	0	0	0	250
41	Downhills Park Community Interest Company (CIC)	250	0	90	0	0	0	0	0	0	0	0	340
42	Open Space Improvement Programme (OSIP)	0	0	750	0	0	0	0	0	0	0	0	750
43	Paignton Park Improvement Plan	0	0	70	0	0	0	0	0	0	0	0	70
44	Belmont Recreation Ground Play Area Improvement Plan	0	0	150	0	0	0	0	0	0	0	0	150
45	Strategic Renewals Of Leisure Centres (SRLC)	0	0	2,003	0	0	0	0	0	572	0	0	2,575
46	Aids & Adaptations in the Private Sector*	1,800	0	1,500	0	0	0	0	0	0	0	0	3,300
47	Development of social care infrastructure to meet government requirements for information technology	811	0	0	0	0	0	0	0	0	0	0	811
48	Muswell Hill Library Improvement/ Refurbishment	0	0	500	0	0	0	0	0	0	0	0	500
49	Coombes Croft Library	880	0	0	0	0	0	0	0	0	0	0	880
<b>Total Adults, Culture and Community Services</b>		<b>5,546</b>	<b>0</b>	<b>6,723</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,196</b>	<b>0</b>	<b>0</b>	<b>14,465</b>
<b>Corporate Resources</b>													
50	Accommodation Strategy Capital Programme	0	0	0	0	0	0	0	0	0	6,390	0	6,390
51	Provision Of Public Toilet Facilities In Libraries	0	0	115	0	0	0	0	0	0	0	0	115
52	Community Buildings Repairs & Maintenance	0	0	300	0	0	0	0	0	0	0	0	300
53	Green Agenda - Recycling, Energy Efficiency And Sustainability	0	0	50	0	0	0	0	0	0	0	0	50
54	IT Capital Programme	0	0	4,800	0	0	0	0	0	0	0	0	4,800
55	Repair & Maintenance Of Council Buildings	0	0	3,000	0	0	0	0	0	0	0	0	3,000
56	Implementation Of Payment Kiosks	0	0	120	0	0	0	0	0	0	0	0	120
57	Ashley Road Depot - Electrical & Drainage Infrastructure Refurbishments	0	0	900	0	0	0	0	0	0	0	0	900
<b>Total Corporate Resources</b>		<b>0</b>	<b>0</b>	<b>9,285</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>6,390</b>	<b>0</b>	<b>15,675</b>

Draft Capital Programme 2008/09 to 2010/11		Total Funding Source (3 years)											
Ref. No.	Name of Capital Scheme	Capital Grants £'000	Capital Funding From GLA Bodies £'000	Use Of Capital Receipts £'000	Financing From HRA £'000	Financing From Major Repairs Reserve (MRR) £'000	Financing From General Fund Revenue Account £'000	SCE (R) Single Capital Pot £'000	SCE (R) Separate Programme Element £'000	Other Borrowing & Credit Arrangements Not Supported By Central Government £'000	Financing From Reserves £'000	Capital Grants Unapplied from central government departments (inc SCE (C)) £'000	Total £'000
<b>Children &amp; Young People</b>													
58	Winter Contingency	740	0	0	0	0	0	60	0	0	0	0	800
59	Professional Fees	641	0	0	0	0	0	609	0	0	0	0	1,250
60	Planned M & E Replacement	490	0	0	0	0	0	140	0	0	0	0	630
61	Modernisation: Primary	259	0	0	0	0	0	61	0	0	0	0	320
62	Access Initiative	0	0	0	0	0	0	1,126	0	0	0	0	1,126
63	Coldfall Primary: Expansion	0	0	0	0	0	0	134	0	0	0	0	134
64	Tetherdown Primary: Expansion	0	0	0	0	0	0	1,309	0	0	0	0	1,309
65	Rokesly Infant: Expansion Ph III	0	0	0	0	0	0	40	0	0	0	0	40
66	PSU Coppetts & Commerce Road	20	0	0	0	0	0	100	0	0	0	0	120
67	Coleridge Primary School: Expansion	14	0	0	0	0	0	3,986	0	0	0	0	4,000
68	Primary Capital Programme	11,958	0	0	0	0	0	0	0	0	0	0	11,958
69	Programme Contingency	750	0	0	0	0	0	1,547	0	0	0	0	2,297
70	Extended Schools	1,270	0	0	0	0	0	0	0	0	0	0	1,270
71	Children's Centres Ph III (Sure Start)	1,550	0	0	0	0	0	0	0	0	0	0	1,550
72	Targeted Capital Fund (TCF): Broadwater Farm ILC	1,483	0	0	0	0	0	7,542	0	0	0	2,098	11,123
73	Harnessing Technology Grant	2,373	0	0	0	0	0	0	0	0	0	0	2,373
74	Devolved Capital (*estimated figure in 2010/11)	9,239	0	0	0	0	0	0	0	0	0	0	9,239
75	Kitchen H&S	0	0	0	0	0	0	160	0	0	0	0	160
76	Crowland re-instatement DDA Works	0	0	0	0	0	0	180	0	0	0	0	180
77	Youth Capital Fund	480	0	0	0	0	0	0	0	0	0	0	480
78	Mobile Technology for Social Workers	74	0	0	0	0	0	0	0	0	0	0	74
79	Targeted Capital Fund (TCF): Federations	10	0	0	0	0	0	0	0	0	0	0	10
80	Building Schools for the Future (BSF)	141,679	0	2,000	0	0	1,500	0	0	0	0	0	145,179
81	Early Years - Quality & Access	4,029	0	0	0	0	0	0	0	0	0	0	4,029
82	Schools - Other ICT	0	0	0	0	0	0	536	0	0	0	0	536
<b>Total Children &amp; Young People</b>		<b>177,059</b>	<b>0</b>	<b>2,000</b>	<b>0</b>	<b>0</b>	<b>1,500</b>	<b>17,530</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>2,098</b>	<b>200,187</b>



Draft Capital Programme 2008/09 to 2010/11		Total Funding Source (3 years)											
Ref. No.	Name of Capital Scheme	Capital Grants £'000	Capital Funding From GLA Bodies £'000	Use Of Capital Receipts £'000	Financing From HRA £'000	Financing From Major Repairs Reserve (MRR) £'000	Financing From General Fund Revenue Account £'000	SCE (R) Single Capital Pot £'000	SCE (R) Separate Programme Element £'000	Other Borrowing & Credit Arrangements Not Supported By Central Government £'000	Financing From Reserves £'000	Capital Grants Unapplied from central government departments (inc SCE (C)) £'000	Total £'000
	<b>Housing Services (HRA)</b>												
83	Transferable Discount Scheme	0	0	750	0	0	0	0	0	0	0	0	750
84	Major Works Voids	0	0	400	0	3,000	0	0	0	0	0	0	3,400
85	Major Works Voids, Conversions & Extensions (Part 2)	0	0	1,000	0	0	0	0	0	0	0	0	1,000
86	Estate remodelling and other communal works & improvements complementing and adding to the Decent Homes Programme	0	0	4,000	0	0	0	0	0	0	0	0	4,000
87	Decent Homes Works*	0	0	0	0	0	0	0	159,793	0	0	0	159,793
88	Capitalised Repairs	0	0	0	0	0	0	13,089	0	0	0	0	13,089
89	Cash Incentives Scheme	0	0	0	0	750	0	0	0	0	0	0	750
90	Professional Fees	0	0	0	0	3,619	0	0	0	0	0	0	3,619
91	Aids & Adaptations	0	0	950	0	4,350	0	0	0	0	0	0	5,300
92	Boiler Replacement	0	0	0	0	4,514	0	0	0	0	0	0	4,514
93	Estate Improvement Programme	0	0	400	0	577	0	0	0	0	0	0	977
94	Essential Capital Works	0	0	0	0	600	0	0	0	0	0	0	600
95	Structural works	0	0	0	0	1,804	0	0	0	0	0	0	1,804
96	Mechanical and Electrical works	0	0	0	0	8,138	0	5,610	0	0	0	0	13,748
97	Energy Conservation	0	0	0	0	330	0	0	0	0	0	0	330
98	Planned Preventative Maintenance	0	0	0	0	7,567	0	0	0	0	0	0	7,567
	<b>Total Homes for Haringey Ltd</b>	<b>0</b>	<b>0</b>	<b>7,500</b>	<b>0</b>	<b>35,249</b>	<b>0</b>	<b>18,699</b>	<b>159,793</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>221,241</b>
	<b>Total Capital Programme</b>	<b>185,516</b>	<b>17,337</b>	<b>40,902</b>	<b>0</b>	<b>35,249</b>	<b>1,500</b>	<b>36,229</b>	<b>159,793</b>	<b>2,196</b>	<b>6,390</b>	<b>2,098</b>	<b>487,210</b>
	Schemes marked (*) are estimates. Funding TBC												

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## TREASURY MANAGEMENT STATEMENT

### 1. Introduction

- 1.1 The Local Government Act 2003 and supporting regulations requires the Council to 'have regard to the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.
- 1.2 The Act therefore requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy (as required by Investment Guidance issued subsequent to the Act); this details the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.
- 1.3 The suggested strategy for 2008/09 in respect of the following aspects of the treasury management function is based upon the Council's Treasury officers' views on interest rates, supplemented with leading market forecasts provided by the Council's external treasury advisor. This strategy covers:
- treasury limits for 2008/09 to 2010/11, which will limit the treasury risk and activities of the Council;
  - prudential indicators;
  - the current treasury position and borrowing requirement;
  - prospects for interest rates;
  - the borrowing strategy;
  - the extent of debt rescheduling opportunities;
  - the annual investment strategy including the treasury management policy.
- 1.4 It is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the Council to produce a balanced budget. In particular, Section 32 requires a local authority to calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This, therefore, means that increases in capital expenditure must be limited to a level whereby increases in charges to revenue from: -
1. increases in interest charges caused by increased borrowing to finance additional capital expenditure, and
  2. any increases in running costs from new capital projects
- are limited to a level which is affordable within the projected income of the Council for the foreseeable future.

## 2. Treasury Limits for 2008/09 to 2010/11

- 2.1 It is a statutory duty under S.3 of the Local Government Act 2003 and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the "Affordable Borrowing Limit" (also referred to as "Authorised Limit").
- 2.2 The Council must have regard to the Prudential Code when setting the Authorised Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax and council rent levels is 'acceptable'.
- 2.3 Whilst termed an "Authorised Limit", the capital plans to be considered for inclusion incorporate financing by both external borrowing and other forms of liability, such as credit arrangements. The Authorised Limit is to be set, on a rolling basis, for the forthcoming financial year and two successive financial years.

## 3. Prudential Indicators for 2008/09 – 2010/11

- 3.1 The following prudential indicators are relevant for the purposes of setting an integrated treasury management strategy.
- 3.2 The Council is also required to indicate if it has adopted the CIPFA Code of Practice on Treasury Management. This was adopted in May 2002 by the Council.
- 3.3 The actual capital expenditure that was incurred in 2006/07 and the estimates of capital expenditure to be incurred for the current and future years that are recommended for approval are:

	Capital Expenditure					
	2006/07 Actual £'000	2007/08 Estimate £'000	2007/08 Revised Estimate £'000	2008/09 Estimate £'000	2009/10 Estimate £'000	2010/11 Estimate £'000
General Fund						
HRA	86,770	78,806	90,548	88,302	105,970	71,697
<b>Total</b>	<b>18,075</b>	<b>19,278</b>	<b>19,819</b>	<b>58,093</b>	<b>81,351</b>	<b>81,797</b>
	<b>104,845</b>	<b>98,084</b>	<b>110,367</b>	<b>146,395</b>	<b>187,321</b>	<b>153,494</b>
<b>Funded by</b>						
Credit approvals/supported borrowing	22,135	23,666	23,713	48,817	72,625	74,580
Unsupported borrowing	276	592	910	962	1,234	0
Capital receipts	12,377	10,216	14,121	18,167	10,628	12,107
Government grants	42,910	42,144	50,669	57,143	77,463	48,494
Major Repairs Allowance (MRA)	12,272	11,991	11,991	11,855	11,581	11,813
Revenue and other contributions	14,875	9,475	8,963	9,451	13,790	6,500

<b>Total</b>	<b>104,845</b>	<b>98,084</b>	<b>110,367</b>	<b>146,395</b>	<b>187,321</b>	<b>153,494</b>
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- 3.4 Estimates of the ratio of financing costs to net revenue stream for the current and future years and the actual figures for 2006/07 are:

	<b>Ratio of Financing Costs to Net Revenue Stream</b>					
	<b>2006/07 Actual £'000</b>	<b>2007/08 Estimate £'000</b>	<b>2007/08 Revised Estimate £'000</b>	<b>2008/09 Estimate £'000</b>	<b>2009/10 Estimate £'000</b>	<b>2010/11 Estimate £'000</b>
GF	6.48%	7.04%	6.19%	5.93%	5.77%	5.62%
HRA	26.13%	33.41%	33.45%	32.94%	34.48%	36.47%
Combined	5.08%	5.55%	4.87%	4.65%	4.52%	4.42%

The estimates of financing costs include current commitments and the proposals in this budget report and elsewhere on the agenda.

- 3.5 The actual capital financing requirement for 2006/07 and estimates of the capital financing requirement for the council for the current and future years are:

<b>Capital Financing Requirement</b>						
	<b>2006/07 Actual £'000</b>	<b>2007/08 Estimate £'000</b>	<b>2007/08 Revised Estimate £'000</b>	<b>2008/09 Estimate £'000</b>	<b>2009/10 Estimate £'000</b>	<b>2010/11 Estimate £'000</b>
GF	238,840	258,103	240,723	236,404	232,837	229,920
HRA	364,812	371,147	371,045	413,383	481,353	549,537
<b>Total</b>	<b>603,652</b>	<b>629,250</b>	<b>611,768</b>	<b>649,787</b>	<b>714,190</b>	<b>779,457</b>

- 3.6 The capital financing requirement (CFR) measures the authority's underlying need to borrow for a capital purpose. The Council has, at any point in time, a number of cash flows both positive and negative, and manages its treasury position in terms of its borrowings and investments in accordance with its approved treasury management strategy and practices.
- 3.7 The CFR is planned to increase significantly from 2008/09 onwards primarily because of the additional supported investment in respect of decent homes that will be funded by supported borrowing.
- 3.8 CIPFA's *Prudential Code for Capital Finance in Local Authorities* includes the following as a key indicator of prudence:

"In order to ensure that over the medium term net borrowing will only be for a capital purpose, the local authority should ensure that net external borrowing

does not, except in the short term, exceed the total of capital financing requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.”

- 3.9 The Council will meet this requirement. This view takes into account current commitments, existing plans, and the proposals in this budget report and elsewhere on the agenda. Borrowing is within the requirements of the capital programme.

	<b>Net borrowing and Capital Financing Requirement</b>				
	<b>2007/08 Estimate £'000</b>	<b>2007/08 Revised Estimate £'000</b>	<b>2008/09 Estimate £'000</b>	<b>2009/10 Estimate £'000</b>	<b>2010/11 Estimate £'000</b>
Gross borrowing	635,291	644,026	659,787	724,190	789,457
Investments	(30,000)	(60,000)	(60,000)	(60,000)	(60,000)
<b>Net Borrowing</b>	<b>605,291</b>	<b>584,026</b>	<b>599,787</b>	<b>664,190</b>	<b>729,457</b>
<b>Capital Financing Requirement</b>	<b>629,250</b>	<b>611,768</b>	<b>649,787</b>	<b>714,190</b>	<b>779,457</b>

- 3.10 The operational boundary is the Council's estimate of the most likely and prudent level of external debt needed to fund capital expenditure. The starting point is the actual gross debt as at 31 March 2007 and this is then adjusted for the element of the capital programme each year to be funded by external borrowing, an allowance for the possibility of needing to borrow temporarily on the last evening of the financial year, other long term liabilities and a small amount of headroom (contingency) to give the operational boundary. The authorised limit provides over and above the operational boundary for unusual cash movements. It would not be normal to exceed the operational boundary and if this was required then this would be reported to Cabinet and Council. We would similarly report any issues with keeping within the authorised limit for approval.
- 3.11 It is recommended that the Council approve the following operational and authorised limits for its total external debt for the next three financial years. These limits separately identify borrowing from other long-term liabilities such as leases. The operational boundary represents a key management tool for in year monitoring by the Chief Financial Officer. The operational boundary excludes the additional headroom included within the authorised limit to allow for example for unusual cash movements, and equates to the maximum of external debt projected by this estimate.
- 3.12 The Council is asked to approve the following limits and to delegate authority to the Chief Financial Officer, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and

other long term liabilities, in accordance with option appraisal and best value for money for the authority. Any such changes made will be reported to the Council at its next meeting following the change.

	<b>Operational Boundary for External Debt</b>		
	<b>2008/09 Estimate £'000</b>	<b>2009/10 Estimate £'000</b>	<b>2010/11 Estimate £'000</b>
Gross borrowing	659,787	724,190	789,457
Headroom	4,013	4,075	4,274
Other long term liabilities	7,200	6,735	6,269
<b>Total</b>	<b>671,000</b>	<b>735,000</b>	<b>800,000</b>

	<b>Authorised Limit for External Debt</b>		
	<b>2008/09 Estimate £'000</b>	<b>2009/10 Estimate £'000</b>	<b>2010/11 Estimate £'000</b>
Gross borrowing	659,787	724,190	789,457
Headroom	29,013	29,075	29,274
Other long term liabilities	7,200	6,735	6,269
<b>Total</b>	<b>696,000</b>	<b>760,000</b>	<b>825,000</b>

- 3.13 The proposed authorised and operational limits for external debt in 2008/09 to 2010/11 are consistent with the authority's current commitments, existing plans and the proposals in this budget report for capital expenditure and financing, and with its approved treasury management policy statement and practices. They are based on the estimate of the most likely forecast position, but with sufficient headroom over and above this to allow for operational cash flow management.
- 3.14 The Council's actual external debt at 31 March 2007 was £634 million. This is well below our operational boundary and authorised limits for external debt.
- 3.15 In taking its decisions on this budget report, the Council is asked to note that the authorised limit determined for 2008/09 (see paragraph 3.11 above) will be the statutory limit determined under Part 1 s.3 (1) of the Local Government Act 2003.
- 3.16 The Band D Council Tax that would result for the Council for 2008/09 from the totality of the capital and revenue plans recommended in this budget report and elsewhere on the agenda is £1,161.66.
- 3.17 Forward estimates for the Band D Council Tax for 2009/10 and 2010/11 are £1,196.51 and £1,232.41 respectively. These forward estimates are not fixed and do not commit the Council. They are based on the Council's

existing commitments, current plans and the totality of the approved capital and revenue plans.

- 3.18 With respect to the HRA, the average weekly rent that would result for 2008/09 from the totality of the capital and revenue plans is £79.52.
- 3.19 Forward estimates for housing rents for 2009/10 and 2010/11 are £83.50 and £87.67 respectively. Again, these forward estimates are not fixed and do not commit the Council. They are based on the Council's existing commitments, current plans and the totality of the approved capital and revenue plans.

### **Consideration of options for the capital programme**

- 3.20 In considering its programme for capital investment, the Council is required within the Prudential Code to have regard to:
- Affordability, e.g. implications for Council Tax;
  - Prudence and sustainability, e.g. implications for external borrowing;
  - Value for money, e.g. option appraisal;
  - Stewardship of assets, e.g. asset management planning;
  - Service objectives, e.g. strategic planning for the authority;
  - Practicality, e.g. achievability of the forward plan.
- 3.21 A key measure of affordability is the impact on the Council Tax, and the Council could consider different options for its capital investment programme in relation to their differential impact on the Council Tax. The Council considers future capital investment options through its business planning process including the pre-business plan reviews.

### **Treasury management**

- 3.22 It is recommended that the Council set upper limits on its fixed interest rate exposures as follows: 2008/09 £660 million, 2009/10 £725 million and 2010/11 £790 million.
- 3.23 It is recommended that the Council set upper limits on its variable interest rate exposures as follows; 2008/09 £66 million, 2009/10 £73 million and 2010/11 £79 million.
- 3.24 It is recommended that the Council set upper and lower limits for the maturity structure of its borrowings during 2008/09 as follows:  
Amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate at the start of the period.



	Upper limit	Lower limit
under 12 months	20%	0%
12 months and within 24 months	20%	0%
24 months and within 5 years	40%	0%
5 years and within 10 years	75%	0%
10 years and above	100%	0%

3.25 Following advice received from our external advisors, Sector, it is proposed to broaden our investment strategy (see section 8) to permit investing some sums for periods longer than 364 days.

3.26 The capital finance regulations contained in the Local Government Act 2003 do not deal with investments and this has been dealt with through guidance from the ODPM.

#### 4. The Current Treasury Position and Borrowing Requirement

4.1 The Council's treasury portfolio position at 31 March 2007 comprised:

		Principal sum	Average rate
<b>Debt</b>		<b>£m</b>	<b>%</b>
Fixed Rate Funding	PWLB	509.0	
	Market	125.0	
		<b>634.0</b>	
Other long term liabilities		6.3	
<b>Total Debt</b>		<b>640.3</b>	7.26%
<b>Total Investments</b>		<b>100.7</b>	5.44%
<b>Current net borrowing</b>		<b>539.6</b>	

4.2 The capital financing requirement (CFR) is planned to increase in 2008/09 by £38m as a consequence of the capital programme proposed.

4.3 CFR is planned to increase significantly from 2008/09 onwards primarily because of the anticipated additional supported investment in respect of **decent homes** – potentially up to £160m of capital investment in housing stock from 2008/09 to 2010/11. This will be financed by supported borrowing. Homes for Haringey have now successfully achieved the two star inspection, which was a pre-requisite for the release of decent homes funding. The bid for investment funding was £231m above existing funding streams and the DCLG are in dialogue with all local authorities about the timing and scale of the final approval. There is pressure from government to release the funding over a longer time than the current CSR period.

4.4 For **children's services**, the Building Schools for Future (BSF) programme (including the new 6<sup>th</sup> form centre) is the main scheme. A total of £199m is planned to be spent on BSF (made up of £179m of central government resources, £10m from the Learning Skills Council contributing towards the

cost of the new 6<sup>th</sup> form centre, a specific capital receipt and revenue contributions from the DSG).

- 4.5 In the Council's 2008/09 to 2010/11 budget plans the capital programme is mainly based on the amount of supported borrowing and grant from central government and a projection of potential capital receipts. However there is one new unsupported borrowing scheme and further phased spend on an existing prudential scheme with spend totalling £2.2m. These are in addition to the existing approval in relation to the investment in Leisure facilities and IT investment. In all cases the proposals need to meet the approved Council's policy on passing the affordability test where the cost of borrowing is being met by additional revenue income and or expenditure savings. Therefore there is no increase in council tax or housing rent to fund a higher level of spend above the level of resources available.
- 4.6 Council's estimated borrowing requirement in future years as set out in the prudential limits is as set out in the table below.

	2008/09	2009/10	2010/11
	£m	£m	£m
New borrowing	15.8	64.4	65.3
Alternative financing arrangements	0	0	0
Replacement borrowing	0	0	0
<b>Totals</b>	<b>15.8</b>	<b>64.4</b>	<b>65.3</b>

- 4.7 Although there is no scheduled replacement borrowing in the period as shown above, there are some LOBO option start date reviews on existing borrowing in 2008/09 to 2010/11 where replacement borrowing may be required depending on the outcome of those reviews.

## 5. Prospects for interest rates

- 5.1 The Council appointed Sector Treasury Services as its treasury adviser and part of their service is to assist the Council to formulate a view on interest rates. The following table gives the forecast, which is Sector's central view.

- 5.2 **Sector View as at 24 December 2007:** Current interest rate view is that Bank Rate:

- Started on a downward trend from 5.75% to 5.50% in December 2007;
- To be followed by further cuts in Q1 2008 to 5.25% and to 5.00% in Q2 2008;
- Then unchanged for the following two years.
- There is a downside risk to this forecast if inflation concerns subside and so open the way for the Monetary Policy Committee (MPC) to be able to make further cuts in Bank Rate.

	Q/E 4 2007 %	Q/E 1 2008 %	Q/E 2 2008 %	Q/E 3 2008 %	Q/E 4 2008 %	Q/E 1 2009 %	Q/E 2 2009 %	Q/E 3 2009 %	Q/E 4 2009 %	Q/E 1 2010 %	Q/E 2 2010 %	Q/E 3 2010 %	Q/E 4 2010 %
Bank rate	5.50	5.25	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00	5.00
5yr PWLB rate	4.80	4.70	4.65	4.55	4.55	4.60	4.70	4.75	4.80	4.80	4.80	4.85	4.85
10yr PWLB rate	4.80	4.70	4.60	4.55	4.55	4.55	4.55	4.60	4.70	4.75	4.75	4.80	4.80
25yr PWLB rate	4.65	4.60	4.55	4.55	4.50	4.55	4.55	4.60	4.65	4.70	4.70	4.70	4.70
50yr PWLB rate	4.55	4.50	4.45	4.45	4.45	4.45	4.45	4.50	4.50	4.55	4.55	4.55	4.55

5.3 Sector's reviews of economic background during 2007 and looking forward through 2008 and into 2009 for UK, US and EU are as follows.

#### 5.4 UK economic background

5.4.1 Gross domestic product (GDP) growth has been strong during 2007 and hit 3.3% year on year in Q3. Growth is expected to cool from 3% in 2007 as a whole to 2% in 2008.

5.4.2 House prices started on the downswing in Q3 2007 and this is expected to continue into 2008.

5.4.3 Higher than expected immigration from Eastern Europe has underpinned strong growth and dampened wage inflation.

5.4.4 The combination of increases in Bank Rate and hence mortgage rates, short term mortgage fixes expiring and being renewed at higher rates, food prices rising at their fastest rate since 1993 and increases in petrol prices, have all put consumer spending power under major pressure.

5.4.5 Banks have also tightened their lending criteria since the sub prime crisis started and that will also dampen consumer expenditure via credit cards and on buying houses through obtaining mortgages.

5.4.6 Government expenditure will be held under a tight reign for the next few years, undermining one of the main props of strong growth during the decade.

5.4.7 The MPC is very concerned at the build up of inflationary pressures especially the rise in the oil price and the consequent likely knock on effects on general prices. The prices of UK manufactured goods has risen at the fastest rate in 16 years in November 2007 at 4.5%. Food prices have also risen at their fastest rate for 14 years (6.6% annual increase) driven by strong demand from China and India. Consequently the MPC is going to be much more cautious about cutting rates further compared to USA taking account of these

very visible inflationary pressures. In addition, UK growth was still exceptionally strong in Q3, as has also been the growth in the money supply.

- 5.4.8 The downward trend in Bank Rate is now expected to be faster than as first thought after the initial cut in December 2007 to 5.50% in view of the MPC minutes which showed a unanimous MPC vote for a cut and the consideration given to a half per cent cut. This demonstrated how concerned the MPC is at the potential impact of the credit crunch on the economies of the western world. However, the MPC's room for cutting rates is currently limited by concerns over inflationary pressures. However, if those pressures subside, then there is further downward risk to the Sector forecast which currently only allows for 0.25% cuts in Q1 and Q2 2008 before Bank Rate stabilises at 5.00% for the next two years.
- 5.4.9 US and EU economic positions and outlooks have also been reviewed and taken into account in formulating a view on interest rates.
- 5.4.10 The forecast within this strategy statement has also taken account of data from a variety of forecasts published by a number of institutions.

## **6 Borrowing Strategy**

6.1 The Sector forecast is as follows: -

- The 50 year PWLB rate is expected to fall marginally from 4.50% in Q1 2008 to 4.45% in Q2 2008 before rising back again to 4.50% in Q4 2009 and to 4.55% in Q2 2010. As the Sector forecast is in 25bp segments there is scope for the rate to move around the central forecast by +/- 25 basis points without affecting this overall forecast;
- The 25 year PWLB rate is expected to fall progressively from 4.65% to reach 4.50% in Q4 2008 and to then be on the rise from Q1 2009 to reach 4.70% in Q1 2010 and 4.75% in Q1 2011;
- The 10 year PWLB rate is expected to fall from 4.70% in Q1 2008 to 4.55% in Q3 2009 and to then gradually rise to reach 4.80% in Q3 2010;
- 5 year PWLB rate is expected to fall from 4.70% in Q1 2008 to reach 4.55% in Q3 2008 and to then gradually rise starting in Q1 2009 to reach 4.85% in Q3 2010;

6.2 This forecast indicates that the borrowing strategy for 2008/09 should be set to take 25 to 30 year borrowing towards the end of the financial year but as little variation is expected in average quarterly rates, this is likely to mean that attractive rates could be available at any time in the year when there is a dip down in rates. Variable rate borrowing and borrowing in the five year area are expected to be more expensive than long term borrowing and will therefore be unattractive throughout the financial year compared to taking long term borrowing.

6.3 The main strategy to minimise debt interest costs is as follows:

- Focus on undertaking new borrowing in or near the 25 to 30 year period so as to minimise the spread between the PWLB new borrowing and early repayment rates as there is little, or no difference in the new borrowing rate between the rates in these periods and the 50 year rate. This then maximises the potential for debt rescheduling at a later time by minimising the spread between these two rates;
- This means that after some years of focusing on borrowing at or near the 50 year period, local authorities will be able to borrow in a markedly different period and so achieve a better spread in their debt maturity profile;
- When the 25 to 30 year PWLB rates fall back to the forecast of 4.60%, borrowing should be made in this area of the market at any time in the financial year. This rate is likely to be lower than the forecast rates for shorter maturities in the 5 year and 10 year area. A suitable trigger point for considering new fixed rate long term borrowing, therefore, would be 4.60%. However, if shorter period loans become available around this rate, these will also be considered;
- The forecast will be reviewed on an ongoing basis;
- Consideration will be given to borrowing fixed rate market loans at 25 to 50 basis points below the PWLB target rate.

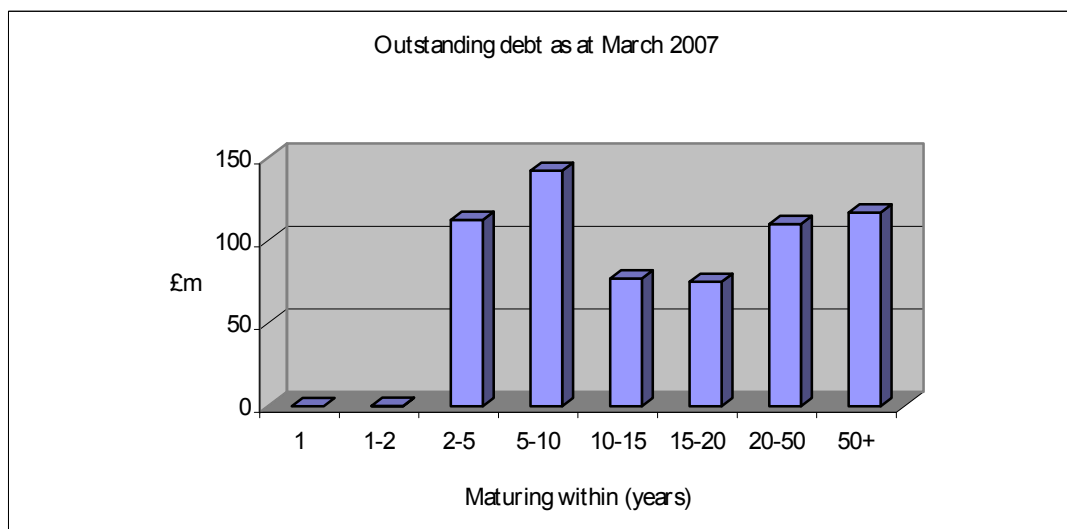
6.4 Against this background caution will be adopted with the 2008/09 treasury operations. The Chief Financial Officer will monitor the interest rate market and adopt a pragmatic approach to changing circumstances, reporting any decisions as required by the policy.

6.5 Sensitivity of the forecast - the main sensitivities of the forecast are likely to be the two scenarios below. The Council officers, in conjunction with the treasury advisers, will continually monitor both the prevailing interest rates and the market forecasts, adopting the following responses to a change of sentiment:

- If it were felt that there was a significant risk of a sharp rise in long and short term rates, perhaps arising from a greater than expected increase in world economic activity or further increases in inflation, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates were still relatively cheap;
- If it were felt that there was a significant risk of a sharp fall in long and short term rates, due to e.g. growth rates weakening, then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term funding will be considered.

## **7. Debt Rescheduling and restructuring**

- 7.1 The introduction of different PWLB rates on 1 November 2007 for new borrowing as opposed to early repayment of debt, and the setting of a spread between the two rates (of about 40 to 50 basis points for the longest period loans narrowing down to 25 to 30 basis points for the shortest loans), has meant that PWLB to PWLB debt restructuring is now much less attractive than before that date. However, significant interest savings could still be achievable through using LOBOs (Lenders Option Borrowers Option) loans and other market loans.
- 7.2 As average PWLB rates are expected to be minimally higher at the start of the financial year than later on in the year, and as Bank Rate is expected to fall more than longer term borrowing rates during the year, this will mean that the differential between long and short rates will narrow during the year and that there should therefore be greater potential for making interest rate savings on debt by doing debt restructuring earlier on in the year. Any positions taken via rescheduling will be in accordance with the strategy position outlined in section 6 earlier in the report.
- 7.3 The reasons for any rescheduling to take place will include:
- the generation of cash savings and/or discounted cash flow savings;
  - in order to help fulfil the strategy outlined in section 6; and
  - enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).
- 7.4 All rescheduling will be reported as required by the policy.
- 7.5 Profile of long term debt maturity as at 31 March 2007 is as follows. Currently debt maturing within 5 to 10 years is relatively high. This is monitored as part of our continual review of our debt profile with our advisors to ensure that a balanced portfolio is maintained that takes due account of risk.



## 8. Annual investment strategy

### 8.1 Investment Policy

8.1.1 The Council will have regard to the ODPM's Guidance on Local Government Investments ("the Guidance") issued in March 2004 and CIPFA's Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA Treasury Management Code"). The Council's investment priorities are: -

- the security of capital and
- the liquidity of its investments.

8.1.2 The Council will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.

8.1.3 The borrowing of monies purely to invest or on-lend and make a return is unlawful and this Council will not engage in such activity.

#### Developing our investment strategy

8.1.4 Our external advisors, Sector, have advised that we consider developing our investment strategy.

8.1.5 The Council's current policy is not to deal in non-specified investments. i.e. investments longer than one year and specific investments below one year that are also regarded as non-specified investments. e.g. Certificates of Deposits issued by banks and building societies.

8.1.6 Sector advise that there would appear to be no value in using external fund managers in the current market conditions and therefore suggest we consider an approach using our in-house team.

8.1.7 It is suggested that we could invest some of our portfolio over one year and up to three years ahead to achieve greater value and to protect the Council against any future interest rate falls. Benefit would be if interest rates then fell and we were locked into higher interest rates. The risk would be if interest rates went up and we were locked into lower interest rates for a period of time. If we invest in liquid investments we could sell early although the risk would be the prevailing market price on the day of sale. If we invest in an illiquid investment we would need to hold.

8.1.8 Liquidity requirements will be driven by our long term cash flow forecasts. It is prudently estimated that there is a core balance available of £30m that is available for investment for up to three years ahead.

8.1.9 There are three new types of instruments and Forward Deals that Sector recommend we should consider investing a proportion of our portfolio in as set out below:

- Certificates of Deposits;
- Callable Deposits;
- Term Deposits greater than one year;
- Forward Deals.

8.1.10 The main features of each proposed new type of investment including their benefits and risks are set out in the following table.

	<b>Main features</b>	<b>Benefits</b>	<b>Risks</b>
Certificates of Deposits	<p>Issued by organisations with the same credit risk as banks and building societies that we currently make term deposits with.</p> <p>Investments would be with banks, building societies and local authorities.</p>	<p>Real advantage is if there were a change in interest rates or liquidity circumstances we could sell the investment.</p> <p>Useful for investing some of our core funds to minimise risk of some being required.</p> <p>Yields are a couple of basis points below those available from a comparable term deposit.</p>	Any sale of an investment before its natural maturity date will be subject to market risk at the date of sale.



Callable Deposits	<p>Money Market deals where the deposit taker has an option to repay the loan at intervals between the start date and the maturity date, these options to repay are typically quarterly or annually.</p> <p>Investments would be with banks, building societies and local authorities.</p>	<p>Enhanced return available with the margin over the cash rate for the same investment duration reflecting the value of the options to repay that the borrower has.</p> <p>Can help provide marginal improvements in yield.</p>	<p>Risk of early repayment by the borrower, the paying of premium interest rate compensates for this.</p>
Term Deposits greater than one year	<p>Investment for a fixed period of time and at a fixed rate of interest.</p> <p>Investments would be with banks, building societies and local authorities.</p>	<p>Lock into higher interest rates for a longer period of time.</p> <p>Preserves capital values as would only lend to highly credit-rated institutions.</p>	<p>Mis-timing a deposit could expose the Council to a potential revenue shortfall in an environment of rising interest rates.</p> <p>In most cases, a lender is unable to force liquidation of a deposit prior to its maturity date and any success in achieving this could attract a penalty.</p> <p>The longer the term deposit, the higher is the relative liquidity risk.</p>
Forward Deals	<p>If Sector or the Council believes that there has been a spike in interest rates and the Council does not have the necessary cash available to take advantage of the higher rate, the Council can undertake a forward deal which fixes the price today, for transfer of monies at some point in the future.</p> <p>Would invest in forward deals issued by banks and building societies.</p>	<p>Ensures that the Council does not miss out on an opportunity due to liquidity reasons.</p> <p>Can be used to protect investments that are maturing when it is believed that lower interest rates will prevail. The Council could protect itself by fixing a higher price today, for the transfer of monies when the original investment matures hence preventing the reinvestment of the matured investment at lower levels.</p>	<p>View taken on interest rates could be incorrect. In the future even better investments could be available but would be committed to the forward deal made.</p>

8.1.11 Sector recommend that the Council should inject an element of liquidity into the portfolio strategy using Certificates of Deposits issued by highly credit rated institutions. This will enable the Council to effectively manage the portfolio with Sector's advice, even though a 'buy and hold' strategy is envisaged, enabling the Council to terminate investment quickly and switch investments should the need arise during the course of the investment period.

- 8.1.12 Within any portfolio there is an element of cash which is invested for relatively short periods because of uncertainty over its future use but does have the tendency to be available for a long period of time. The uncertainty clouds the investment decision. By using liquid instruments, the investment decision can still be made in the comfort of knowing that should the cash be required sooner than the maturity of the investment, the investment could be considered for selling to realise the appropriate funds. Any such sale of an investment before its natural maturity date will be subject to market risk at the date of sale.
- 8.1.13 The above approach will enable the Council to manage its own portfolio to achieve the desired level of certainty and volatility in relation to our return objectives in a diversified manner which will deliver better value than the perceived future returns available from using fund managers.
- 8.1.14 As part of the above strategy **it is recommended** that we permit investments in Certificates of Deposits, Callable Deposits and Term Deposits with highly credit rated banks, building societies and local authorities and allow Forward Deals up to a duration of three years and up to a limit of £30m (our core funds based upon our cash flow).
- 8.1.15 It is proposed that we review the above approach in one year's time to determine if this strategy needs further revision.

### **Specified investments**

- 8.1.16 All such investments will be sterling denominated, with maturities up to a maximum of one year. Investment is permitted with the following organisations registered in the UK, European Union or North America, up to the following investment limits. **It is recommended** that we increase our counterparty limits to reflect current sums available for investment. These have been set at a prudent level and the table below compares the current limits with those proposed. The previous limits per counterparty were put in place a number of years ago when the Council did not have the current level of money to invest and therefore tends to restrict our dealing unduly.

	<b>Current counterparty limits £m</b>	<b>Proposed counterparty limits £m</b>
All banks authorised under the Banking Act 1987 which have an acceptable rating in the which have an acceptable rating in the rating matrix	10	20
The Council's banker (currently Co-operative Bank PLC but changing to Natwest from 1 April 2008)	7	10
All building societies which have an acceptable rating in the rating matrix	10	20
Local Authorities	10	15
HM Government	20	20
Money Market Funds	10	10

## Non-specified investments

8.1.17 A maximum of £30m will be held in aggregate in non-specified investments and be invested for periods of up to a maximum duration of three years.

	Counterparty limits £m
Term deposits – local authorities, banks and building societies that have an acceptable rating in the rating matrix.	10
Certificates of Deposits issued by banks and building societies that have an acceptable rating in the rating matrix.	10
Callable deposits issued by banks and building societies that have an acceptable rating in the rating matrix.	10
Forward deals issued by banks and building societies that have an acceptable rating in the rating matrix.	10

8.1.18 The ratings matrix referred to in the above tables is prepared by the Council's treasury advisors. The Council uses Fitch ratings to derive its criteria. Where a counterparty does not have a Fitch rating, the equivalent Moody's (*or other rating agency if applicable*) rating will be used. All credit ratings will be monitored on an ongoing basis. The Council is alerted to changes in Fitch ratings through its use of the Sector creditworthiness service. If a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.

8.1.19 The Treasury Management Policy document is included at Section 9.

## 8.2 Investment Strategy

### In-house funds

8.2.1 Based on its cash flow forecasts, the Council anticipates its fund balances in 2008/09 to range between £50m and £125m, however, cashflow variations can sometimes occur where this may vary.

8.2.2 Investments will accordingly be made with reference to the core balance and cash flow requirements and the outlook for interest rates (i.e. rates for investments up to 12 months and beyond 12 months).

8.2.3 Giving due consideration to the Council's balances over the next 3 years, the need for liquidity, its spending commitments and provisioning for

contingencies, the Council has determined that some of its overall fund balances could possibly be prudently committed to longer term investments (i.e. those with a maturity exceeding a year). It is prudently estimated that there is a core balance available of £30m that is available for investment over a 2 to 3 year period.

- 8.2.4 The purpose of our strategy is to maximise our investment returns but only by taking a prudent level of risk. Our **proposal** to investment up to £30m using new instruments and forward deals for between one and three years is to achieve greater value and to protect the Council against any future interest rate falls.

### **Interest Rate Outlook**

- 8.2.5 Sector is forecasting that Bank Rate has now started on a downward trend from 5.75% to 5.50% in December 2007. This will continue with further cuts forecast to 5.25% in Q1 2008 and again to 5% in Q2 2008. It will then expected to remain unchanged for the next two years. We are advised to lock in longer period investments at higher rates before this fall starts for some element of our investment portfolio which represents our core balances. For 2008/09 we are advised to budget for an investment return of 5% on investments placed in 2008/09.
- 8.2.6 Attractive trigger rates for lending will be kept under review in consultation with Sector. 5.45% is identified as the current attractive rate for one year, and 5.55% for two and three years.
- 8.2.7 For its cash flow generated balances, the Council will seek to utilise its business reserve accounts and short-dated deposits (overnight to 3 months) in order to benefit from the compounding of interest.

### **End of year Investment Report**

- 8.2.8 At the end of the financial year, the Council will report on its investment activity as part of its outturn report.

## **9. Treasury Management Policy**

### **Introduction**

- 9.1 This policy is prepared in accordance with the Code of Practice on Treasury Management in Local Authorities, published by CIPFA ('the Code'). In adopting the Code, the following policies have been agreed.
- 9.2 The Council adopts the key recommendations of CIPFA's Treasury Management in the Public Services: Code of Practice (the Code), as described in Section 4 of that Code.
- 9.3 Accordingly, the Council has created and will maintain, as the cornerstones for effective treasury management:

- a treasury management policy statement, stating the policies and objectives of its treasury management activities
- suitable treasury management practices (TMP's), setting out the manner in which the organisation will seek to achieve those policies and objectives, and prescribing how those activities will be managed and controlled.

- 9.4 The content of the policy statement and TMP's will follow the recommendations contained in Sections 6 and 7 of the code subject only to amendment where necessary to reflect the particular circumstances of this organisation. Such amendments will not result in the organisation materially deviating from the code's key recommendations.
- 9.5 The Council receives reports on its treasury management policies, practices and activities, including, as a minimum, an annual strategy in advance of the year, and an annual report after its close, in the form prescribed in its TMP's.
- 9.6 The Council delegates responsibility for the monitoring of the implementation of its treasury management policies and practices to the Cabinet Member for Resources. The Council delegates the execution and administration of treasury management decisions to the Chief Financial Officer, who will act in accordance with the organisation's statement and TMP and CIPFA's Standard of Professional Practice on Treasury Management.

### **Definitions**

- 9.7 The Code defines treasury management as:
- “the management of the local authority’s cash flows, its borrowings and its investments, the management of the associated risks, and the pursuit of the optimum performance or return consistent with those risks”.
- 9.8 The Council regards the successful identification, monitoring and control of risk to be the prime criteria by which the effectiveness of its treasury management activities will be measured. Accordingly, the analysis and reporting of treasury management activities will focus on their risk implications for the organisation.
- 9.9 The Council acknowledges that effective treasury management will provide support towards the achievement of its business and service objectives. It is therefore committed to the principles of achieving best value in treasury management, and to employ suitable performance measurement techniques, within the context of effective risk management.

### **Approved activities**

- 9.10 The approved activities for the treasury management function are:
- borrowing;

- lending;
- debt repayment and rescheduling;
- consideration, approval and use of financial instruments and treasury management techniques;
- managing the underlying risk associated with the Council's capital financing and cash flows;
- leasing.

### **Strategy**

- 9.11 An annual strategy report will be presented to Council. The report will set out projections of treasury management activity for the year and for subsequent years and propose actions to be taken.
- 9.12 The strategy will consider:
- interest rate prospects;
  - borrowing strategy;
  - annual investment strategy;
  - debt rescheduling;
  - any other treasury management activity.
- 9.13 The strategy will further set out:
- the Council's Prudential Indicators for the following 3 financial years;
  - the Council's current portfolio position and borrowing requirement.

### **Approved methods and sources of funding**

- 9.14 Borrowing is raised in accordance with the Local Government and Housing Act (1989) and is permitted via the following instruments:

- overdraft;
- short term loans;
- Public Works Loan Board loans;
- other loan instruments.

### Investment Policy

9.15 The Council will have regard to the ODPM's Guidance on Local Government Investments ("the Guidance") issued in March 2004 and CIPFA's Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA Treasury Management Code"). The Council's investment priorities are: -

- the security of capital; and
- the liquidity of its investments.

9.16 The Council will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.

9.17 The borrowing of monies purely to invest or on-lend and make a return is unlawful and this Council will not engage in such activity.

9.18 Specified Investments. (All such investments will be sterling denominated, with maturities up to maximum of 1 year). Investment is permitted with the following organisations registered in the UK, European Union or North America, up to the following investment limits. **It is recommended** that we increase our counterparty limits to reflect current sums available for investment. These have been set at a prudent level and the table below compares the current limits with those proposed. The previous limits per counterparty were put in place a number of years ago when the Council did not have the current level of money to invest and therefore tends to restrict our dealing unduly.

	Current counterparty limits £m	Proposed counterparty limits £m
All banks authorised under the Banking Act 1987 which have an acceptable rating in the rating matrix	10	20
The Council's banker (currently Co-operative Bank PLC but changing to Natwest from 1 April 2008)	7	10
All building societies which have an acceptable rating in the rating matrix	10	20
Local Authorities	10	15

HM Government	20	20
Money Market Funds	10	10

- 9.19 Non-specified investments. A maximum of £30m will be held in aggregate in non-specified investments and be invested for periods of up to a maximum duration of three years.

	Counterparty limits £m
Term deposits – local authorities, banks and building societies that have an acceptable rating in the rating matrix.	10
Certificates of Deposits issued by banks and building societies that have an acceptable rating in the rating matrix.	10
Callable deposits issued by banks and building societies that have an acceptable rating in the rating matrix.	10
Forward deals issued by banks and building societies that have an acceptable rating in the rating matrix.	10

- 9.20 The ratings matrix referred to in the above table is prepared by the Council's treasury advisors. The Council uses Fitch ratings to derive its criteria. Where a counterparty does not have a Fitch rating, the equivalent Moody's (*or other rating agency if applicable*) rating will be used. All credit ratings will be monitored on an ongoing basis. The Council is alerted to changes in Fitch ratings through its use of the Sector creditworthiness service. If a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.

### Investment Strategy

- 9.21 Investments will be made with reference to the core balance and cash flow requirements and the outlook for interest rates (i.e. rates for investments up to 12 months and beyond 12 months).
- 9.22 Attractive trigger rates for one year, two year and three year lending will be kept under review in consultation with Sector.
- 9.23 For its cash flow generated balances, the Council will seek to utilise its business reserve accounts and short-dated deposits (1-3 months) in order to benefit from the compounding of interest.

### Brokers and advisors



9.24 The following brokers are approved for open market transactions:

- ICAP PLC;
- Prebon Marshall Yamane (UK) Ltd;
- Tradition UK Ltd;
- Sterling Brokers Ltd;
- The Co-operative Bank PLC (Natwest from 1 April 2008);
- Martins Brokers (UK) PLC.

9.25 The following broker is approved for leasing transactions:

- Sector Leasing Services Ltd

9.26 The Chief Financial Officer is authorised to deal with other brokers or agents, from time to time, when the Chief Financial Officer considers it to be beneficial to the Council.

9.27 The Council's treasury management advisor is Sector.

### **External managers**

9.28 The use of external managers is not permitted.

### **Delegation**

9.29 The following delegations will apply for treasury management:

#### Cabinet

Annual review of policy

Consideration of the strategy

#### Chief Financial Officer

Implementation of the policy and strategy, including the authority to raise loans, enter into leases and make investments. In each case this will be in accordance with procedures determined by the Chief Financial Officer as set out in the Treasury Management Practices.

Any decision to invest in specified investments not currently used or in non-specified investments will be made following advice from Sector.

### **Reporting**

9.30 The Chief Financial Officer will:

- prepare an annual strategy report and review of the policy for the consideration of the Cabinet;
- report annually to the Cabinet on the achievement of the previous year's strategy;
- report relevant, key details of the treasury management activities to the Cabinet Member for Resources.