
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, 9TH FEBRUARY, 2009 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 1992 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. Failure to make a relevant declaration constitutes a criminal offence.

- 5. TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE COUNCIL HELD ON 19 JANUARY 2009. (PAGES 1 - 12)**
- 6. TO RECEIVE SUCH COMMUNICATIONS AS THE MAYOR MAY LAY BEFORE THE COUNCIL**
- 7. TO RECEIVE THE REPORT OF THE CHIEF EXECUTIVE**
- 8. TO RECEIVE THE REPORT 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 13 - 150)**

a) Cabinet – Report 10 – 2008/9

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

Friday, 30 January 2009

**MINUTES OF THE FULL COUNCIL
MONDAY, 19 JANUARY 2009**

Councillors	Dobbie (Mayor), Adamou, Adje, Aitken, Alexander, Allison, Amin, Basu, Beacham, Bevan, Beynon, Bloch, Bull, Butcher, Cooke, Davies, Demirci, Diakides, Dodds, Dogus, Edge, Egan, Engert, Gorrie, Haley, Hare, B. Harris, C. Harris, Jones, Kober, Lister, Mallett, Meehan, Mughal, Newton, Oakes, Oatway, Peacock, Rainger, Reith, Santry, Stanton, Thompson, Vanier, Weber, Williams, Wilson, Winskill and Scott
Apologies	Councillor Baker, Canver, Griffith, Rahman Khan, Patel, Reid and Whyte

MINUTE NO.	SUBJECT/DECISION	ACTION BY
CNCL74.	TO RECEIVE APOLOGIES FOR ABSENCE Apologies for absence were received from Councillors Baker, Canver, Griffith Gmmh Rahman Khan, Patel, Reid and Whyte and from the Chief Executive. On behalf of the Council the Mayor expressed his best wishes for a speedy recovery to the Chief Executive following her recent operation.	
CNCL75.	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 See Minutes 79, 81 and 84.	
CNCL76.	DECLARATIONS OF INTEREST Councillor Adje declared a personal interest in Item 6 – Council Tax Base for 2009/10 by virtue of being an employee of the LFCDA. Councillor Jones declared a personal interest in Item 13 - Motion M by virtue of being a member of the Electoral Reform Group. The Mayor declared a personal interest in Item 13 – Motion O by virtue of being an employee of the North Middlesex Hospital. There were no declarations in relation to unpaid Community Charge or Council Tax liability.	

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<p>CNCL77.</p>	<p>TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE COUNCIL HELD ON 24 NOVEMBER AND THE EXTRAORDINARY MEETINGS HELD ON 9 & 17 DECEMBER 2008.</p> <p>RESOLVED:</p> <p>That the minutes of the meeting of the Council held on 24 November, and extraordinary meetings held on 9 and 17 December 2008 be signed as a true record.</p>	
<p>CNCL78.</p>	<p>TO RECEIVE SUCH COMMUNICATIONS AS THE MAYOR MAY LAY BEFORE THE COUNCIL</p> <ol style="list-style-type: none"> 1. The Mayor congratulated Joe Goldberg on his election as the new Labour Councillor for the Seven Sisters Ward at the by-election held on 15 January 2009. The Mayor welcomed Councillor Goldberg to the Council and wished him every success. 2. The Mayor also congratulated all those local residents who had been honoured in the New Year honours list including May Richards, who had received an MBE for her work since retiring, raising thousands of pounds for Sickle Cell and Thalassaemia, as well as organising the annual Haringey Gospel Festival. Also to PC Elizabeth Kenworthy, a serving police officer in Haringey, who had received an MBE for her efforts helping injured passengers during the July 2005 tube bombings; as well as to other honoured residents charity workers Tamsila Tauqir, Narendra Mehta, Jennifer Bell, and pianist and composer Howard Shelley. 3. The Mayor expressed his sadness at the sudden death of the serving Mayor of Croydon, Councillor Jonathan Driver. The Mayor reported that he had got to know Councillor Driver at a number of engagements over the past year and had sent his condolences to the family and colleagues at his untimely death. 4. The Mayor reported that, on behalf of the Council, he had passed on sincere condolences to the family and colleagues of Cadet Corporal Anthony Smith a member of the 16F Wood Green and Hornsey Cadets who had died in a tragic accident in Scotland. 5. The Mayor wished good luck to Councillor Matt Davies and Councillor Emma Jones who would be running in the forthcoming London Marathon. He expressed the hope that all his Member colleagues would show their support and sponsor them for their respective charities. 	
<p>CNCL79.</p>	<p>TO RECEIVE THE REPORT OF THE CHIEF EXECUTIVE</p> <p>(a) <u>Council Tax Base for 2009/10</u></p> <p>The Mayor agreed to the admission of this item as urgent business. The report was not available at the time of despatch as the</p>	

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calculation of the tax base was usually agreed by the Chief Financial Officer exercising delegated authority. However, it was urgent because of the need to agree a revision to the policy for locally defined discount for second homes which required a decision of the full Council. The deadline for providing this information to levying authorities was 31 January 2009.

RESOLVED:

1. That in accordance with the Local Authorities (Calculation of Tax Base) Regulations 1992, the amount calculated by the Council of the London Borough of Haringey as its tax base for the year 2009/10 be set at 85,060.
2. That the level of discount for second homes (Class A and B) be set at 10%.

(b) Changes to Political Groups and Appointments to Committees and Sub Committees

The Mayor agreed to the admission of this item as urgent business. The report could not be circulated earlier as information was awaited from recent party Group meetings. It was urgent in order to permit changes to be made to Council body appointments.

RESOLVED:

1. That it be noted that following a by - election on 15 January 2009, Joe Goldberg had been elected to represent Seven Sisters Ward and that he was a member of the Labour Group.
2. That the following changes to the Labour Group memberships of committees be agreed:
 - Councillor Santry to replace Councillor Khan on the Standards Committee.
 - Councillor Santry to Chair the White Hart Lane and Northumberland Park Area Assembly.
 - Councillor Goldberg to fill the vacancy on Tottenham Hale and Seven Sisters Area Assembly.

CNCL80. TO RECEIVE THE REPORT OF THE MONITORING OFFICER AND HEAD OF LEGAL SERVICES TO INCREASE THE INDEPENDENT MEMBERSHIP FOR THE STANDARDS COMMITTEE

RESOLVED

1. That the recommendation from Standards Committee that the Membership of the Standards Committee be increased by one independent member, to 5 in total, with this additional position being recruited to as part of the recruitment process for

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	<p>independent members to be embarked upon in February 2009, be agreed.</p> <p>2. That the relevant part of the Council's Constitution (Part Two – Articles of the Constitution – Article 9.02 (a) Membership) in relation to the Independent Membership of the Standards Committee be amended accordingly.</p>	
CNCL81.	<p>TO MAKE APPOINTMENTS TO OUTSIDE BODIES</p> <p>The Mayor agreed to the admission of this item as urgent business. The report could not be circulated earlier as information was awaited from recent party Group meetings. It was urgent in order to permit changes to be made to outside body appointments.</p> <p>RESOLVED:</p> <p>That the appointments to outside bodies as set out in the attached appendix be approved.</p>	
CNCL82.	<p>TO CONSIDER REQUESTS TO RECEIVE DEPUTATIONS AND/OR PETITIONS AND, IF APPROVED, TO RECEIVE THEM</p> <p>The Council received a deputation from Mr Adam Jogee on behalf of the Haringey Youth Council.</p> <p>Members asked questions of the deputation and received responses thereto.</p> <p>Councillor Reith as Cabinet Member for Children and Young People congratulated the Youth Council, in particular the joint Chairs Adam Jogee and Alisha Bartlett, on the work they had undertaken during the year.</p> <p>The Mayor thanked the deputation for attending.</p>	
CNCL83.	<p>TO CONSIDER OPPOSITION BUSINESS SUBMITTED IN ACCORDANCE WITH COUNCIL PROCEDURE RULE NO.12</p> <p>The Opposition gave notice of their wish to debate "the recession"</p> <p>Councillors Gorrie and Allison spoke on behalf of the Opposition Group and Councillor Amin as Cabinet Member for Regeneration and Enterprise responded.</p> <p>The Mayor thanked Councillors for their contributions.</p>	
CNCL84.	<p>TO ANSWER QUESTIONS, IF ANY, IN ACCORDANCE WITH COUNCIL RULES OF PROCEDURE NOS. 9 & 10</p> <p>The Mayor agreed to the admission of this Item as urgent business. Under Standing Orders, notice of questions was not requested until eight clear days before the meeting, following which matters raised had to be researched and replies prepared, in order to be given at the meeting.</p>	

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	<p>There were 8 oral questions and 25 for written answer.</p> <p>Oral Questions 7 and 8 were not reached in the allotted time and written answers would be supplied to these questions.</p>	
<p>CNCL85.</p>	<p>TO RECEIVE REPORTS FROM THE FOLLOWING BODIES</p> <p><u>Cabinet Reports Nos. 8 and 9 2008/09</u></p> <p>The Leader gave a brief resume of the reports of Cabinet which were before the meeting for consideration. Other Members questioned details of the reports and the Leader responded accordingly.</p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. That the Cabinet Reports Nos. 8 and 9 be received and adopted. That the recommendation concerning saving Unitary Development Policies (report no.9 item 2) be agreed. 2. That Councillor Gorrie be supplied with a written answer to his question concerning the award of the contract for childcare litigation services to the London Borough Islington (Item 14 of Report No. 8 – 2008/09 refers). 	
<p>CNCL86.</p>	<p>TO CONSIDER THE FOLLOWING MOTIONS IN ACCORDANCE WITH COUNCIL RULES OF PROCEDURE NO. 13</p> <p><u>Motion M (2009/10):</u></p> <p>With the consent of the Council an alteration was made to Motion M in accordance with Council Procedure Rule 15.9 by the deletion of the second bullet point of the proposed resolution ‘to call on the Government to establish the Youth Citizenship Commission with a clear remit to develop the necessary framework for reducing the voting age to 16’.</p> <p>It was then moved by Councillor Alexander and seconded by Cllr Davies that:</p> <p>This Council notes:</p> <ul style="list-style-type: none"> • that 16 and 17 year olds can leave school, get married, have a full-time job, must pay taxes on their income, and can join the armed forces, but are not allowed to vote in public elections; • that 16 and 17 year olds have been calling for the right to vote for many years through the Votes at 16 coalition; • that disconnection between young people and the political establishment is growing. • the continuing good work by Haringey’s Youth Council and its members 	

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This Council believes:

- that young people are interested in politics and have valid views on issues that affect them;
- that 16 and 17 year olds are old enough to have the right to vote in public elections;
- that refusing to allow 16 and 17 year olds to vote is likely to further depress turnout and encourage young people to give up on formal political structures.

This Council resolves:

- to support the moves to lower the voting age for all public elections to 16;
- that the Leader of the Council write to Bridget Prentice MP, Minister in charge of reform in electoral administration, to show the Council's commitment to pushing for votes for 16 and 17 year old and requesting that the government seriously considers decreasing the voting age.

The substantive motion as altered was then put to the vote and declared CARRIED unanimously.

At this juncture there was a general disturbance and in accordance with Council Procedure Rule 24.2 the Mayor called for the public gallery to be cleared. The meeting was then adjourned.

Motion N (2008/09)

On re-convening it was moved by Councillor Scott and seconded by Cllr Rainger that:

This Council:

1. Welcomes the introduction of the Sustainable Communities Act, which became law in October 2007. It also welcomes the establishment of the principle that 'local people know best what needs to be done'.
2. Notes the cross party support in the House of Commons that the Act received.
3. Notes that the Act gives local authorities the power to make proposals to government on the action government must take to reverse community decline and promote sustainable communities.
4. Notes that the Act also gives local authorities the power to argue for a transfer of public money and function from central to local

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control.

5. Notes that the Act also requires Central Government to produce "spending reports" detailing the expenditure of all Government bodies in each local area. The Act requires that the first arrangements for the spending reports should be taken by April 2009.
6. Views the Act as an opportunity to further the empowerment of local communities in seeking local reforms regarding Economic, Social and Environmental issues.
7. Appreciates the need to be fully committed to the process to ensure that the residents of Haringey have a chance to have their say on local services.

This Council therefore:

1. Resolves, when invited to by Central Government in autumn 2008, to use the Act by preparing and submitting proposals on how Central Government can help promote sustainable communities in Haringey.
2. Seeks to establish a representative panel of residents to consult with the Council in deciding on which local issues will be submitted to the Communities and Local Government Minister.
3. Petitions the government to release the planned information regarding local funding for services as soon as possible.
4. Advertises the Act as widely as possible using all forms of media to inform residents of the acts existence and how they can get involved.
5. Looks for other authorities and stakeholders (including the Voluntary and Community Sectors) who can assist/support the development of the local panels and formulate these ideas into practical submissions to the government.
6. Looks at replacing the current community engagement (through citizen panels etc) with these proposed representative panels.

An amendment to the Motion was moved by Councillor Cooke and seconded by Councillor Reith as follows:

Under 'This Council:'

To leave out point Point 7

To insert as point 7:

7. Is fully committed to the process to ensure that the residents of Haringey have a chance to have their say on local services.

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To insert a further Point 8:

8. Notes that the Act begins from the principal the local people know best what needs to be done to promote the success of an authority's area

Under 'This Council Therefore:'

To leave out Point 4

To insert as Point 4:

4. Will promote awareness of the Act as widely as possible to inform residents of the Act's existence and how they can get involved in putting forward proposals for Haringey.

To leave out Point 5

To insert as Point 5:

5. Notes that it is already in contact with other authorities and stakeholders (including the Voluntary and Community Sectors) who may be able to assist/support the development of the local panels and formulate these ideas into practical submissions to the government.

To leave out Point 6

To insert as Point 6:

6. Building on our success in engaging with underrepresented groups; aims to use existing community engagement structures to draw people on to representative local panels.

On being put to the vote there were 26 in favour of the amendment and 22 against and the amendment was declared CARRIED.

The substantive motion as amended was then put to the vote and declared CARRIED unanimously.

'This Council:

1. Welcomes the introduction of the Sustainable Communities Act, which became law in October 2007. It also welcomes the establishment of the principle that 'local people know best what needs to be done'.
2. Notes the cross party support in the House of Commons that the Act received.
3. Notes that the Act gives local authorities the power to make proposals to government on the action government must take to

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reverse community decline and promote sustainable communities.

4. Notes that the Act also gives local authorities the power to argue for a transfer of public money and function from central to local control.
5. Notes that the Act also requires central government to produce "spending reports" detailing the expenditure of all government bodies in each local area. The Act requires that the first arrangements for the spending reports should be taken by April 2009.
6. Views the Act as an opportunity to further the empowerment of local communities in seeking local reforms regarding Economic, Social and Environmental issues.
7. Is fully committed to the process to ensure that the residents of Haringey have a chance to have their say on local services.
8. Notes that the Act begins from the principal the local people know best what needs to be done to promote the success of an authority's area

This Council therefore:

1. Resolves, when invited to by central government in autumn 2008, to use the Act by preparing and submitting proposals on how Central Government can help promote sustainable communities in Haringey.
2. Seeks to establish a representative panel of residents to consult with the Council in deciding on which local issues will be submitted to the Communities and Local Government Minister.
3. Petitions the government to release the planned information regarding local funding for services as soon as possible.
4. Will promote awareness of the Act as widely as possible to inform residents of the Act's existence and how they can get involved in putting forward proposals for Haringey.
5. Notes that it is already in contact with other authorities and stakeholders (including the Voluntary and Community Sectors) who may be able to assist/support the development of the local panels and formulate these ideas into practical submissions to the government.
6. Building on our success in engaging with underrepresented groups; aims to use existing community engagement structures to draw people on to representative local panels'.

The Mayor asked the meeting if they wished to add 15 minutes to the duration of the meeting to compensate for the disturbance and clearing

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	<p>of the gallery. The meeting declined. The Mayor then closed the meeting as it was 22.00 hours.</p> <p>Motions O and P, having not been reached, fell.</p>	
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COUNCILLOR ALAN DOBBIE

Mayor

Proposed Appointments to Outside Bodies

Appendix

Council: 19/01/2009

Body name	No of Reps				
Haringey Community & Police Consultative Group, The Consultative Group					Category: Partnership Lead Member & 1 other Cabinet member & Cllrs. 2 of the 6 members to be nominated for the Cabinet.
<u>14/hcp</u>	6	Term of Office:	1 Year		
Granted Aid: no	5 LAB, 1 LIBDEM				
<u>Retiring Representative (s) / Expiry</u>	Councillor Nilgun Canver	19/05/08	31/05/09	Cabinet Member	
	Councillor Gmmh Rahman Khan	19/05/08	31/05/09	HC&PCC Exec. nominee	
	Councillor Jayanti Patel	19/05/08	31/05/09	HC&PCG Exec nominee	
	Councillor Ron Aitken	19/05/08	31/05/09		
	Councillor Catherine Harris	19/05/08	31/05/09		
	Councillor George Meehan	19/01/09	31/05/09		New Appointment
Selby Trust					Category: Trust must be councillors
<u>14/str</u>	3	Term of Office:	4 years		
Granted Aid: yes	3 LAB				
<u>Retiring Representative (s) / Expiry</u>	LABOUR VACANT - 1	09/01/09	31/05/09	vacancy following Cllr Santry's resignation	
	LABOUR VACANT - 2	09/01/09	31/05/09	vacancy following Cllr Peacock's resignation	
	LABOUR VACANT - 3	14/07/08	31/05/09	vacancy following Cllr Amin's resignation	
Homes for Haringey, ALMO Board					Category: Partnership Does not need to be a Cllr
ALMO	5	Term of Office:	1 year		
Granted Aid: no	3 LAB, 2 LIBDEM				
<u>Retiring Representative (s) / Expiry</u>	Councillor Alan Stanton	19/05/08	31/05/09		
	Councillor Monica Whyte	19/05/08	31/05/09		
	Councillor Sara Beynon	19/05/08	31/05/09		
	Councillor Isidoros Diakides	19/05/08	31/05/09		
	Councillor Liz Santry	19/01/09	31/05/09		New appointment, replaces Cllr. Egan

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Chair:
Councillor Clare Kober

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 is 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 Cabinet's budget package prior to the approval of the final budget and the Council Tax on 23 February 2009.
- 1.3 This report covers the budget package which we considered at our meeting on 26 January 2009.

ITEM FOR DISCUSSION

Finance

2. FINANCIAL PLANNING - 2009/10 TO 2011/12

- 2.1 Following our meetings on 15 July and 18 November 2008 we reported to the Council on 13 October 2008 and 19 January 2009 respectively on the key financial planning issues facing the Council and on the process for the detailed consideration of our budget package. At our meeting on 26 January 2009 we considered a report setting out the medium term financial strategy for the three-year period of the current administration which will be reviewed on an annual basis. The initial financial planning report in July identified a budget gap of £7.6 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 £12.8 million.
- 2.2 The report we considered on 26 January (attached at Appendix 1) proposed a budget package for the period 2009/10 to 2011/12 and 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 considered a proposed budget package on the basis of a Council Tax increase for 2009/10 of 1.95%. This assumed that the additional investment requirement for children's services arising from the joint area review inspection would be considered in the final budget report to the Council on 23 February 2009. We noted that the package proposed a budget for the schools element of children's services within the ring fenced dedicated schools grant (DSG), a balanced budget for the housing revenue account (HRA) based on an average rent increase of 6.1% and a capital programme based on the existing policy framework for capital expenditure.

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 23 February 2009.



Haringey Council

Agenda Item

Cabinet**On 26 January 2009**Report title: **Financial Planning 2009/10 to 2011/12**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 2009/10 and later years.

2. Introduction by Cabinet Member for Resources

- 2.1 I am pleased to commend the report to Cabinet with the proposed council tax for 2009/10 financial year. This is a very tight budget with key investments for the benefit of the people of the borough to deliver the Council's objectives.
- 2.2 We have taken into account the current economic climate and applied a prudent approach in the setting of this budget – I would like to thank all those who participated in the budget process.
- 2.3 I commend the report for approval.

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 section 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 agree the proposals for the children's services (DSG) budget set out in appendix F.

- 3.6 To agree the proposals for the HRA budget set out in appendix G.
- 3.7 To approve the housing rent increases at an average of £4.78 per week (6.1%).
- 3.8 To approve the housing tenant service charge increase at an average of £1.94 per week.
- 3.9 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.
- 3.10 To agree the treasury management strategy and policy and prudential limits set out in appendix K.
- 3.11 To agree the proposed general fund budget requirement of £408.834m, subject to the decisions of precepting and levying authorities, and the consequences for council tax levels
- 3.12 To agree the way forward in respect of additional resources required for investment in children's services as set out in paragraphs 12.2 and 12.3.
- 3.13 To note that this budget report will go to Council on 9 February 2009 with the final decision on the budget and the council tax for 2009/10 to be considered at the Council meeting on 23 February 2009.

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



Contact officer: **Gerald Almeroth, Chief Financial Officer, 020 8489 5972**

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 2009/10 will be 1.95%. The additional investment requirement for children's services arising from the joint area review inspection will be considered in the budget report to Council.
- 4.2 The report proposes a budget for the schools element of children's services within the ring-fenced dedicated schools grant (DSG).
- 4.3 The report proposes a balanced budget for the HRA based on an average rent increase of 6.1%.
- 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 includes a revised annual 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:

- The provisional local authority revenue support grant settlement 2009/10 issued 26 November 2008
- Report of the Chief Financial Officer and Director of Corporate Resources to Cabinet on 18 November 2008 – Financial Planning 2009/10 – 2011/12
- Report of the Chief Financial Officer and Director of Corporate Resources to Cabinet on 15 July 2008 – Financial Planning 2009/10 – 2011/12

7 Background

7.1 The reports to the Cabinet on 15 July and 18 November set out the key financial planning issues facing the Council and follow the agreed process for the detailed consideration of the Cabinet's business planning process and 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 £7.6m 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 £12.8m.

7.2 This report proposes a budget package for the period 2009/10 to 2011/12 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 9 February and the final council tax (including the GLA precept) and the policy and decision on reserves on 23 February.

8 Government support

8.1 The budget for 2009/10 is the second year of a **three year grant settlement** that provides some certainty and allows for a reasonable amount of stability for service planning over that period. There have been a number of significant changes in the formula grant system in recent years and the debate on the financing of local government is set to continue further.

8.2 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.

8.3 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.

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

8.5 For the 2008/09 budget and following two years the **government consulted** on changes to the formula in which Haringey had particular interest in two aspects:

- **area cost adjustment** – provide a new geographical banding for East Inner London to include Haringey, Newham and Barking & Dagenham to reflect more accurately the actual labour costs in the area – this was not implemented and no changes were made, and;
- **removal of the separate damping floors** for Children’s and Younger Adults Social Care introduced after significant changes were made in 2006/07 – this was removed and saw a shift in formula resources away from Haringey and London.

8.6 The settlement provided 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.

8.7 The figures for 2009/10 were re-confirmed in the **provisional grant settlement** announcement issued on 26 November 2008. The three year grant settlement has set overall floors for the three year period. The settlement for Haringey is shown in the table below:

Formula grant	2008/09	2009/10	2010/11
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

8.8 Haringey has received a **floor increase** for all three years. The majority of London boroughs are now on the grant floor. Haringey is calculated at being approximately £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 after the change in the formula as mentioned above.

8.9 The Council continues to produce a medium term three year financial strategy and this year includes rolling further a year to include 2011/12 although the grant settlement for this year is not known. The current assumption is a continuation of the 1.5% floor increase.

8.10 The **population** projections used in the grant settlement show a reduction over the next three years. Last year it was the Council’s view that this was under-enumerating the true position in Haringey and it is believed that there are still underlying issues with the data that the Office of National Statistics use, including the impact of not counting short term migrant movements. The government and ONS are planning reviews of the data and methodology before the next census in 2011.

- 8.11 The **dedicated schools grant** (DSG) is the money that goes directly to fund schools and the pupil led services in support of an authority's dedicated school's budget. Education services continue to receive higher increases than other local government services although the increases over the three year period are below that previously received. Haringey has received an increase of 3.5% per pupil for 2009/10, which is the minimum increase available.

DSG per pupil	2008/09	2009/10	2010/11
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%

- 8.12 The 3.5% increase represents a 2.9% basic increase plus funding for other priority areas. 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 2009 count. The implications for children's services budgets are explored later in the report.
- 8.13 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 £0.6m 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.
- 8.14 The draft settlement for 2009/10 provides the level of **specific grants** largely as reported previously. A significant amount of grant is now paid through the **area based grant** (ABG), which is not ring-fenced for any specific purpose, but is to be used for agreed local priorities. The adjusted base for 2008/09 is £22.28m. This is planned to increase by £1.8m in line with the three year strategy announced in 2008. £1.2m of this increase relates to Children's Services and it is recommended that this is allocated to those services. The allocation of this will need to be agreed in conjunction with our partners in the Haringey Strategic Partnership (HSP) as part of the Local Area Agreement (LAA).
- 8.15 The level of **supporting people grant** continues to reduce by approximately 5% each year. The grant is estimated at £19.65m in 2009/10, a reduction of £1.03m (5%) from 2008/09. A review is taking place to manage this grant reduction with the least amount of impact on services. This will help to inform the further reduction of £0.98m (5%) planned for 2010/11 when the grant will reduce to £18.667m. It has been confirmed that the grant will be included within the ABG from 2010/11
- 8.16 There are some smaller changes on other elements of the grant, including the **working neighbourhood fund** (WNF). These will be managed within the overall position for each theme board under the HSP and as they are largely unchanged will not have a significant impact on achieving the priorities within

the LAA. The proposed allocations to the theme boards is set out in the table below:

Area based grant – proposed theme board allocations	2008/09 £m	2009/10 £m	2010/11 £m
Better Places Partnership	1.944	2.019	2.019
Children & Young People's Partnership	9.910	11.149	11.149
Enterprise Partnership	1.200	1.556	1.431
Integrated Housing Board	0.223	0.223	0.223
Safer Communities Executive Board	2.066	2.166	2.166
Neighbourhoods and Capacity	1.793	1.793	1.793
Well Being Partnership Board	5.143	5.143	5.143
Sub total	22.279	24.049	23.924
Supporting People			18.666
Total	22.279	24.049	42.590

- 8.17 It is assumed that there will be net financial impact arising from the planned **transfer of resources from Primary Care Trusts** to Local Authorities in respect of non-health care related expenditure for people with learning disabilities. This will be effective from April 2009 and money will be transferred by local agreement for the next two years. Further work will be done for the funding arrangements from 2011 onwards.
- 8.18 The pre-budget report stated that additional funding for local authorities was being set aside in the form of housing / council tax **benefits administration grant** to assist Council's respond to the economic downturn and meet increased demands for benefit in an effective way. The amount allocated for Haringey is not yet known.
- 8.19 The Leader wrote to the Minister in **response to the provisional grant settlement** by the 7 January deadline and incorporated the key points as set out in this section of the report.

9 Changes and variations

- 9.1 The 2008/09 budget was set as part of a process, which covered the first year of a three year planning period that follows the government spending review period. A number of budget changes and variations were recognised in the previous budget process and these are brought forward in the approved financial plans. During this year financial planning reports to the Cabinet in respect of 2009/10 onwards have agreed further changes and variations.
- 9.2 The changes and variations already agreed by the Cabinet are as follows:
- an update on inflation and assumptions for formula grant and council tax as the medium term financial strategy is rolled on a further year for 2011/12;
 - the actuary's triennial valuation of the **pension fund** up to 2007 was completed in November 2007. The next valuation will be available in late 2010 for the preparation of the 2011/12 budget. The interim deficit position

is likely to worsen and so an assumption for increased employer contributions of £1m has been made on this basis;

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

- the latest budget projection for the apportioned costs for the **waste disposal** levy are based on the December report to the North London Waste Authority (NLWA). An estimated increase of £0.5m in 2009/10 and 2010/11 followed by a further £0.8m in 2011/12 is included. A review is being carried out by a Member Panel of the NLWA before this is formally approved in February. There are a number of reasons for this projected increase in costs, including increased tonnage, higher landfill tax and some preparatory costs for the new procurement. Some risk allowance has been made for next year in respect of market prices of recyclables. The full financial impact of the long term procurement process as reported to Cabinet in October 2008 is outside of this current planning timeframe;
- the **London Pension Fund Authority** (LPFA) are proposing a significant increase in the levy in relation to pension deficits for staff at the former Greater London Council (GLC) and other related bodies including the Inner London Education Authority (ILEA). Inner London authorities are being asked to pick up a higher level of costs because of the direct link to ILEA. This follows a high increase that was notified late in the 2008/09 budget process. The budget in 2007/08 was £252k and increased by 42% to £359k in 2008/09. This year the LPFA are proposing a further 72% increase of £259k to be phased in by 2011/12 and this is included in the Council's budget proposals. London Council's are challenging this levy increase;
- a saving of £300k on annual **insurance** premiums paid into the Council's self-insurance fund can be made following an external review of the fund position. This follows improved risk management practices, particularly in the highways service, and also delivers a one-off reduction in the level of the fund against known and projected liabilities that can be used for other purposes;
- the basis for allocating the cost of the **concessionary fares** levy under the new national scheme was reviewed by London Councils last year. The proposal agreed was to move towards actual usage data, but that this should be phased in over a period of time to allow for refinement of the collection of such usage data. It was subsequently agreed that the increase would be phased in over three years on a 40:30:30 basis. A further factor is that 2009/10 is the final year of the transport provision contracts so there is some uncertainty on the cost estimates after that year. The impact of moving to usage data for Haringey is estimated to be an increase of over £2m per annum. This was allowed for in the budget last year, however, this is now not fully required over the planning period and an adjustment has been made for this based on the latest figures from London Councils;

- recent economic conditions have had a consequent impact on inflation impacting across a number of areas and has led to a certain amount of instability. Significant increases in oil and **energy prices** have been followed by increases in food and other general prices. The Council has seen significant increases in its own contracted energy prices through the wholesale market and recently predicted falls in prices have not yet flowed through, therefore an allowance of £0.5m is added to the base to provide for the current position. On **general inflation** the November position shows inflation at 4.1% and a reduction to 3.1% for December. It is predicted to fall significantly next year to within the government's target of 2%. The Bank of England has predicted it may fall to below 1% some time in 2009. The Council's current budget assumptions allow for 2.5% generally on costs (including pay) and fees and charges income. It is proposed to reduce this to 2% in line with the government target for 2009/10 and 2010/11 reducing the budget requirement by approximately £1.2m each year;
- the downturn in **economic conditions** may have an impact locally on services although this may take a while to feed through. This may take the form of increased demand for Council services (such as higher volumes of housing benefit applications) or a loss in fees and charges income (such as building control). A general **contingency** sum of £1.1m is proposed for the two years to 2010/11 to allow for this although initially any pressures will be contained within approved existing budgets. The previously agreed contingency sum of £1.5m for 2009/10 can be released;
- the Chancellor's pre-budget report proposed an increase of 0.5% in employer's **national insurance** rates from April 2011. This is estimated to cost the general fund approximately £0.7m per annum with a further £0.5m being a cost to schools, and;
- the government have previously reduced subsidy thresholds in respect of **homelessness** by 5% in 2007/08 and 10% in 2008/09 for London authorities only. The Department of Work and Pensions (DWP) had planned to carry out a more fundamental review of how funding is allocated for implementation in 2009/10. It was expected that this would have a further detrimental impact on the Council and a provision of £3m was made for this year. The DWP recently announced that the review would not be completed in time and that it would be deferred one year. It also announced a cash freeze in subsidy levels for London authorities in 2009/10 with all other authorities receiving a 5% increase in thresholds. This has an impact on Haringey as there will be inflationary pressures on costs without a related increase in subsidy income. It is proposed that the £3m base provision is re-phased over the planning period with the bulk of the additional cost coming in 2010/11. This allows £750k to be retained to assist the service in meeting its reduction targets with some of the inflationary pressures to be contained within the service.

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. Local needs information including the borough profile informs the service planning at this stage. 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 2009.

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 the Children and Young People's Service budget issues by schools at the School's Forum;
- 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;
- separate focussed consultation sessions with residents;
- trade union representatives; and,
- other stakeholders.

11.2 Scrutiny

11.2.1 The Overview and Scrutiny Committee met during December and January 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 6 January 2009 and a summary of their comments are also included.

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 The School's Forum has a key consultative role in the agreement of the budget strategy for the dedicated schools budget. Budget planning issues and the detailed report on the dedicated schools budget were considered by the Schools Forum at its meeting on 11 December 2008. The recommendations extracted from the minutes of that meeting are attached at appendix F and these are included in the proposed budget plans.

11.4.2 It was recommended that Cabinet consider reducing the estimated provision for pre-opening costs for Heartlands school. This has been done and is reflected in the revised budget attached.

11.4.3 The recommended budget changes together with the grant settlement position result in £0.7m 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 agreed policy of increasing the AEN/deprivation funding in the formula agreed last year.

11.4.4 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 during the budget process and discussed the budget proposals in detail as part of the consultation process. Tenant and leaseholder representatives are members of the group.

11.5.2 The rent increase is driven by the government's rent restructuring guidance. A formal consultation process is conducted on the options for implementing the rent increase including through the Residents Finance Panel and direct tenant communication. The consultation period began on 4 December and closed on

12 January. The response rate to the consultation was low. In terms of the three options for dealing with the rent increase no particular one emerged ahead of the others. A number of individual comments were received, and although some were suggesting that the increase should not be so much, others stated that rents need to increase to maintain housing services.

11.5.3 A consultation exercise has also been carried out in respect of tenant's service charges. The increase has been discussed with the Residents Finance Panel and through direct communication. The end of this consultation period has been extended beyond the original deadline of 17 January. The general feedback so far is of concern about the increases in heating costs.

11.5.4 Leaseholder's service charges are charged the actual costs of providing the service with large charges being consulted through the formal Section 20 process. The recommendations in this report for service charges therefore do not apply directly to leaseholders.

11.6 Business event

11.6.1 Business consultation events are being held on 22 and 28 January 2009 at which presentations will be given on the Council's financial strategy and the increase in business rates by the government. Feedback will be included as part of the report to full Council in February.

11.7 Residents

11.7.1 This year the Council year engaged with residents on the main budget process in a more proactive way than has been undertaken in the past. This is in line with the government agenda of participatory budgeting. The consultation was based on information giving and asking for comments through Haringey People, a web-based questionnaire and a consultation exercise with groups of invited residents at facilitated workshops. This is in addition to the already well-established publication of the pre-business planning review documents on the website.

11.7.2 Focussed workshops were held and the participants were drawn from existing lists of residents who had taken part in the Annual Resident survey and had agreed to take part in further research, as well as people who had expressed an interest in coming to a budget workshop session.

11.7.3 Five workshops were held, two spread geographically across the borough, two with young people at youth clubs/schools and one workshop with a group of disabled people. A survey was also carried out with groups of disadvantaged young people. Just under one hundred people's views were obtained overall.

11.7.4 The content included an explanation of the Council's funding sources and spending plans along with a view of how increases in council tax impact of the Council's budget making process. Participants were asked about which services they use or have used. This was followed by round table facilitated discussions about a series of questions designed to ascertain which areas of

the budget residents would rather support financially. The sessions were closed with a vote on the questions posed.

11.7.5 A summary of the findings and main comments are as follows:

- residents were pleased to be invited to comment and take part in this budget process and felt it was a good initiative from the Council;
- participants were interested and surprised when taken through the presentation of how the Council was funded, especially how little the council tax pays for;
- almost everyone who took part would like more detailed information in the future;
- many participants commented that it is a difficult job making the necessary decisions for the budget;
- the main service priorities that came through were; social care for children and vulnerable adults; recreation facilities including parks and open spaces; youth services and education (the last two the highest priority amongst young people surveyed), and;
- in terms of council tax, the majority of participants said they would rather see current levels of service maintained or improved knowing that it may mean an increase in council tax.

11.8 Trade unions

11.8.1 Meetings on 5 December and 7 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 where appropriate. The key overall views expressed are set out in the following paragraphs.

11.8.2 “The trades unions in Haringey Council are aware that the Council’s finances are significantly determined by the level of Central Government support that it receives and by political considerations bearing on the level of council tax. At a national level, all three of the unions recognised in Haringey have pressed the government for greater investment in the public sector and a greater commitment to public services. Our comments on Haringey’s proposals, therefore, reflect our perception of how the Council proposes to handle the constraints within which it must work.”

11.8.3 “We welcome the fact that there is no section 188 notice in prospect this year and that effort has been made to minimise the level of redundancies. There appear to have been improvements in the effectiveness of the redeployment procedure over recent years and we hope this will contribute to the avoidance of redundancies. We welcome the fact that the pre business plan reports contain proposals to reduce the level of use of agency staff and replace such staff with directly employed staff. We would encourage the Council to continue scrutinising its employment practices to maximise the use of directly employed staff.”

11.8.4 “We recognise that the recent inspection in the children and families service will necessitate a fresh look at the Council's handling of child care and welfare issues and that this may have implications for spending in that area. Should these budget plans require revision in light of that, we will expect to be included in the consultation process.”

11.9 Other stakeholders

11.9.1 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.

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. The new proposals total £3.5m in the general fund revenue budget over three years in addition to the £1.3m of pre-agreed investments. The **Council's priorities** provide the rationale for the allocation of investment resources via the business planning process and are set out in the appendix. The key areas for investment are as follows:

- learning disability services – provision for additional demand;
- children's social care – provision for increase number of looked after children;
- increase in investment in direct payments for children's social care;
- provision of free swimming for under 16's and over 60's;
- additional resources for anti-social behaviour services, and;
- additional and expanded recycling services to increase coverage.

12.2 The investment requirement for **children's services**, following the joint area review inspection, is not yet fully known. It is envisaged that a significant level of additional resources will be required to implement the action plan and to embark on a programme of transformational change with the aim of becoming an exemplar for safeguarding and modern social work practice. The action plan is due to be finalised and submitted to the Secretary of State by the end of February. This sits outside the current budget process.

12.3 It is proposed that the net budget requirement for this additional level of resource be funded from reserves for 2009/10 and that this will form part of the Council's consideration of the budget in February. The ongoing impact on future years can be incorporated in the business planning process in the coming year.

13 Savings options

13.1 Proposed savings totalling £12.8m over the next two years were agreed as part of the previous budget processes. This excludes the separate savings

targets of £2m for each of the next two years for the Achieving Excellence programme. These savings have been reviewed through the PBPR process and either confirmed as sound and achievable or deemed as not achievable and 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 shows a net shortfall against the original plans of £1.1m.

- 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 £5.4m over the next three years.
- 13.3 Members are aware of the government's agenda to generate **efficiency savings** throughout the public sector. Originally set out in the Gershon review and 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. Each local authority currently reports progress on efficiencies to the government in the new national performance indicator set where one is for value for money. The government have also instructed local authorities to include efficiency information directly on to **council tax bills** for residents from this year onwards.
- 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	2009/10		2010/11		2011/12	
	£m	%	£m	%	£m	%
General fund	9.582	3.9%	5.783	2.3%	3.408	1.3%
DSG (excl ISB)	0.000	0.0%	0.000	0.0%	0.234	0.1%
HRA	1.192	1.3%	2.000	2.1%	0.000	0.0%
Total	10.774	2.1%	7.783	1.5%	3.642	0.7%

- 13.5 The **Achieving Excellence** programme is a key part of the overall strategy for delivering savings. An update was recently reported to Members that showed progress is being made broadly in line with expectations and that the £5m savings target will be delivered. The key streams for the efficiency part of the programme are the value for money reviews and Smart Working/accommodation strategy. As this is an evolving programme further focus and consideration is being given to strategic commissioning and the cost of central functions, which may assist in delivering additional savings beyond 2010/11 with the appropriate level of investment.

13.6 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. It may transpire that some redundancies will be unavoidable and the due statutory process will be followed. In the closing of accounts process last year a one-off corporate **provision for redundancy** costs was set up for £2m. This will be utilised only where the redundancies relate to savings proposals approved as part of the budget process and can not be funded from revenue underspends in the service. 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 In November 2007 the government announced the latest multi-year settlement information for the DSG covering the period 2008/09 to 2010/11. Members are reminded that this information set out a guaranteed unit of funding together with an estimate of pupil numbers for each of the three years covered by the settlement to give indicative cash amounts of grant.
- 14.2 The headline position for Haringey in 2009/10 is an **increase per pupil** of 3.5%. This compares unfavourably with a 4.1% increase in 2008/09 and the London average of 3.8% for 2009/10.
- 14.3 Schools are guaranteed a minimum funding increase based upon the government's assessment of inflationary pressures, although for each of the years covered by the multi-year funding settlement, a 1% efficiency saving has also assumed to be achieved. The **minimum funding guarantee** (MFG) has been set at 2.1% per pupil in 2009/10 and the same for the following year.
- 14.4 The final cash amount of DSG is set by reference to the actual pupil numbers recorded at the January census immediately prior to the financial year in question, i.e. for 2009/10 the January 2009 count. However, because of concerns over the accuracy of estimated numbers produced by the Department for Children's Schools and Families (DCSF) previously, the authority has adopted a more prudent view of pupil numbers in budgeting for DSG.
- 14.5 The guaranteed unit of funding and the estimated pupil numbers used to set DSG for 2008/09 as reported to the Council in February 2008 was 32,207 pupils at £4,987 giving a total estimated cash figure of £160.617m (after rounding).
- 14.6 In actual terms (at the January 2008 count) the 2008/09 **final pupil numbers** were marginally lower still (at 32,084) and a budget adjustment of £620k was implemented in this year. In continuing to adopt a conservative approach to

the setting of the DSG this lower pupil number has been reflected in setting the 2009/10 assumptions.

- 14.7 Whilst DSG allocations are not announced by the government on a rolling three year basis, data for 2011/12 has been added based on a continuation of pupil numbers and an assumed 3.5% increase in the guaranteed unit of funding.

Year	Per pupil guaranteed unit of funding £	Increase over previous year %	Estimated pupil numbers	Estimated DSG £m
2008/09 (final)	4,986.83	4.1	32,084	159.997
2009/10	5,160.66	3.5	32,084	165.575
2010/11	5,364.29	3.9	32,084	172.108
2011/12*	5,552.04	3.5	32,084	178.132

**2011/12 figures are indicative and based upon the assumptions stated.*

- 14.8 The total DSG position as proposed is balanced. The School Forum considered a three year strategy in 2008 and this has been updated to reflect the changes in pupil numbers set out above and the continuation of the policy agreed at Cabinet on 18 December 2007 of allocating any **residual headroom** towards AEN/ Deprivation factors within the Haringey Formula for Financing Schools.
- 14.9 Appendix F1 sets out the position on the DSG for the three year planning period within which there is provision for resources to be retained centrally in order to fund the following items:
- the estimated cost of inflation attributable to central budgets (£470,000);
 - the pre-opening costs associated with the new Heartlands High School (£122,000) reduced significantly from earlier proposals reflecting the views expressed by the School's Forum;
 - the delegation of £264,000 to Moselle School to enable increased autism provision to be created and, allied to this proposal charging the corresponding transport costs (£116,000) for these pupils against central expenditure within the DSG to recognise the efficiency of using in-house provision;
 - the need to provide for possible budget pressures in SEN placements (£225,000 covering both demographic and inflationary pressures), and;
 - the provision of personalised learning services to pupils within central provision, e.g. the Pupil Referral Unit (£31,000).
- 14.10 In the near future it is proposed to consult with schools on changes to the 2009/10 Haringey **Scheme for Financing Schools** in respect of two issues:

- the operation of a **sustainable investment fund** for schools to improve their energy efficiency based on repayable loans from school balances, and;
- the insertion of requirements for **audit work** to be carried out by schools that choose to operate payroll services outside of the Haringey payroll Service. This is to ensure that the Authority's own statutory audit requirements in connection with the Teachers Pension Scheme can be sufficiently met.

14.11 The DSG is currently allocated by government on a 'spend-plus' basis, derived from authorities' spending in 2005/06 plus uplifts for inflation and ministerial priorities. The previous **DSG methodology**, which underpins the 2005/06 spend, included an area cost adjustment (ACA) element to estimate the additional costs associated with high cost areas. Under this formula Haringey was classified as an outer London authority, even though it pays its teachers inner London allowances and displays many characteristics akin to inner London authorities. This results in Haringey's DSG funding being substantially below that of the borough's inner London neighbours. The Department for Children, Schools and Families (DCSF) is carrying out a **review** of the DSG with the expectation of a return to formula funding in 2011/12.

14.12 Haringey has already made representations to the DCSF for a more equitable ACA formula to be developed and, in conjunction with the Haringey Schools Forum, will continue to make concerted effort to lobby for the improvement of the formula to more accurately reflect Haringey's costs.

15 Housing revenue account

15.1 The housing revenue account (**HRA**) is a self-financing account and therefore cannot be subsidised by the general fund i.e. council tax. The strategy for the HRA must therefore show sustainable resources available to provide the service and remain in balance in conjunction with maintaining the working balance at a prudent level. The income for this account is largely through government subsidy and tenant rents.

15.2 The final HRA **subsidy determination** was received on 18 December 2008. The rent restructuring formula changes result in a recommended average **rent increase** for Haringey of 6.13% equating to an average of £4.78 per week. The draft subsidy position issued on 28 October 2008 gave two options for determining the guideline rent:

1. based on the original assumption that guideline rents are increased to incorporate the 5% retail price index increase at September 2008 with adjustments to achieve a convergence with formula rents by 2011/12, and;
2. based upon a fixed increase of 6.2% in guideline rent. To achieve this, the convergence with formula rent would need to be extended to 2024/25. The proposed guideline rent increase for 2010/11 would be 6.1%.

- 15.3 The final subsidy determination from the government is adopting the second option. The first option would have meant an average rent rise for Haringey tenants of 7.5%.
- 15.4 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 6.1%, 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 would result from below 4.5% to over 9.0%. The **consultation process** therefore sought views on three different options of implementing the rent increase as follows:
1. set the rents as per the government's rent restructuring formula - this means that increases will be calculated according to the size and value of the home. Generally, tenants with a high rent will have higher increases although the rent increase will be different for each dwelling;
 2. set the rents as per the government's formula, but limiting any individual rent increases to no more than £6.00 per week. This option may require some tenants to receive a higher % increase than under the rent restructuring formula although it offers greater protection against higher cash increases, or;
 3. set the rents by adding 6.1% to all dwellings. This means that everyone's rent will increase by the same flat rate percentage. Homes with higher rents will increase the most in value terms.
- 15.5 The consultation had a low response and was inconclusive in terms of a preferred option. It is therefore recommended that **option 1** is implemented as this adheres strictly to the government's rent restructuring formula.
- 15.6 A 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 £1.94 per week. The range will be from reductions of £0.52 to increases of £21.16 per week. The higher end of the range of these increases affect just over 600 households out of a total of 16,000 and the reason for these higher increases are in respect of heating charges where energy costs have risen significantly this year. The cost of all tenant service charges other than heating can be taken into account in the assessment for housing benefit and approximately 70% of tenants are currently in receipt of benefits.

- 15.7 In addition to the above, the **HRA medium term financial strategy** includes the following:
- efficiency savings of £1.1 million have been identified by Homes for Haringey following the re-tendering of the contracts for gas maintenance;
 - investment bids of £1.771 million proposed for 2009/10 that are detailed in appendix G;
 - savings of £444,000 were built in to the current budget based on this being delivered with a review of the tenancy management service, as this review is still on-going these savings may now not be achieved in the coming financial year, but will be included in the strategy to identify further efficiencies in the HRA;
 - further efficiency savings of £2 million are to be identified by Homes for Haringey in future years after 2009/10;
 - Supporting People Grant is forecast to be £566,000 below budget for 2008/09 with an ongoing financial impact into future years;
 - saving from the expiry of long leases is forecast to be £600,000 in 2008/09 and in future years, and;
 - delivery of rent collection at the agreed performance levels at 99% with a void rate of 2% on general stock.
- 15.8 The government **housing subsidy** position continues to worsen on an annual basis. The final subsidy determination for 2009/10 shows an overall decrease for Haringey in respect of management and maintenance subsidy of 0.9%, which is considerably lower than inflation. Management and maintenance allowances are increased by 0.68% to £2,163.37 per dwelling. Taking into account the reduction in dwellings due to disposals, this represents a reduction in overall allowances of £307,000. The major repairs allowance however has increased to £12.407m in 2009/10 and this is used to fund the capital programme.
- 15.9 The government have been carrying out a **review of the HRA subsidy system** including utilising some authorities as pilots. The details of the review so far appear to be inconclusive and it is expected that further work will be required before consulting on any permanent changes to the system to possibly inform the next spending review.
- 15.10 The current approved HRA budget position in 2008/09 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 three year planning period. The planned opening balance for 2008/09 of £4.690m has been revised to £4.724m as a result of the closing of the 2007/08 accounts.

£000	2008/09	2009/10	2010/11	2011/12	2012/13
Planned opening balance	(4,724)	(5,255)	(5,925)	(5,526)	(5,915)
In year budget	(531)	(670)	399	(389)	1,302
Proposed closing balance	(5,255)	(5,925)	(5,526)	(5,915)	(4,613)

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 three years. The estimates for the investment for decent homes and BSF are shown separately.

Capital Programme - Resources Utilisation Estimates	Original 2008/09* £'000	2009/10 £'000	2010/11 £'000	2011/12 £'000	3 year Total £'000
Housing (Housing Revenue Account)					
SCE® Single Capital Pot	6,233	6,233	6,233	6,233	18,699
SCE® Separate Programme Element (Decent Homes)	*36,105	30,000	40,000	44,000	114,000
Major Repairs Allowance (MRA)	11,855	12,407	12,407	12,407	37,221
	54,193	48,640	58,640	62,640	169,920
Children & Young People's Services					
BSF (SCE©, SCE® & other finance)	47,871	98,822	34,560	3,228	136,610
Other SCE® (excluding BSF)	6,479	5,253	6,510	4,612	16,375
Other SCE© (excluding BSF)	6,245	12,417	16,181	12,514	41,112
Other Grants & Contributions	250	1,274	200	200	1,674
	60,845	117,766	57,451	20,554	195,771
Urban Environment					
TfL Capital Grant (Local Implementation Plan)	5,337	3,815	6,000	6,000	15,815
Other SCE©	2,406	1,550	0	0	1,550
	7,743	5,365	6,000	6,000	17,365
Adult, Culture & Community Services					
SCE© (Disabled Facilities Grant)	600	749	749	749	2,247
Application of Corporate Resources					
SCE®	0	100	100	0	200
Capital Receipts - Bids for Corporate Resources	18,167	9,837	7,772	8,255	25,864
Capital Receipts - Accommodation Strategy		0	0	5,650	5,650
	18,167	9,937	7,772	13,905	31,714
Other Grants & Contributions & Reserves	3,885	13,126	13,035	7,950	34,111
Prudential Borrowing	962	3,422	11,812	0	15,234
Total Capital Programme	146,395	199,005	155,559	111,798	466,362

* 2008/09 Original budget figures shown for comparison purposes

* The £36.105m for Decent Homes was estimated prior to the notification from government

- 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 5.4% is used compared to the actual average Haringey rate of 7.09% 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 additional revenue cost of this in 2009/10 is approximately £0.6m. The funding of capital by government grant is the most preferred.
- 16.5 The strategic context for **housing** is the investment gap to deliver against the **decent homes** target. Homes for Haringey successfully achieved two stars in the inspection last year and duly a letter from DCLG announcing the release of decent homes funding was received a year ago. This amounts to a total of £198.579m against a bid of £231m above existing funding streams. This includes £11.4m for environmental improvements. Confirmation was received that the funding would be in place for the first three years of £59.99m (up to 2009/10) and that subsequent years were indicative allocations:

Year	Allocation £m
2007/08	6.990
2008/09	23.000
2009/10	30.000
2010/11*	40.000
2011/12*	44.000
2012/13*	41.589
2013/14*	13.000
	198.579

**indicative*

- 16.6 The **procurement framework agreements** were set up in advance of the notification last year and this has enabled significant progress to be achieved in the contractor partners delivering the decent home works in accordance with the funding profile. The government announced in the pre-budget report that some decent homes funding is to be brought forward, although details of this and the implications are not fully known as yet. The contracts the Council has in place would enable Haringey to bring this work forward fairly easily as well as add to the promotion of economic activity during this difficult economic period.

- 16.7 Works to **leaseholder** properties are above the funding figures set out above. These will be funded by leaseholder contributions in accordance with the policy recently approved by Cabinet on 15 July 2008 in respect of major works charging arrangements. This may require some temporary financing by the Council the revenue impact of which will be met by the HRA.
- 16.8 The other elements of the housing capital programme include substantial sums for aids and adaptations for Council properties, lift improvements and boiler replacements. The programme for housing also includes a higher proportion of works on planned and preventative maintenance works. The subsidy determination includes an increase in the major repairs allowance of £0.826 to £12.407m as a result of the three year average building cost adjustment.
- 16.9 For **children and young people's services**, the key strategic issues are in respect of the **Building Schools for Future (BSF)** programme (including the new 6th form centre) and the primary capital programme. A total of £212m is planned to be spent on BSF (made up of £188m of mainstream central government resources, £10m from the Learning Skills Council contributing towards the cost of the new 6th form centre, schools contributions towards the ICT contract, a specific capital receipt and revenue contributions from the DSG).
- 16.10 The new **6th 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 £28m. Nearly £73m is planned to have been spent by the end of this financial year with a further £99m in 2009/10 thereby delivering a significant proportion of the improvements in that time.
- 16.11 The funding announcements for 2009/10 and beyond are known following the CSR07 and final notification in November 2007. The basic need **formulaic funding**, plus funding for modernisation and access is included in the programme at £5.855m in 2009/10.
- 16.12 In previous years the major capital investment in the primary estate has been arising from the new places funding and allocated to **pupil place expansion** schemes at Coldfall, Tetherdown and Coleridge schools. The works for Coldfall and Tetherdown have been completed in 2008/09 with the final elements for the Coleridge expansion to be finished in early 2009/10. These investments are within the revised budgets approved for the schemes.
- 16.13 In future the government plans to invest differently in the primary estate under its new **Primary Capital Programme (PCP)** and investment will be guided at a local level by the development of a Primary Strategy for Change (PSfC). The DCSF approved the Council's PSfC 'with modifications' recently thereby releasing the £12 million of resources in 2009/10 and 2010/11. A response on the modifications is required by DCSF by March 2009.
- 16.14 The PSfC demonstrates a joined up approach to capital investment and includes considerable pooling of the PCP resources with those for extended schools, children's centres, targeted capital financing, harnessing technology and devolved formula capital. Resources will also be targeted via the

Education Asset Management Plan (AMP), which is due for review in the very near future. It is proposed the main elements of the £12m will be targeted towards:

- contribute towards the inclusive learning campus at Broadwater Farm;
- improvements at Mulberry School;
- suitability and condition works at Rhodes Avenue, and;
- autism provision in the West of the borough.

- 16.15 In respect of 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. This is now included in the provision outlined above.
- 16.16 The requirements for **streetscene** were set out in the Local Implementation Plan, which was agreed by the Cabinet on 20 March 2008 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 20 November confirmed the grant approval of £3.77m compared to the total bid for 2009/10 of £7.96m. The grant approval is a reduction of £1.59m (30%) on 2008/09. The overall resource increase across London was 4.3%. Some of the reductions against the actual position last year reflect the one-off nature of some bids last year including sums for town centre schemes and bridge assessment and strengthening. There are also reductions against schemes for cycling and school travel plans where increases were achieved last year, but this was not sustained for 2009/10. A general sum of £100k has been allocated to all boroughs to be spent on the transport priorities of their choice. TfL are also going to consider using a funding formula rather than the current annual submission and assessment process.
- 16.17 The **regeneration** strategy is supported by growth area funding from the government. The Council has been successful in securing £6.912m of capital resources for 2009/10 and 2010/11 in addition to the £4.0m already achieved in 2008/09. Bids to the DCLG were over-subscribed by 3.5 times, the Council's bid for this round was £16.7m. Further bids have also been made to the Community Infrastructure Fund the results of which will be available sometime in February 2009. These resources are not included in this original capital programme, but a report will come to Members in due course.
- 16.18 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:

	2009/10 £'000	2010/11 £'000	2011/12 £'000	Total £'000
Estimated resources available	(14,800)	(7,120)	(10,100)	(32,020)
Proposed expenditure	15,537	7,872	8,255	31,664
In year (surplus)/deficit	737	752	(1,845)	(356)

16.19 The position for **capital receipts** is difficult to predict in the current economic conditions. Although 2007/08 ended with a surplus of receipts above the target the situation in the property market have worsened significantly in the last year with property values reducing and likelihood of sales also diminishing. In the current year usable receipts from right to buy sales is likely to be £0.5m, which is substantially below estimate of £2m. In overall terms the 2008/09 position will balance, but in future years the predictions are more uncertain. The estimated position includes:

- right to buy receipts of £2.25m over three years, down from £6m previously;
- strategic sites to deliver £8.75m compared to £16m over the previous three year period, and;
- other receipts of £12m including the sale of a number of surplus hostel properties.

16.20 In overall terms the amount of capital receipts predicted over the planning period amounts to £26m. This is significantly reduced when compared to the £43m estimated to be available a year ago. This is due to the difficult economic conditions and their impact on the property market. This is highlighted in the strategic disposal for Hornsey depot where the developer has not being able to follow through with the original offer and the scheme is being reviewed.

16.21 **Other corporate resources** have been identified as follows:

- approved revenue contribution for capital financing from the 2008/09 budget process of £2.6m, and;
- a one-off contribution from the excess available in the insurance reserve of £3m.

16.22 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 shortfalls in the first two years shown in the table above that add up to £1.5m can be managed through the financing reserve.

16.23 The capital investment package delivered from corporate resources as proposed will contribute significantly to the **Council's priorities**. The process for proposing these investments has considered the respective asset

management plans as well as the improved service outcomes. A number of projects are also providing match funding to lever in significantly more external funding, subject to those external processes. In addition, significant capital expenditure will have regard to the Council sustainable procurement policy agreed in 2008. The priorities supported most by this programme are:

One of London's greenest boroughs

- additional investment in expanding and improving recycling services;
- the continuation of the tree planting programme.

Better Haringey: cleaner, greener and safer

- bringing forward of significant investment in street lighting (£2m in 2009/10 - £1m above previous levels);
- increased investment in roads, footways, bridges and structures;
- new investment in green flag parks and open spaces.

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

- continued investment in the strategic renewals of leisure centres, and;
- new investment in outdoor sports facilities.

Promoting independent living while supporting adults & children when needed

- significant ongoing capital investment to provide aids and adaptations to support vulnerable people living at home.

16.24 Although there are significantly less resources available the programme that is recommended provides a balanced approach to investment and achievement of the Council's priorities.

16.25 There is an assumption of a small amount of **prudential borrowing** in the proposed programme. This is mainly in respect of the previously approved scheme for investment in Leisure facilities where the borrowing costs are offset by additional income or expenditure savings. Investment options in other schemes that rely heavily on increasing fees and charges significantly have been withheld at this time (cemeteries and allotments) and will be the subject of further review in due course. In all cases any 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.

16.26 A number of schemes the Council is progressing are reliant on capital receipts being delivered near the end of the process. It is proposed that some short term temporary prudential borrowing is undertaken to facilitate this and to ensure that receipts are maximised when market conditions are improved. The revenue costs of this borrowing will be contained within the project budgets and therefore will not be a call on the level of council tax. This relates to a limited number of projects that Cabinet have already approved plans to progress, namely:

- the accommodation strategy;
- Hornsey Town Hall, and;
- Marsh Lane strategic waste depot.

17 Treasury management strategy

- 17.1 The Council is required to consider an annual Treasury Management 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 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. The CIPFA Prudential Code 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.
- 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 2009/10 to 2011/12.
- 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, Sector. The strategy covers:
- treasury limits for 2009/10 to 2011/12, 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 2009/10;
 - the Minimum Revenue Provision (MRP) strategy;
 - any extraordinary treasury issues.

Capital Financing

- 17.5 The proposed authorised limits for external debt in 2009/10 to 2011/12 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 2009/10 to 2011/12 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 an

assumption of a small amount of prudential borrowing in the proposed programme that will be funded within available resources. There is no increase in council tax or housing rent to fund a higher level of expenditure above the level of resources available.

- 17.7 The **capital financing requirement** (CFR) is planned to increase in 2009/10 by £36m as a consequence of the capital programme proposed. The net borrowing will be funded within the supported resources available.
- 17.8 The increase is mainly as a result of the additional supported investment in respect of **decent homes** – £59.99m up to and including 2009/10. The capital investment in housing stock, which could potentially release £199m from central government, is assumed to be financed by supported borrowing. The impact of supported borrowing in revenue terms will be charged to 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 For children and young people's services, the key strategic issues are in respect of the **Building Schools for Future** (BSF) programme (including the new 6th form centre) and the primary capital programme. A total of £212m is planned to be spent on BSF (made up of £188m of mainstream central government resources, £10m from the Learning Skills Council which contributed towards the cost of the new 6th form centre, schools contributions towards the ICT contract, a specific capital receipt and revenue contributions from the DSG).
- 17.10 In future the government plans to invest differently in the primary estate under its new **Primary Capital Programme** (PCP) will be guided at a local level by the development of a Primary Strategy for Change (PSfC). The DCSF approved the Council's PSfC 'with modifications' recently thereby releasing the £12 million of resources in 2009/10 and 2010/11. It is assumed this will be funded by grant.
- 17.11 There is a new statutory duty and new guidance from the government requiring local authorities to agree a statement on the Council's policy for its annual **minimum revenue provision** (MRP) and that this should be submitted to the Council for approval before the start of the financial year to which the provision will relate. This is in respect of the revenue financing of capital expenditure and making a prudent provision to redeem its debt liability over a reasonable period. The proposed policy is included in Appendix K.

Investment policy and strategy

- 17.12 Local authorities are required to agree an **investment policy and strategy** and this is included in appendix K. Council's like all other large organisations have to manage their cash-flow position and this provides the guidance framework for that. The Council's cash inflow of government grant, fees and charges, capital receipts, council tax and business rates does not always match the expenditure requirement and therefore at times the Council holds significant cash surpluses. The Council will also be holding sums in reserves and balances at any one time. Interest is earned on these cash deposits in line

with the investment policy and strategy and contributes to keeping council tax rises lower than they would otherwise be. Like other Council's credit rating agency information is utilised in investment decisions as well as the use of external advisers. The Council uses Sector for its treasury management advice, but has also consulted with other advisors in considering this revised policy.

- 17.13 The recent events in the banking and financial sector has had a dramatic impact on investment issues as well as the overall economic outlook. These issues have been referred to as the **credit crunch**, which began in the United States housing market as significant levels of sub-prime mortgages defaulted in a falling housing market that lead to repossession of assets worth significantly less than the loans. Banks became reluctant to lend to each other as concerns rose to their levels of exposure to these bad assets. Lending restrictions spread globally as banks became more aware of their exposure to this, either directly or through more complex financial instruments. This also started to filter through to general economic conditions with credit being squeezed. A number of bank failures in the autumn, including the Icelandic banks, led to governments stepping in to provide guarantees and additional capital to protect the banking sector from total collapse.
- 17.14 Following the Icelandic bank position in October 2008, an immediate review of external advice and internal procedures was carried out and a number of changes were made. A **risk assessment of existing deposits** was also carried out and it was agreed that no further deposits would be made in non-UK banks. This would reduce further short term exposure to foreign markets even where there were government guarantees or funding support in place. An independent **external review** of treasury management arrangements has also been carried out by Price Waterhouse Coopers.
- 17.15 A number of changes are now recommended to the annual **investment policy and strategy**. The proposed changes are designed to protect the Council from further exposure in the current market conditions by restricting and lowering risk in the strategy. Additional external advice has been taken in revising this strategy as well as using contributions from Price Waterhouse Coopers who are close to finalising their review. The key measures are in terms of:
- restricting the use of fixed term deposits to only the main UK banks and one building society on the UK Government Guarantee scheme;
 - increasing the minimum long term and short term ratings for these individual institutions (AA- and F1+, from A and F1);
 - increasing the use of AAA rated government backed securities and bonds.
- 17.16 In addition a number of process improvements will be implemented. These are designed to strengthen capacity and procedures in this area given the current and continued volatility in market conditions. These include the consideration of additional wider market information when making investment decisions include data such as capitalisation levels and credit default swaps; and the development of additional in-house capacity supplemented by additional

independent advisors, thereby not relying fully on rating agency information and current levels of external advice.

- 17.17 Institutions on the rating agency lists sometimes get placed on 'negative rating watch' or 'outlook'. Whilst a blanket approach to not placing deposits with institutions with this flag is preferable, it is proposed that individual assessment and consideration is carried out at a senior level before any investment decision is made. This will apply to the individual rating of the institution too. This will take into account other factors such as government support and level of existing rating. The Chief Financial Officer will consider these assessments.
- 17.18 The details of the strategy are shown in appendix K. The operation of the strategy by officers is guided by the treasury management practice and procedure documents, which will be updated in line with the revised policy.

18 Council tax

- 18.1 The planning assumption following the conclusion of the 2008/09 process was that the **council tax** would increase by 3% in 2009/10 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 2008/09. 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 and the Minister has written to all authorities reiterating his willingness to use these powers again this year if necessary.
- 18.3 The position with regard to the Council's **tax base** for 2009/10 has been considered and approved by Council on 19 January 2009. This is broadly in line with the government return. Changes have been made to the discount for second homes in the borough reducing it to the minimum allowed of 10%. It was also agreed that the collection rate remains unchanged at 96%. In respect of the position on the collection fund it is considered that 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 £408.834m. 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.

The council tax for 2009/10 will be set formally by Council on 23 February. Members have expressed a wish to minimise council tax increases for local

residents, particularly in light of the current economic conditions, which are predicted to last all through 2009/10.

- 18.5 The proposed budget for 2009/10 assumes a **council tax increase of 1.95%**. The financial strategy continues to assume 3% in future years although this will be reviewed again next year in line with Members' priority to reduce this if possible.
- 18.6 The Council's current plans usually assume that any increase in the GLA precept will be passported through to taxpayers. The Mayor is consulting on a nil increase in the precept for 2009/10, which would give an overall band D increase of 1.5%. 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 2009/10.

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 pre-business plan reviews. The risk management strategy together with the cascading risk registers are reviewed on a regular basis and the budget management process linked to performance and people management needs to remain challenging and robust in order to be able respond effectively to any issues that arise. The consideration of the financial impact of risks is a key part of the budget setting process and the consideration of reserves are an important part of setting out how well the Council can deal with risk issues as they arise.
- 19.2 The Council's **financial reserves** are a key determinant of financial strength and standing. Our reserves position remains strong, continuing to attract a good assessment by our external auditors. 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 immediate disruption to services or future plans. The current policy and plans allow for general balances to be maintained at the target level of £10m over the period and there is a separate risk reserve of £10m. Planned use of the general balances in 2008/09 will be reimbursed in 2009/10. Formal reporting on the adequacy of reserves, as part of the Chief Financial Officer's statutory duty, will be done as part of the final tax setting report to Council on 23 February 2009.
- 19.3 The most significant financial risk factors are:
- the review of **Children and Families Services** and its recommendations must be responded to by the end of February. The requirement is to report to the Secretary of State with an action plan addressing the recommendations. The new Director for Children and Young People's Services will lead a corporate project team to take this work forward. The full implications of the resource requirements net of any new government resources being available will need to be factored into the budget process at the Council meetings in February;

- managing the demand for **adult social care** is a challenge and current budget plans already include growth for increasing volumes. It is planned to review the current arrangements for commissioning strategies in the near future including the joint arrangements with our partners in the health service, however, the position on demand remains a relatively volatile one and therefore is still considered a high risk area;
- the position in respect of **homelessness** direct costs is set out in paragraph 9.3 of this report. The high number of clients is starting to reduce, however there is still significant demand for housing in Haringey and there is still a need to meet the government reduction targets. There is still considerable uncertainty associated with the subsidy regime in the future and this will remain a key financial risk for the Council. Previous year's underspends on this service have been set aside in an earmarked reserve to assist in dealing with any significant impact;
- the funding arrangements for **asylum seekers** still remains unsatisfactory in respect of adults without recourse to public funds effectively relying on local authorities to provide accommodation and subsistence where all other claims have failed. This issue may increase in size as previously grant attracting child asylum cases become adults who attract less or no grant at all. This is at the expense of the local taxpayer and although some authorities have tried to mount legal challenges against this position these have not been successful. Special arrangements are now in place with officers from the Home Office working directly with Council officers to resolve a back log of asylum cases and the current budget plans assume a saving in costs in 2009/10 as a result of these actions;
- **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 with an outline business case for PFI now having been submitted. As reported to Cabinet this will have significant cost implications for all of the member boroughs within the next decade. There are still immediate risks as the balance of costs favours moves towards those with better recycling performance and that the costs of the long term procurement needs to be contained within the existing plans;
- 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 considerable volatility given the current situation in the financial markets. A provision has been added in these plans and the governance arrangements for monitoring investment performance will play an important part in maintaining the current stability in respect of this;

- the **economic downturn** and likely recession is likely to impact on the council in a number of ways. This may be in the form of higher demand for Council services, such as homelessness or housing benefits; to reductions in revenue income for demand led services, such as building control or leisure centres. If service departments are unable to manage these pressures within their existing resources then they may call on the general contingency that has been set aside in the base budget. If this is not sufficient then this could be supplemented on a temporary basis by using reserves if necessary;
- one of the known areas of impact of the current financial climate is on **interest earnings** from cash deposits. The Council has exposure to the deposits made in Icelandic banks and the recovery of this is being managed through the respective administration processes now underway. The global banking sector is under significant pressure and governments around the world are attempting to prop up their main national banks. The Council's revised treasury management strategy incorporates measures aimed at lowering risk. The Council's interest earnings in respect of this will also be reduced, but the recent dramatic and significant reductions in the bank base rate (5% to 1.5% in the space of a few months since October 2008) will have a much more marked effect. The estimated impact of this is to reduce earnings on deposits by about £2m in a full year. It is envisaged that this can be managed within the overall treasury management budget in 2009/10 and from surplus earnings in the current year, which would need to be put in the financing reserve, however, if these rates are sustained over a long period or there are further significant rate reductions then this position will need to be reviewed;
- there is 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 this year and the next two years will require significant corporate effort to ensure this is delivered and will need to be managed closely through these project governance arrangements;
- the **supporting people** programme is a key area of service delivery for the Council with grant funded expenditure of £20.7m in 2008/09. Haringey's allocation is being reduced by £1m (5%) each year for the next two years. Such reductions were not unexpected, and plans are in hand to manage the impact on the level of services which can be commissioned. This will need to be managed through the area based grant from 2010/11 onwards. There is a risk of larger reductions in later years as the consultation on allocating grant on a formula basis continues;

- the long term future of **Alexandra Palace** will be the subject of further consideration and consequently the Council's financial support to the Charity. The commercial operations have now been re-invigorated with a more business like approach although the economic downturn may have some impact in the coming year. The issue of dealing with the long term future of the palace will also need to be resolved and any one-off resource requirements for this will need to be considered in due course;
- the position on **capital receipts** is of significant risk in the coming year as the property market conditions continue to worsen. Although the proposed programme takes a prudent view of receipt income Members will need to be ready to respond to any further significant downturn by reviewing the programme in year if necessary;
- the **HRA** medium-term strategy requires further significant revenue savings to be delivered together with some new demands for repair services. This will need careful planning and delivery by Homes for Haringey and the Council's client function. 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 only the first £60m is confirmed. The arrangements for implementation of the this investment is also a key factor that will require close monitoring and control against the approved plans, and;
- the **BSF** programme is entering a critical phase with many of the designs now coming to fruition and contractors prices being crystallised through the procurement process. Contingency has been set aside within the BSF programme to allow for variations that arise and delivery of these projects 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 2009/10 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 a council tax increase of 1.95% in 2009/10.
- 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 number of policy led changes.
- 20.4 A reduced capital programme is proposed in line with asset management plans and the existing policy framework for resource allocation.

21 Equalities Implications

- 21.1 Equalities implications are considered through the business planning process and are a specific consideration within the pre-business plan reviews. 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 2009.

22 Comments of the Head of Legal Services

- 22.1 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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Gross Budget Trail	2009/10 £'000	2010/11 £'000	2011/12 £'000
Budget brought forward	399,578	408,834	420,494
<u>Changes and variations</u>			
Inflation	8,090	8,510	8,900
Changes agreed in previous years budget process	(1,402)	4,495	0
Changes agreed on 15 July 2008			1,000
Changes and variations in this report (see appendix b)	(3,039)	(945)	2,759
<u>Investments</u>			
2007/08 process	0	40	0
2008/09 process	1,030	530	(300)
Proposed investments in 2009/10 process	3,230	229	54
	4,260	799	(246)
<u>Savings</u>			
2007/08 process	(3,847)	(2,745)	0
2008/09 process	(4,512)	(3,722)	0
Proposed net savings in 2009/10 process	(1,223)	684	(7,130)
	(9,582)	(5,783)	(7,130)
<u>Dedicated schools grant (DSG)</u>			
Passporting of DSG	5,578	6,533	6,024
Prior year adjustment for actual pupil numbers	(620)		
	4,958	6,533	6,024
<u>Balances</u>			
Contribution to / (from) balances 2007/08 process	5,725	(2,645)	
Contribution to / (from) balances 2008/09 process	246	696	
Gross Council budget requirement	408,834	420,494	431,801
Less dedicated schools grant (specific grant)	(165,575)	(172,108)	(178,132)
Net Council budget requirement	243,259	248,386	253,669
Funding			
Council tax (see below)	100,739	103,761	106,874
Government revenue support grant & redistributed NNDR	142,520	144,625	146,795
	243,259	248,386	253,669
Resource shortfall/(excess)	0	0	0
Council tax			
	£	£	£
Council tax (LBH)	1,184.32	1,219.85	1,256.44
Council tax base (after provision for non-recovery)	85,061	85,061	85,061
Precept	100,739,444	103,761,661	106,874,043
Rate of council tax increase (Haringey element)	1.95%	3.0%	3.0%
GLA rate of council tax increase	0.0%	n/a	n/a
Combined council tax increase	1.5%	n/a	n/a
£ per week increase (Haringey element)	£0.44	£0.68	£0.70

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Resource Shortfall Tracker	2009/10 £'000	2010/11 £'000	2011/12 £'000	Total £'000
Position at end of 2008/09 process	0	0	0	0
<u>Update for 2009/10 process</u>				
- inflation			8,900	8,900
- increase assumption in formula grant at 1.5%			(2,169)	(2,169)
- increase assumption in council tax at 3%			(3,144)	(3,144)
			<u>3,587</u>	<u>3,587</u>
<u>Changes and variations 15 July 2008</u>				
- pension fund employers contributions			1,000	1,000
	<u>0</u>	<u>0</u>	<u>1,000</u>	<u>1,000</u>
Proposed investment fund	1,500	1,500		3,000
Position as at 15 July 2008	1,500	1,500	4,587	7,587
<u>Changes and variations now reported</u>				
- increased energy prices above inflation	500			500
- NLWA waste disposal levy increase	500	500	800	1,800
- London Pension Fund Authority levy increase	111	87	61	259
- insurance premium savings (self-insurance fund)	(300)			(300)
- concessionary fares estimated cost increase		318	730	1,048
- use of previous concessionary fares contingency		(2,000)		(2,000)
- use of previous general contingency sums	(1,500)	(1,500)		(3,000)
- reduction of general inflation assumption to 2%	(1,200)	(1,200)		(2,400)
- new general contingency	1,100	1,100		2,200
- increase in employers national insurance 0.5%			668	668
- homelessness provision adjustment	(2,250)	1,750	500	0
	<u>(3,039)</u>	<u>(945)</u>	<u>2,759</u>	<u>(1,225)</u>
<u>Investments</u>				
Proposed new investments and growth	3,230	229	54	3,513
Less previously agreed investment fund	(1,500)	(1,500)		(3,000)
Roll forward of previously agreed investments			(300)	(300)
	<u>1,730</u>	<u>(1,271)</u>	<u>(246)</u>	<u>213</u>
<u>Savings</u>				
Proposed new savings	(1,714)	(1,424)	(2,008)	(5,146)
Changes to pre-agreed savings	491	2,108	(1,400)	1,199
Savings to be identified			(3,722)	(3,722)
	<u>(1,223)</u>	<u>684</u>	<u>(7,130)</u>	<u>(7,669)</u>
<u>Council Tax</u>				
- reduce to 1.95% increase in 2009/10	1,032	32	30	1,094
Position at 26 January 2009	0	0	0	0

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FINANCIAL PLANNING 2009/10 – 2011/12

Cabinet responses to the recommendations made by Overview and Scrutiny Committee at their meetings on 8, 15 and 18 December 2008 and 5 January 2009.

	Recommendation of Overview & Scrutiny	Cabinet response
	Council Wide Issues	
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. Particular attention will be drawn to the area cost adjustment in the funding formula and the Children and Young People social care formula changes in previous years.
2.	That the full 2.5% reduction in VAT be passed on to customers in respect of fees and charges made by the Council.	The large majority of reductions have been made, but where reductions have proved impractical existing fees levels have been maintained, however, other concessions have been provided such as free car parking in the lead up to Christmas.
3.	That any service or revenue cost benefits accruing be reported with the other Capital bid supporting information.	Agreed.
4.	That the Council do all it can to persuade companies providing it with goods or services to employ local people on contracts the council lets and for those companies to offer training and development opportunities for local people and to establish modern apprenticeship opportunities for local people.	Agreed – the Council is already committed to achieving this and is working with contractors on Building Schools for the Future and Decent Homes providing local jobs and apprentice schemes. The Council will press further to increase the numbers of these where opportunities arise.
	Leader of the Council	
	No recommendations.	N/A

Adult, Social Care & Wellbeing		
5.	That the Cabinet delay a decision on the proposal to take £131K, effective from 2010/11, from the adult services transport provision, until it has considered a scrutiny review report on transport provision for vulnerable adults, due for completion before the end of this municipal year.	Not agreed. The saving is put forward now on the basis the time between now and 2010 will be sufficient to ensure all implications are considered.
Community Cohesion & Involvement		
6.	That the Cabinet introduce a more challenging target for increased advertising revenue from Haringey People, than the £84k target set over the next two years.	Agreed – this higher target figure can be included in the business plan target for the value for money review.
7.	The committee requests the Cabinet to increase existing grants to Voluntary Sector organisations by inflation, as a minimum.	Not agreed – grant sums applied for are on the basis of the cash that is required each year – inflation is not part of the grant conditions.
Resources		
8.	In future the committee would like to see energy savings expressed in the number of BTU's saved, as well as the cash sum.	Agreed.
9.	That the Cabinet reconsider the proposal to establish a specialist Overpayment recovery team.	The team is considered an important requirement and needs to be established in order to recover due costs. A higher level of work is arising from the additional data matching information being provided.
Leisure, Culture & Lifelong Learning		
	No recommendations	N/A

Regeneration & Enterprise		
10.	That the Cabinet invest more to increase Haringey's Olympic profile and attract investment to the area.	Not agreed – the Cabinet consider the level of proposed investment sufficient to supplement the allocation of existing resources for this.
11.	That the Cabinet give greater opportunity for local businesses to bid for council contracts.	Agreed – the Head of Corporate Procurement will be asked to consider appropriate strategies to enable this.
Housing		
12.	That numbers in temporary accommodation be closely monitored and savings taken only when the expected reduction has been delivered.	There are increased costs built in to the budget, but part of the strategy will be to deliver temporary housing in the most cost effective way. Therefore a combination of savings and investments are incorporated in the plans.
Environment & Conservation		
13.	That the Cabinet reconsider the proposal to reduce frequencies on sweeping of Headings.	Agree to reconsider this proposal with a view to seeing if this saving could be made elsewhere in the service.
Children and Young People		
14.	That any significant budget variance as a result of the new Director of Children and Young People's assessment of the department's resources position, be reported to Overview and Scrutiny Committee, when known.	Agreed. It is proposed that the Overview and Scrutiny Committee will be consulted on the proposals arising from the inspection action plan led by the new Director.
15.	That the Council continues with its efforts in pressing the government for parity on Dedicated Schools Grant (DSG) funding with inner London levels.	Agreed – the Council is already working with its Schools Forum to influence the current national DSG funding review and will continue to give this initiative a high priority with a view to achieving parity of funding.

Capital Programme		
16.	That the Committee be informed of the respective priority of each bid as reported to Cabinet in order to assist it in making recommendations in future years.	Cabinet will consider how best to provide a prioritisation to the Overview and Scrutiny Committee in the future.
17.	That the bids for Capital resources for office refurbishment and maintenance of the property portfolio be considered as a low priority.	Cabinet will consider how best to meet the office refurbishment programme which will deliver revenue efficiency savings as well as carbon reductions together with the minimum asset maintenance required against other bids for capital resources.
N/a	That any service or revenue cost benefits accruing be reported to Overview and Scrutiny Committee with other Capital bid supporting information in the future.	Agreed.



Haringey Council

Agenda item:

Overview and Scrutiny Committee 12 January 2009

Report Title: **BUDGET SCRUTINY – PRE BUSINESS PLAN REVIEW DOCUMENTS**

Report authorised by:

Cllr Gideon Bull, Chair of the Overview and Scrutiny Committee

Contact Officer: Trevor Cripps – Overview and Scrutiny Manager

Trevor.cripps@haringey.gov.uk Tel: 0208 489 6922

Wards(s) affected: **ALL**

Report for: **Non Key**

1. Purpose of the report

1.1 To report on the issues raised by the Overview and Scrutiny Committee on departmental Pre Business Plans and Cabinet budget proposals.

2. Introduction by Cabinet Member (if necessary) N/A

3. State link(s) with Council Plan Priorities and actions and /or other Strategies:

3.1 The report is part of the budget setting process and as such has links to all council priorities and strategies.

4. Recommendations

4.1 That the Cabinet consider the recommendations contained in this report made by the Overview and Scrutiny Committee, as part of the Council's budget making process.

5. Reason for recommendation(s)

5.1 The report is part of the statutory budget making process.

6. Other options considered

N/A

7. Summary

7.1 The report contains the results from detailed scrutiny of Pre Business Plan Review documents and proposals for budgetary savings and investments for 2009/10. The detailed work has been completed by the Overview and Scrutiny Committee and the report is a reflection of the issues raised.

8. Chief Financial Officer Comments

8.1 Scrutiny of the Cabinet's budget proposals is an important aspect of the overall budget preparation process. The comments and recommendations of the Overview and Scrutiny Committee will be considered by the Cabinet before the final Council budget for 2009/10 is approved

9. Head of Legal Services Comments

9.1 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 the financial reserves. This must be preceded by robust and comprehensive financial planning.

10. Equalities & Community Cohesion Comments

10.1 These are contained within the pre-business plan review documents

11. Consultation

11.1 This is part of the consultation of the business and financial planning process

13. Use of appendices /Tables and photographs N/A

14. Local Government (Access to Information) Act 1985

The background papers relating to this report are:

Financial Strategy 2009/10 to 20011/12, report of Director of Finance
Pre Business Plan Reviews 2009/10
Chief Financial Officer & Director of Corporate Resources reports to O&S Committee and minutes for meetings on 8th, 15th and 18th December 2008, and 5 January 2009.

Copies are available on request, from Helen Jones, Members Services (non cabinet Committees), on telephone 020 8489 2615.

15. BACKGROUND

Pre-Business Plan Reports 2009/10 were released by the Cabinet in early November 2008. The Cabinet Portfolio holders were invited to Overview and Scrutiny Committee to explain the rationale behind, and to justify their proposals. The proposals were in respect of investment and efficiency proposals in relation to both Capital and Revenue expenditure for the three year planning period 2009/10 to 2011/12.

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

It is not the role of the Overview and Scrutiny Committee to develop an alternative budget to that proposed by the Cabinet.

16. GENERAL ISSUES IDENTIFIED

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 Government grant settlement for the next financial year was once again an "at floor" settlement. The Committee strongly recommended that the council produce accurate demographic and deprivation evidence to justify lobbying the Government for more money.

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 MPs in doing so.

The effects of the global economic downturn are not yet fully known, however the "credit crunch" is likely to affect some of the Council forecasts on income generation as well as demand for and the shape of Council services. The Committee looks forward to receiving a report on the issues affecting the Council from the Cabinet Portfolio holder for Resources, which is due to be presented at its February meeting.

Part of the Government's strategy to combat the global recession has been to reduce Value Added Tax to 15%. While the Committee noted that the Council is reimbursed all VAT paid out it was obliged to include VAT as an element of fees and charges made. The Committee wished the decrease to VAT be passed in full to its customers.

Recommendation 2

That the full 2.5% reduction in VAT be passed on to customers in respect of fees and charges made by the Council.

The Committee noted that the Capital budget bids had no revenue cost benefits detailed. The Committee was assured that all projects must have a full business case review which detailed service benefits and any cost benefits although they were not always shown in the papers before the Committee. The Committee requested that in future any service or revenue cost benefits accruing be reported with the Capital bid.

Recommendation 3

That any service or revenue cost benefits accruing be reported with the other Capital bid supporting information.

Experience from previous economic downturns has shown that it has resulted in a serious impact on the employment of local people. Haringey seems to be one of the first areas to feel the effect of recession and one of the last areas to stage a recovery. It is likely that the current downturn will be no different, in fact job seeker allowance rates in Northumberland Park Ward have already reached very high comparative levels of 16.5%, the highest in London. The Council is a major purchaser and provider of services both through direct employment and through the contracts that it lets. Two of the biggest capital projects in Haringey are HfH's Decent Homes Project and Education's Building Schools for the Future. The Committee are therefore of the opinion that the Council should do all it can to persuade companies providing it with goods or services to maximise the number of local people employed on contracts the council lets and for those companies to offer training and development opportunities for local people and to establish modern apprenticeship opportunities for local people.

Recommendation 4

That the Council do all it can to persuade companies providing it with goods or services to employ local people on contracts the council lets and for those companies to offer training and development opportunities for local people and to establish modern apprenticeship opportunities for local people.

As the national economy moves into recession, it is likely that Haringey's income streams (council charge, land charges, rents, s106 agreements, parking income etc) will become vulnerable to declines. It is important that close monitoring and reporting procedures are adhered to, to allow Lead Members and officers the opportunity to respond to changes in income.

REVENUE BUDGETS

17. LEADER OF THE COUNCIL - PORTFOLIO AREA

- efficiencies

All savings proposals were noted.

- investments

Concern was expressed on whether income targets for land charges were sustainable in the current economic climate and assurance was sought from the Cabinet that they were achievable and realistic projections of income to be constantly monitored.

18. ADULT SOCIAL CARE AND WELLBEING – PORTFOLIO AREA

- efficiencies

The Committee were concerned that savings from the review for transport for vulnerable adults had already been identified, even though scrutiny had not completed the review. It therefore recommends that the Cabinet delay a decision on this advance item until it receives the Scrutiny report for consideration.

Recommendation 5

That the Cabinet delay a decision on the proposal to take £131K, effective from 2010/11, from the adult services transport provision, until it has considered a scrutiny review report on transport provision for vulnerable adults, due for completion before the end of this municipal year.

Concern was expressed at the cost of specialised care packages rising above the budgeted inflation rate of 2.5% and the impact this has on the budget. The committee was assured that benchmarking was taking place with suppliers and comparisons made with what other councils are charged in order to minimise the impact.

The committee has in the past raised the issue of the additional burden to council services due to early discharge from hospital. Assurance was given by the Director that the situation was being closely monitored to ensure that there was no cost shunting by the Primary Care Trust as a result of the early discharge initiative.

- investments

New investment proposals were noted

19. **LEISURE, CULTURE AND LIFELONG LEARNING – PORTFOLIO AREA**

- **investments**

The Committee was concerned about the proposal to invest £150k on the Wolves Lane / Faith Plant centre because they felt there was insufficient evidence on which to make a decision. The committee wished to be presented with the options outlined in the recently received report by the Shaw Trust.

- **efficiencies**

New savings proposals were noted.

20. **ENFORCEMENT AND SAFER COMMUNITIES - PORTFOLIO AREA**

New Investment and efficiency proposals (3 items only) were noted.

21. **COMMUNITY COHESION AND INVOLVEMENT – PORTFOLIO AREA**

- **efficiencies**

The committee noted that pre agreed savings had not been fully achieved and that alternative savings were being proposed.

The committee was concerned whether savings identified from general items such as, reduction in sickness, general efficiency, right first time would be achieved.

The committee was of the opinion there was the possibility of raising additional revenue from advertising in Haringey People magazine over and above the target of £84k over the next two years.

Recommendation 6

That the Cabinet introduce a more challenging target for increased advertising revenue from Haringey People, than the £84k target set over the next two years.

The committee was concerned at the pre agreed saving proposal for the Corporate Voluntary Sector Team and that all or part of it would be achieved by not increasing grants to VS organisations by inflation. The committee requests the Cabinet to increase VS budget grants by the inflation, as a minimum.

Recommendation 7

The committee requests the Cabinet to increase existing grants to Voluntary Sector organisations by inflation, as a minimum.

- **investments**

It was noted that there were no investment proposals.

22. **RESOURCES – PORTFOLIO AREA**

- **efficiencies**

The committee would like the procedures on staff suspensions and disciplinary action to be reviewed and simplified. It would like a notional savings target to be set in respect of savings accruing by reducing the staff time spent on paid suspension.

To reflect Haringey's aspiration to be a greener borough, the committee would like to see energy savings expressed in the number of BTU's saved as well as the cash sum.

Recommendation 8

In future the committee would like to see energy savings expressed in the number of BTU's saved, as well as the cash sum.

The committee was concerned at the proposal to establish a specialist Overpayment Recovery team to focus on old outstanding debt. It was noted that £80K was to be invested in 3 posts and it was anticipated that the return would be £140k over 2 years. This did not seem to be particularly cost effective.

Recommendation 9

That the Cabinet reconsider the proposal to establish a specialist Overpayment Recovery team.

- **investments**

The committee noted that the anticipated cost of the Single Status agreement was in the order of £2M per year, excluding schools.

23. **REGENERATION AND ENTERPRISE – PORTFOLIO AREA**

- **investments**

The committee noted the new investment proposal for £60k to support and encourage Olympic activity but it was of the opinion that if the council was serious about attracting Olympic investment more was needed.

Recommendation 10

That the Cabinet invest more to increase Haringey's Olympic profile and attract investment to the area.

As the national economy moves into recession, the committee expressed its concern that the level of investment does not reflect the problems the borough is likely to face during the economic downturn. There needed to be more imagination and creative thinking if the council was going to be in a position to contribute and help local businesses. The committee would like to see the council do and particularly give greater opportunity to local businesses to bid for council contracts.

Recommendation 11

That the Cabinet give greater opportunity for local businesses to bid for council contracts.

- efficiencies

New savings proposals were noted

24. HOUSING – PORTFOLIO AREA

- efficiencies

The committee noted the challenging target to reduce the number of homeless by 50% by 2010. The committee was therefore concerned at the proposal to reduce posts following the planned reduction of numbers in temporary accommodation and take a saving of £99k. in advance of knowing if the reduction was achievable.

Recommendation 12

That numbers in temporary accommodation be closely monitored and savings taken only when the expected reduction has been delivered.

The committee was concerned that the HfH rent increase was to be 6% and the impact this would have on the low paid and those suffering as a result of the economic downturn.

- investments

There were no new investment proposals

25. ENVIRONMENT AND CONSERVATION – PORTFOLIO AREA

- efficiencies

There was concern at the proposed £100k savings as a result of the introduction of new freedom pass criteria and that Haringey had been a net subsidy loser in London, could anything be done about this? The committee did not want local people who were eligible in the past disadvantaged by the new criteria.

Concern was expressed at the £1m deficit in Parking income. The Committee inquired if there was a strategy on how income or savings would be achieved.

Concern was expressed at the proposal to achieve savings of £100k by reducing the frequency of sweeping of Headings. There were litter problems in some areas and these should be remedied before any reducing in sweeping frequencies to Headings.

Recommendation 13

That the Cabinet reconsider the proposal to reduce frequencies on the sweeping of Headings.

The committee was concerned at the apparent contradictions in timings of parking restrictions and in CPZ charges and the charges made in high use parking areas.

26. CHILDREN AND YOUNG PEOPLE – PORTFOLIO AREA

- efficiencies

The committee recognised that in light of the recent inspection report the immediate priority is to ensure that robust safeguarding arrangements are in place. However the Committee expressed its concern about the potential impact on the children's budgets as previously presented savings were removed pending completion of an overall resource assessment by the incoming Director. The Committee sought assurance that there would be no additional savings burden passed to other departments, as a result. The Chief Financial Officer thought it likely that if additional resource was required it would be contained from within reserves and would be assessed again in future.

The Committee requested that any significant budget variance as a result of the Director's assessment, be reported to it when known.

Recommendation 14

That any significant budget variance as a result of the new Director of Children and Young People's assessment of the department's resources position be reported to Overview and Scrutiny Committee, when known.

- investments

The level of investment was noted.

The Committee was concerned that the level of Dedicated Schools Grant per pupil, received from Government was less than that awarded to inner London Boroughs. Haringey, although designated as an outer London Borough, has all of the issues and problems associated with inner London Boroughs. The Committee urged the council to keep pressing Government for parity on funding per pupil to inner London levels.

Recommendation 15

That the Council continues with its efforts in pressing the government for parity on dedicated Schools Grant funding with inner London levels.

CAPITAL BUDGETS

27. GENERAL

The Committee noted that there was £42m of Capital bids, which exceeded the available resource of £32m. The Committee understood that there was a priority or ranking system used to inform Cabinet. In future years the Committee would like to be informed of the respective priority of each bid as reported to Cabinet in order to assist it make a judgement.

Recommendation 16

That in future years the Committee be informed of the respective priority of each bid as reported to Cabinet.

28. CHILDREN AND YOUNG PEOPLE – PORTFOLIO AREA

The Committee expressed its concern at the proposal to allocate £2m of capital receipts to support the BSF programme with the new school to be built on the Heartlands site.

29. CORPORATE RESOURCES

In the light of the economic downturn, the Committee was concerned at the level of bid for office refurbishment and maintenance of the property portfolio and wish to express the opinion that this should be low priority.

Recommendation 17

That the bids for Capital resources for office refurbishment and maintenance of the property portfolio be considered as a low priority.

There was concern at the level of the bid of £1.050m for Project Management of the IT Capital programme, which was considered too high.

There was concern at the proposal to utilise £12M from the sale of hostel properties to support the Council's proposed Capital Programme and whether this level of receipt could be achieved in the current economic climate.

30. OTHERS

All other Capital bids were noted.

SUMMARY OF RECOMMENDATIONS

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 in doing so.

Recommendation 2

That the full 2.5% reduction in VAT be passed on to customers in respect of fees and charges made by the Council.

Recommendation 3

That any service or revenue cost benefits accruing be reported with the other Capital bid supporting information.

Recommendation 4

That the Council do all it can to persuade companies providing it with goods or services to employ local people on contracts the council lets and for those companies to offer training and development opportunities for local people and to establish modern apprenticeship opportunities for local people.

Recommendation 5

That the Cabinet delay a decision on the proposal to take £131K, effective from 2010/11, from the adult services transport provision, until it has considered a scrutiny review report on transport provision for vulnerable adults, due for completion before the end of this municipal year.

Recommendation 6

That the Cabinet introduce a more challenging target for increased advertising revenue from Haringey People, than the £84k target set over the next two years.

Recommendation 7

The committee requests the Cabinet to increase existing grants to Voluntary Sector organisations by inflation, as a minimum.

Recommendation 8

In future the committee would like to see energy savings expressed in the number of BTU's saved, as well as the cash sum.

Recommendation 9

That the Cabinet reconsider the proposal to establish a specialist Overpayment recovery team.

Recommendation 10

That the Cabinet invest more to increase Haringey's Olympic profile and attract investment to the area.

Recommendation 11

That the Cabinet give greater opportunity for local businesses to bid for council contracts.

Recommendation 12

That the numbers in temporary accommodation be closely monitored and savings taken only when the expected reduction in numbers has been delivered.

Recommendation 13

That the Cabinet reconsider the proposal to reduce the frequencies of the sweeping of Headings.

Recommendation 14

That any significant budget variance as a result of the new Director of Children and Young People's assessment of the department's resources position be reported to Overview and Scrutiny Committee, when known.

Recommendation 15

That the Council continues with its efforts in pressing the government for parity on dedicated Schools Grant funding with inner London levels.

Recommendation 16

That the Committee be informed of the respective priority of each bid as reported to Cabinet, in future years.

Recommendation 17

That the bids for Capital resources for office refurbishment and maintenance of the property portfolio be considered as a low priority.

Summary Analysis of Investments (Pre-agreed and New) from the 2009/10 PBPR Process

Pre-agreed investments	2009/10 over 2010/11 over 2011/12 over		Cumulative Total
	2008/09	2008/09	
	£'000	£'000	£'000
Total pre-agreed investments	1030	570	1600
Proposed changes to these pre-agreed investments		(300)	(300)
Revised pre-agreed investments	1030	570	1,300

Proposed new revenue fund investments	2009/10 over 2010/11 over 2011/12 over		Cumulative Total
	2008/09	2008/09	
	£'000	£'000	£'000
Adult Culture and Community Services	509	206	1,165
Chief Executive	25	(11)	14
Children and Young People Services	1,240	0	1,240
Corporate Resources	350	0	200
People and Organisational Development	252	4	260
Urban Environment	854	30	634
Total New Proposed Revenue Fund Investments (General Fund)	3,230	229	3,513

London Borough of Haringey
Pre-Agreed Investments
2009/10 to 2011/12

REF	Directorate	Business Unit	Area / Service	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	Total £'000	Planned Impact	Progress	2009/10 over 2008/09 £'000	2010/11 over 2010/11 £'000	2011/12 over 2010/11 £'000	Total	Variance (Agreed - Revised)
1	Adults Culture & Community Service	Adult Social Care	Day Care, Revenue budget for Hornsey Central Dementia day-care	300		300	This resource will double the amount of Day Care places for people with dementia in Haringey. Development is coherent with the proposals in the draft National Dementia Strategy to deal with projected increase in numbers of people with dementia	A multi disciplinary group is in place, working on the service model, including the PCT and voluntary sector. Plan is to open in July 2009, using first three months of revenue funding from April 2009 to equip the Day Care	300		0	300	0
2	Adults Culture & Community Service	Adult Social Care	Nursing Care, Shortfall in Osborne Grove Funding - temporary over 3 years	(100)	(100)	(200)	The investment for Osborne Grove in 08/09 was temporary. As clients are diverted from Older People Purchasing budgets the strategy was to divert funding to Osborne Grove budgets. The profile of movement in purchasing budgets was to be spread over the period. There is no anticipated impact on older people.	The number of residents in Osborne Grove are increasing on target with new residents being offered places in priority to other externally commissioned provision.	(100)	(100)		(200)	0
3	Adults Culture & Community Service	Adult Social Care	Learning Disabilities estimated cost of new services - transition to adult care from services as children	900	400	1,300	To fund the increased needs of young people at or when they leave school or reach 18. There has been a high number of people with complex needs transferring from childrens in this group.	Services are now being provided and packages are agreed in a more timely manner.	900	400		1,300	0
4	Chief Executive's Service	Chief Executive & Electoral Registration	One-off funding to cover the cost of local elections in 2010/11 for which we receive no central government support	1,100	300	1,400	To ensure we are able to fulfil our duties in relation to the administration of local elections taking place in 2010/11	Will be required	1,100	300	0	1,400	(300)
5	Children & Young People	Children & Families	Increase investment in direct payments	80	80	160	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	Good progress is being made in this area the number of DP has increased and is projected to continue to do by the end of the year.	80	80	0	160	0
6	Corporate Resources	Property	Review and Management of the Community Buildings portfolio.	(55)	(55)	(110)	The community buildings portfolio is currently unstaffed and in need of urgent review. Management of this portfolio is complicated due to the lack of financial capacity and property knowledge of the tenants and the sensitive nature of the services provided	The investment was for one year only in 2007/8 and has been removed from the base budget in 2008/9. There is therefore no progress to report.	(55)	(55)		(110)	0
7	Urban Environment	Strategic & Community Housing Services	Housing Benefit staff	(55)	0	(55)	Increase income collection rate	On target	(55)	0	0	(55)	0
8	Urban Environment	Frontline Services	External legal, technical and other professional support for public realm / waste strategy contracts	(100)	(100)	(200)	Effective procurement of Public Realm Strategic Contract	Strategy agreed. Highways and Street lighting element on schedule. Programme Director recruited.	(100)	(100)	0	(200)	0
9	Urban Environment	Frontline Services	Expansion of doorstep recycling to all households on estates	15	0	15	Positive impact on NI 192 (recycling) and NI 191 (waste) targets; plus LAA recycling stretch target for 2009/10. Improved customer satisfaction. This bid links to a previously submitted Capital Project (2008/9).	Recycling target for 2007/8 exceeded with performance of 25.5%. Customer satisfaction also improved in 2007/8 reaching 66% - an improvement of 6% from the last survey.	15	0	0	15	0
10	Urban Environment	Frontline Services	Review of parking enforcement policy and estimated reduction in income	150	0	150	To mitigate loss of income due to new TMA		150	0	0	150	0
11	Urban Environment	Frontline Services	CCTV Purchase and installation of new camera	40	40	80	This funding is required to support the maintenance of the additional CCTV cameras. Linked to capital bid. Subject to review of overall CCTV approach.	13 new cameras are now installed and operational. The warranty expires in April 2009.	40	40	0	80	0
Sub Total				5	(110)	(105)			5	(110)	0	(105)	0
Grand Total				1,030	570	1,600			1,030	570	(300)	1,300	(300)

REF	Directorate	Business Unit	Proposed Use of Investment	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	2011/12 over 2010/11 £'000	Cummulative Total £'000	Impact on Service / Performance	Priority
12	Adults Culture & Community Service	Adult Services	Increased resources to undertake additional assessments in response to Deprivation of Liberty Safeguard Legislation and the Mental Health Act 1983 (2007 amended).	156	(44)		112	The DOH Regulatory Impact assessment suggests 5 referrals per week @ £500 each (though these figures are believed to be widely underestimated pan London). The predicted split is for referral responsibility to be split 80% LA and 20% PCT. (The figures above do not include PCT referrals). Therefore Haringey will have an initial 90 assessments to carry out during April and May 2009 and a "steady state" on going commitment of 5 per week during 2009. The number of assessments needing funding is 90 initial plus 260 throughout 2009 a total 350 assessments. Failure to apply a Best Interest Assessment is predicted by the DOH to incur penalties of circa £10,000 for each occurrence or omission or a prison sentence of up to 5 years. The Chief Exec or Director of Social Services will be the accountable individuals. The DOH suggests that administrative support for this legislation is likely to equate to 1WTE per authority.	Encouraging lifetime well-being
13	Adults Culture & Community Service	Adult Services	LD Non Transition Growth	110	250	450	810	The service has identified a number of people requiring care packages. Many of these have come about from changes in carers living situations.	Encouraging lifetime well-being
14	Adults Culture & Community Service	Recreational Services	Free swimming - under 16s/over 60s	266	206	450	922	This will impact on NI 8 - Adult Sport & Physical Activity Participation growth (LAA Stretch Target 2010) whilst also supporting greater access for disadvantaged communities	Encourage Lifetime Wellbeing at home, work, play and learning. Promote Independent Living
15	Adults Culture & Community Service	Recreational Services	Wolves Lane/Faith Plant Centre	150			150	Maintain valued Adult Learning & Young People education support, pending decision/ implementation on preferred operational model.	Encourage Lifetime Wellbeing at home, work, play and learning. Promote Independent Living
Sub Total				243	0	0	243		

REF	Directorate	Business Unit	Proposed Use of Investment	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	2011/12 over 2010/11 £'000	Cummulative Total £'000	Impact on Service / Performance	Priority
16	Chief Executive's Service	Chief Executive & Electoral Registration	Postal Vote Expansion & addressing reducing income budgets	11			11		Delivering excellent services
17	Chief Executive's Service	Chief Executive & Electoral Registration	CORE project (Co-ordinated on line register of electors). Investment will require one-off resource in year 1 with on-going IT revenue costs	14	(11)	0	3	The CORE project aims to develop a central IT system which will provide a national record of electors to help reduce fraud and provide a more efficient data system	Delivering excellent services
18	Children & Young People's Service	Sub Total Children & Families	Commissioning budget for Looked After Children - demand above original assumptions	25 1,240	(11)	0	14 1,240	If agreed this growth will relieve the current budget pressuring on the children's commissioning budget brought about by the number of children in care increasing rather than decreasing.	Encouraging lifetime well-being
19	Corporate Resources	Sub Total Legal Services	Adjustment to local land charges income target due to the current market conditions	1,240 300	0	0	1,240 300		Delivering excellent services
20	Corporate Resources	Sub Total IT	Specialist Procurement programme for strategic contract renewal of major ICT contracts due to expire between 2009-2011.	300 50	0 0	0 (150)	300 (100)	Initial 2 year investment to support EU procurement worth £4m to £5m p/a with the aim of securing on-going savings through better future contracts and performance opportunities.	Delivering excellent services
21	Policy Performance Partnership & Comms.	Sub Total Community Safety	Two new Anti-Social Behaviour Officer posts to cover the increased number of referrals and to reduce/remove the waiting list. Commissioning of alcohol services to implement the Alcohol Strategy	50 80	0 0	(150) 0	(100) 80	Increase in staff resources to improve the levels of enforcement action and prevention and intervention work in the community.	Creating a better Haringey: Cleaner, Greener and Safer
22	Policy Performance Partnership & Comms.	Sub Total Community Safety	Commissioning of alcohol services to implement the Alcohol Strategy	70	0	0	70	Mainstream funding for the DATT coordinator post to release £70k to be directed to the pooled treatment budget.	Creating a better Haringey: Cleaner, Greener and Safer
		Sub Total		150	0	0	150		

REF	Directorate	Business Unit	Proposed Use of Investment	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	2011/12 over 2010/11 £'000	Cummulative Total £'000	Impact on Service / Performance	Priority
23	Policy Performance Partnership & Comms.	Performance & Policy	To fund a comprehensive information function, with geographical information system (GIS) capability, for the Council & HSP. Enables enhanced needs analyses to inform service provision. Essential to meet CAA requirements.	102	4	4	110	Knowledge & Information management was identified as a weakness at the last Corporate Assessment. Knowledge & Information management is an essential element of the new CAA.	Delivering excellent services
24	Urban Environment	Sub Total Planning, Policy & Development	Delivery of LDF and possible inquiry costs	102 100	4 (100)	4	110	Funding required to enable the policy team to deliver all planning documents required for The Local Development Framework including the core strategy.	Creating a better Haringey: Cleaner, Greener and Safer
25	Urban Environment	Sub Total Economic Regeneration	Creating an Olympic investment fund to support and encourage Olympic activity and increase benefit to the borough of the Olympics. we will require £60k for each year for 3 years	100 60	(100)	0	60	Increased Olympic profile for the borough to resident. It will also increase the chances of drawing down future Olympic external funding.	Creating a better Haringey: Cleaner, Greener and Safer
26	Urban Environment	Sub Total Strategic & Community Housing Services	Additional Resources to maintain momentum in Housing Improvement Plan	60 250	0 0	0 (250)	60	To ensure that service improvement is maintained	Delivering excellent services
27	Urban Environment	Sub Total Frontline Services	Introduction of shops recycling service for 4,000 households in flats above commercial premises	250 155	0 0	(250) 0	155	Positive impact on NI 192 of 25% over two years (recycling) and NI 191 of 10% over two years (waste) targets; as additional material would be collected, estimated to be 150-200 tonnes per year plus LAA recycling stretch target for 2009/10.	Making Haringey one of London's greenest boroughs

REF	Directorate	Business Unit	Proposed Use of Investment	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	2011/12 over 2010/11 £'000	Cummulative Total £'000	Impact on Service / Performance	Priority
28	Urban Environment	Frontline Services	Recycling Management to increase supervisory and management levels to improve service.	154	0	0	154	Positive impact on quality and development of the Recycling Service which will impact on customer satisfaction and recycling/waste targets (NI 191 and NI 192). The investment is intended to lead to reductions in waste minimisation by 10% over two years and for recycling to increase from 28% to 35% again over 2 years.	Making Haringey one of London's greenest boroughs
29	Urban Environment	Frontline Services	Recycling Vehicles Investment to introduce mixed recycling service round to 2,500 properties on narrow roads, to introduce a tenth full sized mixed recycling service to meet demand and a trial of food waste collections from schools.	135	130	0	265	Positive impact on NI 192 (recycling) and NI 191 (waste) targets; plus LAA recycling stretch target for 2009/10. Improved customer satisfaction. This bid links to a previously approved Capital Project (2008/9)	Making Haringey one of London's greenest boroughs
Sub Total				444	130	0	574		
Grand Total				3230	229	54	3513		

London Borough of Haringey
 Summary of Pre-Agreed and New Revenue Savings Proposals
 (General Fund)

Summary Analysis of Savings (Reprofiled Pre-agreed and New) from the 2009/10 PBPR Process

	2009/10 over 2010/11 over		2011/12 over		Cumulative Total £'000
	2008/09 £'000	2008/09 £'000	2008/09 £'000	2008/09 £'000	
Pre-agreed savings					
Total pre-agreed savings (excluding Achieving Excellence)	6,359	6,467	0		12,826
Proposed changes to these pre-agreed savings	(491)	(2,108)	1,400		(1,199)
Net savings proposed	5,868	4,359	1,400		11,627

	2009/10 over 2010/11 over		2011/12 over		Cumulative Total £'000
	2008/09 £'000	2008/09 £'000	2008/09 £'000	2008/09 £'000	
Proposed new savings					
Adult Culture and Community Services	570	660	388		1,618
Chief Executive	1	1	1		3
Children and Young People Services	303	267	362		932
Corporate Resources	339	205	665		1,209
People and Organisational Development	22	5	260		287
Urban Environment	479	286	332		1,097
Total New Proposed Savings	1,714	1,424	2,008		5,146

REF	Directorate	Business Unit	Details of Efficiency	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	Total £'000	Progress	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	2011/12 over 2010/11 £'000	Total £'000	Variance 2009/10 over 2008/09 £'000	Variance 2010/11 over 2009/10 £'000	Variance 2011/12 over 2010/11 £'000	Cumulative Variance (Agreed - Revised)
1	Adults Culture & Community Service	Adult Services	Reduce OPS residential Care Undertaking the objectives of Our Health, Our Care, Our Say to provide more services in the community. There will be a reduction of 79 residential placements. The savings assumptions assume reposition costs in the community	150	150	300	We need to provide extra care rather than residential care as part of increasing care in the community this is in line with national policy & performance(PAF/LAANI).	150	150	0	300	0	0	0	0
2	Adults Culture & Community Service	Adult Services	Physical Disabilities. Review Winkfield Resource Centre staffing levels and service efficiency developing new services and improved use of the building	94	94	94	Personalisation roll out will be in year three, individual budgets will encompass people's transport needs	94	94	0	94	0	0	0	0
3	Adults Culture & Community Service	Adult Services	Physical Disabilities. Review Transport provision to Winkfield Resource Centre	35	35	35	Personalisation roll out will be in year three, individual budgets will encompass people's transport needs	35	35	0	35	0	0	0	0
4	Adults Culture & Community Service	Adult Services	Mental Health Provider. Review centre manager resources and amalgamate where possible	43	43	43	Plan on target	43	43	0	43	0	0	0	0
5	Adults Culture & Community Service	Adult Services	CMHT. Review Care Manager staffing levels and service efficiency	103	103	103	Recruitment plan in place	103	103	0	103	0	0	0	0
6	Adults Culture & Community Service	Adult Services	Implementation of the charging policy Bring forward, currently scheduled for 2008. Increase a number of charges in services that provide a significant subsidy currently	63	63	63	Project Board and Project Plan in place	63	63	0	63	0	0	0	0
7	Adults Culture & Community Service	Adult Services	Move Mental health Clients to Supported Housing	275	275	275	Project plan and review officers established. Work is progressing to review all Supporting People placements to facilitate the change.	275	275	0	275	0	0	0	0
8	Adults Culture & Community Service	Adult Services	Learning Disabilities. Review the management levels in the Combined Team	50	50	50	Action plan in place. Managerial support offered from elsewhere in LD Partnership	50	50	0	50	0	0	0	0
9	Adults Culture & Community Service	Adult Services	Learning Difficulties. Review the staffing levels and service efficiency of the case reviewing function.	30	30	30	This will be found through robust reviewing of packages and this is monitored at budget callover	30	30	0	30	0	0	0	0
10	Adults Culture & Community Service	Adult Services	Community Mental Health Team (CMHT). Review levels of management resource employed within the team.	52	52	52	This is being achieved through a rationalisation of managerial arrangements.	52	52	0	52	0	0	0	0
11	Adults Culture & Community Service	Adult Services	Commissioning Savings from new Strategic Commissioning and brokerage function.	150	150	150	Commissioning needs to work closely with Adults Service to ensure these savings are achieved. We are on target to achieve these savings.	150	150	0	150	0	0	0	0
12	Adults Culture & Community Service	Adult Services	Home Care. Decrease FTE's to 83 and build up carer bank to 194+	167	167	334	Target for 08-09 achieved- 89 FTEs. Carer Bank 2,500 hours and 116 workers. Plan on target	167	167	0	334	0	0	0	0
13	Adults Culture & Community Service	Adult Services	Day Care Service - review of day care staffing levels and service efficiency	27	56	83	All posts vacant by April 2009. Deletion of two Day Care Workers posts (25% reduction). Plan on target	27	56	0	83	0	0	0	0
14	Adults Culture & Community Service	Sub Total	Recreation organisation changes - by structuring in management, development and business support function.	1,007	755	1,762		1,007	755	0	1,762	0	0	0	0
		Recreational Services		90	90	90		90	90	0	90	0	0	0	0

REF	Directorate	Business Unit	Details of Efficiency	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	Total £'000	Progress	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	2011/12 over 2010/11 £'000	Total £'000	Variance 2009/10 over 2008/09 £'000	Variance 2010/11 over 2009/10 £'000	Variance 2011/12 over 2010/11 £'000	Cumulative Variance (Agreed - Revised)
15	Adults Culture & Community Service	Recreational Services	Review of parks constabulary service to provide a focussed and specific open space warden and ranger service.	200	200	200		200			200	0	0	0	0
16	Adults Culture & Community Service	Recreational Services	Review the staffing levels and service efficiency of the parks grounds maintenance function	100	100	200		100	100		200	0	0	0	0
17	Adults Culture & Community Service	Recreational 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	50		25	25		50	0	0	0	0
18	Adults Culture & Community Service	Recreational Services	Leisure Centre management - review the staffing levels and service efficiency of the in-house management function	120	120	120		120			120	0	0	0	0
19	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	535	125	660		535	125	0	660	0	0	0	0
20	Adults Culture & Community Service	Commissioning & Strategic Services	Staffing efficiencies - engagement/closer partnership working with Department or Works and Pensions	0	86	86		0	86	0	86	0	0	0	0
21	Adults Culture & Community Service	Commissioning & 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	26	26	52		26	26		52	0	0	0	0
22	Adults Culture & Community Service	Commissioning & Strategic Services	Staffing efficiencies achieved through establishment of integrated commissioning, contracts, brokerage and payments service in 2008/09	44	50	94		44	50		94	0	0	0	0
23	Chief Executive's Service	Electoral Registration	Reduce temporary seasonal election support posts via external funding and deletion in 2010	102	76	178		102	76	0	178	0	0	0	0
24	Chief Executive's Service	Electoral Registration	Less use of Temporary staff. Change in postal products. Change in some supplies	3	3	6		3	3		6	0	0	0	0
25	Children & Young People's Service	Children's Networks	Play Service	8	9	17		8	9	0	17	0	0	0	0
26	Children & Young People's Service	Children's Networks	Review of staffing levels in the policy & performance team	55	62	117		29	33	0	62	29	(29)	0	0
27	Children & Young People's Service	Children's Networks	Some initial cost of setting up children's networks relate to high levels of statutory training, awareness raising, & external evaluation of newly integrated services. The need for this reduces as practice becomes embedded	29	45	74		55	0	0	55	0	0	0	0
				84	107	191		84	33	0	117	0	(74)	0	(74)
				84	107	191		84	33	0	117	0	(74)	0	(74)

REF	Directorate	Business Unit	Details of Efficiency	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	Total £'000	Progress	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	2011/12 over 2010/11 £'000	Total £'000	Variance over 2009/10 £'000	Variance over 2010/11 £'000	Cumulative Variance (Agreed - Revised)
28	Children & Young People's Service	Children & Families	Relocation of staff from Pulford Rd and sale of building to release capital.		21	21	21 Accommodation for staff including the voluntary sector will need to be identified.	0	0	0	21	0	0	0
29	Children & Young People's Service	Children & Families	Staffing efficiencies through further integration of the C&YPS and the roll out of Children's networks.	93	183	276	Operational efficiencies have been identified in order to achieve these savings.	0	(93)	0	0	(183)	0	(276)
30	Children & Young People's Service	Children & Families	Efficiencies in commissioning budget arising from reduction in CIC through investment in adoption and special guardianship	150	150	300	This target is dependent on successful growth bid based on evidence provided.	0	(150)	0	0	(150)	0	(300)
31	Children & Young People's Service	Children & Families	Cease funding of non statutory voluntary sector contracts.		220	220	Contracts will not be renewed	0	0	0	0	(220)	0	(220)
32	Children & Young People's Service	Children & Families	Cease funding voluntary centre contracts		62	62	Contracts will not be renewed	0	0	0	0	(62)	0	(62)
33	Children & Young People's Service	Sub Total		243	636	879		0	21	0	21	(243)	(615)	(858)
		Schools Standards and Inclusion	Professional Development Centre (PDC) training income target to be increased	20		20	Will be achieved	20	0	0	20	0	0	0
34	Children & Young People's Service	Schools Standards and Inclusion	Voluntary grants to playgroups reviewed and to be funded via General Sure Start Grant	100		100	Will be achieved	100	0	0	100	0	0	0
35	Children & Young People's Service	Schools Standards and Inclusion	Integration of services as Children's Networks develop	216	266	482	Will be achieved	216	141	0	357	0	0	0
36	Children & Young People's Service	Sub Total		336	266	602		336	141	0	477	(125)	(125)	(125)
37	Children & Young People's Service	Business Support & Development	Premature Retirement Costs for Schools - no new commitments	10	10	20	Paper in draft for Schools Forum	10	0	0	20	0	0	0
		Business Support & Development	PRC Residual Further Education - (i.e. ex-College of North East London employees) historical year on year reduction	7	7	14	Assumes current trends continue	7	0	0	14	0	0	0
38	Children & Young People's Service	Business Support & Development	Student Support Serv Mgt - Administration. Further reduction of SF staff (SO1) as front line services are nationalised.	60	110	170	The phasing of savings proposals are revised due to a large increase in the volume of new applications.	17	70	83	170	(43)	(40)	83
39	Children & Young People's Service	Business Support & Development	Outsourcing or efficiency saving within the Transport Service	150		150	Outsourcing of service in November 2008 should achieve this saving	150	0	0	150	0	0	0
40	Children & Young People's Service	Business Support & Development	Redundancies / retirement on the grounds of efficiency	33	58	91	Expected to be achieved in 2009/10 through transport and 2010/11 is still to be identified	33	58	0	91	0	0	0
41	Children & Young People's Service	Business Support & Development	Efficiencies to be identified to this value		142	142	Unable to achieve target identified. £15k achieved within BSD through a minor increase in vacancy factor with the balance met across the remainder of the directorate.	0	0	0	0	0	(142)	(142)
42	Corporate Resources	Sub Total		260	327	587		217	145	83	445	(43)	(182)	(142)
		Benefits & Local Taxation	Deletion of two scale 3/4 administration posts. (Currently covered by Agency Staff)	37		37	Planned reduction in posts in line with restructure proposals	37	0	0	37	0	0	0
43	Corporate Resources	Benefits & Local Taxation	NDR Shared Service Proposal		54	54	Project to facilitate the provision of Business rates under a Shared Services arrangement is underway. Discussions with possible partners has commenced and identification of relevant costs has been initiated	0	54	0	54	0	0	0

REF	Directorate	Business Unit	Details of Efficiency	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	Total £'000	Progress	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	Total £'000	Variance 2009/10 over 2008/09 £'000	Variance 2010/11 over 2009/10 £'000	Variance over 2010/11 £'000	Cumulative Variance (Agreed - Revised)
44	Corporate Resources	Benefits & Local Taxation	Introduction of E-Benefits system allowing on-line applications to be made	156		156	156 once e-benefits has been installed and the new processes are fully operational, BLT will delete 3 admin officer posts, as a result of direct interface with our Document Management System and core benefits product.	93	0	93	(63)	0	0	(63)
45	Corporate Resources	Benefits & Local Taxation	Reduction in the cost of the Sx3 support and maintenance contract.	5	5	10	10 On track to achieve	5	0	5	0	0	0	0
46	Corporate Resources	Benefits & Local Taxation	Reduction in paper storage costs linked to court and audit acceptance.	10	5	15	15 Management of the BLT storage contract has been reviewed which will allow this saving to be achieved	10	5	15	0	0	0	0
47	Corporate Resources	Benefits & Local Taxation	Limit the use of pre-paid envelopes on a phased use basis.	10	10	20	20 On track to achieve	10	10	20	0	0	0	0
48	Corporate Resources	Benefits & Local Taxation	Reduction in postage costs through better use of electronic documentation processes & walksort procedures through our printing contractors -DSI			30	0 Alternative saving to compensate for shortfall in e-benefit related savings	30		30	30	0	0	30
49	Corporate Resources	Benefits & Local Taxation	Savings on inspection fees on NNDR empty properties through internal management of the process			15	0 Alternative saving to compensate for shortfall in e-benefit related savings	15		15	15	0	0	15
50	Corporate Resources	Benefits & Local Taxation	Proactive management of agency staff and recruitment costs.			18	0 Alternative saving to compensate for shortfall in e-benefit related savings	18		18	18	0	0	18
51	Corporate Resources	Corporate Finance/ Audit	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.	218	74	292	The restructure of Corporate Finance is progressing well with the new structure likely to be in place by November 2008. However, the recent additional VFM savings will mean reductions in headcount not previously planned.	218	74	292	0	0	0	0
52	Corporate Resources	Corporate Finance/ Audit	Reduction in external audit fees related to improvements in grant claim submission.			20	20 On target to be achieved.	20		20	0	0	0	0
53	Corporate Resources	Corporate Finance/ Audit	Reprovision of Cashiers to Kiosks provided at the Customer Service Centres and decommissioning of 247 High Road Cashier facilities	125		125	There has been a short delay to this project due to resource conflicts and the time required to undertake complex technical IT reengineering. It is anticipated that the new initiative will be in place by late 2009.	30	95	125	(95)	95	0	0
54	Corporate Resources	Procurement	Re-organisation & Natural Wastage	145	72	217	Ongoing and planned invoice volume reductions. The Business Plan provides for 4 posts to be filled by temps in anticipation of these staff reductions.	50	63	113	(95)	0	0	0
55	Corporate Resources	Property	Aerial Sites Identify new locations and market potential sites to telecommunication companies.	52	63	115	20 On target to be achieved.	52	10	62	0	0	0	0
56	Corporate Resources	Property	Commercial Income - above inflation growth on income in future years.	33	65	98	Due to the poor current commercial property market conditions the savings expectations have been rephased into 2011/12. Any further significant deterioration in market conditions may affect our ability to meet these targets.	33	33	66	0	(32)	32	0

REF	Directorate	Business Unit	Details of Efficiency	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	Total £'000	Progress	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	2011/12 over 2010/11 £'000	Total £'000	Variance 2009/10 OVB £'000	Variance 2010/11 OVB £'000	Variance 2011/12 OVB £'000	Cumulative Variance (Agreed - Revised)
57	Corporate Resources	Property	Car Parking - review of current office provision with a view to bringing in a reduction in spaces / possibly charging	35	35	35	35 2008/9 target of £30k achieved 2009/10 target expected to achieve as projected.	35	0	0	35	0	0	0	0
58	Corporate Resources	Property	Additional fee income (Valuation / Development) Supporting regeneration projects not relating to Council Land.	10	10	20	20 The downturn in the Housing market has affected our ability to achieve this target. Consequently it has been reprofiled up to 2011/12	10	10	10	20	(10)	0	10	0
59	Corporate Resources	Property	Hornsey Town Hall - Operational staff reductions	106	106	106	106 Current expectation is to achieve the savings target as projected.	106	0	0	106	0	0	0	0
60	Corporate Resources	Property	Energy Conservation Savings (linked to capital spend)	30	30	30	30 On target for savings in volume however this may be negated by increase in unit costs	30	0	0	30	0	0	0	0
61	Corporate Resources	Property	Review of Commercial Portfolio and implementation of Manhattan with improved debt management	100	100	100	100 The downturn in the Property market has affected our ability to achieve this target. Consequently it has been reprofiled up to 2011/12	30	70	70	100	(100)	30	70	0
62	Corporate Resources	Property	Optimisation of planned & reactive maintenance works following new contract in Sept. 2008	70	70	140	140 Savings in 2008/9 already achieved, the expectation for future years will be delivered by new procurement arrangements.	70	70	0	140	0	0	0	0
63	Corporate Resources	Property	Staffing savings through structural changes, rationalisation of responsibilities and co-location	59	19	78	78 Savings from the first stage of the reshaping have been delivered in 2008/9. The second stage, following the current recruitment campaign, is expected to deliver the next two years savings as projected.	59	19	0	78	0	0	0	0
64	Corporate Resources	Property	Facilities Management & Cleaning - savings on administration and premises expenditure	25	50	75	75 Current expectation is to achieve the savings target as projected.	25	50	0	75	0	0	0	0
65	Corporate Resources	Legal Services	Registrars - potential new income stream from naming and renewal of vows ceremonies	372	330	702	8 On track to deliver	262	328	112	702	(110)	(2)	112	0
66	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	5	5	5	5 On track to deliver	5	0	0	5	0	0	0	0
67	Corporate Resources	Legal Services	Making savings on cost of counsel and reducing use of counsel	30	100	130	130 The strategic review of legal services is nearing completion and the conclusions will allow these savings to be delivered	30	100	0	130	0	0	0	0
68	Corporate Resources	Legal Services	Strategic value for money review of legal services	140	70	210	210 The strategic review of legal services is nearing completion and the conclusions will allow these savings to be delivered	140	70	0	210	0	0	0	0
69	Corporate Resources	Customer Services	Channel shift - Alternative savings have been proposed	179	174	353	236 Project underway in AE (Customer Contact Strategy). Project currently in the investigation / diagnose phase. Work to date has confirmed this revised profile of saving is appropriate	179	45	0	353	(112)	(49)	0	(161)
70	Corporate Resources	Customer Services	Income generation - Alternative savings have been proposed	8	10	18	18 Review of objective has confirmed that projected saving from activity would not yield the saving in the forecast. Therefore a substitution saving has been identified	0	0	0	0	(8)	(10)	0	(18)

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71	Corporate Resources	Customer Services	Reduction in posts - Alternative savings have been proposed	80	114	114	114: Project was re-titled, CS Management restructure for 08/09 delivery. Project has been completed yielding 38.1k saving overall	0	0	0	0	(114)	(114)
72	Corporate Resources	Customer Services	SAP development - Alternative savings have been proposed				80 Budget saving project for 08/09 was £50k, upon review of target, detailed projects have been substituted to achieve the target.	0	0	0	(80)	0	(80)
73	Corporate Resources	Customer Services	Reduction in sickness				0 Alternative saving - anticipated increase in performance due to reduction in sickness	10	5	15	10	5	15
74	Corporate Resources	Customer Services	General efficiency (non replacement of vacancies)				0 Alternative saving to off set against post reductions (general).	25	30	55	25	30	55
75	Corporate Resources	Customer Services	Right first time (process optimisation)				0 Alternative saving to off set against post reductions (general).	40	20	60	40	20	60
76	Corporate Resources	Customer Services	Changes to Housing Benefit claims management (Automated Benefit Claims project)				0 Alternative saving to off set against Channel shift re-profiling and reduction in saving	40	10	50	40	10	50
77	Corporate Resources	Customer Services	Automation of switchboard services				0 Alternative saving to off set against Channel shift re-profiling and reduction in saving.	15	10	25	15	10	25
78	Corporate Resources	Customer Services	Restructure of Business Support Unit				0 Alternative saving to off set against post reductions (general).	70	18	88	70	18	88
79	Corporate Resources	Customer Services	Restructure of Customer Services Officer posts				0 Alternative saving to off set against post reductions (general).	80	80	80	0	80	80
		Sub Total		230	218	448		230	218	448	0	0	0
80	Corporate Resources	IT	Web Contract ends June 2009	150		150	On target	150	0	150	0	0	150
81	Corporate Resources	IT	Reduction in staff post self service	50		50	On target	50	0	50	0	0	50
82	Corporate Resources	IT	Consultancy fees		50	50	On target		50	50		0	50
83	Corporate Resources	IT	CRM Lease ends		137	137	On target		137	137		0	137
84	Corporate Resources	IT	CRM contract ends	235		235	On target	235	0	235	0	0	235
		Sub Total		435	187	622		435	187	622	0	0	0
85	People & Organisational Development	Human Resources	Review the team leader staffing resources for HR support		45	45	Currently on track to achieve		45	45		0	45
86	People & Organisational Development	Human Resources	Review the resources for internal HR advice and consultancy support		43	43	Currently on track to achieve		43	43		0	43
87	People & Organisational Development	Human Resources	Review model of service delivery for all transactional HR services		70	70	Currently on track to achieve		70	70		0	70
88	People & Organisational Development	Human Resources	Review service model for advisory & developmental delivery - work in partnership with others		70	70	Currently on track to achieve		70	70		0	70
		Sub Total		0	228	228		0	228	228	0	0	0
89	People & Organisational Development	Organisational Development	Reduce Staff events to 1 per year	25		25	We will reduce the total cost of running the events by £25k rather than the number.	25	0	25	0	0	25
90	People & Organisational Development	Organisational Development	Reduce staff survey frequency to once every 2 years	16		16	Survey will not be undertaken in 2009	16	0	16	0	0	16

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91	People & Organisational Development	Organisational Development	Review training provision and development schemes such as graduates, aiming high, and leadership	27	27	54	27 Number of participants, selection criteria and the frequency with which the programmes are run will seek to reduce spend in this area over the next two years	27	0	0	27	0	0	0	0
92	People & Organisational Development	Local Democracy	Further reduce hard copy printing of committee agendas to all but essential paper copies using electronic provision	41	27	68	10 In future very limited circulation of appendices to reports. Full agendas to be received by Cite Members only. Public copies to be reduced. Engagement of service users (officer/member) to alternatives to hard copies at mts.	41	27	0	68	0	0	0	0
93	People & Organisational Development	Local Democracy	Member Learning and Development programme - reduce use of external consultants and deliver more training in-house	15		15	15 On track to achieve. Reliance on external consultants has been greatly reduced.	15			15	0	0	0	0
94	People & Organisational Development	Local Democracy	Deletion of IFTE principal committee coordinator from reduction in formal meetings by approx 36 per year	40	40	80	40 Growth in no. of bodies and meetings requiring formal clerking support. No capacity to reduce secretariat. LGPIH Act/Empowerment WP/2010 Elections implications to be considered in overall service review in 2010.	0	0	40	40	0	(40)	40	0
95	Policy Performance Partnership & Comms.	Community Safety	Reconfigure Emergency Planning & Business Continuity Team and work load	25	40	65	10 Savings will be made as required through team restructure	25	0	40	65	0	(40)	40	0
96	Policy Performance Partnership & Comms.	Partnerships	Reductions in grants budget eg new initiatives grants and individual reductions to various grants allocated	10	12	22	32 On target this will be delivered through the CVST's prudent management of Councils Grant Programme	10	12	0	22	0	0	0	0
97	Policy Performance Partnership & Comms.	Partnerships	Review staffing levels and service efficiency in respect of Partnerships Support	10		10	10 This efficiency saving is on target for Corporate Partnerships to deliver.	10	0		10	0	0	0	0
98	Policy Performance Partnership & Comms.	Partnerships	Review of staffing levels and service efficiency within the Neighbourhood Management Service	105		105	105 This efficiency saving will be found through a further refinement of the staffing resource for the Neighbourhood Management Service for 2009-10	105	0		105	0	0	0	0
99	Policy Performance Partnership & Comms.	Partnerships	Management and support	44	44	88	44 This saving will be met as part of the rationalisation of PPP&C overall	0	44		44	0	0	0	0
100	Policy Performance Partnership & Comms.	Partnerships	Corporate Voluntary Sector Team	67	69	136	136 On target, this will be found from VS inflation	67	69		136	0	0	0	0
101	Policy Performance Partnership & Comms.	Partnerships	Reorganise team for future delivery of outcomes for partnerships following settling in of new LAA's	68	68	136	68 This efficiency saving will be met through the proposed review of the Partnerships delivery team	0	68		68	0	0	0	0
102	Policy Performance Partnership & Comms.	Partnerships	Policy	18	18	36	18 This efficiency saving will be met through efficiencies for the Partnerships delivery team in 2010-11	0	18		18	0	0	0	0
103	Policy Performance Partnership & Comms.	Performance & Policy	Review of resources in the Feedback and Information team	202	211	413	20 Feedback & information team resource requirements to be reviewed as part of wider business unit review of resource requirements.	202	211	0	413	0	0	0	0
104	Policy Performance Partnership & Comms.	Performance & Policy	Review of staffing levels in the Improvement and Performance Team	29	38	67	67 Wider review of business unit resource requirements	49	38		87	20	0	0	20

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		Sub Total		49	38	87		49	38	0	87	0	0	0	0
105	Policy Performance Partnership & Comms.	Communication	Haringey People Magazine additional advertising revenue	42	42	84	On target for 08/09. To meet further targets, consideration will need to be given to changing distribution method or increasing page rates for internal and external advertisers	42	42	0	84	0	0	0	0
106	Policy Performance Partnership & Comms.	Communication	Print Efficiencies 08/09	79	41	120	New design & print framework should be in place from Jan 2009.	79	41	0	120	0	0	0	0
107	Policy Performance Partnership & Comms.	Communication	Print efficiencies - Savings taken from budget	0	38	38	Most design and print expenditure is recharged to other budgets. Savings in these are not reflected in this budget.	0	38	0	38	0	0	0	0
		Sub Total		121	121	242		121	121	0	242	0	0	0	0
108	Urban Environment	Planning, Policy & Development	Introduction of Pre-Application advice charging regime	25	25	50	On target to achieve fees	25	25	0	50	0	0	0	0
109	Urban Environment	Planning, Policy & Development	Additional Major Site Income	41	41	41	On target to achieve fees	41	41	0	41	0	0	0	0
110	Urban Environment	Planning, Policy & Development	National Increase in Planning Fees	30	30	30	On target to achieve fees	30	30	0	30	0	0	0	0
111	Urban Environment	Planning, Policy & Development	Increase Building Control Fees	20	20	20	On target to achieve fees	20	20	0	20	0	0	0	0
		Sub Total		116	25	141		116	25	0	141	0	0	0	0
112	Urban Environment	Economic Regeneration	Review the funding arrangements for the Town Centre Management in Wood Green	46	46	46	On target	46	46	0	46	0	0	0	0
113	Urban Environment	Economic Regeneration	Reduction in the Town Centre management budget	38	38	38	On target	38	38	0	38	0	0	0	0
		Sub Total		0	84	84		0	84	0	84	0	0	0	0
114	Urban Environment	Strategic & Community Housing Services	Reducing temporary staff	180	180	180	These savings can be achieved although the Strategic and Community Housing Service has to deliver significant improvements in the coming year.	0	180	0	180	0	0	0	0
115	Urban Environment	Strategic & Community Housing Services	Reduce absence levels	89	32	121	These savings can be achieved although the Strategic and Community Housing Service has to deliver significant improvements in the coming year.	89	32	0	121	0	0	0	0
116	Urban Environment	Strategic & Community Housing Services	Home Connections joint procurement	60	60	60	These savings can be achieved although the Strategic and Community Housing Service has to deliver significant improvements in the coming year.	0	60	0	60	0	0	0	0
117	Urban Environment	Strategic & Community Housing Services	Release of staff brought in to achieve 2 star service	155	155	155	These savings can be achieved although the Strategic and Community Housing Service has to deliver significant improvements in the coming year.	0	155	0	155	0	0	0	0
118	Urban Environment	Strategic & Community Housing Services	Rationalisation of training	20	20	20	These savings can be achieved although the Strategic and Community Housing Service has to deliver significant improvements in the coming year.	20	0	0	20	0	0	0	0
		Sub Total		109	427	536		109	427	0	536	0	0	0	0
119	Urban Environment	Frontline Services	Commercial inspections	80	80	80	Reduced hours to be introduced to vacant post dealing with business liaison and delete scientific officer post	80	0	0	80	0	0	0	0
120	Urban Environment	Frontline Services	Increased use of Fixed Penalty Notices (FPN).	10	25	35	New FPN opportunities to come on line as planned. Assumes increased level of activity, about 500 additional FPN would be issued by end of 10/11.	10	25	0	35	0	0	0	0

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121	Urban Environment	Frontline Services	Environmental Crime	110	110	110	110 Savings will be built into plans for reorganisation of service	0	110	0	110	0	0	0	0
122	Urban Environment	Frontline Services	Reduction in legal expenditure - including improved recovery of costs, use of alternative litigation and alternative case management arrangements	37	0	37	37 Legal costs have increased significantly over first quarter due to work of planning enforcement, however there has been £18 received back through courts for first quarter. Draft case management JD available for recruitment	37	0	0	37	0	0	0	0
123	Urban Environment	Frontline Services	Integrated Waste Management & Transport Contract	1,165	1,165	1,165	1,165 Cabinet has approved that existing W&M&T contract will be extended through until Dec 2010. As a result it has been subsequently agreed that this savings will be reprofiled to 2011/12 in line with re-tendering the new contract.	0	0	1,165	1,165	1,165	0	(1,165)	1,165
124	Urban Environment	Frontline Services	Utility weekend FLS	50	0	50	50 Weekend enforcement has commenced and has proved successful in identifying over-running of utilities activities	50	0	0	50	0	0	0	0
125	Urban Environment	Frontline Services	Restructure within Sustainable Transport	250	0	250	250 This is the second year of savings of a total of £450k. The new structure should be completely in place by March 2009 allowing savings to go ahead.	250	0	0	250	0	0	0	0
126	Urban Environment	Frontline Services	Increased charges within Sustainable Transport	25	0	25	25 This is the second year of savings of a total of £100k. This is still dependent on construction activity on the highway.	25	0	0	25	0	0	0	0
127	Urban Environment	Frontline Services	Review of Freedom Pass criteria	100	0	100	100 Those savings were estimated on the existing appointment. There is insufficient data available to determine potential savings under the revised appointment	100	0	0	100	0	0	0	0
128	Urban Environment	Frontline Services	Re-tendering of contracts within Parking	300	0	300	300 The service expects to generate those savings	300	0	0	300	0	0	0	0
129	Urban Environment	Frontline Services	Continued increase in the number of new CPZ's meeting the expected demand	70	80	150	150 This will be achieved if the CPZ extension is completed by March 2009.	70	80	0	150	0	0	0	0
130	Urban Environment	Frontline Services	Increase of 2.5% on fees and charges above inflation (RPI)	66	68	134	134 This will be achieved.	66	68	0	134	0	0	0	0
131	Urban Environment	Frontline Services	Increase of 1.5% on permit charges above inflation assumed in budget to be in line with RPI	22	23	45	45 This saving will be achieved and agreed through the fees and charges report.	22	23	0	45	0	0	0	0
132	Urban Environment	Frontline Services	Review staffing levels and service efficiency on the On-Street Parking FLS service	240	240	240	240 A review has been completed on Parking finances and proposals to deliver these savings will be identified and implemented in 2009/10.	0	240	0	240	0	0	0	0
133	Urban Environment	Frontline Services	Replacing the Parking Automated Telephone (ATP) system	150	0	150	150 This is reliant on IT and is on schedule to deliver the savings	150	0	0	150	0	0	0	0
134	Urban Environment	Frontline Services	Sweeping of Headings	100	0	100	100 This saving arising from a reduction in the street cleansing service. This reduction is mitigated to a degree by the roll-out of the litter picking service to all residential roads in the borough	100	0	0	100	0	0	0	0

REF	Directorate	Business Unit	Details of Efficiency	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	Total £'000	Progress	2008/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	2011/12 over 2010/11 £'000	Total £'000	Variance 2009/10 OVER 2008/09 £'000	Variance 2010/11 OVER 2009/10 £'000	Variance 2011/12 OVER 2010/11 £'000	Cumulative Variance (Agreed - Revised)
135	Urban Environment	Frontline Services	FLS of Trade Waste Abuse	150		150	Progress 150 Linked to activities under the Flytip Action Plan to reduce the volume of commercial waste disposed of by the Council where no recovery of cost is being made through Trade Waste Agreements with a licensed carrier.	150	0	0	150	0	0	0	0
136	Urban Environment	Frontline Services	Commingled Recycling Bring Sites	70		70	70 Project being rolled out in 2008/9 enabling staffing efficiency measures to be made in 2009/10. This will be achieved by more efficient collection method (larger vehicles requiring less staffing).	70	0	0	70	0	0	0	0
137	Urban Environment	Frontline Services	Improving and expanding all recycling collection services		50	50	50 Reduction in the budget through staffing efficiency measures made possible through proposed service change	0	50	0	50	0	0	0	0
Sub Total				1,480	1,761	3,241		1,480	596	1,165	3,241	0	(1,165)	1,165	0
Grand Total				6,359	6,467	12,826		5,868	4,359	1,400	11,627	(491)	(2,108)	1,400	(1,199)

REF	Directorate	Business Unit	Proposed Efficiency Saving	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	2011/12 over 2010/11 £'000	Total £'000	Impact on Performance (Service Delivery)
138	Adults Culture & Community Service	Adult Services	Older People Assessment & Reorganisation of Care Management	62				62 The rationale is to develop a Head of Adults and Older People's assessment post in preparation for personalisation
139	Adults Culture & Community Service	Adult Services	Home Care Service - Reorganise Management	53				53 The streamlined re-ablement service will be managed in combination with supported housing
140	Adults Culture & Community Service	Adult Services	Day Care Transfer support officer to Supporting People	6				6 There will be no impact on the service or performance from this proposal
141	Adults Culture & Community Service	Adult Services	Older People Assessment & Care - Reorganisation of support arrangement Residential Care	23				23 There will be minimum impact as one service support officer will now be covering two Service Managers
142	Adults Culture & Community Service	Adult Services	Reprovisioning of Transport	10				10 There will be minimum impact on service provision from this proposal. Reprovisioning through Community Transport
143	Adults Culture & Community Service	Adult Services	Reconfiguration of Transport Services		131			131 Introduction of Individual Budgets, assessed transport needs to be met and supported through a combination of personal allowances and other services available
144	Adults Culture & Community Service	Adult Services	Streamline adaptations survey function. Combining two teams into one more efficient team.	80				80 Improvements in service delivery by revision of streamlining of processes
		Sub Total		234	131	0	365	
145	Adults Culture & Community Service	Recreational Services	Supplies and services procurement (5% of £1m)	50				50 Seeking cost reduction through more effective purchasing of supplies and services /making use of new Category Management arrangements. Thus any impact would be negligible.
146	Adults Culture & Community Service	Recreational Services	Parks sponsorship (main park sites 50/50 split)	50				100 Similar to currently secured for small flower beds. Detailed sites to be advised. Some negative reaction who oppose commercial sponsorship of/ on public open space sites. Some risk due to market demand/ competition.

REF	Directorate	Business Unit	Proposed Efficiency Saving	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	2011/12 over 2010/11 £'000	Total £'000	Impact on Performance (Service Delivery)
147	Adults Culture & Community Service	Recreational Services	Price increases - 2.5% above inflation over 2 years 2010/11 & 11/12	125	125	125	250	Having reviewed pricing policy/charges in 2007/8, further modest increase is not proposed until 2010/11 and 2011/12, and will be geared to 'ability to pay'. A limited degree of demand risk.
Sub Total				100	175	125	400	
148	Adults Culture & Community Service	Adult Learning, Libraries & Culture	Savings on restructure of school library service	27	0	0	27	A senior post is currently vacant. 3 other posts will be revised & re-evaluated to incorporate additional responsibilities
149	Adults Culture & Community Service	Adult Learning, Libraries & Culture	Staffing restructure in Library Reference/ Information.	0	40	0	40	Responsibilities will be subsumed into the Library Manager post at Central Library. The impact on frontline service delivery will be mitigated by an internal staff transfer.
150	Adults Culture & Community Service	Adult Learning, Libraries & Culture	Restructure involving Finance & Purchasing staff.	15	0	0	15	A post is currently vacant. Joint working with other areas of the Business Unit will be developed
151	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.	14	0	0	14	This will reduce our investment capability in new technologies linked to People's Network & IT in libraries
152	Adults Culture & Community Service	Adult Learning, Libraries & Culture	Community Programmes staff restructure.	0	0	40	40	This will impact on the delivery of services to older people in libraries and on aspects of the wellbeing programme
153	Adults Culture & Community Service	Adult Learning, Libraries & Culture	Extension of use of radio frequency identification booking system	0	0	100	100	This should have only a small impact on front-line service delivery and performance
Sub Total				56	40	140	236	
154	Adults Culture & Community Service	Commissioning & Strategic Services	Staffing Efficiencies	11			11	Limited impact due to creation of senior policy officer.
155	Adults Culture & Community Service	Commissioning & Strategic Services	Brokerage arrangements (care navigators)		100		100	Personalisation Agenda requirement to re-model current services provision. Minimal impact on performance

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REF	Directorate	Business Unit	Proposed Efficiency Saving	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	2011/12 over 2010/11 £'000	Total £'000	Impact on Performance (Service Delivery)
156	Adults Culture & Community Service	Commissioning & Strategic Services	Supplies & Services (Director's Budget)	30	35		65	No or minimal impact on front-line service delivery and performance.
157	Adults Culture & Community Service	Commissioning & Strategic Services	Realignment of support services		89	123	212	Minimal impact on front-line service delivery and performance.
158	Adults Culture & Community Service	Commissioning & Strategic Services	Supplies & Services (Adults and C&S)	139	90		229	More efficient use of supplies and services provision within the directorate cost centre
159	Chief Executive's Service	Sub Total Chief Executive & Electoral Registration	Acquire Envelope miller to further reduce temporary employee hours	180	314	123	617	3 Speeds processing times - provides increased efficiency
160	Children & Young People's Service	Sub Total CY01 Children's Networks	Review of staffing levels and service efficiency within Change for Children	1	1	1	3	62 This reduces the resources available for change for children
161	Children & Young People's Service	Sub Total Children & Families	Charge 'short break' costs against Aiming high for disabled children grant	0	0	62	62	75 May impact on service delivery
162	Children & Young People's Service	Children & Families	Externalisation of passenger transport routes	217	6		223	At the time of writing, we anticipate achieving this from November 2008.
163	Children & Young People's Service	Children & Families	SEN Transport 'Savings' against DSG			300	300	
164	Children & Young People's Service	Children & Families	Income generation opportunities at Red Gables		10		10	None

REF	Directorate	Business Unit	Proposed Efficiency Saving	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	2011/12 over 2010/11 £'000	Total £'000	Impact on Performance (Service Delivery)
Sub Total				217	91	300	608	
165	Children & Young People's Service	Schools Standards and Inclusion	Establishment of the multi-disciplinary teams is anticipated as providing additional capacity to support children and their families - thereby releasing some of the need for some specialist posts e.g. EWO's (Scales PO1)	0	50	0	50	None
166	Children & Young People's Service	Schools Standards and Inclusion	Grant funding to replace a core funded post in School Standards & Inclusion, therefore reducing the additionality of the grant and reducing services	0	75	0	75	This reduces the resources available for school improvement, and gives less flexibility for service delivery as grant requirements have to be met rather than service priorities. Puts improving standards in jeopardy.
Sub Total				0	125	0	125	
167	Children & Young People's Service	Business Support & Development	Efficiencies in Personnel staffing; increased income generation within the Personnel and ICT Service and further efficiency gains in Publications print and promotional items budgets	86	5	0	91	Possible implications on service delivery with a staffing review. Some competitor pressure with increased service charges. Publications print savings achievable with online alternatives
168	Children & Young People's Service	Business Support & Development	Property & Contracts; staff restructure.		31		31	Minimal since post is currently vacant and workload is covered by existing staff
169	Children & Young People's Service	Business Support & Development	Increase in vacancy factor across Business Support & Development		15		15	Saving of £142k met by vacancy factor increase across the directorate with BSD contributing £15k. Medium risk in terms of service delivery due to part year vacant posts being held to achieve this target
Sub Total				86	51	0	137	
170	Corporate Resources	Benefits & Local Taxation	Savings in postage costs resulting from the implementation of on-line benefits	9			9	None

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REF	Directorate	Business Unit	Proposed Efficiency Saving	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	2011/12 over 2010/11 £'000	Total £'000	Impact on Performance (Service Delivery)
171	Corporate Resources	Benefits & Local Taxation	Setting up of a specialist overpayment Recovery team to focus on the recovery of old outstanding debt	70	70		140	Improvements expected in performance of overpayment recovery, which generates more income to the Authority through a focussed recovery project. Additional 3 staff at £80k.
172	Corporate Resources	Benefits & Local Taxation	Frontloading court costs (between Summons & Liability Orders) to recover these at an earlier stage & revise Customer Services procedures to minimise the number of summonses withdrawn			50	50	Increased income generation for the Service
173	Corporate Resources	Benefits & Local Taxation	Savings in the costs of design, production & amendments to BLT documentation currently incurred through DSI or Gandlake, by using Laserserve software. (Subject to a successful Capital bid for the Laserserve software.)		20	20	40	None
Sub Total				79	90	70	239	
174	Corporate Resources	Corporate Finance/Audit	Charges for cash collection have been reviewed and some schools are not receiving the appropriate charge. It is proposed that the full cost of the contract is appropriately recharged to schools	20			20	None
175	Corporate Resources	Corporate Finance/Audit	Efficiency saving - reduction of all Corporate Finance Supplies and Services budgets by up to 5%.	5			5	None
176	Corporate Resources	Corporate Finance/Audit	More efficient use of SAP postage budget will generate savings e.g. emailing of purchase orders.	15			15	None
177	Corporate Resources	Corporate Finance/Audit	Commence charging to schools for the FMSiS assessment undertaken by Internal Audit from 1 April 2011.			15	15	None

REF	Directorate	Business Unit	Proposed Efficiency Saving	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	2011/12 over 2010/11 £'000	Total £'000	Impact on Performance (Service Delivery)
178	Corporate Resources	Corporate Finance/ Audit	Review of Corporate Finance. This sum to be considered along the proposed VFM review.			15	15	There is an inevitable impact on service if fewer Corporate Finance staff are deployed. Actual impact to be quantified during the vfm review.
Sub Total				40	0	30	70	
179	Corporate Resources	Procurement	Electronic document interchange with suppliers.	0	0	20	20	Improved process handling which will attract rebates from e-enable suppliers. Reliant on Capital investment
Sub Total				0	0	20	20	
180	Corporate Resources	Property	Additional efficiencies following the letting of the planned & reactive maintenance works contract in Sept. 2008	25	25	25	75	Economies of scale from the contract increased following addition of extra plant R&M elements and additional buildings .
181	Corporate Resources	Property	Additional fee income from Staff car parking scheme	5	5	5	15	None
182	Corporate Resources	Property	Savings resulting from further structural changes and a review of Administrative process following the reshaping.	30	20	20	70	None
183	Corporate Resources	Property	Further savings through reduction in staffing levels supporting building related services.	0	0	200	200	The current level of high profile projects and activities within CPS require an increased level of staffing resources. Projects may take longer as resources reduce.
184	Corporate Resources	Property	Reduced energy costs from the administrative building portfolio			30	30	None

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REF	Directorate	Business Unit	Proposed Efficiency Saving	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	2011/12 over 2010/11 £'000	Total £'000	Impact on Performance (Service Delivery)
185	Corporate Resources	Property	Potential efficiency from the development of a shared helpdesk between Property & IT			50	50	This solution should provide the same or improved level of service to customers. It requires the development of appropriate IT solutions but this should be feasible.
186	Corporate Resources	Property	Modernisation of the Office Cleaning Service (linked to small investment requirement)	0	0	20	20	This approach will have significant benefits for cleaning staff and the Council, addressing poor sickness levels currently experienced within our cleaning service, provide closer supervision and better job satisfaction with a stronger commitment to the organisation
Sub Total				60	50	350	460	
187	Corporate Resources	Legal Services	The current strategic value for money review of legal services will facilitate the delivery of longer term savings in addition to those in earlier years.	0	0	95	95	No or minimal impact on front-line service delivery and performance.
Sub Total				0	0	95	95	
188	Corporate Resources	Customer Services	Reduction in sickness above the pre-agreed savings in years one and two			5	5	Anticipate an increase in performance as a result of reduced sickness
189	Corporate Resources	Customer Services	General efficiency (non replacement of vacancies)			50	50	Neutral impact on performance
190	Corporate Resources	Customer Services	Right first time (process optimisation)			20	20	Anticipate an increase in performance
Sub Total				0	0	75	75	
191	Corporate Resources	IT	Mobile rental charge reduction (council wide).	110			110	None. This is achieved via new contract T&C's
192	Corporate Resources	IT	Merger of support functions within ITS and Customer Services	50	65	25	140	Savings as a result of the de-duplication of the functions in access and customer focus into a shared service. Low impact on both BPs
Sub Total				160	65	25	250	

REF	Directorate	Business Unit	Proposed Efficiency Saving	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	2011/12 over 2010/11 £'000	Total £'000	Impact on Performance (Service Delivery)
193	People & Organisational Development	Human Resources	Further review HR/OD service model for advisory & developmental delivery – work in partnership with others			61	61	Impact on level of support managers will receive in terms of HR/OD service
194	People & Organisational Development	Human Resources	Director savings to be found from rationalisation of non-salary spend across the whole of the Directorate.		5	2	7	Rationalisation of non salary spend expected to have little impact on service delivery
195	People & Organisational Development	Sub Total Organisational Development	Training venue hire	0	5	63	68	Better exploitation of council accommodation
196	People & Organisational Development	Organisational Development	Service reductions	15			15	reduction in training provision
197	People & Organisational Development	Organisational Development	Service reshape and service reductions			23	23	rescoping of the service, its staff, and services offered
198	People & Organisational Development	Sub Total PD04 Local Democracy	Review services and staffing	22	0	23	45	Priority will be placed on service meeting its statutory requirements as part of the review. Benchmarking and Engagement of service users (officer /member) will support and shape service review
199	Policy Performance Partnership & Comms.	Sub Total Performance & Policy	Review of staffing levels within Performance & Policy Team	0	0	17	17	By 2011/12 any savings will be met by deleting post/s (dependent on grade). This may result in redundancies and will reduce our ability to deliver business plan objectives and support Council priorities.
		Sub Total		0	0	107	107	

REF	Directorate	Business Unit	Proposed Efficiency Saving	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	2011/12 over 2010/11 £'000	Total £'000	Impact on Performance (Service Delivery)
200	Policy Performance Partnership & Comms.	Communication	Savings arising from the VFM review, over and above the target within Achieving Excellence, will need to be captured in order to meet the 2011/12 target for additional savings			50	50	Reducing the number of council publications, if effectively managed in line with the communications strategy should not have a negative impact
Sub Total				0	0	50	50	
201	Urban Environment	Planning, Policy & Development	Reduced legal expenditure (both internal and External)	10	10	10	30	No obvious impact on performance, although quality will need to be maintained.
202	Urban Environment	Planning, Policy & Development	Increased Pre application planning fees	10	10	10	30	To be managed within existing resources. Improved application processing performance, reduced refusal rate, improved customer satisfaction
203	Urban Environment	Planning, Policy & Development	Increased BC fees	10			10	To be managed within existing resources. Improved application processing performance, reduced refusal rate, improved customer satisfaction
204	Urban Environment	Planning, Policy & Development	Efficiency savings from the impending merger of Planning and Regeneration	25	25		50	No impact
Sub Total				55	45	20	120	
205	Urban Environment	Economic Regeneration	Charge a higher level of finance support in addition to project staff cost against external funding	25	25		50	No impact
206	Urban Environment	Economic Regeneration	Review physical regeneration team after the completion of the current programme, either reducing the team or charging more costs to new funding sources as we bid for them			30	30	if we do not secure additional external funding, this will reduce the capacity to support the team staff wise.
207	Urban Environment	Economic Regeneration	Efficiencies resulting from merger of Planning and Economic Regeneration.	86	0	0	86	No impact on performance
Sub Total				111	25	30	166	

REF	Directorate	Business Unit	Proposed Efficiency Saving	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	2011/12 over 2010/11 £'000	Total £'000	Impact on Performance (Service Delivery)
208	Urban Environment	Strategic & Community Housing Services	Estimated saving from relocation of Housing Services from Apex Hse to RPH Post & Facilities Mgt functions are provided corporately.	0	66		66	No impact on service delivery
209	Urban Environment	Strategic & Community Housing Services	Review of number of posts following planned reduction of numbers in temporary accommodation			99	99	Will be managed as numbers in temporary accommodation fall.
Sub Total				0	66	99	165	
210	Urban Environment	Frontline Services	Restructure within Enforcement Support.	65	0	0	65	Postholder is on secondment and managed under the council. Staff be transferred and FLS business Support will pick up residual management tasks
211	Urban Environment	Frontline Services	New statutory power under LLA & TfL Bill to recover cost from organisers of clearing up after major events.	23	0	0	23	No impact on performance/service delivery as existing mainstream funding will be replaced by external funding.
212	Urban Environment	Frontline Services	Estates recycling service savings	24	0	0	24	No impact on performance as residents will receive an alternative and equivalent recycling service.
213	Urban Environment	Frontline Services	Traffic Management Order budget savings	50	0	0	50	This budget was used to provide Traffic Orders for utility companies. This work is now charged to utilities. There should be no impact on service delivery.

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REF	Directorate	Business Unit	Proposed Efficiency Saving	2009/10 over 2008/09 £'000	2010/11 over 2009/10 £'000	2011/12 over 2010/11 £'000	Total £'000	Impact on Performance (Service Delivery)
214	Urban Environment	Frontline Services	Back office efficiency savings	36	0	0	36	A Back Office Efficiency Review is underway in Urban Environment and Frontline Services is also reviewing its support structure in light of the merger of the services. It is anticipated that this will be achieved through realignment of roles and responsibilities and sharing of resources.
215	Urban Environment	Frontline Services	Additional income to be generated through the Parking Plan	115	150	150	415	This will ensure better parking management in areas where residents are in conflict with non-residents due to parking pressures. To provide short stay parking provision at locations where parking demand is high.
216	Urban Environment	Frontline Services	Spend to save, Replacement of illuminated bollards with solar powered bollards	0	0	33	33	Energy Saving based on October 2008 costs, full-year savings of £57k will only be achieved by 2012/13 when all of the bollards are replaced.
Sub Total				313	150	183	646	
Grand Total				1,714	1,424	2,008	5,146	

Indicative Dedicated Schools Grant 2008-09 to 2011-12

Appendix F1

	Notes	2009/10			2009/10			2010/11			2010/11			2011/12		
		Uplift %	Dedicated Schools Grant		Uplift	Dedicated Schools Grant		Uplift	Dedicated Schools Grant		Uplift	Dedicated Schools Grant		Uplift	Dedicated Schools Grant	
			ISB £	Non ISB £		Total £	ISB £		Non ISB £	Total £		ISB £	Non ISB £		Total £	ISB £
Children's Service Budget Analysis Pupil Numbers 32,084																
Prior Year Reported DSG																
Adjustment for Final Pupil Numbers for 2008/09																
Prior Year Final DSG	1															
Increase in DSG																
Personalised Learning and other earmarked funding		0.6														
Basic Uplift		2.9														
Indicative DSG for Year	2	3.5														
Budget Changes for year																
Inflation and uplift to Minimum Funding Guarantee		3.5														
Estimated inflation above the level of the MFG		2.1														
Increased resources for earmarked funding incl. personalised learning	3															
New Revenue Investments																
New School Opening/Formula Costs																
Increased numbers of Out Borough/ Independent Special Needs Placements																
Increased inflation attributable to independent / Out borough placements																
Transport costs attributable to Autism Places at Moseley School																
New Delegations																
Autism Places at Moseley School																
Headroom																
Additional DSG/Budget Requirement																
Summary																
DSG 2008-09																
Increase in Resources																
Transfer from Non ISB to ISB																
Indicative DSG 2008/09																
Percentage Increase																
Notes:																
1																
2																
3																

The initial DSG for 2008/09 was based on estimated pupil numbers. Final adjustments are made in the June following the start of the Financial Year
 The model assumes no change in pupil numbers from 2008/09. A 3.5% uplift in resources and a 2.1% MFG level have been assumed for 2011-12
 No personalisation resources have been assumed for 2011-12

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FINANCIAL PLANNING 2009/10

Appendix F2

Haringey Schools Forum – Budget Consultation

2009/10 Dedicated Schools Budget (DSG) - recommendations of the Haringey Schools Forum at their meeting held on 11 December 2008	
1	That the estimated effect of proposed 2009-10 formula changes currently being consulted on (£0.2 -£0.4m) be noted as a call against available headroom.
2	That the additional requirement for pre- opening costs (at Heartlands high School) of £0.4m be referred back to officers with a view to a significant reduction. The amended recommendation was agreed and it was further noted that the Cabinet's ultimate decision would be reported back to the Schools Forum once made. <i>Subsequently a revised proposal amounting to £122,000 has been submitted and it is this revised sum that is reflected in this report.</i>
3	That funding for inflationary pressures within Central Expenditure items of £0.5m be agreed.
4	That funding to meet the increased costs of SEN placements of £0.2m be agreed.
5	That the transfer of resources to the ISB in recognition of new autism places at Moselle School (£0.3m) be agreed together with the associated transport costs (£0.1m) being a charge against DSG.
6	That the proposed devolution of resources to schools as part of the Keys to Wellbeing project be noted.

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HOUSING REVENUE ACCOUNT - MEDIUM TERM FINANCIAL STRATEGY 2009/10 TO 2013/14

APPENDIX G

HRA Summary	2008/09		2009/10		2010/11		2011/12		2012/13		2013/14	
	Original Budget £000s	Revised Budget after P/A £000s	Increase / (Decrease) £000s	Draft Budget £000s	Increase / (Decrease) £000s	Draft Budget £000s	Increase / (Decrease) £000s	Draft Budget £000s	Increase / (Decrease) £000s	Draft Budget £000s	Increase / (Decrease) £000s	Draft Budget £000s
Company Income	(52,756)	(52,564)	(1,890)	(54,454)	(1,643)	(56,097)	942	(55,155)	(1,479)	(56,634)	(1,263)	(57,897)
Chief Executive	253	244	6	250	6	257	6	263	7	270	7	276
Housing Management	10,784	10,238	449	10,557	254	10,811	270	11,081	277	11,358	285	11,643
Business Improvement	2,680	2,965	336	3,331	65	3,396	(9)	3,386	86	3,472	93	3,565
Finance	2,007	20,495	1,518	22,093	552	22,645	566	23,212	580	23,792	595	24,386
Building Services	28,752	9,928	(629)	9,306	542	9,849	(4)	9,845	346	10,190	94	10,285
Asset Management	848	837	14	857	22	879	22	900	22	923	23	946
Corporate	7,433	7,863	197	8,060	202	8,261	(1,794)	6,468	162	6,629	166	6,795
Total Company Accounts	0	6	0	0	0	0	0	0	0	0	0	0
Rental Income	(64,504)	(64,504)	(4,092)	(68,597)	(3,999)	(72,596)	(3,435)	(76,031)	(3,597)	(79,628)	(3,767)	(83,396)
Non Dwelling Rents	(2,127)	(2,127)	(89)	(2,216)	(46)	(2,261)	(47)	(2,308)	(48)	(2,356)	(49)	(2,405)
HRA Subsidy	(16,081)	(16,081)	(160)	(16,241)	627	(15,614)	285	(15,329)	457	(14,872)	1,787	(13,085)
Leasehold Service Charge Income	(4,730)	(4,730)	(128)	(4,858)	(132)	(4,990)	(135)	(5,125)	(138)	(5,263)	(142)	(5,404)
Tenant Service Charge Income	(8,585)	(8,585)	(1,239)	(9,823)	(227)	(10,050)	(232)	(10,282)	(238)	(10,521)	(244)	(10,765)
Miscellaneous Income	(5,626)	(5,626)	213	(5,413)	(128)	(5,541)	(131)	(5,672)	(134)	(5,806)	(138)	(5,943)
Housing Management Costs	6,824	6,824	494	7,318	176	7,494	180	7,674	185	7,859	189	8,048
Repairs & Maintenance	210	210	5	215	5	221	6	226	6	232	6	238
Bad Debt Provision	1,100	1,100	50	1,150	50	1,200	50	1,250	50	1,300	50	1,350
Service Charge Costs	7,178	7,178	788	7,966	199	8,165	204	8,369	209	8,578	214	8,792
Total Managed Accounts	(86,341)	(86,341)	(4,158)	(90,499)	(3,474)	(93,973)	(3,255)	(97,228)	(3,249)	(100,477)	(2,094)	(102,571)
Temporary Accommodation Income	(4,931)	(4,931)	455	(4,476)	(132)	(4,608)	(116)	(4,725)	(122)	(4,847)	(128)	(4,975)
Housing Management Direct Costs	1,435	1,435	36	1,471	37	1,507	38	1,545	39	1,584	40	1,623
Supported Housing Costs	3,175	3,175	(49)	3,126	81	3,206	83	3,289	85	3,373	87	3,460
Repairs & Maintenance	308	308	8	316	8	324	8	332	8	340	9	349
Capital Financing Charges	43,599	43,599	2,550	46,149	3,180	49,329	3,678	53,007	3,740	56,746	4,006	60,752
Other Property Costs	2,498	2,498	(553)	1,945	47	1,991	48	2,039	49	2,088	50	2,138
Bad Debt Provisions	31	31	10	41	10	51	10	61	10	71	10	81
ALMO Management Fee	39,690	39,690	1,569	41,259	1,313	42,571	(1,280)	41,291	1,132	42,424	908	43,331
Total Retained Accounts	85,804	85,804	4,025	89,829	4,542	94,371	2,468	96,839	4,940	101,779	1,580	103,360
TOTAL HOUSING REVENUE ACCOUNT	(537)	(531)	(133)	(670)	1,069	399	(788)	(389)	1,492	1,302	(513)	789
Planned Opening HRA Balance	(4,690)	(4,724)		(5,255)		(5,925)		(5,526)		(5,915)		(4,613)
In-Year Use of Balances	(537)	(531)		(670)		(399)		(389)		(302)		(789)
Planned Closing Balance	(5,227)	(5,255)		(5,925)		(5,526)		(5,915)		(4,613)		(3,824)

HOUSING REVENUE ACCOUNT
- MEDIUM TERM FINANCIAL STRATEGY 2009/10 TO 2013/14

APPENDIX G

HRA Summary - Budget Variations					
Managed and Retained Budgets					
Change	2009/10 over 2008/09 £000s	2010/11 over 2009/10 £000s	2011/12 over 2010/11 £000s	2012/13 over 2011/12 £000s	2013/14 over 2012/13 £000s
Rent Increase	-4,361	-4,307	-3,736	-3,914	-4,099
Service Charges	-549	0	0	0	0
Budget Pressures in 2008/09	406	0	0	0	0
ALMO Management Fee	1,569	1,313	-1,280	1,132	908
Capital Financing Charges	2,550	3,180	3,678	3,740	606
Inflation	177	11	11	12	12
Increase In Bad Debts Provision	60	60	60	60	60
Housing Stock Reduction	175	185	195	204	214
Subsidy	-160	627	285	457	1,786
Total Variations Managed and Retained	-133	1,069	-788	1,692	-513
Company Budgets					
New Investment	1,771	281	-344	100	-153
New Efficiencies	-1,083	0	-2,000	0	0
Existing Efficiencies	-109	0	0	0	0
Budget Pressures in 2008/09	0	0	0	0	0
Inflation	990	1,031	1,064	1,032	1,061
ALMO Management Fee	-1,569	-1,312	1,280	-1,132	-908
Total Variations Company	0	0	0	0	0
Variations - All HRA					
Rent Increase	-4,361	-4,307	-3,736	-3,914	-4,099
Service Charges	-549	0	0	0	0
Capital Financing Charges	2,550	3,180	3,678	3,740	606
Inflation	1,166	1,043	1,076	1,044	1,072
Increase In Bad Debts Provision	60	60	60	60	60
Contingency change	0	0	0	0	0
Housing Stock Reduction	175	185	195	204	214
Subsidy	-160	627	285	457	1,786
New Investment	1,771	281	-344	100	-153
New Efficiencies	-1,083	0	-2,000	0	0
Budget Pressures in 2008/09	406	0	0	0	0
Existing Efficiencies	-109	0	0	0	0
Total Variations All HRA	-133	1,069	-788	1,692	-513

- MEDIUM TERM FINANCIAL STRATEGY 2009/10 TO 2013/14

HRA New Investment and Efficiencies					
HRA Summary - List New Investment					
Change	2009/10 over 2008/09 £000s	2010/11 over 2009/10 £000s	2011/12 over 2010/11 £000s	2012/13 over 2011/12 £000s	2013/14 over 2012/13 £000s
Meet best practice standards for control of bacteria in water systems	60	0	0	0	-60
To establish an inspection regime for road and footpath maintenance	300	0	0	0	0
Review career development for Surveyors	40	0	0	0	0
Review admin support activities	0	0	0	0	0
Develop Resident Assoc. Project Grants	10	0	0	0	0
Central Ventilation maintenance	0	300	-250	0	0
Lighting inspection test and maintenance	200	0	0	0	0
Progress with Fire Risk Assessments and carry out required improvements/ routine maintenance.	250	0	0	0	0
Procurement of a contract to survey, contain or remove asbestos	0	0	0	0	0
Signing sheets for cleaning records	10	-10	0	0	0
Customer Service Excellence Award	37	-30	-7	0	7
Training & Development of Residents for Board Membership	10	0	0	0	0
Lightning protection maintenance	0	30	0	0	0
Letting of Gas Maintenance Contract	0	0	0	100	-100
Assist the business to develop and embed the information management strategy	10	0	0	0	0
Maintain accreditation under ISO9001 with BSI and review the Quality Management systems to ensure that they remain fit for purpose according to BSI standards. Extend BSI accreditation to the Feedback Team and the Repairs Client by end of quarter 2.	2	0	0	0	0
Engage and inform staff in preparation for Audit Commission re-inspection (3-stars!) in 2010.	10	0	0	0	0
Staff events to help build relationships and break down inter-departmental barriers	20	0	0	0	0
Produce printed annual report for all stakeholders by August 2009.	15	0	0	0	0
Renew door entry maintenance contract	20	-20	0	0	0
Vehicle re-indexing costs (vehicles not previously charged to ESOs)	4	0	0	0	0
Accord contractual inflation	4	0	0	0	0
To complete annual safety checks for worklodges and stores and implement follow up actions	4	0	0	0	0
Additional Support costs for parking	8	0	0	0	0
Maintain Investors In People	9	-9	0	0	0
Additional HR Support (2 additional staff)	75	0	0	0	0
Ensure compliance with Construction (Design Management) regulations	50	0	0	0	0
Develop youth engagement project & recruit more young people	30	-20	-10	0	0
Project Manage the preparation and inspection for Audit Commission inspection	22	-10	-12	0	0
Additional Accomodation - Ashley Rd _Unavoidable	30	0	0	0	0
Increased Waste Costs	160	0	0	0	0
Implement programme of window inspections and repairs	200	0	0	0	0
Link 12 new lifts on BWF by phone to concierges, lift engineers etc in accordance with current legislation	5	0	0	0	0
Mobile estate monitoring working	8	0	0	0	0
Specialist Resident Estate Monitors	8	0	0	0	0
Audit Commission inspection	15	50	-65	0	0
Cleaning in Supported Housing	125	0	0	0	0
Additional Income Collection Support Costs	20	0	0	0	0
Total New Investment	1,771	281	-344	100	-153

HOUSING REVENUE ACCOUNT
- MEDIUM TERM FINANCIAL STRATEGY 2009/10 TO 2013/14

HRA New Investment and Efficiencies					
HRA Summary - New Investment Service					
Change	2009/10 over 2008/09 £000s	2010/11 over 2009/10 £000s	2011/12 over 2010/11 £000s	2012/13 over 2011/12 £000s	2013/14 over 2012/13 £000s
Best Value and Projects Team - 1 FTE	84	10	-84	0	7
Business Support Q&L	2	0	0	0	0
Communications Team	45	0	0	0	0
Design and Engineering Team	280	310	-250	100	-160
Estate Services	171	-10	0	0	0
Governance Team	10	0	0	0	0
Income Collection	20	0	0	0	0
People Management Team - 2 FTE	84	-9	0	0	0
Repairs Client Team	1,030	0	0	0	0
Resident Involvement	40	-20	-10	0	0
Tenancy Management	5	0	0	0	0
Total New Investment	1,771	281	-344	100	-153
HRA Summary - New Efficiencies					
Change	2009/10 over 2008/09 £000s	2010/11 over 2009/10 £000s	2011/12 over 2010/11 £000s	2012/13 over 2011/12 £000s	2013/14 over 2012/13 £000s
Gas maintenance Contract	-1083	0	0	0	0
Further Efficiencies	0	0	-2,000	0	0
Total New Efficiencies	-1,083	0	-2,000	0	0

Capital Programme Forecast 2009/10 to 2011/12**Bids For Corporate Resources Funding**

1 Capital Expenditure Forecast	2009/10	2010/11	2011/12	Total
	£'000	£'000	£'000	£'000
Directorate Capital Bids (Recommended To Accept)				
Urban Environment (including Housing General Fund)	8,416	2,480	2,380	13,276
Adults, Culture and Community Services	3,401	2,517	1,735	7,653
Corporate Resources	2,635	2,725	1,910	7,270
Children & Young People	0	0	2,080	2,080
Sub-total	14,452	7,722	8,105	30,279
Housing Services (HRA)	1,085	150	150	1,385
Sub-total	1,085	150	150	1,385
Total Accepted Capital Bids (Fully & Partly)	15,537	7,872	8,255	31,664
Financing				
Forecast Use Of Corporate Resources	15,537	7,872	8,255	31,664
	15,537	7,872	8,255	31,664
A Total Accepted Bids (Fully & Partly)	15,537	7,872	8,255	31,664
Total Rejected Bids	1,330	4,505	4,370	10,205
Total Capital Bids	16,867	12,377	12,625	41,869
2 Corporate Funding Resources	2009/10	2010/11	2011/12	Total
	£'000	£'000	£'000	£'000
i Estimated capital receipts received in year:				
General Fund Receipts	(5,335)	(470)	0	(5,805)
Additional HRA Receipts	(2,280)	(3,600)	0	(5,880)
Special Receipts (earmarked)	(985)	0	(2,600)	(3,585)
Strategic Sites (prudent view)	0	(2,200)	(6,500)	(8,700)
Right To Buy Usable	(500)	(750)	(1,000)	(2,250)
Sub-total	(9,100)	(7,020)	(10,100)	(26,220)
ii Other Corporate Resources:				
Children's Personal Social Services SCE® *	(100)	(100)	0	(200)
Contribution from Capital Finance Reserve	(2,600)	0	0	(2,600)
Contribution from Insurance Reserve	(3,000)	0	0	(3,000)
Sub-total	(5,700)	(100)	0	(5,800)
Total Corporate Resources (i+ii)	(14,800)	(7,120)	(10,100)	(32,020)
<small>*Rounded Provisional Formula Grant Settlement in Nov 08 (to be confirmed Jan 09)</small>				
B Total estimated resources available (i+ii)	(14,800)	(7,120)	(10,100)	(32,020)
3 Application of Resources to Bids	2009/10	2010/11	2011/12	Total
	£'000	£'000	£'000	£'000
Brought-forward resources (surplus)/deficit		737	1,489	
B Total estimated resources	(14,800)	(7,120)	(10,100)	(32,020)
A Total proposed expenditure	15,537	7,872	8,255	31,664
In year (surplus)/deficit	737	752	(1,845)	(356)
Carry-forward resources (surplus)/deficit	737	1,489	(356)	

Capital Bids For Corporate Resources Funding
Financial Years: 2009/10 to 2011/12

Appendix H

Capital Investment Bids (For Corporate Resources)

Ref No.	Portfolio	Business Unit	Capital Project Title	Corporate Resources Funding Bid				Total Capital Cost				Net Revenue Implications (positive cost; negative income or saving or both)				Corporate Resources as a Contribution of Capital Cost %	ACCEPTED FIGURES [recommended]			
				2009-10	2010-11	2011-12	Total	2009-10	2010-11	2011-12	Total	2009-10	2010-11	2011-12	Total		2009-10	2010-11	2011-12	Total
				£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000		£'000	£'000	£'000	£'000
1	Leisure, Culture & Lifelong Learning	Recreational Services	Strategic Sports Pitches Improvement Programme	200	350	900	1,450	200	2,000	4,200	0	0	0	0	0	200	350	900		
2	Leisure, Culture & Lifelong Learning	Recreational Services	Improving The Quality And Range Of Play Provision	275	275	0	550	775	775	1,550	0	0	0	0	275	275	0			
3	Leisure, Culture & Lifelong Learning	Recreational Services	Tennis Court Refurbishment Programme	275	0	0	275	690	0	690	0	0	0	0	275	0	0			
4	Leisure, Culture & Lifelong Learning	Recreational Services	Parks Outdoor Firm Trails / Facilities	100	100	0	200	200	0	400	0	0	0	0	100	100	0			
5	Leisure, Culture & Lifelong Learning	Recreational Services	Lordship Recreation Ground	300	200	200	700	450	3,200	6,850	0	0	0	0	300	200	200			
6	Leisure, Culture & Lifelong Learning	Recreational Services	Fairfax And Fairfax Community Space Re-Development Project	150	0	0	150	250	0	250	0	0	0	0	150	0	0			
7	Leisure, Culture & Lifelong Learning	Recreational Services	Strategic Renewals Of Leisure Centres (SRLC)	166	407	0	573	588	407	995	0	0	0	0	166	407	0			
8	Leisure, Culture & Lifelong Learning	Recreational Services	Open Space Improvement Programme (OSIP) Combined Bid For Green Flag (500K) and Green Pennant (200K) Programme	700	700	700	2,100	700	700	2,100	0	0	0	0	500	125	125			
9	Leisure, Culture & Lifelong Learning	Recreational Services	Tree Planting Strategy	80	80	80	240	100	80	260	0	0	0	0	120	60	60			
10	Leisure, Culture & Lifelong Learning	Adult Learning, Libraries & Culture	Bruce Castle Museum - Restoring Our Heritage	0	300	300	600	0	2,500	3,500	0	0	0	0	0	300	300			
11	Leisure, Culture & Lifelong Learning	Adult Learning, Libraries & Culture	Muswell Hill Library Development	500	0	0	500	500	0	500	0	0	0	0	500	0	0			
12	Adult, Social Care & Well-Being	Adult Services	Upgrade Of Community Alarm Lifelines For Compatibility With BT Century 21	115	0	0	115	115	0	115	0	0	0	0	115	0	0			
13	Adult, Social Care & Well-Being	Adult Services	Council Contribution To Disabled Facilities Adaptations (DFG) programme	700	700	700	2,100	1,449	1,449	4,347	0	0	0	0	700	700	700			
14	Children and Young People	Business Support & Development	Building Schools For The Future Programme	0	0	2,080	2,080	98,822	34,560	138,690	0	0	0	0	0	0	0			
15	Enterprise & Regeneration	Planning And Regeneration	Partnership Schemes In Conservation Areas (PSICA) - Tottenham High Rd	100	0	0	100	100	0	100	0	0	0	0	0	0	0			
16	Enterprise & Regeneration	Planning And Regeneration	Bruce Grove Townscape Initiative (THI)	140	0	0	140	314	0	314	0	0	0	0	140	0	0			
17	Enterprise & Regeneration	Planning And Regeneration	Partnership Schemes In Conservation Areas (PSICA) - Myddleton Road	100	100	0	200	100	100	200	0	0	0	0	100	100	0			
18	Environment & Conservation	Frontline Services	Reprovision of Recycling Centre	950	0	0	950	950	0	950	0	0	0	0	950	0	0			
19	Environment & Conservation	Frontline Services	Lifting Equipment For Recycling Vehicles	230	0	0	230	230	0	230	0	0	0	0	230	0	0			
20	Environment & Conservation	Frontline Services	Recycling Vehicles Investment	295	0	0	295	295	0	295	135	130	0	0	295	0	0			
21	Environment & Conservation	Frontline Services	Replacement Wheeled Bins And Recycling Containers	132	0	0	132	132	0	132	0	0	0	0	132	0	0			
22	Environment & Conservation	Frontline Services	Planned Road and Footway Resurfacing and Reconstruction for Non-Principal Roads	2,000	2,000	2,000	6,000	2,000	2,000	6,000	0	0	0	0	2,600	1,300	1,300			
23	Environment & Conservation	Frontline Services	Planned Maintenance Highway Bridges & Other Structures	255	255	255	765	255	255	765	0	0	0	0	240	180	180			

Capital Bids For Corporate Resources Funding
Financial Years: 2009/10 to 2011/12

Appendix H

Capital Investment Bids (For Corporate Resources)

Ref No.	Portfolio	Business Unit	Capital Project Title	Corporate Resources Funding Bid				Total Capital Cost				Net Revenue Implications (positive cost; negative income or saving or both)				Corporate Resources as a Contribution of Capital Cost %	ACCEPTED FIGURES (recommended)						
				2009-10 £'000	2010-11 £'000	2011-12 £'000	Total £'000	2009-10 £'000	2010-11 £'000	2011-12 £'000	Total £'000	2009-10 £'000	2010-11 £'000	2011-12 £'000	Total £'000		2009-10 £'000	2010-11 £'000	2011-12 £'000	Total £'000			
24	Environment & Conservation	Frontline Services	Street Lighting Investment Programme	2,000	1,000	1,000	4,000	2,000	1,000	1,000	4,000	0	0	0	0	0	0	0	0	2,000	500	500	3,000
25	Environment & Conservation	Frontline Services	The Upgrade, Purchase & Implementation Of The Civica Civil Enforcement System	229	0	0	229	229	0	0	229	0	0	0	0	0	0	0	0	229	0	0	229
26	Environment & Conservation	Frontline Services	Parking Plan	600	600	600	1,800	600	600	600	1,800	(115)	(150)	(415)	600	300	300	1,200	600	300	300	1,200	
27	Environment & Conservation	Frontline Services	Local Road Safety Improvements	240	250	250	740	240	250	250	740	0	0	0	0	100	100	300	100	100	100	300	
28	Housing Services	Strategic & Community Housing Services	Transferable Discount Scheme (Homes For Haringey HRA)	250	0	0	250	250	0	0	250	0	0	0	0	250	0	0	250	250	0	0	250
29	Housing Services	Strategic & Community Housing Services	Private Sector Grants Programme	500	0	0	500	500	0	0	500	0	0	0	0	500	0	0	500	500	0	0	500
30	Housing Services	Strategic & Community Housing Services	Aids and Adaptations	1,000	1,000	1,000	3,000	1,000	1,000	1,000	3,000	0	0	0	0	150	150	150	450	150	150	150	450
31	Housing Services	Strategic & Community Housing Services	Saltram Close	485	0	0	485	485	0	0	485	0	0	0	0	485	0	0	485	485	0	0	485
32	Housing Services	Strategic & Community Housing Services	Major Works (HRA)	200	0	0	200	200	0	0	200	0	0	0	0	200	0	0	200	200	0	0	200
33	Resources	Corporate Property Services	Repair & Maintenance Of Operational Building Portfolio Within Corporate Management Of Property And Community Buildings	1,750	1,750	1,750	5,250	1,750	1,750	1,750	5,250	0	0	0	0	1,650	1,100	550	3,300	1,650	1,100	550	3,300
34	Resources	Corporate Property Services	Ashley Road Depot - Urgent Repair & Maintenance	100	50	0	150	100	50	0	150	0	0	0	0	100	50	0	150	100	50	0	150
35	Resources	Corporate Property Services	Customer Service Centre Upgrades	50	60	10	120	50	60	10	120	0	0	0	0	50	60	10	120	50	60	10	120
36	Resources	Benefits and Local Taxation	Laserserve	50	0	0	50	50	0	0	50	0	0	0	0	0	0	0	50	0	0	0	50
37	Resources	IT Services	Information Technology Capital Programme	1,500	2,050	1,350	4,900	1,500	2,050	1,350	4,900	0	(20)	(40)	0	500	1,500	1,350	3,350	500	1,500	1,350	3,350
38	Resources	Corporate Property Services	Refurbishment & Upgrading Of Industrial Estates	150	150	0	300	150	150	0	300	0	0	0	0	285	15	0	300	285	15	0	300
			Total Capital Investment Bids	16,867	12,377	12,625	41,869	118,319	55,136	24,452	197,907	20	(40)	(170)	15,537	7,872	8,255	31,664	15,537	7,872	8,255	31,664	

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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 being made by individual Government departments.

In the preparation for this strategic context, a revised 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 2009/10 to 2011/12

Draft Expenditure Budget	Proposed Budget 2009/10 £'000	Indicative Budget 2010/11 £'000	Indicative Budget 2011/12 £'000	Total £'000
Urban Environment (including Housing General Fund)	14,930	18,292	8,380	41,602
Adults, Culture and Community Services	6,669	10,866	10,334	27,869
Corporate Resources	9,915	10,160	7,660	27,735
Children & Young People	117,766	57,451	22,634	197,851
Housing Services (HRA)	49,725	58,790	62,790	171,305
Total Capital Programme	199,005	155,559	111,798	466,362
Draft Capital Financing				
1 Capital grants from central government departments (inc SCE(C))	111,038	50,430	16,491	177,959
2 Grants from European Union Structural Funds	400	0	0	400
3 Grants and contributions from private developers & leaseholders	2,253	0	0	2,253
4 Grants & contributions from non-departmental public bodies	470	2,445	3,345	6,260
Capital grants from the National Lottery	847	5,155	4,505	10,507
5 Capital funding from GLA bodies	3,815	6,000	6,000	15,815
6 Use of capital receipts	9,837	7,772	13,905	31,514
Capital expenditure financed by the Major Repairs Reserve (MRR) - Govt Grant	12,407	12,407	12,407	37,221
Capital expenditure financed from the General Fund Revenue Account	5,830	5,935	100	11,865
7 SCE (R) Single Capital Pot	12,186	13,403	10,845	36,434
8 SCE (R) Separate Programme Element	30,000	40,000	44,000	114,000
Other borrowing & credit arrangements not supported by central government	3,422	11,812	0	15,234
Financing From Reserves	6,500	200	200	6,900
Total Capital Financing	199,005	155,559	111,798	466,362

Notes

- 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 any European Union Structural Funds i.e. the European Regional Development Fund, The European Social Fund, the European Agricultural Guidance and Guarantee Fund, and the Financial Instrument for Fisheries Guidance.
- 3 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.
- 4 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.
- 5 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.
- 6 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.

Capital Receipts Analysis:

	2009/10	2010/11	2011/12	Total
Capital Receipts - Bids for Corporate Resources	9,837	7,772	8,255	25,864
Capital Receipts - Accommodation Strategy	0	0	5,650	5,650
	9,837	7,772	13,905	31,514

- 7 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.
- 8 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

Total Proposed Capital Programme 2009/10 to 2011/12

Draft Capital Programme 2009/10 to 2011/12		Total Planned Expenditure Budget				Total Estimated Projected Spend Up To 31.3.09 (where stated) £'000	Total Funding Including Pre 2009/10 Spend (where stated) £'000
Ref. No.	Name of Capital Scheme	Proposed Original Budget 2009/10	Indicative Original Budget 2010/11	Indicative Original Budget 2011/12	Total		
	Urban Environment	£'000	£'000	£'000	£'000		
1	Principal Road Renewal	400	0	0	400		
2	London Bus Priority Network	1,000	0	0	1,000		
3	Bus Stop Accessibility	80	0	0	80		
4	London Cycle Network Plus	300	0	0	300		
5	Cycling	200	0	0	200		
6	Walking	100	0	0	100		
7	Local Safety Schemes	600	0	0	600		
8	20 mph Zones	400	0	0	400		
9	Environment	70	0	0	70		
10	Accessibility	70	0	0	70		
11	School Travel Plans	300	0	0	300		
12	Travel Awareness	20	0	0	20		
13	Workplace Travel Plans	10	0	0	10		
14	Town Centres	100	0	0	100		
15	Transport Priorities - More Flexible Approach	100	0	0	100		
16	North London Transport Forum*	65	0	0	65		
17	Local Implementation Plan Submission*	0	6,000	0	6,000		
18	Marsh Lane*	2,188	9,812	0	12,000		
19	Section 106 - 70 Milton Road	10	0	0	10		
20	Section 106 - 725-733 Lordship Lane, N22	25	0	0	25		
21	Section 106 - Sainsbury's, Williamson Road, N4	97	0	0	97		
22	Section 106 - Units 2, 4 & 5 103-149 Cornwell Road, 2 Falmer Road, N15	5	0	0	5		
23	Section 106 - Wood Green Shopping City, High Road, N22	150	0	0	150		
24	Section 106 - Lynx Depot, Coppetts Road, N10	50	0	0	50		
25	Bruce Grove Townscape Initiative	174	0	0	174		
26	Private Sector Grants Programme	500	0	0	500		
27	Partnership Schemes In Conservation Areas (PSICA) - Tottenham High Road	100	0	0	100		
28	Reprovision of Recycling Centre	950	0	0	950		
29	Bruce Grove Townscape Initiative (THI)	140	0	0	140		
30	Lifting Equipment For Recycling Vehicles	230	0	0	230		
31	Recycling Vehicles Investment	295	0	0	295		
32	Replacement Wheeled Bins And Recycling Containers	132	0	0	132		
33	Planned Road and Footway Resurfacing and Reconstruction for Non-Principal Roads	2,800	1,300	1,300	5,400		
34	Planned Maintenance Highway Bridges & Other Structures	240	180	180	600		
35	Partnership Schemes In Conservation Areas (PSICA) - Myddleton Road	100	100	0	200		
36	Street Lighting Investment Programme	2,000	500	500	3,000		
37	The Upgrade, Purchase & Implementation Of The Civica Civil Enforcement System	229	0	0	229		
38	Parking Plan	600	300	300	1,200		
39	Local Road Safety Improvements	100	100	100	300		
Total Urban Environment*		14,930	18,292	8,380	41,602	0	41,602

Total Proposed Capital Programme 2009/10 to 2011/12

Draft Capital Programme 2009/10 to 2011/12		Total Planned Expenditure Budget				Total Funding Including Pre 2009/10 Spend (where stated) £'000
Ref. No.	Name of Capital Scheme	Total Estimated Projected Spend Up To 31.3.09 (where stated) £'000	Proposed Original Budget 2009/10 £'000	Indicative Original Budget 2010/11 £'000	Indicative Original Budget 2011/12 £'000	Total
Adults, Culture and Community Services						
40	Contribution For Disabled Facilities Adaptations (DFG) Programme		1,449	1,449	1,449	4,347
41	Bruce Castle Museum - Restoring Our Heritage*	0	0	2,500	3,500	6,000
42	Falkland and Fairfax Community Space Re-Development Project*	250	250	0	0	250
43	Tennis Court Refurbishment*	690	690	0	0	690
44	Tree Planting Strategy*	140	140	60	60	260
45	Biodiversity - Conservation Site Infrastructure*	0	0	150	0	150
46	Strategic Sports Pitches Improvement Programme*	200	200	2,000	2,000	4,200
47	Improving The Quality And Range Of Play Provision*	775	775	775	0	1,550
48	Burial Village*	812	812	0	0	812
49	Strategic Renewal Of Leisure Centres*	588	588	407	0	995
50	Parks Outdoor Trim Trails/Facilities*	200	200	200	0	400
51	Lordship Recreation Ground*	450	450	3,200	3,200	6,850
52	Upgrade Of Community Alarm Lifelines For Compatibility With BT Century 21	115	115	0	0	115
53	Open Space Improvement Programme (OSIP) Combined Bid For Green Flag and Green Permament Programme	500	500	125	125	750
54	Muswell Hill Library Development	500	500	0	0	500
Total Adults, Culture and Community Services*		0	6,669	10,866	10,334	27,869

Total Proposed Capital Programme 2009/10 to 2011/12

Ref. No.	Name of Capital Scheme	Total Estimated Spend Up To 31.3.09 (where stated) £'000	Total Planned Expenditure Budget				Total Funding Including Pre 2009/10 Spend (where stated) £'000
			Proposed Original Budget 2009/10	Indicative Original Budget 2010/11	Indicative Original Budget 2011/12	Total	
	Corporate Resources		£'000	£'000	£'000	£'000	
	Accommodation Strategy Programme:						
55	Cumberland Road - Refurbishment		100	600	1,700	2,400	
56	Alexandra House - Level 10 refurbishment		250	0	0	250	
57	River Park House - Refurbishment		900	300	0	1,200	
58	48 Station Road - Refurbishment		0	270	1,100	1,370	
59	Dilapidations		0	0	300	300	
60	Civic Centre		100	100	800	1,000	
61	Staff Relocations & Provision of SMART working offices		500	1,000	1,400	2,900	
62	Specialist Refurbishment		500	900	100	1,500	
63	Costs of Disposal/Strategic Sites - Project management		250	250	250	750	
	Sub-total Accommodation Strategy Programme		2,600	3,420	5,650	11,670	
64	Hornsey Town Hall redevelopment project		4,680	4,015	100	8,795	
65	Repair & Maintenance Of Operational Building Portfolio Within Corporate Management Of Property And Community Buildings		1,650	1,100	550	3,300	
66	Ashley Road Depot - Urgent Repair & Maintenance		100	50	0	150	
67	Customer Service Centre Upgrades		50	60	10	120	
68	Laserserve		50	0	0	50	
69	Information Technology Capital Programme		500	1,500	1,350	3,350	
70	Refurbishment & Upgrading Of Industrial Estates		285	15	0	300	
	Total Corporate Resources	0	9,915	10,160	7,660	27,735	27,735

Total Proposed Capital Programme 2009/10 to 2011/12

Draft Capital Programme 2009/10 to 2011/12		Total Planned Expenditure Budget				Total Estimated Projected Spend Up To 31.3.09 (where stated) £'000	Total Funding Including Pre 2009/10 Spend (where stated) £'000
Ref. No.	Name of Capital Scheme	Proposed Original Budget 2009/10 £'000	Indicative Original Budget 2010/11 £'000	Indicative Original Budget 2011/12 £'000	Total £'000		
	Children & Young People Service						
	Primary Capital Programme						
71	Primary Capital Programme	8,871	13,959	13,563	36,393		
72	Primary ICT Strategy - Harnessing Technology	796	876	0	1,672		
73	Modernisation: Primary	74	185	0	259		
74	Access Initiative	659	408	0	1,067		
75	Coldfall Primary: Expansion	3	0	0	3		
76	Tetherdown Primary: Expansion	34	0	0	34		
77	Rokesly Infant: Expansion Ph III	20	0	0	20		
78	PSU Coppetts & Commerce Road	50	20	0	70		
79	Coleridge Primary: Expansion	525	14	0	539		
80	Programme Contingency	231	339	100	670		
	(A) Sub-total Primary Capital Programme*	11,263	15,801	13,663	40,727		
	Early Years, Community and Access						
81	Children's Centres Ph III	736	457	0	1,193		
82	Early Years - Quality & Access	1,343	1,343	0	2,686		
83	Extended Schools	517	267	0	784		
84	Youth Capital Fund	160	160	0	320		
85	Youth Capital Fund Plus	371	0	0	371		
86	Aiming High for Disabled Children	141	329	0	470		
	(B) Sub-total Early Years, Community and Access*	3,268	2,556	0	5,824		
	Planned Asset Maintenance						
87	PFI Costs - Lifecycle Fund	200	200	200	600		
88	Planned M & E Replacement	330	561	150	1,041		
89	Kitchen H&S	110	0	0	110		
90	Winter Contingency	400	400	200	1,000		
91	Professional Fees	450	450	50	950		
	(C) Sub-total Planned Asset Maintenance*	1,490	1,611	600	3,701		
	Devolved Schools Capital						
92	Devolved Capital	2,923	2,923	3,063	8,909		
	(D) Sub-total Planned Devolved Schools Capital*	2,923	2,923	3,063	8,909		
	(E) Total CYPs excluding BSF (E=A+B+C+D)*	0	18,944	22,891	17,326	59,161	

Total Proposed Capital Programme 2009/10 to 2011/12

Draft Capital Programme 2009/10 to 2011/12		Total Planned Expenditure Budget					Total Funding Including Pre 2009/10 Spend (where stated) £'000
Ref. No.	Name of Capital Scheme	Total Estimated Projected Spend Up To 31.3.09 (where stated) £'000	Proposed Original Budget 2009/10 £'000	Indicative Original Budget 2010/11 £'000	Indicative Original Budget 2011/12 £'000	Total £'000	Total Funding Including Pre 2009/10 Spend (where stated) £'000
Building Schools For The Future (BSF) - School Projects							
93	Gladesmore	2,511	5,803	1,800	0	7,603	10,114
94	John Loughborough	1,045	3,130	0	0	3,130	4,175
95	Northumberland Park/Vale	3,853	12,346	367	0	12,713	16,566
96	Park View Academy	1,725	4,719	5,177	430	10,326	12,051
97	St Thomas More	1,111	3,425	2,037	0	5,462	6,573
98	Woodside High	3,355	10,573	11,563	1,565	23,701	27,056
99	6th Form Centre	27,603	0	0	0	0	27,603
100	New School	4,475	24,244	5,133	0	29,377	33,852
101	Pupil Support Centre	690	4,476	0	0	4,476	5,166
102	Alexandra Park	629	2,801	0	0	2,801	3,430
103	Fortismere/Bianche Neville	835	3,570	0	0	3,570	4,405
104	Hightgate Wood	769	4,101	0	0	4,101	4,870
105	Hornsey Girls	1,048	3,672	0	0	3,672	4,720
106	Gladesmore Sports Hall	1,391	0	0	0	0	1,391
	(F) Sub-total BSF School Projects⁴	51,040	82,860	26,077	1,995	110,932	161,972
Other Building Schools For The Future Projects							
107	ICT	2,747	7,529	5,398	3,119	16,046	18,793
108	BSF Contingency	1,751	7,085	1,949	94	9,128	10,879
109	New School Land	7,349	0	0	0	0	7,349
110	BSF Other	10,079	1,348	1,136	100	2,584	12,663
	(G) Sub-total BSF Other⁴	21,926	15,962	8,483	3,313	27,758	49,684
	(H) Total Building Schools for the Future⁴ (H=F+G)	72,966	98,822	34,560	5,308	138,690	211,656
Total Children & Young People		72,966	117,766	57,451	22,634	197,851	270,817

Total Proposed Capital Programme 2009/10 to 2011/12

Draft Capital Programme 2009/10 to 2011/12		Total Planned Expenditure Budget					Total Funding Including Pre 2009/10 Spend (where stated) £'000
Ref. No.	Name of Capital Scheme	Total Estimated Projected Spend Up To 31.3.09 (where stated) £'000	Proposed Original Budget 2009/10 £'000	Indicative Original Budget 2010/11 £'000	Indicative Original Budget 2011/12 £'000	Total £'000	Total Funding Including Pre 2009/10 Spend (where stated) £'000
Housing Services (Housing Revenue Account (HRA))							
111	Transferable Discount Scheme*		500	250	250	1,000	
112	Major Works Voids*		1,200	1,000	1,000	3,200	
113	Decent Homes Works*	29,990	30,826	40,826	44,826	116,478	146,468
114	Capitalised Repairs		4,363	4,363	4,363	13,089	
115	Professional Fees		1,200	1,200	1,200	3,600	
116	Aids & Adaptations*		1,600	1,600	1,600	4,800	
117	Boiler Replacement		1,600	1,600	1,600	4,800	
118	Lift Improvements		2,262	2,194	2,262	6,718	
119	Essential Capital Works		200	200	200	600	
120	Structural Works		600	600	600	1,800	
121	Mechanical & Electrical Works		1,539	1,489	1,489	4,517	
122	Energy Conservation		100	100	100	300	
123	Planned Preventative Maintenance		3,000	3,000	3,000	9,000	
124	Asbestos Removal		200	268	200	668	
125	Sewage & Drainage Works		50	100	100	250	
126	Saltram Close*		485	0	0	485	
Total Housing Services (HRA)		29,990	49,725	58,790	62,790	171,305	201,295
Total Capital Programme		102,956	199,005	155,559	111,798	466,362	569,318

Schemes marked (*) are estimates. Funding TBC

Total Proposed Capital Programme 2009/10 to 2011/12

Ref. No.	Name of Capital Scheme	Total Funding Source (3 years)										Total £'000	
		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		
Urban Environment													
1	Principal Road Renewal	0	400	0	0	0	0	0	0	0	0	0	400
2	London Bus Priority Network	0	1,000	0	0	0	0	0	0	0	0	0	1,000
3	Bus Stop Accessibility	0	80	0	0	0	0	0	0	0	0	0	80
4	London Cycle Network Plus	0	300	0	0	0	0	0	0	0	0	0	300
5	Cycling	0	200	0	0	0	0	0	0	0	0	0	200
6	Walking	0	100	0	0	0	0	0	0	0	0	0	100
7	Local Safety Schemes	0	600	0	0	0	0	0	0	0	0	0	600
8	20 mph Zones	0	400	0	0	0	0	0	0	0	0	0	400
9	Environment	0	70	0	0	0	0	0	0	0	0	0	70
10	Accessibility	0	70	0	0	0	0	0	0	0	0	0	70
11	School Travel Plans	0	300	0	0	0	0	0	0	0	0	0	300
12	Travel Awareness	0	20	0	0	0	0	0	0	0	0	0	20
13	Workplace Travel Plans	0	10	0	0	0	0	0	0	0	0	0	10
14	Town Centres	0	100	0	0	0	0	0	0	0	0	0	100
15	Transport Priorities - More Flexible Approach	0	100	0	0	0	0	0	0	0	0	0	100
16	North London Transport Forum*	0	65	0	0	0	0	0	0	0	0	0	65
17	Local Implementation Plan Submission*	0	12,000	0	0	0	0	0	0	0	0	0	12,000
18	Marsh Lane*	1,950	0	0	0	0	0	0	0	0	0	0	1,950
19	Section 106 - 70 Milton Road	10	0	0	0	0	0	0	0	0	0	0	10
20	Section 106 - 725-733 Lordship Lane, N22	25	0	0	0	0	0	0	0	0	0	0	25
21	Section 106 - Sainsbury's, Williamson Road, N4	97	0	0	0	0	0	0	0	0	0	0	97
22	Section 106 - Units 2, 4 & 5 103-149 Cornwall Road, 2 Falmer Road, N15	5	0	0	0	0	0	0	0	0	0	0	5
23	Section 106 - Wood Green Shopping City, High Road, N22	150	0	0	0	0	0	0	0	0	0	0	150
24	Section 106 - Lymx Depot, Coppetts Road, N10	50	0	0	0	0	0	0	0	0	0	0	50
25	Bruce Grove Townscape Initiative	174	0	0	0	0	0	0	0	0	0	0	174
26	Private Sector Grants Programme	0	0	500	0	0	0	0	0	0	0	0	500
27	Partnership Schemes In Conservation Areas (PSICA) - Tottenham High Road	0	0	100	0	0	0	0	0	0	0	0	100
28	Reprovision of Recycling Centre	0	0	50	0	0	0	0	0	0	0	0	50
29	Bruce Grove Townscape Initiative (THI)	0	0	140	0	0	0	0	0	0	0	0	140
30	Lifting Equipment For Recycling Vehicles	0	0	230	0	0	0	0	0	0	0	0	230
31	Recycling Vehicles Investment	0	0	295	0	0	0	0	0	0	0	0	295
32	Replacement Wheeled Bins And Recycling Containers	0	0	132	0	0	0	0	0	0	0	0	132
33	Planned Road and Footway Resurfacing and Reconstruction for Non-Principal Roads	0	0	2,500	0	0	0	0	0	0	0	0	2,500
34	Planned Maintenance Highway Bridges & Other Structures	0	0	600	0	0	0	0	0	0	0	0	600
35	Partnership Schemes In Conservation Areas (PSICA) - Myddleton Road	0	0	200	0	0	0	0	0	0	0	0	200
36	Street Lighting Investment Programme	0	0	1,000	0	0	0	0	0	0	0	0	1,000
37	The Upgrade, Purchase & Implementation Of The Civica Civil Enforcement System	0	0	229	0	0	0	0	0	0	0	0	229
38	Parking Plan	0	0	1,200	0	0	0	0	0	0	0	0	1,200
39	Local Road Safety Improvements	0	0	300	0	0	0	0	0	0	0	0	300
Total Urban Environment*		2,461	15,815	7,476	0	0	50	200	0	10,000	5,600	0	41,602

Total Proposed Capital Programme 2009/10 to 2011/12

Appendix J

Ref. No.	Name of Capital Scheme	Total Funding Source (3 years)										Total £'000		
		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			
Adults, Culture and Community Services														
40	Contribution For Disabled Facilities Adaptations (DFG) Programme	2,247	0	2,100	0	0	0	0	0	0	0	0	0	4,347
41	Bruce Castle Museum - Restoring Our Heritage	5,400	0	600	0	0	0	0	0	0	0	0	0	6,000
42	Falkland and Falstaff Community Space Re-Development Project*	100	0	150	0	0	0	0	0	0	0	0	0	250
43	Tennis Court Refurbishment*	415	0	275	0	0	0	0	0	0	0	0	0	690
44	Tree Planting Strategy*	20	0	240	0	0	0	0	0	0	0	0	0	260
45	Biodiversity - Conservation Site Infrastructure*	150	0	0	0	0	0	0	0	0	0	0	0	150
46	Strategic Sports Pitches Improvement Programme*	3,300	0	900	0	0	0	0	0	0	0	0	0	4,200
47	Improving The Quality And Range Of Play Provision*	1,000	0	550	0	0	0	0	0	0	0	0	0	1,550
48	Burial Village*	0	0	0	0	0	0	0	0	0	0	0	0	0
49	Strategic Renewal Of Leisure Centres*	0	0	573	0	0	0	0	0	0	0	0	812	812
50	Parks Outdoor Trim Trails/Facilities*	200	0	200	0	0	0	0	0	0	0	0	422	995
51	Lordship Recreation Ground*	6,150	0	700	0	0	0	0	0	0	0	0	0	400
52	Upgrade Of Community Alarm Lifelines For Compatibility With BT Century 21	0	0	115	0	0	0	0	0	0	0	0	0	6,850
53	Open Space Improvement Programme (OSIP) Combined Bid For Green Flag and Green Pennant Programme	0	0	750	0	0	0	0	0	0	0	0	0	750
54	Muswell Hill Library Development	0	0	500	0	0	0	0	0	0	0	0	0	500
Total Adults, Culture and Community Services*		18,982	0	7,653	0	0	0	0	0	0	0	0	1,234	27,869

Total Proposed Capital Programme 2009/10 to 2011/12

Ref. No.	Name of Capital Scheme	Total Funding Source (3 years)										Total £'000				
		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					
	Corporate Resources															
	Accommodation Strategy Programme:															
55	Cumberland Road - Refurbishment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
56	Alexandra House - Level 10 refurbishment	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
57	River Park House - Refurbishment	0	0	3,300	0	0	0	0	0	0	0	0	0	0	0	0
58	48 Station Road - Refurbishment	0	0	150	0	0	0	0	0	0	0	0	0	0	0	150
59	Dilapidations	0	0	120	0	0	0	0	0	0	0	0	0	0	0	120
60	Civic Centre	0	0	50	0	0	0	0	0	0	0	0	0	0	0	50
61	Staff Relocations & Provision of SMART working offices	0	0	3,350	0	0	0	0	0	0	0	0	0	0	0	3,350
62	Specialist Refurbishment	0	0	300	0	0	0	0	0	0	0	0	0	0	0	300
63	Costs of Disposal/Strategic Sites - Project management	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
	Sub-total Accommodation Strategy Programme	0	0	5,650	0	0	0	0	0	2,020	0	0	0	4,000	0	11,670
64	Hornsey Town Hall redevelopment project	0	0	0	0	0	0	0	0	8,795	0	0	0	0	0	8,795
65	Repair & Maintenance Of Operational Building Portfolio Within Corporate Management Of Property And Community Buildings	0	0	3,300	0	0	0	0	0	0	0	0	0	0	0	3,300
66	Ashley Road Depot - Urgent Repair & Maintenance	0	0	150	0	0	0	0	0	0	0	0	0	0	0	150
67	Customer Service Centre Upgrades	0	0	120	0	0	0	0	0	0	0	0	0	0	0	120
68	Laserserve	0	0	50	0	0	0	0	0	0	0	0	0	0	0	50
69	Information Technology Capital Programme	0	0	3,350	0	0	0	0	0	0	0	0	0	0	0	3,350
70	Refurbishment & Upgrading Of Industrial Estates	0	0	300	0	0	0	0	0	0	0	0	0	0	0	300
	Total Corporate Resources	0	0	12,920	0	0	0	0	0	10,815	0	0	4,000	0	0	27,735

Total Proposed Capital Programme 2009/10 to 2011/12

Ref. No.	Name of Capital Scheme	Total Funding Source (3 years)										Total £'000	
		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		
Children & Young People Service													
Primary Capital Programme													
71	Primary Capital Programme	25,522	0	0	0	0	0	0	0	0	0	0	36,393
72	Primary ICT Strategy - Harnessing Technology	1,672	0	0	0	0	0	0	0	0	0	0	1,672
73	Modernisation: Primary	259	0	0	0	0	0	0	0	0	0	0	259
74	Access Initiative	0	0	0	0	0	0	0	0	0	0	0	0
75	Coldfall Primary: Expansion	0	0	0	0	0	0	1,067	0	0	0	0	1,067
76	Tetherdown Primary: Expansion	0	0	0	0	0	0	0	0	0	0	0	0
77	Rokesly Infant: Expansion Ph. III	0	0	0	0	0	0	0	0	0	0	0	0
78	PSU Coppetts & Commerce Road	0	0	0	0	0	0	20	0	0	0	0	34
79	Coleridge Primary: Expansion	0	0	0	0	0	0	70	0	0	0	0	70
80	Programme Contingency	0	0	0	0	0	0	539	0	0	0	0	539
	(A) Sub-total Primary Capital Programme*	27,453	0	0	0	0	0	13,274	0	0	0	0	40,727
Early Years, Community and Access													
81	Children's Centres Ph. III	1,193	0	0	0	0	0	0	0	0	0	0	1,193
82	Early Years - Quality & Access	2,686	0	0	0	0	0	0	0	0	0	0	2,686
83	Extended Schools	784	0	0	0	0	0	0	0	0	0	0	784
84	Youth Capital Fund	320	0	0	0	0	0	0	0	0	0	0	320
85	Youth Capital Fund Plus	371	0	0	0	0	0	0	0	0	0	0	371
86	Aiming High for Disabled Children	470	0	0	0	0	0	0	0	0	0	0	470
	(B) Sub-total Early Years, Community and Access*	5,824	0	0	0	0	0	0	0	0	0	0	5,824
Planned Asset Maintenance													
87	PFI Costs - Lifecycle Fund	0	0	0	0	0	0	0	0	0	0	0	0
88	Planned M & E Replacement	0	0	0	0	0	0	0	0	0	0	0	0
89	Kitchen H&S	0	0	0	0	0	0	1,041	0	0	0	0	1,041
90	Winter Contingency	0	0	0	0	0	0	110	0	0	0	0	110
91	Professional Fees	0	0	0	0	0	0	1,000	0	0	0	0	1,000
	(C) Sub-total Planned Asset Maintenance*	0	0	0	0	0	0	3,101	0	0	0	600	3,701
Devolved Schools Capital													
92	Devolved Capital	8,909	0	0	0	0	0	0	0	0	0	0	8,909
	(D) Sub-total Planned Devolved Schools Capital*	8,909	0	0	0	0	0	0	0	0	0	0	8,909
	(E) Total CYPS excluding BSF (E=A+B+C+D)*	42,186	0	0	0	0	0	16,375	0	0	0	600	59,161

Total Proposed Capital Programme 2009/10 to 2011/12

Appendix J

Ref. No.	Name of Capital Scheme	Total Funding Source (3 years)										
		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	Total £'000
Building Schools For The Future (BSF) - School Projects												
93	Gladesmore											
94	John Loughborough											
95	Northumberland Park/Vale											
96	Park View Academy											
97	St Thomas More											
98	Woodside High											
99	6th Form Centre											
100	New School											
101	Pupil Support Centre											
102	Alexandra Park											
103	Fortismere/Bianche Neville											
104	Highgate Wood											
105	Hornsey Girls											
106	Gladesmore Sports Hall											
(F) Sub-total BSF School Projects*												
Other Building Schools For The Future Projects												
107	ICT											
108	BSF Contingency											
109	New School Land											
110	BSF Other											
(G) Sub-total BSF Other*												
(H) Total Building Schools for the Future* (H=F+G)												
		133,750	0	2,080	0	0	1,000	1,160	0	0	700	138,690
Total Children & Young People		175,936	0	2,080	0	0	1,000	17,535	0	0	1,300	197,851

Total Proposed Capital Programme 2009/10 to 2011/12

Appendix J

Ref. No.	Name of Capital Scheme	Total Funding Source (3 years)										Total £'000			
		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				
Housing Services (Housing Revenue Account (HRA))															
111	Transferable Discount Scheme*	0	0	250	0	0	0	0	0	0	0	0	0	0	1,000
112	Major Works Voids*	0	0	200	0	3,000	0	0	0	0	0	0	0	0	3,200
113	Decent Homes Works*	0	0	0	0	2,478	0	0	0	0	0	0	0	0	116,478
114	Capitalised Repairs	0	0	0	0	0	0	0	0	0	0	114,000	0	0	116,478
115	Professional Fees	0	0	0	0	0	0	0	0	0	0	0	0	0	13,089
116	Aids & Adaptations*	0	0	0	0	3,600	0	0	0	0	0	0	0	0	3,600
117	Boiler Replacement	0	0	450	0	0	0	0	0	0	0	0	0	0	4,800
118	Lift Improvements	0	0	0	0	4,800	0	0	0	0	0	0	0	0	4,800
119	Essential Capital Works	0	0	0	0	6,426	0	0	0	0	0	0	0	0	6,718
120	Structural Works	0	0	0	0	600	0	0	0	0	0	0	0	0	600
121	Mechanical & Electrical Works	0	0	0	0	1,800	0	0	0	0	0	0	0	0	1,800
122	Energy Conservation	0	0	0	0	4,467	0	0	0	0	0	0	0	0	4,517
123	Planned Preventative Maintenance	0	0	0	0	300	0	0	0	0	0	0	0	0	300
124	Asbestos Removal	0	0	0	0	9,000	0	0	0	0	0	0	0	0	9,000
125	Sewage & Drainage Works	0	0	0	0	600	0	0	0	0	0	0	0	0	668
126	Saltram Close*	0	0	0	0	150	0	0	0	0	0	0	0	0	250
		0	0	485	0	0	0	0	0	0	0	0	0	0	485
Total Housing Services (HRA)		0	0	1,385	0	37,221	0	18,699	0	114,000	0	0	0	0	171,305
Total Capital Programme		197,379	15,815	31,514	0	37,221	0	36,434	11,865	114,000	15,234	6,900	466,362		

Schemes marked (*) are estimates. Funding TBC

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Treasury Management Strategy Statement
and Investment Strategy 2009/10 to 2011/12

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2. The Treasury Position
3. Outlook for Interest Rates
4. Borrowing Requirement and Strategy
5. Debt Rescheduling
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8. Balanced Budget Requirement
9. Annual MRP Statement
10. Delegation
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12. Other Items – CIPFA Review of the Prudential Code

Annexes

1. Prudential Indicators
2. Interest Rate Outlook

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1. Background

1.1 The Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public Services (the "CIPFA TM Code") requires local authorities to set the Treasury Management Strategy Statement (TMSS) for borrowing each financial year.

1.2 CIPFA has defined Treasury Management as:

"the management of the organisation's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

1.3 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. Treasury management risks are identified in the Council's approved Treasury Management Practices; the main risks to the Council's treasury activities are:

- Liquidity Risk (Inadequate cash resources);
- Market or Interest Rate Risk (Fluctuations in interest rate levels and thereby in the value of investments);
- Inflation Risks (Exposure to inflation);
- Credit and Counterparty Risk (Security of Investments);
- Refinancing Risks (Impact of debt maturing in future years);
- Legal & Regulatory Risk (i.e. non-compliance with statutory and regulatory requirements, risk of fraud).

1.4 The strategy also takes into account the outlook for interest rates, the Council's current treasury position and its approved Prudential Indicators (attached as Annexe 1). The PIs relevant to the treasury management strategy are set out below:

PI No.		2009/10 Estimate	2010/11 Estimate	2011/12 Estimate
6	Authorised Limit for External Debt	£900m	£900m	£900m
7	Operational Boundary for External Debt	£875m	£875m	£875m
9	Upper Limit for Fixed Interest Rate Exposure	100 %	100 %	100 %
10	Upper Limit for Variable Rate Exposure	40 %	40 %	40 %
12	Upper Limit for total principal sums invested over 364 days	£60m	£60m	£60m

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11	Maturity structure of fixed rate borrowing :	Lower Limit	Upper Limit
		%	%
	under 12 months	0	25
	12 months and within 24 months	0	25
	24 months and within 5 years	0	50
	5 years and within 10 years	0	75
	10 years and above	0	100

1.5 This TMSS also incorporates the Council's Investment Strategy.

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2. The Treasury Position

2.1 The actual treasury position for 31/03/2008:

	31/03/08 Estimate	
	£m	%
External borrowing:		
Fixed rate - PWLB	508.6	
Fixed rate - Market	125.0	
Other long-term liabilities	4.6	
Total external debt	638.2	7.22
Investments:	146.0	
Total Investments	146.0	6.04

3. Outlook for Interest Rates

The economic interest rate outlook and commentary is provided by the Council's external advisers and is attached at Annexe 2.

4. Borrowing Requirement and Strategy

4.1 The Council's underlying need to borrow for capital purposes is measured by reference to its Capital Financing Requirement (CFR). The CFR will determine the Council's requirement to make a Minimum Revenue Provision for Debt Redemption (MRP) from within its Revenue budget. Physical borrowing may be greater or less than the CFR.

CFR	2008/09 Estimate £'000	2008/09 Revised £'000	2009/10 Estimate £'000	2010/11 Estimate £'000	2011/12 Estimate £'000
Non-HRA	236,404	226,536	226,850	236,758	231,899
HRA	413,383	413,009	449,242	495,475	545,708
Total CFR	649,787	639,545	676,092	732,233	777,607

4.2 In accordance with the Prudential Code, the Council will ensure that net external borrowing does not, except in the short term, exceed the CFR in the preceding year plus the estimates of any additional CFR for the current and next two financial years.

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- 4.3 Capital expenditure not financed from internal resources (i.e. Capital Receipts, Capital Grants and Contributions, Revenue or Reserves) will produce an increase in the CFR (the underlying need to borrow) and may in turn produce an increased requirement to charge MRP in the Revenue Account.
- 4.4 The cumulative estimate of the long-term borrowing requirement is calculated as follows:

	31/03/09 Estimate £'000	31/03/10 Estimate £'000	31/03/11 Estimate £'000	31/03/12 Estimate £'000
Capital Financing Requirement	639,545	676,092	732,233	777,607
Less:				
Existing Profile of Borrowing and Other Long Term Liabilities	638,196	639,545	676,092	732,233
Borrowing Requirement	1,349	36,547	56,141	45,374

- 4.5 The Council prefers to maintain maximum control over its borrowing activities as well as flexibility on its loans portfolio. Capital expenditure levels, market conditions and interest rate levels will be monitored during the year in order to minimise borrowing costs over the medium to longer term. A prudent and pragmatic approach to borrowing will be maintained to minimise borrowing costs without compromising the longer-term stability of the portfolio, consistent with the Council's Prudential Indicators.
- 4.6 In conjunction with advice from its external advisers the Council will keep under review the options it has in borrowing from the PWLB, the market and other sources identified in the Treasury Management Practices Schedules up to the available capacity within its CFR and Affordable Borrowing Limit (defined by CIPFA as the Authorised Limit).
- 4.7 Short-dated gilt yields are forecast to be considerably lower than medium- and long-dated gilt yields during the financial year. Despite additional gilt issuance to fund the UK government's support to the banking industry, short-dated gilts are expected to benefit from expectations of lower interest rates as the economy struggles through a recession. Yields for these maturities will fall as expectations for lower interest rates mount.
- 4.8 The Council will evaluate with its external advisers the relative merits of a strategic exposure to variable rate debt. Decisions to borrow at low, variable rates of interest will be taken after considering the absolute level of longer term interest rate equivalents and the extent of variable rate earnings on the Council's investment balances.
- 4.9 Actual borrowing undertaken and the timing will depend on capital expenditure levels, interest rate forecasts and market conditions during the

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year, in order to minimise borrowing costs. The Council will be advised by its external advisers of the specific timing of borrowing. This may include borrowing in advance of future years' requirements provided that overall borrowing is maintained within the Council's projected CFR and its approved Authorised Borrowing Limit.

5. Debt Rescheduling

- 5.1 The Council will continue to maintain a flexible policy for debt rescheduling. Market volatility may provide opportunities for rescheduling debt from time to time. The rationale for rescheduling would be one or more of the following:
- Savings in interest costs with minimal risk.
 - Balancing the volatility profile (i.e. the ratio of fixed to variable rate debt) of the debt portfolio.
 - Amending the profile of maturing debt to reduce any inherent refinancing risks.
- 5.2 The rescheduling of PWLB debt since the introduction of its repayment rates on 1 November 2007 has not ceased, but has become undoubtedly harder and places greater emphasis on the timing and type of new borrowing.
- 5.3 Any rescheduling activity will be undertaken within the Council's treasury management policy and strategy. The Council will agree in advance with its external advisers the strategy and framework within which debt will be repaid/rescheduled if opportunities arise. Thereafter the Council's debt portfolio will be monitored against equivalent interest rates and available refinancing options on a regular basis. As opportunities arise, they will be identified by its external advisers and discussed with the Council's officers.
- 5.4 All rescheduling activity will comply with the accounting requirements of the local authority SORP and regulatory requirements of the Capital Finance and Accounting Regulations (SI 2007 No 573 as amended by SI 2008/414).
- 5.5 Borrowing and debt rescheduling activity will be reported to the Cabinet as appropriate.

6. Investment Policy and Strategy**Background**

- 6.1 Guidance from the then ODPM (now DCLG) on Local Government Investments in England requires, similarly, that an Annual Investment Strategy (AIS) be set. The Guidance permits the TMSS and the AIS to be combined into one document.

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Investment Policy

6.2 The Council's general policy objective is to invest its surplus funds prudently. The Council's investment priorities are:

- security of the invested capital;
- liquidity of the invested capital;
- an optimum yield which is commensurate with security and liquidity.

The speculative procedure of borrowing purely in order to invest is unlawful.

6.3 The credit crisis has refocused attention on the treasury management priority of security of capital monies invested. The Council has reviewed its approach and will access and assess a wider range of indicators of credit strength than the pure reliance upon credit ratings. This includes a range of objective indicators (such as credit default swaps, share price movements and sovereign credit ratings, individual, financial strength, support ratings and economic indicators) as well as a subjective overlay. The use of Bloomberg reporting will be developed to assist in this.

6.4 Investments are categorised as 'Specified' or 'Non Specified' investments based on the criteria in the ODPM Guidance.

6.5 Specified Investments will be those that meet the criteria in the ODPM Guidance, i.e. the investment

- is sterling denominated;
- has a maximum maturity of 1 year;
- meets the "high" credit criteria as determined by the Council or is made with the UK government or is made with a local authority in England, Wales and Scotland;.
- the making of which is not defined as capital expenditure under section 25(1)(d) in SI 2003 No 3146 (i.e. the investment is not loan capital or share capital in a body corporate).

6.6 The Council's investments will be in the following investment instruments classified as Specified Investments:

- fixed term deposits in banks and building societies;
- certificates of deposit with banks and building societies;
- other local authorities;
- money market funds with a AAAM rating and a constant net asset value;
- UK Government bonds (Gilts); and,
- UK Treasury Bills;
- UK Government Debt Management Deposit Account Facility (DMADF).

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- 6.7 Non-Specified Investments will satisfy all the criteria of Specified Investments with one exception, they will have a maximum maturity of 6 years and the maximum exposure will be £60m. They will cover the following investments:
- Bonds issued by Multilateral Development Banks (i.e. European Investment Bank, World Bank);
 - Bonds issued by institutions with an explicit UK Government Guarantee; and,
 - UK Government bonds (Gilts); and,
 - Other local authorities.
- 6.8 The Chief Financial Officer, under delegated powers, will undertake the most appropriate form of investments in keeping with the investment objectives, income and risk management requirements and Prudential Indicators. Decisions taken on the core investment portfolio will be reported to the Cabinet as appropriate.
- 6.9 All investment activity will comply with the accounting requirements of the local authority SORP.

Investment Counterparties

- 6.10 Financial markets and financial institutions remain in a state of heightened risk as the impact of the credit crunch continues to adversely affect the global economy with particular volatility in the financial and banking sectors. In order to reduce risk the Council has considered adopting a more tiered approach to limits and ratings, including the use of sovereign ratings. However, this strategy is recommending an approach that goes further than this. The Council's investment activities have been restricted as a consequence in order to demonstrably address the prevailing higher risk backdrop and it is proposed to continue to restrict this and at the same time take advantage of more AAA rated government backed instruments. This will apply to all new transactions.
- 6.11 The Council is able to invest in the investment instruments outlined in 6.6 and 6.7 above but it is proposed that investments in banks and building societies (on a term or certificate of deposit basis) are limited to UK banks and building societies that have a minimum AA- long term credit rating and F1+ short term rating and are participants in the UK Government's Credit Guarantee Scheme (CGS).

This will limit activity to the following banks:

- Abbey National
- Barclays
- HSBC
- Lloyds Banking Group
- Royal Bank of Scotland

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and the following Building Society:

- Nationwide

The CGS effectively provides a UK Government Guarantee for these institutions, some of whom such as Lloyds Banking Group and Royal Bank of Scotland have effectively been partially nationalised by the UK Government.

It is proposed that deposits with these banks and building society are allowed for periods up to 12 months duration and £20m exposure limit per institution applies at a group level.

Given current conditions and the possibility of downgrade to the UK and its banks the Chief Financial Officer retains delegated power to allow the continuation of use of these six institutions even if they suffer downgrades below a long-term rating of AA- and a short-term rating of F1+, whilst the UK Government Guarantee remains in place.

The previous strategy allowed for the use of non-UK banks and building societies that had minimum ratings of A and F1.

- 6.12 The Council has an account with the Debt Management Deposit Account Facility (DMADF). This facility allows the Council to invest with the UK Government via HM Treasury for periods up to 6 months. There is no exposure limit on the DMADF as an investment counterparty.
- 6.13 The Council can utilise Money Market Funds with a AAAM rating and operating on a constant net asset value basis (CNAV). The Council can invest up to £10m in money market funds but has a maximum exposure limit to any one Fund of £5m.
- 6.14 Investments in other UK local authorities are permitted. There is a £30m exposure limit on each local authority as investment counterparties.
- 6.15 The Council is permitted to invest in sterling denominated bonds issued by HM Government (Gilts), bonds issued with a HM Government Guarantee and bonds issued by Multi Lateral Development Banks (i.e. European Investment Bank, World Bank). Investments in these bonds will be for periods of up to 6 years. The Council will look to utilise more of this highly secure government backed instruments.

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6.16 The permitted investments can be summarised as follows:

Investment	Maximum Counterparty Limit	Maximum Length of Investment	Criteria
Banks and Building Societies	£20m	1 year	Min AA- long term and F1+ rating plus CGS (or equivalent)
Local Authorities	£30m	5 years	
Money Market Funds	£5m	n/a	AAAm and CNAV
HM Government (DMADF)	Unlimited	6 months	
HM Government (Gilts and Treasury Bills)	Unlimited	6 years	
Bonds issued by Multilateral Development Banks	£60m	6 years	
Bonds issued with HM Government Guarantee	£60m	6 years	

The Chief Financial Officer will assess whether to restrict further within these limits based on the latest available market information and advice.

Investment Strategy

6.17 With short term interest rates sharply lower and expected to decrease further in 2009, investment strategy would typically result in a lengthening of investment periods, where cash flow permits, in order to lock-in higher rates of acceptable risk adjusted returns. The problem in the current environment is finding an investment counterparty providing acceptable levels of counterparty risk.

6.18 Investment strategy will include investment for longer periods (up to 6 years) in bonds issued by HM Government, Multilateral Development Banks and bonds with a HM Government Guarantee to secure a level of acceptable risk adjusted return that should span the period of sharply lower interest rates. The bonds satisfy the investment objectives of the Council and as Non Specified Investments any investment will be limited to a maximum of £60m.

Remaining investments will be placed with the other approved investment counterparties in order to achieve a diversified portfolio of prudent counterparties, investment periods and rates of return.

7. Icelandic Banks

7.1 In early October 2008 all three of Iceland's major banks (Glitnir, Kaupthing and Landsbanki) collapsed following their difficulties in re-financing their short-term debt coupled with a run on deposits. In the UK, the Financial Services Authority (FSA) put Kaupthing, Singer & Friedlander (the UK subsidiary of Kaupthing) and Heritable Bank (the UK subsidiary of Landsbanki) into administration. The Administrators will be seeking to find purchasers for, and will continue to manage, the banks' businesses and loan

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books to maximize recovery for creditors. The Chief Financial Officer is on the statutory creditor's committee for the administration of the UK registered Heritable Bank, together with the Finance Director of Kent County Council representing all public sector bodies in this process.

- 7.2 Almost 120 Local Authorities have some exposure to these banks amounting to around £0.9bn. This is in the context of a reported total figure of £56bn invested in Icelandic banks. This Council had deposits of approximately £37m invested in three Icelandic institutions. The process of administration will determine the extent of any recoverable amount and also the timescale over which any such payments will be made. The Council will however be required under the SORP to account for the impairment of these financial assets in the 2008/09 Income and Expenditure Account. The Department for Communities and Local Government (DCLG) published draft Regulations in December 2008 aimed at deferring the impact of impairment until 2010/11. The Council will have the opportunity to apply to the DCLG for a capitalisation direction in that year, although no guarantee can be given that a direction will be granted. The granting of a capitalisation direction allows the impairment cost to be spread over a number of years. [The consultation deadline for the draft regulations is 23 January 2009.]

8. Balanced Budget Requirement

- 8.1 The Council complies with the provisions of S32 of the Local Government Finance Act 1992 to set a balanced budget.

9. Annual MRP Statement

- 9.1 For many years local authorities have been required by Statute and associated Statutory Instruments to charge to the Revenue Account an annual provision for the repayment of debt associated with expenditure incurred on capital assets. This charge to the Revenue Account was referred to as the Minimum Revenue Provision (MRP).
- 9.2 In February 2008 the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 [Statutory Instrument 2008/414] were approved by Parliament and became effective on 31 March 2008. These regulations replace the formula based method for calculating MRP which existed under previous regulations under the Local Government Act 2003. The new regulations require a local authority to determine each financial year an amount of MRP which it considers to be prudent. Linked to this new regulation, the Department of Communities and Local Government (DCLG) has produced Statutory Guidance which local authorities are required to follow, setting out what constitutes a prudent provision.
- 9.3 The DCLG Guidance recommends that before the start of the financial year, a statement of MRP policy for the forthcoming financial year is approved by the full Council.

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- 9.4. The broad aim of the Policy is to ensure that MRP is charged over a period that is reasonably commensurate with the period over which the capital expenditure which gave rise to the debt provides benefits. In the case of borrowing supported by Revenue Support Grant, the aim is that MRP is charged over a period reasonably commensurate with the period implicit in the determination of that grant. MRP is not required to be charged to the Housing Revenue Account. Where a local authority's overall CFR is £nil or a negative amount there is no requirement to charge MRP.

MRP Options:

- 9.5. Four options for prudent MRP provision are set out in the DCLG Guidance. Details of each are set out below with a summary set out in Table 1:

Option 1 – Regulatory Method:

- 9.6 This method replicates the position that would have existed under the previous Regulatory environment. MRP is charged at 4% of the Authority's underlying need to borrow for capital purposes; the Capital Financing Requirement (CFR). The formula includes an item known as "Adjustment A" which was intended to achieve neutrality between the CFR and the former Credit Ceiling which was used to calculate MRP prior to the introduction of the Prudential System on 1 April 2004. The formula also took into account any reductions possible related to commutation of capital related debt undertaken by central government.

Option 2 – CFR Method:

- 9.7 This method simplifies the calculation of MRP by basing the charge solely on the authority's CFR but excludes the technical adjustments included in Option 1. The annual MRP charge is set at 4% of the non-housing CFR at the end of the preceding financial year.

Option 3 – Asset Life Method:

- 9.8 Under this method MRP is determined by the life of the asset for which the borrowing is undertaken. This can be calculated by either of the following methods:
- (a) Equal Instalments: where the principal repayment made is the same in each year, or
 - (b) Annuity: where the principal repayments increase over the life of the asset
- 9.9 MRP commences in the financial year following that in which the expenditure is incurred or, in the year following that in which the relevant asset becomes operational. This enables an MRP "holiday" to be taken in

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relation to assets which take more than one year to be completed before they become operational.

- 9.10 The estimated life of the asset will be determined in the year that MRP commences and will not be subsequently revised. However, additional repayments can be made in any year which will reduce the level of payments in subsequent years.
- 9.11 If no life can be reasonably attributed to an asset, such as freehold land, the life is taken to be a maximum of 50 years. In the case of freehold land on which a building or other structure is constructed, the life of the land will be treated as equal to that of the structure, where this would exceed 50 years.
- 9.12. In instances where central government permits revenue expenditure to be capitalised, the Statutory Guidance sets out the number of years over which the charge to revenue must be made.

Option 4 - Depreciation Method

- 9.13 The depreciation method is similar to that under Option 3 but MRP is equal to the depreciation provision required in accordance with proper accounting practices to be charged to the Income and Expenditure account.

Conditions of Use

- 9.14 The DCLG Guidance puts the following conditions on the use of the four options:

Options 1 and 2 can be used on all capital expenditure incurred before 1 April 2008 and on Supported Capital Expenditure on or after that date.

Options 3 and 4 are considered prudent options for Unsupported Capital Expenditure on or after 1 April 2008. These options can also be used for Supported Capital Expenditure whenever incurred.

Policy

- 9.15 The policy will be to use Option 1 (Regulatory Method) for supported borrowing and Option 3 (Asset Life Method) for unsupported borrowing.

10. Delegation

- 10.1 The following delegations will apply for treasury management:

Cabinet

Annual review of policy

Consideration of the strategy

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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.

11. Reporting

11.1 The Chief Financial Officer will:

- prepare an annual strategy report and review of the policy for the consideration of the Cabinet and approval by Full Council;
- report six months after approval of the strategy on investment activity to General Purposes Committee;
- report annually to the Cabinet on the achievement of the previous year's strategy;
- report relevant, key details of the treasury management information to the Cabinet Member for Resources/the Cabinet as appropriate, such as performance indicators (including on security and liquidity), budget variances, debt restructuring, etc.
- the Treasury Management Practices documents will be updated accordingly for operational use – they will include additional weekly and monthly review meetings with officers.

12. Other Items

CIPFA review of the Prudential Code.

12.1 In early 2008 CIPFA undertook a consultation exercise to review the implementation and ongoing use of the Prudential Code. CIPFA has yet to publish its conclusions arising from the consultation process. In the event that amendments are made to the Code by CIPFA, these may need to be reflected in the Treasury Management and Investment Strategy documentation.

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PRUDENTIAL INDICATORS

Annexe 1

Prudential Indicators FY 2009/10 to FY 2011/12

1. Background

There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "Cipfa Prudential Code") when setting and reviewing their Prudential Indicators. It should be noted that CIPFA undertook a review of the Code in early 2008. The outcome from that review has yet to be published.

2. Estimates of Capital Expenditure

2.1 This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax and in the case of the HRA, housing rent levels.

No. 1	Capital Expenditure	2008/09	2008/09	2009/10	2010/11	2011/12
		Approved £'000	Revised £'000	Estimate £'000	Estimate £'000	Estimate £'000
	Non-HRA	88,302	81,015	149,280	96,769	49,008
	HRA	58,093	53,097	49,725	58,790	62,790
	Total	146,395	134,112	199,005	155,559	111,798

2.2 Capital expenditure will be financed as follows:

Capital Financing	2008/09	2008/09	2009/10	2010/11	2011/12
	Approved £'000	Revised £'000	Estimate £'000	Estimate £'000	Estimate £'000
Capital receipts	18,167	18,893	9,837	7,772	13,905
Government Grants	57,143	49,119	118,823	64,030	30,341
Major Repairs Allowance	11,855	14,653	12,407	12,407	12,407
Revenue contributions	9,451	7,263	12,330	6,135	300
Supported borrowing	48,817	44,084	42,186	53,403	54,845
Unsupported borrowing	962	100	3,422	11,812	0
Total	146,395	134,112	199,005	155,559	111,798

Note: the element to be financed from borrowing impacts on the movement in the CFR.

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3. Ratio of Financing Costs to Net Revenue Stream

3.1 This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs. The definition of financing costs is set out at paragraph 87 of the Prudential Code.

3.2 The ratio is based on costs net of investment income.

No. 2	Ratio of Financing Costs to Net Revenue Stream	2008/09	2008/09	2009/10	2010/11	2011/12
		Approved %	Revised %	Estimate %	Estimate %	Estimate %
	Non-HRA	5.93	5.66	5.20	5.21	5.08
	HRA	32.94	35.15	33.59	34.02	34.62
	Total	4.65	4.47	4.08	4.09	3.99

4. Capital Financing Requirement

4.1 The Capital Financing Requirement (CFR) measures the Council's underlying need to borrow for a capital purpose. The calculation of the CFR is taken from the amounts held in the Balance Sheet relating to capital expenditure and its financing. It is an aggregation of the amounts shown for Fixed and Intangible assets, the Revaluation Reserve, the Capital Adjustment Account, Government Grants Deferred and any other balances treated as capital expenditure.

No. 3	Capital Financing Requirement	31/03/09	31/03/09	31/03/10	31/03/11	31/03/12
		Approved £'000	Revised £'000	Estimate £'000	Estimate £'000	Estimate £'000
	Non-HRA	236,404	226,536	226,850	236,758	231,899
	HRA	413,383	413,009	449,242	495,475	545,708
	Total CFR	649,787	639,545	676,092	732,233	777,607

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4.2 The year-on-year change in the CFR is due to the following

Capital Financing Requirement	2008/09	2009/10	2010/11	2011/12
	Revised £'000	Estimate £'000	Estimate £'000	Estimate £'000
Balance B/F	611,670	639,545	676,092	732,233
Capital expenditure financed from borrowing (per 2.2)	44,184	45,608	65,215	54,845
Revenue provision for debt Redemption.	(16,309)	(9,061)	(9,074)	(9,471)
Other items (<i>specify</i>)				
Balance C/F	639,545	676,092	732,233	777,607

4.3 In order to ensure that over the medium term net borrowing will only be for a capital purpose, the Council should make sure that net external borrowing does not, except in the short term, exceed the Capital Financing Requirement in the preceding year plus the estimates of any additional capital financing requirement for the current and next two financial years.

4.4 The Chief Financial Officer reports that this Council had no difficulty meeting this requirement in 2007/08 nor are difficulties envisaged for the current or future financial years.

5 Actual External Debt

5.1 This indicator is obtained directly from the Council's balance sheet. It is the closing balance for actual gross borrowing plus other long-term liabilities. This Indicator is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.

No. 4	Actual External Debt as at 31/03/08	£m
	Borrowing	508.6
	Other Long-term Liabilities	125.0
	Total	633.6

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6. Impact of Capital Investment Decisions

6.1 This is an indicator of affordability that shows the impact of capital investment decisions on Council Tax and Housing Rent levels. On the assumption that supported borrowing is financed by government grant and that prudential borrowing is financed by savings or additional income, there is no direct impact on the level of council tax and housing rent. The full council tax and housing rent figures are shown below for information.

No.	Impact of Capital Investment Decisions	2009/10	2010/11	2011/12
5		Nil	Nil	Nil
		Proposed	Indicative	Indicative
	Band D Council Tax	£1,184.32	£1,219.85	£1,256.44
	Average Weekly Housing Rents	£82.95	£87.10	£91.45

7 Authorised Limit and Operational Boundary for External Debt

7.1 The Council has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Council and not just those arising from capital spending reflected in the CFR.

7.2 The **Authorised Limit** sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) for the Council. It is measured on a daily basis against all external borrowing items on the Balance Sheet (i.e. long and short term borrowing, overdrawn bank balances and long term liabilities). This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Council's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices.

7.3 The Authorised Limit has been set on the estimate of the most likely, prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.

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7.4 The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

No. 6	Authorised Limit for External Debt	2009/10	2010/11	2011/12
		Estimate £'000	Estimate £'000	Estimate £'000
	Borrowing	895,419	895,419	895,419
	Other Long-term Liabilities	4,581	4,581	4,581
	Total	900,000	900,000	900,000

7.5 The **Operational Boundary** links directly to the Council's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

7.6 The Chief Financial Officer has delegated authority, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities. Decisions will be based on the outcome of financial option appraisals and best value considerations. Any movement between these separate limits will be reported to the next meeting of the Cabinet and Council

No. 7	Operational Boundary for External Debt	2009/10	2010/11	2011/12
		Estimate £'000	Estimate £'000	Estimate £'000
	Borrowing	870,419	870,419	870,419
	Other Long-term Liabilities	4,581	4,581	4,581
	Total	875,000	875,000	875,000

8. Adoption of the CIPFA Treasury Management Code:

8.1 This indicator demonstrates that the Council has adopted the principles of best practice.

No. 8	Adoption of the CIPFA Code of Practice in Treasury Management
	The Council approved the adoption of the CIPFA Treasury Management Code at its meeting in May 2002.

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9. Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure

9.1 These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. This Council calculates these limits on a net interest paid basis (i.e. interest paid on fixed rate debt net of interest received on fixed rate investments).

9.2 The upper limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises which could adversely impact on the revenue budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments

		2008/09	2008/09	2009/10	2010/11	2011/12
		Approved	Revised	Estimate	Estimate	Estimate
		%	%	%	%	%
No. 9	Upper Limit for Fixed Interest Rate Exposure	100	100	100	100	100
No. 10	Upper Limit for Variable Rate Exposure	40	40	40	40	40

9.3 The limits above provide the necessary flexibility within which decisions will be made for drawing down new loans on a fixed or variable rate basis; the decisions will ultimately be determined by expectations of anticipated interest rate movements as set out in the Council's treasury management strategy.

10 Maturity Structure of Fixed Rate borrowing

10.1 This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.

10.2 It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

No. 11	Maturity structure of fixed rate borrowing	Lower Limit	Upper Limit
		%	%
	under 12 months	0	25
	12 months and within 24 months	0	25
	24 months and within 5 years	0	50
	5 years and within 10 years	0	75

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	10 years and above	0	100
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11. Upper Limit for total principal sums invested over 364 days

11.1 The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Council having to seek early repayment of the sums invested.

No	Upper Limit for total principal sums invested over 364 days	2008/09	2008/09	2009/10	2010/11	2011/12
12		Approved £m	Revised £m	Estimate £m	Estimate £m	Estimate £m
		60.00	60.00	60.00	60.00	60.00

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Annexe 2

External advisers forecast for Interest Rates (December 2008)

	Mar-09	Jun-09	Sep-09	Dec-09	Mar-10	Jun-10	Sep-10	Dec-10	Mar-11
Official Bank Rate									
Upside risk							+0.25	+0.25	+0.25
Central case	1.00	1.00	1.00	1.00	1.00	1.50	2.00	2.50	2.50
Downside risk	-0.50	-0.75	-0.75	-0.75	-0.75	-0.50	-0.50	-0.50	-0.50
1-yr LIBID									
Upside risk									
Central case	2.50	1.75	1.50	1.50	1.50	1.75	2.00	2.75	3.00
Downside risk	-0.25	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50	-0.50
5-yr gilt									
Upside risk									
Central case	3.00	2.75	2.50	2.00	2.00	2.50	2.75	3.00	4.00
Downside risk		-0.50	-0.50	-0.50	-0.50	-0.50			
10-yr gilt									
Upside risk									
Central case	3.40	3.10	3.00	3.00	3.00	3.50	3.75	4.00	4.50
Downside risk	-0.25	-0.25	-0.50	-0.50	-0.50	-0.50			
20-yr gilt									
Upside risk		+0.10	+0.10	+0.10	+0.10	+0.10			
Central case	4.00	4.00	4.00	4.25	4.25	4.50	4.75	4.75	4.75
Downside risk		-0.10	-0.10	-0.10	-0.10	-0.10			
50-yr gilt									
Upside risk	+0.10	+0.10	+0.10	+0.10	+0.10	+0.10	+0.10	+0.10	+0.10
Central case	3.90	3.90	4.00	4.00	4.25	4.50	4.50	4.50	4.50
Downside risk	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10	-0.10

- The inflationary threats of 2008 turn into the deflationary reality of 2009. Central Banks under pressure to reduce rates decisively – even to zero or near-zero – to avoid the perils of a destructive and prolonged recession.
- The downturn in the UK gathers pace and the economy contracts for much of 2009. Prospects for Bank of England “Quantitative easing” increasingly likely.
- Pension, hedge and insurance fund values struggle and lead to enhanced demand for longer dated gilts.

Underlying assumptions

- Despite central bank intervention to raise bank capital and improve liquidity, conditions in money and credit markets remain very difficult as banks’ lending behaviour changes fundamentally.
- Consumer spending and business investment stall, hampered by the credit drought.
- Falling house prices compel households to review savings levels and repair balance sheets (where possible).

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- Commodity prices continue to fall. CPI is projected to fall below the MPC's 1% lower threshold in 2009, providing some relief for the overstretched consumer, but eroding debt burdens more slowly.
- Fear of rising unemployment dampens confidence and any prospect of sizeable wage demands.
- UK public finances are in poor shape and will worsen as the recession bites, resulting in a slew of gilt issuance in 2009. This will ultimately push gilt yields higher, although not aggressively so.
- Global growth and activity continue to weaken. The Federal Reserve has already cut rates to a range between 0% and 0.25% and has engaged in 'quantitative easing'. The ECB could bring rates down to 2% as European economies struggle with falling domestic and international demand.

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