



Haringey Council

NOTICE OF MEETING

Cabinet

TUESDAY, 25TH JANUARY, 2011 at 19:30 HRS - CIVIC CENTRE, HIGH ROAD, WOOD GREEN, N22 8LE.

MEMBERS: Councillors Kober (Chair), Reith (Vice Chair), Bevan, Canver, Dogus, Goldberg, Mallett and Vanier.

AGENDA

1. APOLOGIES FOR ABSENCE (if any)

2. URGENT BUSINESS

The Chair will consider the admission of any late items of urgent business. (Late items will be considered under the agenda item where they appear. New items will be dealt with at item 19 below. New items of exempt business will be dealt with at item 23 below).

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. MINUTES

To confirm and sign the minutes of the meetings of the Cabinet held on 13 and 21 December 2010.

5. DEPUTATIONS/PETITIONS/QUESTIONS

To consider any requests received in accordance with Standing Orders.

6. MATTERS, IF ANY, REFERRED BY THE OVERVIEW AND SCRUTINY COMMITTEE

7. ANNUAL AUDIT AND INSPECTION LETTER

(Report of the Director of Corporate Resources – To be introduced by the Cabinet Member for Finance and Sustainability): To receive the Annual Audit Letter for 2009/10 from the Council's external auditors, Grant Thornton, and to note the issues raised and actions being taken.

8. THE COUNCIL'S PERFORMANCE: NOVEMBER 2010 (PERIOD 8)

(Joint Report of the Chief Executive and the Director of Corporate Resources – To be introduced by the Leader and the Cabinet Member for Finance and Sustainability): To report on an exception basis financial and performance for the year to November 2010 and to agree the budget virements in accordance with financial regulations.

9. TREASURY MANAGEMENT STRATEGY STATEMENT

(Report of the Director of Corporate Resources – To be introduced by the Cabinet Member for Finance and Sustainability): To present the proposed Treasury Management Strategy Statement for 2011/12 to 2013/14 to members prior to it being recommended to the Council for approval as part of the Financial Planning report.

10. RETHINKING HARINGEY - IMPLEMENTING ONE BOROUGH ONE FUTURE

(Report of the Director of the Chief Executive – To be introduced by the Leader): To set out the challenges facing the Council and our plans for transforming our approach to delivering services, adapting them to meet the changing needs of residents and targeting them at those who need them most. **To follow**

11. DELIVERING AN EARLY YEARS SINGLE FUNDING FORMULA FOR HARINGEY

(Report of the Director of the Children and Young People's Service – To be introduced by the Cabinet Member for Children and Young People): To recommend for approval an Early Years Funding Formula for Haringey following consultation with partners.

12. PROPOSALS FOR A NEW SINGLE FRONTLINE SERVICE

(Report of the Director of Urban Environment – To be introduced by the Cabinet Member for Neighbourhoods): To provide outline details on the shaping of a new Single Frontline Service and to set out the principles of the new service and how the service will engage, respond and deliver for future Area Assemblies/Area Committees.

13. FUTURE OF THE NEIGHBOURHOOD MANAGEMENT SERVICE

(Report of the Director of Urban Environment – To be introduced by the Cabinet Member for Neighbourhoods): To propose recommendations for the future of the Neighbourhood Management service and its key functions.

14. OUT OF BOROUGH HOUSING STOCK

(Report of the Director of Urban Environment – To be introduced by the Cabinet Member for Housing): To seek approval to consider options for meeting the future management and investment needs of the Council's out of borough housing stock. **To follow**

15. HOMES FOR HARINGEY RE-INSPECTION - FINAL REPORT

(Report of the Director of Urban Environment – To be introduced by the Cabinet Member for Housing): To inform Members of the outcome of the re-inspection of Homes for Haringey by the Audit Commission in June 2010 and of Homes for Haringey's plans to address the formal recommendations made by the Audit Commission.

16. MINUTES OF OTHER BODIES

- a. Children's Safeguarding Policy and Practice Advisory Committee – 6 December 2010;
- b. Voluntary Sector Committee – 6 December 2010;
- c. Procurement Committee – 16 December 2010.

17. DELEGATED DECISIONS AND SIGNIFICANT ACTIONS

(Report of the Assistant Chief Executive, People and Organisational Development – To be introduced by the Leader): To inform the Cabinet of delegated decisions and significant actions taken.

18. LAND AT BULL LANE AND PASTEUR GARDENS N18

(Report of the Director of Corporate Resources – To be introduced by the Cabinet Member for Finance and Sustainability): To update the Cabinet since its conditional approval in March 2010 to dispose of Bull Lane and Pasteur Gardens N18 to Community Action Sport in order to develop and manage the site for sporting, recreation and community use; and to seek advice on the future direction of the proposed disposal.

19. NEW ITEMS OF URGENT BUSINESS

To consider any items admitted at item 2 above.

20. EXCLUSION OF THE PRESS AND PUBLIC

The following items are likely to be the subject of a motion to exclude the press and public as they contain exempt information which either relates to the business or financial affairs of any particular person (including the Authority holding that information) or the amount of any expenditure proposed to be incurred by the authority under any particular contract for the acquisition of property or the supply of goods and services.

Note by the Head of Local Democracy and Member Services

Items 21 and 22 allow for the consideration of exempt information in relation to items 17 and 18 which appear earlier on the agenda.

21. DELEGATED DECISIONS AND SIGNIFICANT ACTIONS

(Report of the Assistant Chief Executive, People and Organisational Development – To be introduced by the Leader): To inform the Cabinet of delegated decisions and significant actions taken.

22. LAND AT BULL LANE AND PASTEUR GARDENS N18

(Report of the Director of Corporate Resources – To be introduced by the Cabinet Member for Finance and Sustainability): To update the Cabinet since its conditional approval in March 2010 to dispose of Bull Lane and Pasteur Gardens N18 to Community Action Sport in order to develop and manage the site for sporting, recreation and community use; and to seek advice on the future direction of the proposed disposal.

23. NEW ITEMS OF EXEMPT URGENT BUSINESS

To consider any items admitted at 2 above.

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and Member Services
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17 January 2010.

**MINUTES OF THE CABINET
MONDAY, 13 DECEMBER 2010**

Councillors *Kober (Chair), *Reith (Vice-Chair), *Bevan, *Canver, *Dogus,
*Goldberg, *Mallett and *Vanier

*Present

Also Present: Councillors Gorrie and Weber

MINUTE NO.	SUBJECT/DECISION	ACTION BY
CAB84.	<p>DECISION OF THE OVERVIEW AND SCRUTINY COMMITTEE ON 8 DECEMBER 2010 REGARDING MINUTE CAB.75 - PARKING CHARGES REPORT (Reference from Overview and Scrutiny Committee – Agenda Item 3)</p> <p>We noted that the Overview and Scrutiny Committee on 8 December 2010 on consideration of a Call In of our decision of 16 November 2010 vide Minute CAB.75 relating to the Parking Charges Report had resolved as follows –</p> <p>‘That the decision of the Cabinet of 16 November 2010 – CAB.75 Parking Charges Report – be referred back to the Cabinet for reconsideration and that</p> <ul style="list-style-type: none"> • A transparent equalities and economic impact assessment be undertaken, in consultation with local traders, which should include comparisons with other London Boroughs and the effect of similar rises in pay and display charges on their local shops, and • The banding structure be reconsidered in order to address the concerns raised by the Overview & Scrutiny Committee, particularly that Green Lanes, Muswell Hill and Crouch End were each unique town centres and should be considered as such and that such a steep rise in banding levels should be made in increments’. <p>We also noted that Part Four Section H (Call In Procedure Rules) Paragraph 10 (b) of the Constitution required that when the Overview and Scrutiny Committee decided to refer a decision back to a decision maker then the decision taker had 5 working days to reconsider the decision before taking a final decision.</p> <p>RESOLVED</p> <p>That the reference be noted.</p>	
CAB85.	<p>PARKING CHARGES REPORT - RESPONSE TO DECISION OF THE OVERVIEW AND SCRUTINY COMMITTEE (Report of the Director of Urban Environment – Agenda Item 4)</p> <p>We noted that the report responded to the points raised by the Overview</p>	

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and Scrutiny Committee in relation to the call in of our decision on the Parking Charges Report.

We also received verbal representations made to us by Mr. Freeman of Crouch End Traders that Crouch End Town Centre had a number of independent shops with unique characters and many relied on passing trade as well as local footfall. Increasing parking charges to the extent proposed risked impacting on the character of the Town Centre and harm, to a greater extent the independents shops and businesses. Shoppers would instead use supermarkets which offered free parking rather than stopping and paying to park which would lead in turn to less trade for local shops and businesses with a possible knock on effect on local employment. He asked that an economic assessment be carried out in consultation with local traders in relation to the proposed increase in the pay and display charges. Mr. Freeman having then answered questions put to him by Members, our Chair thanked him for his attendance.

Verbal representations were also made by Mr. Mehmet of the Green Lanes Traders Association who expressed particular concern about the scale of the parking charge increase proposed on Green Lanes when considered in relation to the amount spent there by many shoppers or diners using the many restaurants there and the impact this might have on visitor numbers. Because of the bus lanes and parking restrictions which operated there was little parking space available on Green Lanes for much of the time and the residential roads off it became very congested. Mr. Mehmet having then answered questions put to him by Members, our Chair thanked him too for his attendance.

At the invitation of our Chair Councillor Weber then addressed our meeting and indicated that while she welcomed the proposed consultation with traders she was concerned that the views of shoppers too should be canvassed and taken into account so that the character of the Town Centres were not affected and certain types of shop lost. In this respect we noted that the Cabinet Member for Neighbourhoods would be meeting with officers to discuss the form that the economic impact assessment should take.

Councillor Gorrie expressed the view that the impact assessment should be fact based and needed to be conducted separately from the statutory consultation exercise. Reference was made to the Parking Places Reserve Account and in particular to the level of total expenditure and he sought clarification of whether these costs could be reduced so as to increase the operating surplus by the same amount (£900,000) as would be generated by the proposed increases in parking charges now proposed. Clarification was also sought of the ratio of the income generated by pay and display/meters of £1.8 million in 2009/10 to the sales revenue of the three Town Centres (Crouch End/Green Lanes/Muswell Hill).

We were informed that the operating budget for the parking service was to be re-configured for the final quarter of the current financial year to

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increase efficiency and drive down costs. However, there remained a need to generate additional revenue. The Council had until recently been preparing a Local Economic Assessment and although this work was no longer on-going it would provide some information about the three Town Centres. A statutory consultation process was to be carried out on implementing the proposed changes but a separate informal assessment would take a minimum of 21 days to carry out and would mean that the proposed increase in charges could not be implemented from 1 April.

The Cabinet Member for Neighbourhoods responded and indicated that the resolutions of the Overview and Scrutiny Committee concerning the impact assessment and banding structure having been noted and considered it was recommended that the in principle agreement to the charges agreed at our meeting on 16 November and to the consequent timetable for implementation be re-affirmed subject to the amendments set out below. We noted that equality impact assessments would be undertaken in regard to pay and display increases and banding changes and that one was already being undertaken in relation to parking permit increases. The former would be considered when the report came back to us and the latter considered by the Director of Urban Environment and the Cabinet Member for Neighbourhoods when exercising the delegated authority.

In agreeing the response to the resolutions of the Overview and Scrutiny Committee it was confirmed that the agreed proposals for increases in charges were aimed at producing equity between different categories of service users, between parking permit users and the recipients of Parking Control Notices and were set in pursuance of the Council's parking and traffic policies. Also, that it was agreed that the annual review of parking charges proposed be undertaken having regard to the relevant parking and traffic policies and considerations.

RESOLVED

1. That the in principle decision taken at our meeting on 16 November to approve the recommended charges and the consequent timetable for implementation be re-affirmed.
2. That authority to make final decisions on the increase in the charges for parking permits and the introduction of new permits be delegated to the Director of Urban Environment in consultation with the Cabinet Member for Neighbourhoods.
3. That in relation to pay and display charges a further assessment of the impact that increases could have on local shops be carried out as an additional part of the forthcoming statutory notification exercise with local traders having the opportunity to offer views on the proposed increase and change to banding in Green Lanes, Muswell Hill and Crouch End as part of this process and that a comparison with other London Boroughs be included as part of the exercise.

DUE

DUE

DUE

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	4. That a report on the feedback from the statutory notification process and the findings of the additional impact assessment be presented back to our meeting on 22 March 2011 to enable a decision to be taken on whether or not to implement the recommended increase in charges.	DUE
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The meeting ended at 20.30 hours.

CLAIRE KOBER
Chair

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Councillors *Kober (Chair), *Reith (Vice Chair), *Bevan, *Canver, *Dogus,
*Goldberg, *Mallett and *Vanier.

*Present

Also Present: Councillors Browne, Bull and Wilson.

MINUTE NO.	SUBJECT/DECISION	ACTION BY
CAB86.	<p>DECLARATIONS OF INTEREST (Agenda Item 3)</p> <p>Councillor Canver in respect of Agenda Item 19 Inter Authority Agreement in relation to North London Waste Authority Procurement of Waste Disposal/Treatment Services.</p>	HLDMS
CAB87.	<p>MINUTES (Agenda Item 4)</p> <p>RESOLVED:</p> <p>That the minutes of the meeting of the Cabinet held on 16 November 2010 be confirmed and signed.</p>	HLDMS
CAB88.	<p>DEPUTATIONS/PETITIONS/QUESTIONS (Agenda Item 5)</p> <p>We received a deputation from the Employees Side. The spokesperson John Snelling addressed our meeting in relation to the proposal to seek to agree a Memorandum of Understanding between the Council and Waltham Forest Council on the setting up a shared services strategy.</p> <p>Having first indicated that the Employees Side were opposed to the cuts that were being imposed on the public sector including the Council by the Central Government, he commented that if the shared services programme was to be used as a vehicle for cutting staff in the two Boroughs then the Employees Side would have to object to it. He added that the Employees Side had not been consulted or even informed in advance of the proposals becoming general knowledge. Although they had been told that the Council would be looking in principle at shared services none of the specifics had been given and there remained a lack of clarity.</p> <p>The Employees Side were of the view that shared services could be implemented in more than one way and the trade union view of some approaches was more favourable than of others. At one end of the spectrum, a shared service agreement could involve service provision remaining directly with one or both of the partner Authorities. Under this arrangement, staff remained in the public sector and in local government. The other end of the spectrum was exemplified by Southwest One, where a number of public Authorities in the South West of England had set up a shared service run by a private company, IBM. This constituted outsourcing on a massive scale and was as</p>	

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	<p>objectionable to the Employees Side as any other outsourcing in that such an arrangement gives effect to the Central Government ideology of shifting service provision to the private sector and he expressed the hope that the Council would not move in this direction. Between the two extremes there were other possibilities and the Employees Side's position was to argue for options that preserved the principle of public sector service provision, minimised job losses and preserved their members' conditions of service.</p> <p>In conclusion he expressed the hope that as the process moved forward the trade unions would be fully consulted on the details of anything that might be proposed and the view that a stage might come when it would be appropriate to hold meetings at which management and trade union representatives from both Boroughs would be present.</p> <p>Mr. Snelling then answered questions put to him by Members of the Cabinet. Our Chair having thanked Mr. Snelling for his attendance she then responded and indicated support for his opening comment concerning the severity of the cuts imposed by the Central Government on public sector authorities. She added that the Council had a responsibility to ensure that the Council had a responsibility to provide its services as efficiently as possible and viewed the Shared Services Strategy as a possible vehicle for saving services. The Council was not looking to privatise but rather to work more efficiently in order to both save jobs and provide a good level of service. However, the Strategy would not be a panacea for all of the cuts and these would still be damaging to a borough like Haringey. The proposals contained in the report which appeared at item 8 on the agenda was a starting point of a process which was intended to open the door to further discussions and she gave an assurance that the trade unions input was valued and that they would be consulted as the process moved forward.</p>	
<p>CAB89.</p>	<p>THE COUNCIL'S PERFORMANCE: OCTOBER 2010 (PERIOD 7) (Joint Report of the Chief Executive and the Director of Corporate Resources - Agenda Item 7)</p> <p>We noted that the report set out on an exception basis financial and performance information for the year to October 2010 and sought our approval to budget virements in accordance with financial regulations.</p> <p>Clarification having been sought of the reason for the dip in the performance in respect of NI 60 – Percentage of core assessments for children's social care that were carried out within 35 working days – we were informed that this was thought to be a blip as measures put in hand had been improving performance as evidenced by the year to date value compared with that for 2009/10.</p> <p>Clarification was also sought of the proportion of savings likely to be delivered by the Haringey Forward programme and we were advised that because of the scale of the savings now required of the Council the Haringey Forward programme had been superseded and much of it had moved to the reviews of services now underway.</p>	

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	<p>RESOLVED:</p> <ol style="list-style-type: none"> 1. That the report and the progress being made against the Council's priorities be noted. 2. That approval be granted to the budget changes (virements) as set out in Appendix 2 to the interleaved report. 3. That, where possible, Directors be required to take necessary action to bring current year spending to within their approved budget. 4. That approval be granted to re-classify the risk reserve as a transition reserve and utilize for redundancy costs as set out in paragraphs 16.25 – 16.27 of the interleaved report. 	<p>DCR CEMB DCR</p>
<p>CAB90.</p>	<p>AGREEMENT OF MEMORANDUM OF UNDERSTANDING BETWEEN LONDON BOROUGH OF WALTHAM FOREST AND HARINGEY TO SET UP A SHARED SERVICES STRATEGY (Report of the Chief Executive - Agenda Item 8)</p> <p>We noted that the report proposed the establishment of a collaborative arrangement between the London Boroughs of Waltham Forest and Haringey to implement shared service management and operations across a number of services. We also noted that the Memorandum of Understanding (MOU) between the 2 boroughs which was attached at Appendix 1 set out the scope and status, aims and principles, values and framework for joint working.</p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. That approval be granted to the London Borough of Waltham Forest being the Council's preferred partner for shared services. 2. That the terms of the Memorandum of Understanding at Appendix 1 to the report be agreed and it be noted that while this agreement was viewed as the preferred route for shared service it was expressly not to the exclusion of other shared services opportunities with other boroughs or partners. 	<p>CE CE</p>
<p>CAB91.</p>	<p>MEDIUM TERM FINANCIAL PLANNING 2011/12 - 2013/14 (Report of the Director of Corporate Resources - Agenda Item 9)</p> <p>Our Chair agreed to admit the report as urgent business. The report was late because of the need to complete necessary consultations. The report was too urgent to await the next meeting because of the need to meet specific deadlines relating to the Council's budget setting process.</p> <p>We noted that the report provided us with an update on the financial and business planning process with a revised assessment in each of the next three years of the General Fund, Dedicated Schools Grant, Housing Revenue Account and the Capital Programme including –</p>	

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- The financial resources available to the Council;
- The cost of providing existing services; and
- The overall level of savings that needed to be identified to give a balanced sustainable budget over the business planning period.

The report also proposed the release, for consultation and budget scrutiny, of savings proposals identified to date through the Haringey Efficiency and Savings Programme (HESP) and the draft Capital Programme and invited us to consider the actions necessary to identify the further savings proposals necessary to deliver a balanced three year medium term budget.

Concern was expressed about the proposals in relation to old people's day centres closure and in particular with regard to those who attended the centres and who were suffering from dementia and given that the number of dementia sufferers was projected to increase. We were informed that re-provision of the full range of services available at the centres would not be possible although the implementation of personal budgets and an increase in community care packages including home care and meals on wheels might have some mitigating effect. Particular disquiet having been voiced about the closure of the Haven, we were advised that the anxiety and concern felt by many about the proposals for Adult Social Care were not underestimated and that they would be the subject of consultation and Equality Impact Assessments. While it was accepted that personal budgets would not be suitable in every case it would not be appropriate to make decisions on individual projects or services amongst others on the basis of personal knowledge.

Clarification was sought of the impact of the proposals on businesses given that up to £46 million taken out of the local economy. We were informed that the impact was likely to be even more significant when the multiplier effect was taken into account. There was particular concern about the effect the reduced capital programme would have on the construction industry.

Clarification was also sought of how schools would cope with a reduced level of support services and, it having been confirmed that some support services would no longer be provided while others would see a reduced level of subsidy, we were informed that it would be up to the schools themselves to make decisions about the level of services they bought in. Our attention was drawn to the fact that the report contained no proposals in relation to the Youth Service, the Early Years Service and Children's Centres. These would be set out in a further report.

RESOLVED:

That the overall draft Medium Term Financial Plan be noted and the following be approved for release for budget scrutiny with a report back to Cabinet in January 2011 –

- The Haringey Efficiency and Savings Programme savings as set out in Appendix 6 to the interleaved report totalling

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	<p>£28.4 million over the three year planning period; and</p> <ul style="list-style-type: none"> The proposals for capital projects to be funded from capital receipts as detailed in Appendix 7 to the interleaved report. 	
CAB92.	<p>REVIEW OF FEES AND CHARGES (Report of the Director of Corporate Resources - Agenda Item 10)</p> <p>Our Chair agreed to admit the report as urgent business. The report was late because of the need to complete necessary consultations. The report was too urgent to await the next meeting because of the need to meet specific deadlines relating to the Council's budget setting process.</p> <p>We noted that the report recommended the adoption of the Council's external income policy and increases to the Council's fees and charges for all services, as set out in the appendices to the interleaved report with effect from 4 January 2011. The report also advised us of the work currently being undertaken within each service area for a more in-depth review of charging strategy linked to the Strategic Commissioning Projects. We also noted that the recommended increases to licence fees were to be considered by the General Purposes Committee and had been included in the report for information only.</p> <p>Concern having been expressed about the proposed charge to be made for Special Events (Appendix 9) we agreed that while the full fee proposed for main road Events involving businesses should be levied officers should have discretion to impose a lesser charge to cover costs in respect of Events on minor roads and organised by residents.</p> <p>We thanked the officers involved in preparing the proposals for their efforts in ensuring that the revised charges could be introduced at the same time as the VAT increase was implemented.</p> <p>RESOLVED:</p> <ol style="list-style-type: none"> That approval be granted to the external income policy, as set out in Appendix 1 to the interleaved report. That, subject to the foregoing in relation to Special Events, approval be granted to the new fees and charges as set out in Appendices 3 -14 to the interleaved report. That it be noted that the recommended increases to licence fees were to be considered by the General Purposes Committee on the 21 December 2010. That the work currently being undertaken within each service area for a more in-depth review of charging strategy linked to the Strategic Commissioning Projects be noted. 	<p>DCR</p> <p>DCR</p>
CAB93.	<p>ADMINISTRATIVE BUILDINGS PORTFOLIO - REVIEW OF PLAN (Report of the Director of Corporate Resources - Agenda Item 11)</p>	

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	<p>We noted that through its Accommodation and SMART Working projects the Council had already achieved significant efficiencies in its office accommodation as well as providing modern and more flexible working environments. We also noted that given the financial challenges facing the Council there was now both a need to identify further efficiencies from this portfolio whilst continuing keep the Council's overall future asset requirements under review.</p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. That approval be granted to the revision of the Office Accommodation Plan and strategy in accordance with 2 to 5 below in order to accelerate and maximise savings and efficiencies in the provision of office accommodation. 2. That approval be granted to a revised schedule of office buildings for disposal or retention as set out in paragraph 7.7.3 of the interleaved report including the addition of 476 High Road N17. 3. That approval be granted to the retention in the medium term of the Civic Centre and Apex House. 4. That approval be granted to the scaling back of planned office refurbishments to essential works only or works that were required to implement the revised Accommodation Plan. 5. That approval be granted to the marketing and leasing of surplus space within Council office buildings on a commercial basis. 6. That the revised financial implications as set out in paragraphs 8 and 12 of the interleaved report be noted and the Council's capital budget be amended accordingly. 7. That the Council's office portfolio and overall asset requirements remain under review taking account of any changes arising in demand for premises as a result of general budget reductions and revisions in the way services were delivered. 	<p>DCR</p> <p>DCR</p> <p>DCR</p> <p>DCR</p> <p>DCR</p> <p>DCR</p> <p>DCR</p>
<p>CAB94.</p>	<p>OLYMPIC THEMED EVENT APPLICATION, FINSBURY PARK, AUGUST 2012 (Report of the Director of Adult, Culture and Community Services - Agenda Item 12)</p> <p>We noted that the report provided an overview of existing policy for commercial and income generation within Finsbury Park and provided information on a proposed Olympic themed event which it was proposed to hold in Finsbury Park during and tying into the Olympic Games in August 2012. We also noted that our approval was sought to a waiver of current policy limitations in order to allow the event application to proceed.</p> <p>We were informed that the Lee Valley Regional Park Authority were</p>	

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	<p>seeking to raise significant revenue from the Olympic Games from the renting of various facilities and we asked that officers explore the possibility of generating income for the Borough in a similar way.</p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. That it be agreed in principle that the proposed themed multi cultural event be hosted in Finsbury Park, subject to separate licensing approval. 2. That approval be granted to a waiver of the current events policy for Finsbury Park, allowing the application of the event to proceed, subject to the current application process and separate licensing considerations. 3. That subject to further negotiations with the applicant and consultation with local stakeholders and residents, approval be granted to the event taking place during the summer holidays in 2012, and it be noted that it would exceed the current five day limit for large events. 	<p>DACCS</p> <p>DACCS</p> <p>DACCS</p> <p>DACCS</p>
<p>CAB95.</p>	<p>CARE QUALITY COMMISSION (CQC) ANNUAL PERFORMANCE ASSESSMENT OF ADULT SOCIAL CARE 2009/10 (Report of the Director of Adult, Culture and Community Services - Agenda Item 13)</p> <p>We noted that the report informed us of the outcome of the Care Quality Commission's (CQC) Assessment of Performance report for Adult Social Care for 2009/10 and highlighted the key achievements and areas for improvement for the Council.</p> <p>We asked that our thanks to staff be placed on record for their work in securing the 2009/10 Assessment of Performance by the Care Quality Commission (CQC) that overall, the Council's adult social care services were 'Performing Well'.</p> <p>RESOLVED:</p> <p>That the content and outcome of the Care Quality Commission's Assessment of Performance Report for 2009/10 be noted and the proposed action to respond to the identified areas for development be endorsed.</p>	<p>DACCS</p>
<p>CAB96.</p>	<p>SUPPORTED HOUSING REVIEW - PROTHEROE HOUSE (Report of the Director of Urban Environment - Agenda Item 14)</p> <p>We noted that the report provided Members an update on the Supported Housing Review and the development of the Older People's Housing Strategy and invited consideration of the merits and feasibility of redeveloping Protheroe House as an Extra Care Supported Housing Scheme in partnership with a Registered Provider. We also noted that approval was sought to begin discussions with housing association partners and the Homes and Communities Agency (HCA) for the</p>	

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	<p>provision of an Extra Care Supported Housing Scheme on the site of Protheroe House.</p> <p>Thanks were made to the staff and residents of Protheroe House for their co-operation and common sense approach adopted throughout the review.</p> <p>RESOLVED:</p> <p style="padding-left: 40px;">That approval be granted for officers to begin discussions with housing association partners and the Homes and Communities Agency (HCA) for the provision of an Extra Care Supported Housing Scheme on the site of Protheroe House.</p>	DUE
<p>CAB97.</p>	<p>LOCAL DEVELOPMENT FRAMEWORK ANNUAL MONITORING REPORT 2009/10 (Report of the Director of Urban Environment - Agenda Item 15)</p> <p>We noted that the report sought approval for the Annual Monitoring Report for submission to the Department for Communities and Local Government as required by the Planning and Compulsory Purchase Act 2004 and the Town and Country Planning (Local Development) (England) Regulations 2004.</p> <p>Our attention was drawn to the Design, Conservation, Open Space and Safety Outcomes in Section 8 of Appendix 1 and we noted the concern that only 2 applications had been assessed against the Building for Life criteria in 2009/10.</p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. That approval be granted to the Annual Monitoring Report (AMR) for 2009/10 based on the statistical summary of the performance set out in Section 7 of the interleaved report and Appendix 1 for submission to the Secretary of State for Communities and Local Government. 2. That the key outcomes of the AMR set out in paragraph 7.34 of the interleaved report that overall the aims of the Council's current 'place shaping plan' (the Unitary Development Plan 2006-16) were being delivered and that the Plan's indicators for 2009-10 were generally positive. 3. That authority to approve any subsequent minor amendments to the AMR prior to publication be delegated to the Director of Urban Environment or the Assistant Director Planning and Regeneration in consultation with the Cabinet Member for Planning and Regeneration. 	<p>DUE</p> <p>DUE</p> <p>DUE</p>
<p>CAB98.</p>	<p>REPORT OF STATUTORY NOTIFICATION FOR THE PROPOSED EXTENSION OF THE CROUCH END A AND B CONTROLLED PARKING ZONES (Report of the Director of Urban Environment - Agenda Item 16)</p>	

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	<p>We noted that the report informed us of the representations received during statutory notification for extensions of the Crouch End A and B CPZ's. We also noted that the report sought approval to proceed with the proposed extensions.</p> <p>We were informed that Elder Avenue was located on the periphery of the proposed extension and was in both the Crouch End and Hornsey Wards and in view of the mixed representations received from residents of this road further confirmation of support or opposition to inclusion in the extension was being sought.</p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. That the feedback of statutory notification as set out in the interleaved report be noted. 2. That officers be authorised to take all necessary steps under the Road Traffic Act for the introduction of extensions to the Crouch End A and B Controlled Parking Zones as set out during statutory notification with the exception of Elder Avenue. 3. That authority to decide on the inclusion of Elder Avenue be delegated to the Director of Urban Environment in consultation with the Cabinet Member for Neighbourhoods. 4. That officers be authorised to inform the public of the foregoing decisions. 	<p>DUE</p> <p>DUE</p> <p>DUE</p>
<p>CAB99.</p>	<p>DRAFT LOCAL IMPLEMENTATION PLAN (Report of the Director of Urban Environment - Agenda Item 17)</p> <p>We noted that the report sought our approval to the submission of the draft Local Implementation Plan to Transport for London.</p> <p>We were informed that since the preparation of the report the Council had received notification that an additional £100,000 had been made available for Wood Green improvements scheme and this project would be included in the submission to Transport for London.</p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. That the responses to the consultation draft be noted. 2. That approval be granted to the submission of the draft Local Implementation Plan (LIP) to Transport for London. 3. That authority to make changes to the draft LIP in negotiation with Transport for London be delegated to the Director of Urban Environment in consultation with the Cabinet Member for Neighbourhoods. 	<p>DUE</p> <p>DUE</p>
<p>CAB100.</p>	<p>LEGAL AGREEMENTS FOR CYCLE SUPERHIGHWAYS ROUTES 1 AND 12 (Report of the Director of Urban Environment - Agenda Item 18)</p>	

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	<p>We noted that the report sought our approval to enter into legal agreements with Transport for London relating to the delivery of Cycle Superhighways Routes 1 and 12. We also noted that these agreements would enable Transport for London to implement these schemes on roads under the Council's control and to provide funding to the Council to maintain the Cycle Superhighways for a fixed period.</p> <p>We were informed that Transport for London had now notified the Council that the implementation date for Route 12 had now been delayed until 2013, after the London Olympic Games. Route 1 was scheduled for implementation in 2014. In response to a question, we were also informed that the question of maintenance of the Routes once the agreement had expired was still to be resolved.</p> <p>RESOLVED:</p> <ol style="list-style-type: none"> 1. That the process for approving the draft Memorandum of Understanding be noted. 2. That approval be granted to enter into legal agreements with Transport for London under Section 159 of the Greater London Act 2007 for funding the creation and maintenance of two Cycle Superhighway routes and under Section 101 of the Local Government Act 1972 for joint discharge. 	
<p>CAB101.</p>	<p>INTER AUTHORITY AGREEMENT IN RELATION TO NORTH LONDON WASTE AUTHORITY PROCUREMENT OF WASTE DISPOSAL/TREATMENT SERVICES (Report of the Director of Urban Environment - Agenda Item 19)</p> <p>Councillor Canver declared a personal interest in this item by virtue of being a member of the North London Waste Authority.</p> <p>We noted that the report presented a set of Key Principles that would form the basis of an inter authority agreement between the North London Waste Authority and its seven Constituent North London boroughs and sought our approval to those Principles.</p> <p>RESOLVED:</p> <p>That the Key Principles set out in Appendix A to the interleaved report be approved and it be noted that the Key Principles were consistent with the Statement of Principles previously agreed by the Council in 2008 and which provided a greater degree of flexibility and inclusion in the procurement process for the Council.</p>	
<p>CAB102.</p>	<p>INTEGRATED WASTE MANAGEMENT CONTRACT (Report of the Director of Urban Environment - Agenda Item 20)</p> <p>Our Chair agreed to admit the report as urgent business. The report was</p>	

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	<p>late because of the need to complete necessary consultations. The report was too urgent to await the next meeting because of the need to meet specific deadlines relating to the procurement process.</p> <p>The Appendix to the interleaved report was the subject of a motion to exclude the press and public from the meeting as it contained exempt information relating to the business or financial affairs of any particular person.</p> <p>We noted that the report sought approval to award the contract for Waste Management Services for a period of 14 years with the option to extend for a further 7 years in accordance with Contract Standing Order (CSO) 11.03.</p> <p>RESOLVED:</p> <p style="padding-left: 40px;">That in accordance with Contract Standing Order 11.03 approval be granted to the award of the Waste Services contract to Veolia ES (UK) Ltd. for a period of 14 years with the provision to extend for a further period of 7 years.</p>	DUE
CAB103.	<p>MINUTES OF OTHER BODIES (Agenda Item 21)</p> <p>RESOLVED:</p> <p style="padding-left: 40px;">That the minutes of the following meetings be noted and any necessary action approved –</p> <p style="padding-left: 40px;">a. Corporate Parenting Advisory Committee – 11 November 2010;</p> <p style="padding-left: 40px;">b. Procurement Committee – 25 November 2010.</p>	
CAB104.	<p>URGENT ACTIONS TAKEN IN CONSULTATION WITH THE CHAIR (Report of the Assistant Chief Executive People and Organisational Development - Agenda Item 22)</p> <p>RESOLVED:</p> <p style="padding-left: 40px;">That the report be noted and any necessary action approved.</p>	
CAB105.	<p>DELEGATED DECISIONS AND SIGNIFICANT ACTIONS (Report of the Assistant Chief Executive People and Organisational Development - Agenda Item 23)</p> <p>The Appendix to the interleaved report was the subject of a motion to exclude the press and public from the meeting as it contained exempt information relating to the business or financial affairs of any particular person.</p> <p>RESOLVED:</p> <p style="padding-left: 40px;">That the report be noted and any necessary action approved.</p>	

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TUESDAY, 21 DECEMBER 2010**

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The meeting ended at 21.05 hours

CLAIRE KOBER
Chair



Agenda item:

[No.]**Cabinet****On 25 January 2011**Report Title: **Annual Audit Letter 2009/10**Report of: **Director of Corporate Resources**

Signed :

Contact Officer : Kevin Bartle, Lead Finance Officer

Wards(s) affected: **All**Report for: **Key Decision****1. Purpose of the report**

1.1. To receive the Annual Audit Letter for 2009/10 from the Council's external auditors, Grant Thornton and to note the issues raised and actions being taken.

2. Introduction by Cabinet Member for Finance and Sustainability

- 2.1 The attached Annual Audit Letter summarises the key issues arising from the work undertaken by our external auditors during the year.
- 2.2 I am pleased to report to members of the Cabinet that the auditors issued an unqualified opinion on the Council's accounts for 2009/10 and they concluded that the Council had made proper arrangements in securing value for money.
- 2.3 It is also pleasing to note that the auditor has highlighted an improvement in our management arrangements in a number of key areas including data quality.
- 2.4 We will ensure the recommended actions in response are fully implemented.
- 2.5 I commend the auditor's letter to you.

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

3.1. The Annual Audit Letter is part of the formal process of external audit and provides an independent assessment of the Council's position in terms of progress in meeting its strategic objectives.

4. Recommendation

4.1. To receive the Annual Audit Letter for 2009/10 and to note the Council's response.

5. Summary

- 5.1. The Annual Audit Letter for 2009/10 summarises the key issues arising from the work undertaken by the external auditors, Grant Thornton, during their 2009/10 audit. The main two areas of audit work are in respect of the audit of the accounts and the Value for Money conclusion.
- 5.2. In terms of the audit of the accounts for 2009/10 the Council received an unqualified opinion from the external auditors. This was formally reported to the General Purposes committee on 23 September 2010 within the statutory deadline.
- 5.3. In respect of the Value for Money conclusion, the auditors concluded that the Council has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2010. This was formally reported to the Audit Committee on 2 November 2010.
- 5.4. The auditors work on the certification of grant claims and returns is ongoing. The results of that work will be formally reported to the April 2011 Audit Committee.
- 5.5. The report also outlines how the Council is addressing the key areas for action raised by external audit in the Annual Audit Letter.
- 5.6. Monitoring of the actions undertaken by the Council in response is planned to be carried out by the Audit Committee who will be presented with the letter at its meeting on 3rd February.

6. Head of Legal Services Comments

6.1. The Head of Legal Services has been consulted on the content of this report and has no specific comment to make.

7. Service Financial Comments

7.1. The resource implications for implementing the actions recommended in the Annual Audit Letter have been considered as part of the overall financial and business planning process and are included within the previously approved budget.

8. Use of appendices /Tables and photographs

8.1. Annual Audit Letter 2009/10 – Grant Thornton

9. Local Government (Access to Information) Act 1985

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

- Report of Director of Corporate Resources to General Purposes Committee on 23 September 2010 – Annual Governance Report – to consider the statutory report of Grant Thornton, the Council’s appointed auditor
- Report of Grant Thornton to Audit Committee on 2 November 2010 – Value for Money 2009/10

10. Background

- 10.1. The Annual Audit Letter for 2009/10 is compiled by the Council’s appointed external auditors Grant Thornton. It summarises the conclusions and significant issues arising out of the audit work for the Council in the preceding year. It includes information from the audit of the Council’s accounts, the Council’s arrangements for securing economy, efficiency and effectiveness in its use of resources and the certification of claims and returns.
- 10.2. The Annual Audit Letter for 2009/10 from Grant Thornton is an important external assessment of the Council’s overall position.
- 10.3. The auditors’ findings have been reported previously to the General Purposes Committee and to the Audit Committee and actions agreed in response. The Audit Committee is responsible for monitoring the implementation and progress of the detailed actions, which are summarised in this report.

11. Annual Audit Letter 2009/10

- 11.1. This is the third year of Grant Thornton operating as the Council’s external auditor. Council officers have worked closely with Grant Thornton in preparation for and during the audit and a positive relationship continues to exist.
- 11.2. In relation to the Council’s 2009/10 accounts, an unqualified opinion has been received. This is a positive outcome for the Council.
- 11.3. The auditors’ Value for Money (VFM) concluded that “the Council has made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2010”.
- 11.4. The Council has improved its management arrangements in a number of areas, including data quality, commissioning and procurement and asset management and the auditors’ view is that the Council’s implementation of IFRS is on track.

They also highlighted a number of areas for improvement. Council responses to these key areas are set out below.

- 11.5. Audit work on the certification of grant claims and returns is ongoing. The outcome of this work will be formally reported to the Audit Committee in April 2011.

12. Recommendation

- 12.1. To receive the Annual Audit Letter for 2009/10 and to note the issues raised and actions being taken. Progress on the implementation of actions will be reported to the Audit Committee.

13. Summary Actions

- 13.1. A summary of the key actions are set out in the table below.

Recommendations	Response	Responsible Officer
The impact of the changes to local government funding are taken into account in all future financial plans - in doing this the Council will need to review the services it delivers and how it delivers them and where savings and changes can be made whilst minimising the impact on the standard of service delivery	In the light of the government funding reductions, the Council's overall service structure is being reviewed alongside detailed individual service reviews. These reviews are taking place as part of the Medium Term Financial Planning which includes an extensive budget consultation process, Equality Impact Assessments and robust budget scrutiny.	Chief Executive and the senior management team

Recommendations	Response	Responsible Officer
The Medium Term Financial Strategy is reviewed in the light of the Spending Review and is subject to robust stress testing and sensitivity analysis	The process of reviewing the Medium Term Financial Strategy is already well underway. A detailed report was submitted to Cabinet on 21 st December 2010 and further reports are planned for January and February 2011. The scrutiny of investment and savings proposals commenced in January 2011. The review process will continue to be supported by robust budget monitoring arrangements that ensure that all service proposals are subject to sound financial analysis.	Director of Corporate Resources
It continues to emphasise the importance of data quality, including housing benefit information, to prevent any relaxation in compliance	As a result of concerns raised in the previous Annual Audit Letter the Council has put in place a more rigorous regime for maintaining the integrity of its data quality. The associated systems and procedures will continue to be closely managed and monitored.	Director of Corporate Resources
There is a continued focus on the production of its first IFRS compliant accounts in 2010/11, including ensuring that there are sound arrangements for the valuation and accounting for property assets	The Council has a detailed project plan responsible for implementing the new IFRS. We will continue to work closely with Grant Thornton to ensure timely implementation and careful management of the project risks.	Director of Corporate Resources

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London Borough of Haringey

Annual Audit Letter 2009/10

26 November 2010

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1 Introduction and Key Messages

Purpose of this letter

- 1.1 The purpose of this Annual Audit Letter (letter) is to summarise the key issues arising from the work that we have carried out during the year at The London Borough of Haringey (the Council). Although this letter is addressed to the members of the Council, it is also intended to communicate the significant issues we have identified to key external stakeholders, including members of the public. The letter will be published on the Audit Commission's website at www.audit-commission.gov.uk and also on the Council's website.

Responsibilities of the external auditors and the Council

- 1.2 This letter has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission. This is available from www.audit-commission.gov.uk.
- 1.3 We have been appointed as the Council's independent external auditor by the Audit Commission, the body responsible for appointing external auditors to local public bodies in England. As external auditors, we have a broad remit covering finance and governance matters.
- 1.4 Our annual work programme is set in accordance with the Code of Audit Practice (the Code) issued by the Audit Commission and includes nationally prescribed and locally determined work. Our work considers the Council's key risks, when reaching our Code conclusions.
- 1.5 It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business and that public money is safeguarded and properly accounted for. We have considered how the Council is fulfilling these responsibilities.

What this letter covers

- 1.6 This Letter covers our 2009/10 Code audit, including key messages and conclusions from our work on:
- auditing the 2009/10 year end accounts (Section 2)
 - the accuracy of grant claims and returns to various government departments and other agencies (Section 2)
 - assessing the Council's arrangements for securing economy, efficiency and effectiveness in the use of its resources (Section 3).
- 1.7 A list of all the reports issued during the year is provided at Appendix A, whilst Appendix B sets out our actual and budgeted fees for 2009/10.

The Economy

- 1.8 The Government's most urgent priority in the current financial climate is to reduce the deficit whilst ensuring the economic recovery continues. Savings of over £6 billion are planned from Government spending during this financial year, including some £1.1 billion in reduced grants to local government. At the same time, the Government aims to reduce top-down government aid and devolve power and greater financial autonomy to local authorities by a range of measures including:
- abolishing Comprehensive Area Assessment
 - reducing ring-fenced central government grants
 - abolishing Local Area Agreements
 - undertaking a full review of local government finance
- 1.9 The October Spending Review (SR) will have a significant impact on the Council, its plans and its finances. The SR announced a 28% cut in DCLG grants, estimated job losses within the public sector at 490,000 and £7bn of savings are required to be made to the welfare budget, mainly through benefit cuts. Cuts are being top-loaded with the greatest reductions being required in the first year of the SR period. The June Budget announced the Government's intention to work with local authorities to freeze council tax in England in 2011-12. The SR announced that local authorities who freeze their council tax in 2011-12 and keep their bills flat for the next four financial years will have the resultant loss to their tax base funded at a rate of 2.5% in each year of the Spending Review period. As a large urban authority with a reliance on grant funding, the financial challenge for Haringey is significant, with the anticipated impact of the SR requiring savings of £45 - £50m to be made in 2011-12 alone.
- 1.10 The issues highlighted in this Annual Audit Letter should be understood within the context of the significant changes to government policy and the reduction in financial resources outlined above.

Key messages**Accounts audit**

- 1.11 We issued an unqualified opinion on the Council's 2009/10 accounts on 27 September 2010, ahead of the statutory certification deadline. Our opinion confirmed that the accounts give a true and fair view of Council's financial affairs at 31 March 2010 and of its income and expenditure for the year. The audit process was efficient and well managed, although there have been a number of audit adjustments. This has affected fixed asset accounting in particular following implementation of a new closing procedure. Further detail on our accounts audit work is detailed in section 2.

Value for Money Conclusion

- 1.12 We issued our annual Value for Money (VFM) conclusion on 27 September 2010. We concluded that, for 2009/10, the Council made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2010.

- 1.13 Our work highlighted that the Council had improved its management arrangements in a number of areas, including data quality, commissioning and procurement and asset management. We also highlighted a number of areas for improvement and agreed an action plan with management to implement the associated recommendations. Further detail on our work in this area is detailed in section 3.

International Financial Reporting Standards

- 1.14 From 2010/11 the Council is required to prepare its accounts in accordance with International Financial Reporting Standards (IFRS). Our work to date on this area confirms that, the Council's IFRS implementation plan remains on track. However, the preparation and review of the 2009/10 IFRS restated accounts represents the first major test and the Council must build on its good work to date.

Key areas for Council action

- 1.15 The Council will need to ensure that:
- the impact of the changes to local government funding are taken into account in all future financial plans - in doing this the Council will need to review the services it delivers and how it delivers them and where savings and changes can be made whilst minimising the impact on the standard of service delivery
 - the Medium Term Financial Strategy is reviewed in the light of the SR and is subject to robust stress testing and sensitivity analysis
 - it continues to emphasise the importance of data quality, including housing benefit information, to prevent any relaxation in compliance
 - there is a continued focus on the production of its first IFRS compliant accounts in 2010/11, including ensuring that there are sound arrangements for the valuation and accounting for property assets.
- 1.16 Further details on these key messages can be found in sections 2 and 3 of this Letter.

2 Audit of Accounts

Introduction

- 2.1 We issued an unqualified opinion on the Council's 2009/10 accounts on 27 September 2010, ahead of the statutory certification deadline of 30 September 2010. Our opinion confirmed that the accounts give a true and fair view of the Council's financial affairs at 31 March 2010 and of its income and expenditure for the year.
- 2.2 Prior to giving our opinion on the accounts, we are required to report significant matters arising from the audit to those charged with governance (for the accounts audit this is defined as the General Purposes Committee). We presented our Annual Report to those Charged with Governance at the General Purposes Committee on 23 September and summarise only the key messages in this Letter.

Audit of the accounts

- 2.3 The Council managed a rapid closedown process presenting us with the draft financial statements on 28 June 2010 and, as in previous years, they were supported by good quality working papers.
- 2.4 Closedown was well managed by the Council and there is clear corporate commitment to producing timely final accounts. The audit process has been efficient and well managed, although there have been a number of audit adjustments, particularly affecting fixed asset accounting.
- 2.5 The key messages arising from our accounts audit are:
- the Council managed an effective closedown and audit process allowing early resolution of audit findings as they arose
 - the Council continues to improve in valuing and accounting for its fixed assets although our audit findings suggest that there is scope for further development, particularly in light of the requirements under International Financial Reporting Standards (IFRS) applicable from 2010/11.

Financial performance

- 2.6 The Council reported a deficit on the Income & Expenditure account of £141.2million (2008/09 £129.9million) and a general fund balance of £10.5million.
- 2.7 The current economic climate has placed significant pressure on the public sector and local government in particular, to generate efficiencies and operate within reduced resources. The Council has performed well to date by maintaining a robust budgetary control system and early identification of cost pressures. However, maintaining and building on these arrangements will be critical with the anticipated impact of the SR requiring savings of £45 - £50m to be made in 2011-12 alone, whilst the Council is experiencing continued financial pressures from demand led services.

- 2.8 The scale of the challenge faced has been recognised by Members and the Council will need to continue to work hard to deliver the anticipated significant financial challenge ahead.
- 2.9 We will continue to keep the Council's financial position under review as part of our 2010/11 audit including a risk based assessment of the robustness of the Medium Term Financial Plan, the assumptions made within it and the reasonableness of associated savings plans. This is in line with the new approach to local Value of Money audit work introduced by the Audit Commission.

Financial systems

- 2.10 We undertake sufficient work on key financial controls for the purpose of designing our programme of work for the financial statements audit. Our evaluation of the Council's key financial control systems did not identify any control issues that presented a material risk to the accuracy of the financial statements.
- 2.11 We reviewed the work of internal audit and concluded that the scope and conduct of internal audit work was appropriate to support our work in auditing the Council's 2009/10 accounts. We also performed a high level review of the general IT control environment as part of the overall review of the internal control system and concluded that there were no material weaknesses within the IT arrangements that would adversely impact our audit of the accounts.

Annual Governance Statement

- 2.12 We examined the Council's arrangements and process for compiling the Annual Governance Statement (AGS). In addition, we read the AGS and considered whether the statement was in accordance with our knowledge of the Council. Our work confirmed that the AGS was consistent with our knowledge of the Council and no issues arose from our work.

International Financial Reporting Standards

- 2.13 The Council is required to prepare its accounts in accordance with International Financial Reporting Standards (IFRS) from 2010/11. The IFRS transition at the Council is being led by the finance team and a clear project plan is in place.
- 2.14 Our work confirms that for the Council, the overall project plan remains on track. Key dates for preparing the opening balance sheet and restating the 2009/10 accounts and skeleton IFRS compliant statements are expected to be achieved. Our view is that the Council has placed a good focus on IFRS, but that the preparation and review of the 2009/10 restated accounts represents the first major test.
- 2.15 We will continue to review progress as part of our planned programme of work for 2010/11.

Grant Claims and Returns

- 2.16 Each year we review and certify a number of grant claims and returns in accordance with the arrangements put in place by the Audit Commission. Following the completion of the 2008/09 certification work we reported that performance had generally improved against the key performance measures but identified that the Council should work to continually reduce the number of claims requiring amendment.
- 2.17 We certified a total of 14 claims in 2008/09 of which one claim was qualified, the housing and council tax benefit grant claim. Action arising from our recommendations concerning this qualification is being monitored by the Audit Committee.
- 2.18 We are currently in the process of certifying the 2009/10 grant claims and returns. Once this work is complete we will report in full on the findings of our work.

3 Value for Money

Introduction

- 3.1 We issued our annual Value for Money (VFM) conclusion on 27 September 2010, at the same time as our accounts opinion. We concluded that, for 2009/10, the Council made proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2010.
- 3.2 We set out the basis of this conclusion and the results of our assessment in our report presented to the Audit Committee on 2 November. In this Letter, we summarise the key messages from this work alongside relevant findings.

2009/10 VFM conclusion

- 3.3 The Audit Commission's Code of Audit Practice requires us to assess whether the Council has put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. In discharging this responsibility, we are required to review and, where appropriate, examine evidence that is relevant to the Council's corporate performance management and financial management arrangements.
- 3.4 Our 2010 Value for Money conclusion was informed by work carried out on Use of Resources up until the abolition of Comprehensive Area Assessment, and other local risk based work carried out in accordance with our 2009/10 Audit Plan.
- 3.5 Key highlights within the Council's arrangements were that the Council had:
- improved its management arrangements in a number of areas, including data quality (previously assessed as inadequate), commissioning and procurement and asset management
 - demonstrated strong and robust arrangements for the management of its workforce against the criteria set out by the Commission.
- 3.6 The main areas for further development were around:
- ensuring that the impact of significant reductions in future funding and the requirement to find savings beyond those that had been anticipated and planned for as part of the Medium Term Financial Strategy are taken into account in all future financial planning
 - addressing some significant in year challenges and robustly profiling the impact of these in future financial plans.
 - ensuring a continued emphasis on the importance of data quality to prevent any relaxation in compliance and a potential return to an "inadequate" assessment for data quality.
- 3.7 On the basis of the work completed, we issued an unqualified Value for Money conclusion.

Approach to local value for money audit work from 2010/11

- 3.8 The Audit Commission has reviewed its work programme for 2010/11 onwards given the scale of the pressures facing public bodies in the current economic climate. As part of this exercise, the Commission has adopted a new approach to local value for money audit work with key national stakeholders.
- 3.9 From 2010/11 we will apply a new, more targeted and better value approach to our local VFM audit work. This will be based on a reduced number of reporting criteria specified by the Audit Commission, concentrating on:
- securing financial resilience
 - prioritising resources within tighter budgets.
- 3.10 We will determine a local programme of VFM audit work based on our audit risk assessment, informed by these criteria and our statutory responsibilities. We will no longer make annual scored judgements relating to our local VFM audit work. Instead we will report the results of all the local VFM audit work and the key messages for the audited body in our annual report to those charged with governance and in the annual audit letter.

4 Closing Remarks

- 4.1 This Letter was discussed and agreed with the Director of Corporate Resources, in her capacity as the Council's s151 officer, and will be presented to the Audit Committee on 3 February 2011.
- 4.2 We would like to take this opportunity to express our appreciation for the assistance and cooperation provided during the course of the audit.

Grant Thornton UK LLP
26 November 2010

A Reports issued in relation to the 2009/10 audit

Report	Date Issued
Audit Plan	December 2009
Partnership working	March 2010
Accounts Audit Approach Memorandum	June 2010
Review of Leaseholder Service Charges	June 2010
Grants Plan 2009/10	August 2010
Annual Report to those Charged with Governance	September 2010
Value for Money	October 2010
Annual Audit Letter	November 2010
Grant Certification Summary Report	due December 2010

B Audit and Other Fees

Audit Area	Budget 2009/10 £	Actual 2009/10 £
Financial statements	340,000	340,000
VFM conclusion / Use of resources	175,000	175,000
Total Code of Practice fee	515,000	515,000
Certification of grant claims and returns*	100,000	TBC

*The quoted fee for grant certification work is an estimate only and will be charged at published hourly rates.



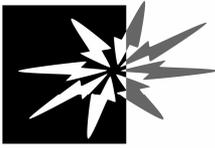
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Haringey Council

Agenda item:

CABINET

25 January 2011

Report Title. **The Council's Performance: November 2010 (Period 8)**

Report of **The Chief Executive and the Director of Corporate Resources**

Signed :

Contact Officer : **Margaret Gallagher – Performance Manager**
Eve Pelekanos – Head of Policy & Performance
Telephone 020 8489 2971/2508

Kevin Bartle – Lead Finance Officer
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Wards(s) affected: **All**

Report for: **Key Decision**

1. Purpose of the report (That is, the decision required)

- 1.1. To report on an exception basis financial and performance information for the year to November 2010.
- 1.2. To agree the budget virements set out in this report in accordance with financial regulations.
- 1.3. To agree the recommendations set out in paragraph 4.

2. Introduction by Cabinet Member for Performance Management (Cllr Claire Kober)

2.1. I am pleased that performance of delayed discharges continues to be amongst the best in London and that in the related area that adult social care clients' receiving self-directed help continues to be above target. It is welcome to note the improvements in call centre performance. Our performance with regards unacceptable levels of litter is something I hope to see continue in future months. Given our current budgetary challenge it will be important that we improve rapidly our performance with regards council tax collection. I am disappointed to see dip in performance in responding to complaints it is vital that as a council we respond swiftly to concerns raised by residents and members.

2.2. Introduction by Cabinet Member for Finance & Sustainability (Cllr Joe Goldberg)

2.3. I draw attention to section 16 and to Appendix 2 of the report and to note the further decrease to the forecast revenue over spend this period. This reduction is to be welcomed, however it has been achieved not from a reduction in service expenditure but from the proposal to apply unallocated grant to the net outturn forecast. Given that the pressures from high service demand within safeguarding and homelessness continue, along with the possible risk from the additional costs from adverse weather, it is even more important that efforts to restrict all non-essential expenditure continue. Any in year over spend will add to the budgetary challenges facing us in 2011/12 and beyond.

2.4. I ask that colleagues continue to support Directors both with in-year restrictions and also in savings proposals for 2011/12 and beyond.

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

3.1 This report sets out performance against a number of indicators that measure progress against the Council priorities and the Local Area Agreement targets.

4 Recommendations

4.1 To consider the report and the progress being made against the Council's priorities.

4.2 To agree the budget changes (virements) set out in Appendix 2.

4.3 To require Directors, where possible, to take necessary action to bring current year spending to within their approved budget.

5 Reason for recommendation(s)

5.1 Proposed budget changes (virements) are set out in Appendix 2 for approval in accordance with financial regulations.

5.2 To ensure that Members are kept informed about service and financial performance against the priorities and targets set.

6 Summary (Performance)

6.1 Paragraph 15 and Appendix 1 of this report provide a summary of performance for this reporting period. Of the 37 key service indicators monitored 25 have improved since 09/10, 8 are worse with no comparison possible for 4 indicators.

Some areas where targets are being met or where there has been an improvement are highlighted below:

6.2 Provisional attainment results for 2010 at Key stage 2 continue to show progress and a closing of the gap with the national average. GCSE results have also improved with 47.5% achieving 5 or more A*-C grades including English and Maths despite the target not being achieved.

6.3 Performance on processing benefit claims improved further to 20 days in November, 3 days short of the 17 day target. On-going improvement is due to increased productivity, continual improvement of processes and the introduction of e-benefits.

6.4 6.5% of young people are Not in Education, Employment or Training (NEET) as at November 2010. This is 31 less than in November '09 and continues to better the target.

6.5 Significant improvement on call centre performance in November with 93% of calls answered in 30 seconds, exceeding the 70% target.

6.6 The number of most serious violent crimes has reduced by 29.6% compared with the same period last year although improvement has slowed in some types of crime.

6.7 Recycling and cleanliness targets continue to be exceeded including the cleanliness of our parks.

6.8 Children's core assessments completed on time improved to 68% in November, just below the 70% target.

6.9 Continued good performance on adult social care clients receiving self directed support and delayed transfers of care, both exceeding targets set and Haringey's performance on delayed discharges is now amongst the best in London.

Areas where targets are not being met include:

6.10 The proportion of looked after children who have had 3 or more placements is rising at 17.05%.

6.11 Average re-let times for local authority dwellings reduced again in November to 31.9 days (2nd best performance of the year) but remain above the target of 25 days. The year to date position is 39.2 days.

6.12 A reduction of 242 households in temporary accommodation since March but the rate of reduction has slowed (16 since last month) and there remain more households in temporary accommodation than planned for this point in the year

(390 more than the profiled target).

7 Chief Financial Officer Comments

7.1 The overall general fund revenue budget, based on the November position, stands at a projected £2.6m above budget, a decrease from the £4.0m reported last period. The main reason for this movement is the proposal to use £1.7m unallocated Area Based Grant (ABG) to offset the underlying service pressures. As discussed in Section 16 of this report it is preferable to not have recourse to this funding to resolve the in year pressure and Directors must continue to press down on costs. The underlying causes of the forecast over spend remain, namely the high level of service demand particularly within Children and Young Peoples' Services (CYPS) along with the increased financial liability due to changes in Housing Benefit Subsidy rules; this period has seen a small increase in CYPS forecast over spend.

7.2 As highlighted in previous reports, given that the council is currently planning for very significant reductions in funding from government, as confirmed in the recent provisional finance settlement, it remains imperative that the in year overspend in 2010/11 is minimised to ensure that no additional pressure is placed on the tight budget position in 2011/12 and beyond. There must be no let up in effort to bring the budget in on target by the year-end.

7.3 The Council's Non-Service Revenue (NSR) budget is maintaining a forecast year-end underspend of £3.0m. This is made up of a £1.0m uncommitted general contingency plus the additional £2.0m under spend reported last period as a result of the use of internal cash balances instead of external borrowing which will reduce debt repayments this year.

7.4 The dedicated schools budget (DSB) element of the overall Children & Young People's (CYP) Service budget is projected to spend at budget.

7.5 The forecast revenue outturn for the Housing Revenue Account (HRA) has shown a small change from last period and is now showing a net under spend of £0.4 m, a movement of £0.1m compared to the £0.3m over spend reported in P7.

7.6 The projected capital year end variance, based on the November position, is an under spend of £9.9m compared to the £9.4m under spend reported last period. The detail is set out in section 16.

8 Head of Legal Services Comments

8.1 There are no specific legal implications in this report, but there is likely to be a need for legal advice in future on certain of the specific projects mentioned.

9 Equalities & Community Cohesion Comments

9.1 Equalities are a central thread throughout the Council's performance and many of the indicators have equalities implications. Equality impact is considered alongside performance by services.

9.2 This report deals with the way that we manage service outcomes and projects many of which have an impact on different sections of our community. Successful delivery of these projects will improve the services we provide to all sections of our community.

10 Consultation

10.1 Throughout the year the report will show the results of consultation with residents, service users and staff.

10.2 The Council consults widely on its budget proposals with residents, businesses, service users and other interested parties.

11 Use of appendices /Tables and photographs

11.1 Appendix 1. October performance for top service outcomes

11.2 Appendix 2. Financial tables

12 Local Government (Access to Information) Act 1985

12.1 Budget management papers and HR metrics

12.2 Service PI returns

12.3 Business Plans

13. Background

13.1 This is the November report for 2010/11, covering the period April 2010 to the end of November, detailing the Council's performance against agreed targets for 2010/11. Financial and performance information is based on the financial monitoring reports prepared for the budget and performance review meetings for period 8.

13.2 Appendix 1 details performance against monthly reported indicators.

13.3 We have revised our approach to performance reporting so that we focus on a smaller number of indicators (37) that reflect the council's priorities. Twenty Seven indicators measure service outcomes and the remaining ten are perception measures from the Residents' Survey.

13.4 In addition to progress against the 37 measures the following will be reported throughout the year:

- exceptional performance issues
- financial performance
- quarterly performance relating to projects and programmes
- updated survey information or educational attainment results as they become available

13.5 Appendix 2 shows the aggregate projected positions for revenue and capital, proposed budget changes (virements) for approval in accordance with financial regulations, and the Red, Amber Green (RAG) status of planned savings and planned investments.

14. Use of Traffic Lights

- 14.1 Progress on performance indicators continues to be tracked on a monthly and year to date position against the 2010/11 target using a traffic light annotation.
- 14.2 Appendix 1 is a summary of the top performance Indicators (PIs) showing performance for 2009/10 and the year to date position for 2010/11 including some comparative benchmarking information and the RAG status against target where:

☑	Green: On target
△	Amber: Just below target
●	Red: Target not achieved
?	Missing data or target not set

14.3 A direction of travel is also shown which compares the current year to date performance with the 2009/10 outturn. This enables the reader to make judgements about whether performance is improving over time as well as assessing performance against the target set.

15. Performance Highlights

Performance highlights in terms of service outcomes for November are as follows:

- 15.1 25.9% of adult social care clients are receiving self directed support – this remains higher than the profiled target of 20% for this period. The service is focusing on personalised budgets which is a part of this measure and is aiming to exceed 30% by the end of the financial year.
- 15.2 Delayed transfer of care, the latest NHS data shows that some of the delays attributable to Haringey in previous reports have now been revised. This means that our outturn is now better than expected for August, September October and November. The November figure is now 5.2 compared with 14.2 in November 2009. The target for 2010/11 is an outturn of 11.0.

- 15.3 31% of household waste has been reused, recycled or composted in the year to November, almost 3% higher than the October rate. Recycling tonnage has remained at a consistent level during November, however, domestic waste (which is part of the calculation of the recycling rate) has dipped markedly in the last month which has the effect of increasing the recycling rate. Nevertheless the result is the best all year and remains above the 27% local target set for 2010/11. If performance is sustained at this level, it will be approaching the London average.
- 15.4 There has been a significant improvement in call centre telephone calls answered in 30 seconds, 93% in November, 6 percentage points better than October's performance and the best performance of the year so far. The year to date position is recovering from the poor start in the early months of the year and at 66% is just 4% short of the 70% target.
- 15.5 2010 Key Stage 2 assessment in Haringey was affected by the national test boycott. The DFE has published the overall Haringey test results (based on the 20 schools, out of 57, that did the tests). DFE test analysis gives a combined English and maths level 4+ result of 73% (up from 68% in 2009), national results improved by 2% to 74. Since 2006 results in Haringey have improved by 9% compared to a national improvement of 4%.
- 15.6 GCSE results in Haringey have also improved by 1.8% to 47.5% of students achieving 5 or more GCSEs A*- C including English and maths although the 55% target was not achieved. The aggregated schools target that becomes the Local Authority target was very ambitious. A number of schools made significant improvement in particular Woodside High and Park View. However there was a larger improvement nationally with results improving by 3.3% to 53.1%. Since 2005 results in Haringey have improved by 15.7% compared to a national improvement of 8.8%. The validated results should be available by December/January.
- 15.7 The November 2010 NEET level was 6.5% compared with 7% last November. This equates to 288 young people Not in Education, Employment or Training, 31 less than this time last year. Performance continues to better the target and the level of 'not knows' has also significantly reduced and is better than target.
- 15.8 The Decent Homes Programme has moved into its third year and the level of non-decency continues to reduce. At the end of September 24.65% of homes were classed as non-decent and in quarter 2 there was a rise in the decent home units completed against the number programmed. Homes for Haringey have targeted non-decent homes to reduce to 21% by March 2011.
- 15.9 In November 3% of streets were recorded as having unacceptable levels of litter, better than the 10% target. Parks cleanliness levels were recorded at a similar level and continue to exceed targets set.
- 15.10 There have been an average 8.85 days sickness absence in the rolling year and whilst the trend is reducing, the level remains slightly above the target. Management actions to control sickness absence have been identified and are

being monitored and realistic targets have been set for each business unit to achieve the overall stretching 8.5 days target.

- 15.11 Improvement in dealing with acquisitive crime has continued into 2010/11. There have been 4,719 offences of this nature in the year to the end of November, a 7.5% reduction when compared with the same period last year.
- 15.12 There have been 220 serious violent crimes in the period April to November, 33.9% fewer when compared with the same period last year and exceeding the 4% reduction target.
- 15.13 Whilst still on target the trend suggests that robbery and thefts of motor vehicles could show an increase in future months. The worsening trend is likely to be caused by reduced operational capacity of the police force and partners. Funding for seasonal crime prevention campaigns has been withdrawn. The police and partners are monitoring the situation and responding through the Tactical Tasking and Coordination group and the Haringey Officers Tasking Group. Each Safer Neighbourhood Team has been given a ward profile showing which crimes are an issue in the ward and where/when, giving them the ability to prioritise and tackle specific issues.
- 15.14 In the year April to November 1,282 public complaints (stage 1) have been received across the council and 90% of these have been dealt with in the 10 day timescale. However in November performance fell to 81%, short of the 93% target. There has been a notable dip in performance across complaints and member's enquiries in Urban Environment since the end of the summer and with comparatively high volumes, the impact on the overall council performance is now evident.

Areas where targets are not currently being met include:

- 15.15 14.9% of carers have received a review and a needs assessment and a specific service. Whilst there has been continued progress in this area, performance is below the levels achieved by this time last year and remains slightly short of the target set for this period (15.5%).
- 15.16 Of council tax due in the year to November 73.18% was collected falling short of the profiled target of 75% . Incentives continue to address non and late payment by means of enforcement activity but it is essential that recovery of monies outstanding is maximised especially as we enter the last quarter.
- 15.17 At the end of November, the average time taken to process new claims and change events is 25 days for the year to date (20 days in November) against a 17 day target. An improved level of performance has been sustained for the past few months and improvements can be attributed to an increase in staff productivity, a new streamlined claims verification policy and the introduction of e-benefits. E-benefits remains successful with an average time of 13 days to pay a claim and 9 days to process a change event in November. Nevertheless, recent information provided by the DWP show that Haringey has an increasing workload and the 17

day target will be difficult to achieve. The increasing demand is being monitored closely and the service will be working more closely with Customer Services to share resources and attempt to maintain the on-going improvement in this area.

- 15.18 The proportion of looked after children who have had 3 or more placements is on a rising trend at 17.09% in the 12 months to the end of November 2010. 65 children have had 3 or more placements between 1st April and 30th November 2010 (11.1%). Further analysis is being done to understand deterioration in performance in this area and reasons for placement breakdown- this will tie in with the work being done around sufficiency.
- 15.19 In November 61.2% of children's social care initial assessments were carried out in 10 working days missing the 70% target, the year to date position is 66.3%. The focus continues to be on providing high quality and analytical work which does result in some assessments taking over 10 days to complete.
- 15.20 The number of households in temporary accommodation stands at 3,305 a reduction of 16 since last month and 242 since the end of March but short of the profiled target of 2,915. The situation with securing alternative supply in the Private Sector has not improved as Landlords continue to look at alternative markets and options and there have been particular problems in the last quarter. Consequently the rate of reduction has slowed and more households have had to remain in temporary accommodation than planned. Further work is being done with suppliers to establish what will prompt them to increase supply.
- 15.21 The average re-let time for local authority dwellings reduced again in November to 31.9 days, for the year to date it is 39.2 days. Homes for Haringey are primarily responsible for the repairs part of the process and this has seen a significant improvement in performance over the last twelve months. The trend continues to improve on voids overall (54.4 days in November 2009) but the 25 day target has not been achieved in any month this year or last.

16. Finance

- 16.1 The overall general fund revenue budget monitoring, based on November data, is showing a forecast over spend of £2.6m, down from £4m reported last period. During this period there has been on-going improvement in the outturn figures for Adults, Culture and Community (ACCS) and People and Organisational Development (POD), however the forecast over spend for CYPS has marginally increased. It should also be noted that there is a new risk arising from the impact of the adverse weather conditions on the Urban Environment (UE) budget.
- 16.2 When Government announced reductions to the 2010/11 Area Based Grant (ABG) earlier in the year Cabinet took the decision to reduce theme board allocations by more than the real reduction to provide some 'headroom' and in anticipation of further reductions in 2011/12. Consequently there is £1.7m unallocated budget which is now proposed to be used to help offset the in year budget pressure. Directors are still expected to bring forecast overspends down as

it would be more beneficial to have recourse to this sum to smooth the transition into 2011/12.

- 16.3 Adults are continuing to experience high client numbers, but are mitigating much of this pressure with a vacancy factor against all non-statutory positions which has been a successful strategy to date. There has been a small improvement this period in the overall outturn as a result of improved income projections within the Bereavement Service and reduced expenditure on repairs and maintenance within the Parks service. The impact of this is a year-end forecast of £0.1m under spent.
- 16.4 The estimated outturn for the Children and Young People's Service has increased by £0.3m this period and now stands at £7.5m above budget caused by the impact of the on-going high levels of Looked after Children and the associated legal costs. The underlying pressure remains significant at around £12m although the action taken to date has sought to offset this as far as possible by maximising grant income and making in-year savings in other areas in order to reduce the net position as far as possible. The main pressure areas are set out in the following paragraphs.
- 16.5 The factors causing the overspend can be attributed to the high numbers of Looked After Children (LAC) and their associated costs. The overall number of LAC (excluding unaccompanied minors) has fallen slightly again this month (from 566 to 557) which suggests that numbers could be stabilising. However there has been a slight increase in the outturn projection for this area reflecting in particular the need to place three children in expensive residential accommodation, which has more than offset other reductions in placement costs.
- 16.6 Additional staffing costs in the key areas supporting children's safeguarding work (First Response, Safeguarding and Support, Children-in-Care, Leaving Care and the Contact Service) are continuing with the costs of both additional staff and the additional cost of agency staff resulting in a total overspend in the above areas of around £3m. The costs of providing legal advice to Social Workers and in support of court work are currently reporting an overspend of £1.5m.
- 16.7 In addition to the above, families with No Recourse to Public Funds and Asylum Seekers for which grant support from the government is not available, are leading to budget pressures amounting in total to circa £1.6m. Included within this is a further £0.1m pressure arising from the potential dispute over the final settlement of the Unaccompanied Asylum Seeking Children (USAC) 2009/10 grant claim which was highlighted last period.
- 16.8 The Urban Environment directorate is maintaining a forecast year end over spend of £1.0m which is due to the pressure within Housing highlighted in previous reports partly offset by spending reductions elsewhere in the Directorate. The Housing pressure appears to be stabilising, however Members should be aware that there are emerging risks around achieving the year end forecast partly due to the impact on income of the delay in implementing increased parking fees and also

the impact of the adverse weather conditions. The latter is difficult to predict but should we see further significant snow the Council will incur additional costs associated with catch-up costs around refuse and recycling and are also likely to see reduced revenue from parking income.

- 16.9 Corporate Resources continues to work within the restrictions on discretionary spend and recruitment which along with other interim savings are forecast to both offset the pressures being felt within Benefits and Local Taxation from on-going high levels of service demand and within Property over continuing low occupancy at Technopark and also to deliver a year end under spend of £0.47m, a slight increase over last period.
- 16.10 The forecast outturn for the three Chief Executive directorates (Policy, Performance, Partnerships & Communications (PPP&C), People & Organisational Development (POD) and the Chief Executives (CE)) has reduced slightly this period to a £0.65m under spend down from the £0.8m reported in period 7. The change is largely due to shortfalls against income targets within Communications as a consequence of spending restrictions.
- 16.11 The year end forecast for Non-service revenue (NSR), which largely consists of budgets for capital financing costs, levies and contingencies, is being maintained at an under spend of £3.0m. This is made up of the uncommitted £1.0m general contingency built into the 2010/11 budget plus an under spend of £2.0m against the debt interest repayment budgets due to the use of internal cash balances in lieu of borrowing. The Alexandra Palace and Park Trust continues to work to maximise the profit generated by APTL and keep discretionary expenditure to a minimum however, as suggested last period, shortfalls against budgeted income at Alexandra Palace largely arising from delays to the re-opening of the ice rink have led to the Trust Board advising that the amount of additional deficit funding is likely to increase. Accordingly the year end forecast is likely to exceed the previously reported figure of £0.1m, however the Board have agreed to a range of spending reductions aimed at keeping any overspend to a minimum.
- 16.12 As highlighted in previous reports, the Haringey Forward planned 2010/11 savings have been discussed and reviewed in detail and although not all will be fully realised in 2010/11, largely due to the time required to deliver savings associated with restructures, base budgets for 2011/12 will be revised to reflect the savings.
- 16.13 The RAG status of agreed 2010/11 revenue savings and investments is shown in Appendix 2 and has not changed this period. Only 2% (£0.2m) of savings is currently flagged as red and is largely due to under achievement of planned external income; this is factored into the directorate year end forecasts.

Treasury Management

- 16.14 The Treasury Management activity in the first eight months of 2010/11 was compliant with the Treasury Management Strategy Statement agreed in February 2010. Following the repayment of maturing debt, the level of cash balances has dropped to an average of £31m during November. Investments have been made into AAA rated money market funds and an instant access account only to ensure sufficient liquidity is maintained. These accounts pay an interest rate equivalent to one month fixed term deposits, with the advantage of instant access. Due to the significant use of money market funds, the average long term credit rating of the portfolio has increased to AA+.
- 16.15 £50m of Council debt has matured this year and £20m of new borrowing was taken on 31st August as a starting point to refinancing this. Due to the significant difference between short term investment interest rates and long term borrowing rates, the Council is continuing to make use of internal cash balances, rather than taking any further new borrowing until necessary. The Council is continuing to meet its obligations within the current cash balances. However officers are monitoring the position closely, alongside the Council's treasury management advisers, including monitoring of interest rate movements to ensure that further borrowing is taken at an optimal time.

Capital

- 16.16 The aggregate capital programme position for 2010/11 is as shown in Appendix 2 and at Period 8 is now forecasting an underspend of £9.9m, an increase of £0.5m from the £9.4m underspend reported in period 7. The detail is set out by Directorate in the following paragraphs.
- 16.17 Within Adults, Culture and Community Services the projected position at period 8 is now an underspend of £0.9m. This principally relates to two projects: £0.5m for the Muswell Hill Library as funding is dependent on the sale of adjacent land which is not now expected to achieve a sufficient receipt and £0.5m on the Lordship Recreation project as expenditure will need to be rephased into 2011/12.
- 16.18 The Urban Environment general fund capital programme continues to forecast an under spend of £2.1m this financial year. This is largely in relation to Marsh Lane which is on hold until the options to fill the funding gap are reviewed and in the interim the site is being advertised for rental. The HRA capital programme is forecasting a balanced position at year end.
- 16.19 There has been no change to the forecast capital position in Corporate Resources and remains at an under spend of £3.2m. Of this, £2.4m is within the Accommodation Strategy programme as the scope of the original smart working programme has been revised as agreed in a separate report to Cabinet in December; the remainder relates to the Hornsey Town Hall project which is behind profile due to the need to review and consider the optimum delivery model.

- 16.20 Within the non-BSF Children's Capital Programme there has been little change since period 7 and the year end forecast now shows a small over spend of £0.3m compared to £0.1m last period. The underlying reason remains that the Broadwater Farm Inclusive Learning Campus is spending ahead of profile however no overall project variances are expected and the funding can be met by temporarily using grants as yet unapplied.
- 16.21 The BSF capital programme overall continues to forecast a balanced position; however some planned 2010/11 spend has been re-profiled into 2011/12. This is largely around the ICT MSP contract, mainly due to the fact that several schools have chosen to delay spending their "local choice" budgets until later in the contract, and a lower than forecast call against the programme contingency this year.
- 16.22 The target level of in year receipts from asset disposals is £2m. The current forecast for this year remains the same as last month at approximately £6m resulting from the identification of additional properties considered surplus to requirement and now recommended for disposal in this financial year and also actions to bring forward some disposals planned for 2011/12 to 2010/11. A degree of risk is still attached to some of the disposals in the programme which therefore continues to be kept under review and updated accordingly.

Virements

- 16.23 The virements proposed in this period are listed in Appendix 2 in accordance with financial regulations.

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Appendix 1

Service Performance

●	10	△	6	✓	21	?	0
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✓	ACCS	✓	✓	△	✓	✓	✓	✓	✓
●	CR	●	△	●	●	●	●	●	●
●	CYPS	●	●	●	✓	✓	✓	✓	●
△	POD	△							
△	PPPC	✓	✓	△					
✓	UE	✓	●	●	✓	✓	✓	△	●

Key Indicators

Perception Indicators

✓	✓	✓	✓	✓
✓	✓	✓		

For a list of the indicators turn to next page. Full details of indicators where targets have not been achieved are shown in the exception reports which follow.

Finance

●	2	△	0	✓	8	?	0
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●	ACCS	✓	✓	✓			
✓	CR	✓	✓	●			
●	CYPS	●	✓	✓	✓	✓	✓
✓	POD	✓	✓	●			
✓	PPPC	✓	✓	●			
●	UE	●	✓	✓			

Revenue

Capital

Council Performance Scorecard

People

●	2	△	2	✓	2	?	0
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△	ACCS	△	△	△	△	△	△
●	CR	●	●	●	●	●	●
△	CYPS	△	△	△	△	△	△
✓	POD	✓	✓	✓	✓	✓	✓
✓	PPPC	✓	✓	✓	✓	✓	✓
●	UE	●	●	●	●	●	●

Sickness

Key

✓	Green: On target	△	Amber: Just below target
●	Red: Target not achieved	?	Missing data or target not set

ACCS													
Ref:	Description	Last Year		Month		Year to Date		Traffic Light	YTD against last year	Comment			
		2009/10		Oct 2010	Nov 2010	2010/11							
		Value	London Average 2009/10	Value	Value	Value	Target						
NI 130	Social care clients receiving Self Directed Support (2010 Definition)			24.6%	25.9%	25.9%	20%	Green		22.7% reported Nov 09 (2009 definition)			
NI 131	Delayed transfers of care	13.4	7.3	5.3	5.2	5.2	11.0	Green	Improving	Revised figures: August 2010 6.6 September 2010 5.9 October 2010 5.3 November 2010 5.2			
NI 135	% of carers receiving needs assessment or review and a specific carer's service, or advice and information - YTD (LAA)	21.2%	24.6%	13.2%	14.9%	14.9%	15.5%	Amber	Getting Worse	16.5% reported Nov 09			
L0083a	Local street and environmental cleanliness, parks and open spaces with unacceptable levels of litter	5%		8%	4%	6%	8.5%	Green	Getting Worse	5% reported Nov 09			
L0568a	Satisfaction with parks and open spaces	69%		-	-			Green	Improving	65% reported in the 08/09 residents survey			
L0568b	Satisfaction with leisure and sports facilities	45%		-	-			Green	Improving	40% reported in 2009			
L0568c	Satisfaction with libraries	63%		-	-			Green	Improving	61% reported in 2009			
CR													
Ref:	Description	Last Year		Month		Year to Date		Traffic Light	YTD against last year	Comment			
		2009/10		Oct 2010	Nov 2010	2010/11							
		Value	London Average 2009/10	Value	Value	Value	Target						
NI 181	Time taken to process Housing Benefit/Council Tax Benefit new claims and change events (days)	24	11.9	22	20	25	17	Red	Getting Worse (improving on this time last year)	38 days in November 2009 34.9 days YTD November 2009			
BV 8	Council - invoices paid within 30	92.23%		89.36%	84.96%	90.9%	91%	Amber	Getting Worse				

Ref:	Description	Last Year		Month		Year to Date		Traffic Light	YTD against last year	Comment
		2009/10	London Average 2009/10	Oct 2010	Nov 2010	2010/11				
		Value		Value	Value	Value	Target			
	days									
BV 9	% of council taxes due for the financial year which were received in year (Annual Target 93.5%)			64.18%	73.18%	73.18%	75%	Red		Profiled targets for 2010/11
CS2	Call centre telephone answering in 30 seconds - of calls presented (all call centre calls)	52%		87%	93%	66%	70%	Red	Improving	52% reported YTD Nov 09
L0568d	Satisfaction with housing benefit service	23%		-	-			Green	Improving	19% reported in 2009 Resident Survey
L0568e	Satisfaction with collection of council tax	51%		-	-			Green	Improving	47% reported in 2009

CYPS

Ref:	Description	Last Year		Month		Year to Date		Traffic Light	YTD against last year	Comment
		2009/10	London Average 2009/10	Oct 2010	Nov 2010	2010/11				
		Value		Value	Value	Value	Target			
NI 59 (10 days)	Percentage of initial assessments for children's social care carried out within 10 working days of referral			73.8%	61.2%	66.3%	70%	Red		2009/10 was measured against 7 working days
NI 60	Percentage of core assessments for children's social care that were carried out within 35 working days (LAA)	47.3%	73%	52.9%	68%	58.8%	70%	Red	Improving	
NI 62	Stability of placements of looked after children: number of moves (LAA local)	13.88%	11.44%	16.47%	17.08%	17.08%	10%	Red	Getting Worse	
NI 64	Child Protection Plans lasting 2 years or more	16.9%		18.8%	0%	5.9%	9.5%	Green	Improving	
NI 65	Percentage of children becoming the subject of Child Protection Plan	11.7%		14.3%	0%	8.6%	10%	Green	Improving	The target for this indicator is a range between 7.5% and

Ref:	Description	Last Year		Month		Year to Date		Traffic Light	YTD against last year	Comment
		2009/10	London Average 2009/10	Oct 2010	Nov 2010	2010/11	2010/11			
		Value		Value	Value	Value	Target			
	for a second or subsequent time									12.5%
NI 73	Achievement at level 4 or above in both English and Maths at Key Stage 2 (LAA)	68.0%	75.1%	-	-	75.0%	75.0%	Green	Improving	
NI 75	Achievement of 5 or more A*-C grades at GCSE or equivalent including English and Maths (LAA)	45.7%	54.6%	-	-	47.5%	55.0%	Red	Improving	

POD

Ref:	Description	Last Year		Month		Year to Date		Traffic Light	YTD against last year	Comment
		2009/10	London Average 2009/10	Oct 2010	Nov 2010	2010/11	2010/11			
		Value		Value	Value	Value	Target			
BV 12-rollingytr	The no. of working days/shifts lost due to sickness absence per FTE employee Rolling Year. COUNCIL	9.38	8.62	8.97	8.85	8.85	8.5	Amber	Improving	

PPPC

Ref:	Description	Last Year		Month		Year to Date		Traffic Light	YTD against last year	Comment
		2009/10	London Average 2009/10	Oct 2010	Nov 2010	2010/11	2010/11			
		Value		Value	Value	Value	Target			
NI 15 N	No. of recorded most serious violent crimes	476		207	220	220	299	Green	Improving	336 reported in Nov 09 YTD
NI 16_N_YTD	No. of recorded serious acquisitive crimes YTD	7,421		4,057	4,719	4,719	4,867	Green	Improving	5106 reported in Nov 09 YTD
L0038	% of Stage 1 public complaints dealt within target (10 day) timescale. Council wide.	91%		91%	81%	90%	93%	Amber	Getting Worse	95% reported in November 09. 90% reported in November 09 YTD

UE

Ref:	Description	Last Year		Month		Year to Date		Traffic Light	YTD against last year	Comment
		2009/10	London Average 2009/10	Oct 2010	Nov 2010	2010/11				
		Value		Value	Value	Target				
NI 117	% of 16 to 18 year olds who are not in education, employment or training (NEET) (2007-2010 LAA stretch target)	6.8%	5.3%	6.33%	6.52		8.9%	Green	Improving	6.99% reported for November 09
NI 155	Number of affordable homes delivered (gross) (LAA local)	207	465	-	-		340	Red	Getting Worse	
NI 156	Number of households living in temporary accommodation (LAA)	3,547	1,183	3,321	3,305		3,305	Red	Improving	
NI 158	% non-decent council homes (LAA local)	27.5%	23.5%	-	-		23%	Green	Improving	24.7% at quarter 2 2010/11
NI 192	Percentage of household waste sent for reuse, recycling and composting (2007-2010 LAA stretch target)	26.1%	31.61%	27.35%	31.07%		27%	Green	Improving	
NI 195a L0478a	Percentage of highways having deposits of litter that fall below an acceptable level - in house monitoring	4.3%		3%	3%		10%	Green	Improving	
IC01	% of rent collected (of rent due - excluding arrears)	N/A		99.68%	99.52%		100.5%	Amber		
L0066 BV 212	Average relet times for local authority dwellings (calendar days)	44.6 days		32.5 days	31.9 days		39.2 days	Red	Improving	
L0568h	Satisfaction with refuse collection	73%		-	-			Green	Improving	
L0568i	Satisfaction with street cleaning	55%		-	-			Green	Improving	
L0568j	Satisfaction with repair of roads and pavements	33%		-	-			Amber	Getting Worse	
L0568k	Satisfaction with council housing	19%		-	-			Green	Improving	
L0568l	Satisfaction with recycling facilities	71%		-	-			Green	Improving	

People Perspective

Generated on: 16 December 2010

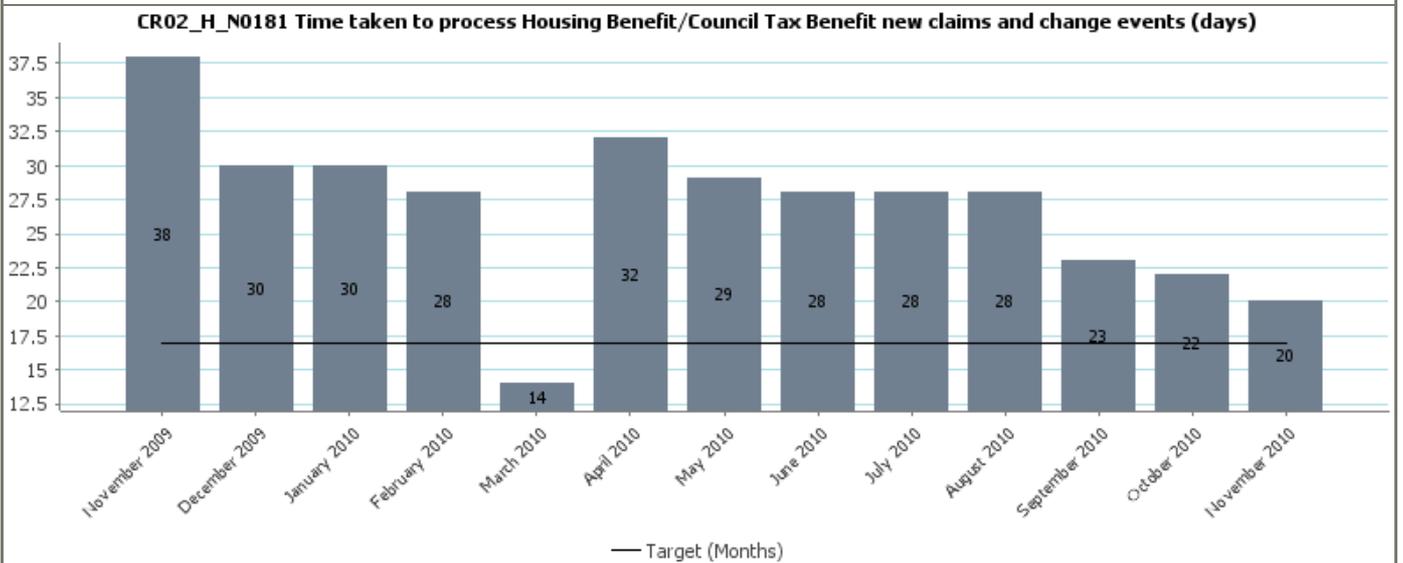
Ref:	Description	2009/10	Latest Value	Current Target	Status	Trend
		Value				
BV 12-rollingyr	The no. of working days/shifts lost due to sickness absence per FTE employee Rolling Year. UE	13.55	11.9	10.7	Red	Improving
BV 12-rollingyr	The no. of working days/shifts lost due to sickness absence per FTE employee Rolling Year. PPP&C	10.5	7.27	8.2	Green	Improving
BV 12-rollingyr	The no. of working days/shifts lost due to sickness absence per FTE employee Rolling Year. ACCS	9.04	9.16	8.6	Amber	No Change
BV 12-rollingyr	The no. of working days/shifts lost due to sickness absence per FTE employee Rolling Year. POD	5.62	3.9	4.7	Green	Improving
BV 12-rollingyr	The no. of working days/shifts lost due to sickness absence per FTE employee Rolling Year. CYPs	11.25	9.81	9.6	Amber	Improving
BV 12-rollingyr	The no. of working days/shifts lost due to sickness absence per FTE employee Rolling Year. CR	9.84	9.58	8.3	Red	Improving

CR

NI 181	Time taken to process Housing Benefit/Council Tax Benefit new claims and change events (days)		
Status:	YTD against last year	2010/11	Current Target:
Red		25	17
			Polarity: Aim to Minimise

Rationale

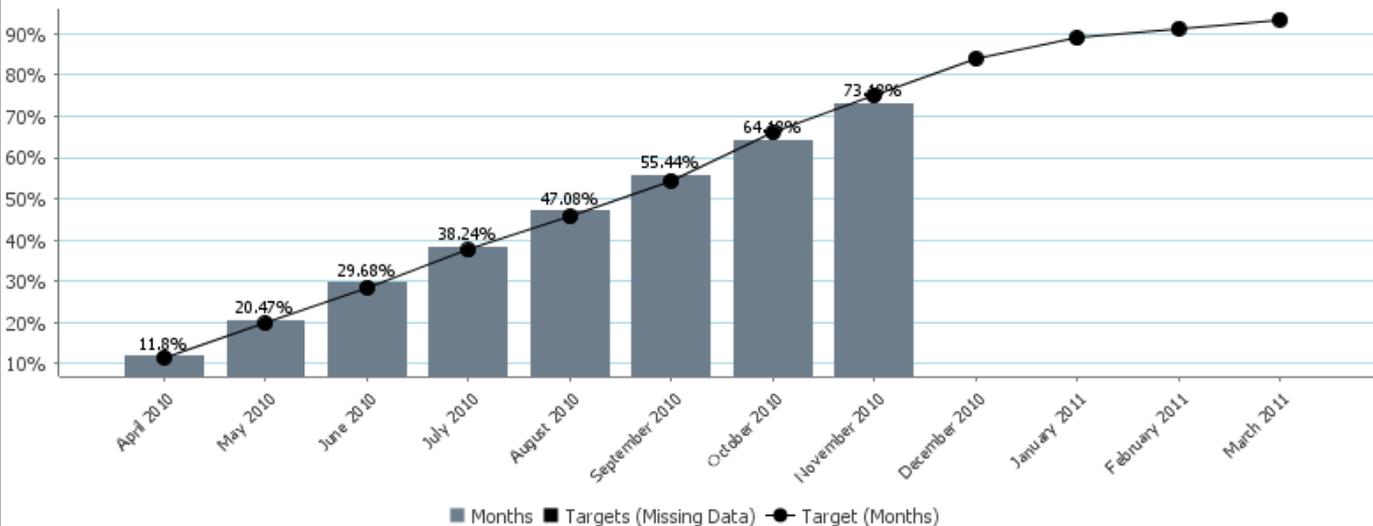
This indicator is designed to ensure that local authorities deal promptly with both new claims to HB and CTB and change of circumstances reported by customers receiving those benefits.

Related PIs**Monthly Performance****Comment**

The performance continues to improve as previously stated. This improvement can be attributed to an increase in staff productivity, continual improvement of processes and the introduction of e-benefits. The average days taken to pay e-benefit new claims is 13 days and claim changes is 9 days so this method is actively encouraged. Nevertheless, recent information provided by the DWP show that Haringey has an ever increasing workload and the year to date target will be difficult to achieve. The increased demand is being monitored closely and the service will be working more closely with Customer Services to share resources and attempt to maintain the ongoing improvement in this PI.

Past Performance and Benchmarking

	Value	London Average
2008/09	18.3	
2009/10	24	11.9
		Value
April 2010		32
May 2010		29
June 2010		28
July 2010		28
August 2010		28
September 2010		23
October 2010		22
November 2010		20
December 2010		
January 2011		
February 2011		
March 2011		

BV 9	% of council taxes due for the financial year which were received in year (Annual Target 93.5%)																													
Status:	YTD against last year	November 2010	Current Target:	Polarity:																										
Red		73.18%	75%	Aim to Maximise																										
Rationale																														
Related PIs																														
Monthly Performance																														
<p>CR02_H_L0008 % of council taxes due for the financial year which were received in year (Annual Target 93.5%)</p>  <table border="1"> <caption>Monthly Performance Data</caption> <thead> <tr> <th>Month</th> <th>Percentage</th> </tr> </thead> <tbody> <tr><td>April 2010</td><td>11.8%</td></tr> <tr><td>May 2010</td><td>20.47%</td></tr> <tr><td>June 2010</td><td>29.68%</td></tr> <tr><td>July 2010</td><td>38.24%</td></tr> <tr><td>August 2010</td><td>47.08%</td></tr> <tr><td>September 2010</td><td>55.44%</td></tr> <tr><td>October 2010</td><td>64.18%</td></tr> <tr><td>November 2010</td><td>73.18%</td></tr> <tr><td>December 2010</td><td>-</td></tr> <tr><td>January 2011</td><td>-</td></tr> <tr><td>February 2011</td><td>-</td></tr> <tr><td>March 2011</td><td>-</td></tr> </tbody> </table>					Month	Percentage	April 2010	11.8%	May 2010	20.47%	June 2010	29.68%	July 2010	38.24%	August 2010	47.08%	September 2010	55.44%	October 2010	64.18%	November 2010	73.18%	December 2010	-	January 2011	-	February 2011	-	March 2011	-
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December 2010	-																													
January 2011	-																													
February 2011	-																													
March 2011	-																													
Comment		Past Performance and Benchmarking																												
<p>Council Tax collection is just below target but shows an increase on last year. Incentives continue to address non and late payment by means of enforcement activity but the service is experiencing customer resistance to these actions. As we enter the last quarter it is essential that recovery of monies outstanding is maximised. The focus will be on a shared approach to customers with Customer Services and refresher training is being undertaken in December. The recovery process is being reviewed to encourage customers to contact us at the earliest opportunity should they have difficulty in paying.</p>		Value																												
		2008/09																												
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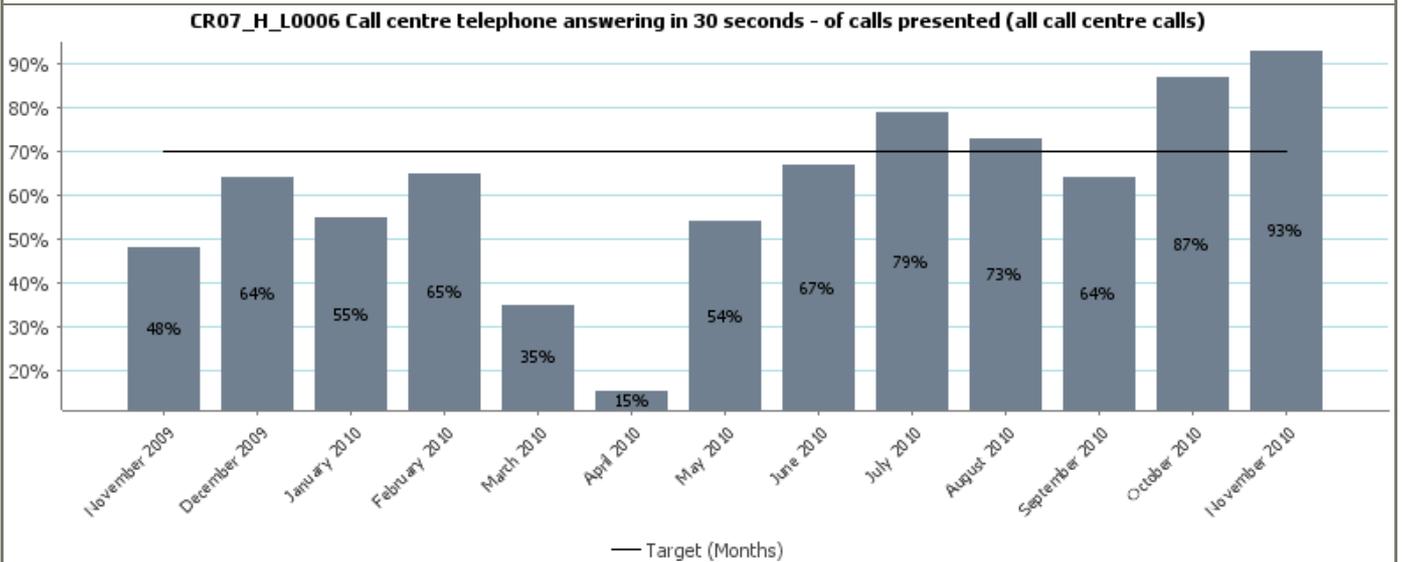
CS2	Call centre telephone answering in 30 seconds - of calls presented (all call centre calls)			
Status:	YTD against last year	2010/11	Current Target:	Polarity:
Red		66%	70%	Aim to Maximise

Rationale

Related PIs

Call Centre calls answered as a % of calls presented	2010/11	88%
--	---------	-----

Monthly Performance



Comment

The year to date performance as at the end of October 2010 (66%) has increased by 3 percentage points over the October 2010 year to date performance of 63%. In November, **93%** of the calls answered were answered within 30 seconds and overall, of the number of calls presented, **99%** were answered.

Past Performance and Benchmarking

	Value
2008/09	75%
2009/10	52%
	Value
April 2010	15%
May 2010	54%
June 2010	67%
July 2010	79%
August 2010	73%
September 2010	64%
October 2010	87%
November 2010	93%
December 2010	
January 2011	
February 2011	
March 2011	

CYPS

NI 59 (10 days)	Percentage of initial assessments for children's social care carried out within 10 working days of referral			
Status:	YTD against last year	2010/11	Current Target:	Polarity:
Red		66.3%	70%	Aim to Maximise

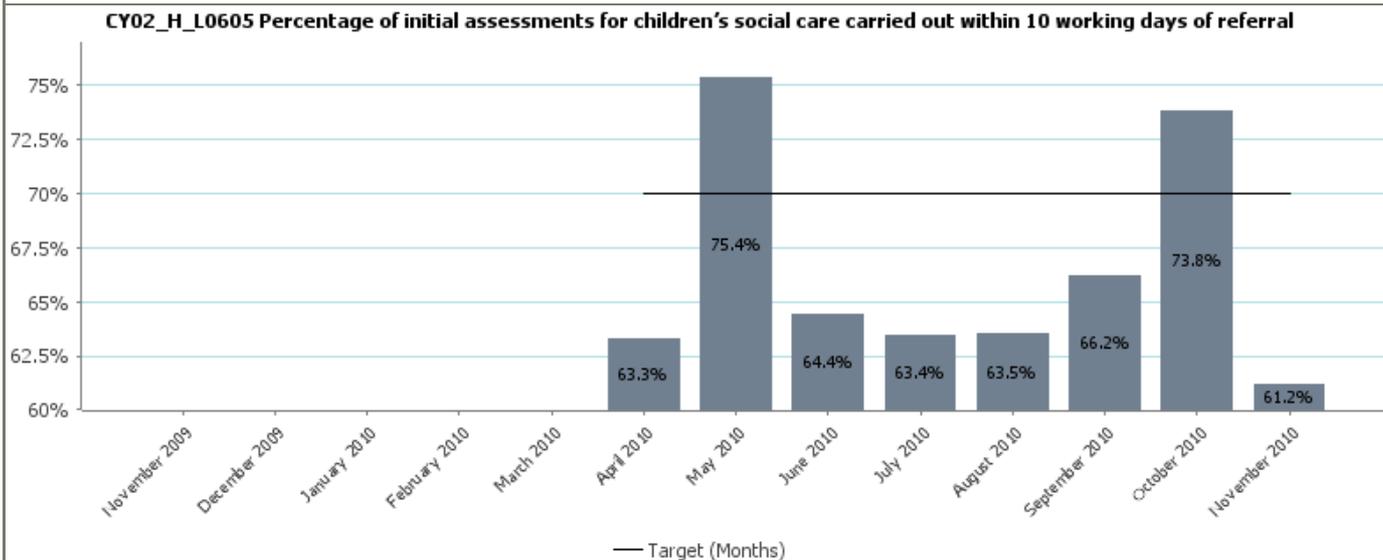
Rationale

This process indicator is included as a proxy as robust data is not available for outcomes of improved child safety. Initial assessments are an important indicator of how quickly services can respond when a child is thought to be at risk of serious harm. As the assessments involve a range of local agencies, this indicator would also show how well multi-agency working arrangements are established in local authority areas

The number of initial assessments completed in the period between 1 April and 31 March, within ten working days of referral, as a percentage of the number of initial assessments completed in the period between 1 April and 31 March.

Related PIs

The number of initial assessments completed within ten working days of referral	2010/11	915
Percentage of initial assessments for children's social care carried out within 7 working days of referral (LAA)	2010/11	30.7%
The overall of initial assessments completed in the period	2010/11	1380

Monthly Performance**Comment**

As with most other Local Authorities the target for completion of Initial Assessments is now 10 working days and 66.3% were achieved in timescale for the year. (3.3% under our target of 70%.) This means that the majority of families received a timely assessment. Our focus continues to be to provide high quality and analytical work and this does result in some assessments taking over 10 days to complete.

Past Performance and Benchmarking

	Value
2008/09	
2009/10	
	Value
April 2010	63.3%
May 2010	75.4%
June 2010	64.4%
July 2010	63.4%
August 2010	63.5%
September 2010	66.2%
October 2010	73.8%
November 2010	61.2%

NI 60	Percentage of core assessments for children's social care that were carried out within 35 working days (LAA)			
Status:	YTD against last year	2010/11	Current Target:	Polarity:
Red		58.8%	70%	Aim to Maximise

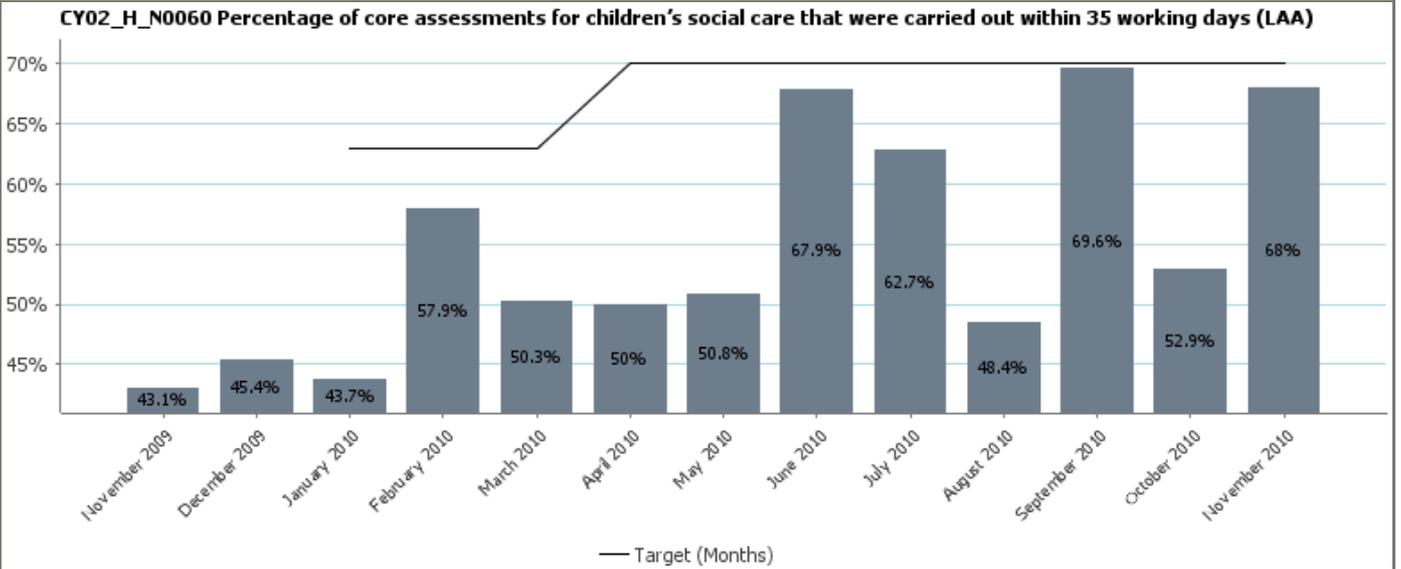
Rationale

This indicator measures the percentage of core assessments which were completed within 35 working days.

Related PIs

The total number of core assessments completed	2010/11	817
The number of core assessments that had been completed within 35 working days	2010/11	480

Monthly Performance



Comment

We continue our steady improvement and increase in the number of core assessments completed within 35 working days. This is the subject of ongoing monitoring and audit to ensure that quality is maintained. The numbers of Core Assessments out of date is also gradually decreasing and we will continue to make progress in this area.

Past Performance and Benchmarking

	Value	London Average
2008/09		80.4%
2009/10	47.3%	73%
		Value
April 2010		50%
May 2010		50.8%
June 2010		67.9%
July 2010		62.7%
August 2010		48.4%
September 2010		69.6%
October 2010		52.9%
November 2010		68%
December 2010		
January 2011		
February 2011		
March 2011		

NI 62	Stability of placements of looked after children: number of moves (LAA local)																															
Status:	YTD against last year	2010/11	Current Target:	Polarity:																												
Red	↓	17.09%	10%	Aim to Minimise																												
Rationale																																
The percentage of children looked after at 31 March with three or more placements during the year.																																
Related PIs																																
The total number of children who were looked after, excluding any children who were looked after under a series of short term-placements.			November 2010	597																												
The number children looked after who had three or more separate placements during the year			November 2010	102																												
Monthly Performance																																
<p align="center">CY02_H_N0062 Stability of placements of looked after children: number of moves (LAA local)</p> <table border="1"> <caption>Monthly Performance Data</caption> <thead> <tr> <th>Month</th> <th>Percentage</th> </tr> </thead> <tbody> <tr><td>November 2009</td><td>12.85%</td></tr> <tr><td>December 2009</td><td>12.25%</td></tr> <tr><td>January 2010</td><td>13.98%</td></tr> <tr><td>February 2010</td><td>13.04%</td></tr> <tr><td>March 2010</td><td>13.33%</td></tr> <tr><td>April 2010</td><td>13.09%</td></tr> <tr><td>May 2010</td><td>12.85%</td></tr> <tr><td>June 2010</td><td>13.39%</td></tr> <tr><td>July 2010</td><td>15.14%</td></tr> <tr><td>August 2010</td><td>15.69%</td></tr> <tr><td>September 2010</td><td>15.25%</td></tr> <tr><td>October 2010</td><td>16.47%</td></tr> <tr><td>November 2010</td><td>17.08%</td></tr> </tbody> </table> <p align="center">— Target (Months)</p>					Month	Percentage	November 2009	12.85%	December 2009	12.25%	January 2010	13.98%	February 2010	13.04%	March 2010	13.33%	April 2010	13.09%	May 2010	12.85%	June 2010	13.39%	July 2010	15.14%	August 2010	15.69%	September 2010	15.25%	October 2010	16.47%	November 2010	17.08%
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Comment		Past Performance and Benchmarking																														
<p>The year to date position is based on the 12 months to the end of November 2010. 65 children have had 3 or more placements between 1st April and 30th November 2010 (11.1%). Further analysis is being done to understand deterioration in performance in this area and reasons for placement breakdown- this will tie in with the work being done around sufficiency.</p>			Value	London Average																												
		2008/09	14.69%	11.1%																												
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UE

NI 156	Number of households living in temporary accommodation (LAA)			
Status:	YTD against last year	2010/11	Current Target:	Polarity:
Red		3,305	2,915	Aim to Minimise

Rationale

This indicator measures the numbers of households living in temporary accommodation provided under the homelessness legislation.

Related PIs**Monthly Performance**

UE06_H_N0156 Number of households living in temporary accommodation (LAA)

**Comment**

Work to reduce numbers in TA continues. There have been particular problems in the last quarter in securing alternative supply in the private sector. This has meant that more households have had to remain in temporary accommodation. Efforts are continuing to secure alternative supply which will assist the continued drive to reduce numbers, although this is becoming increasingly difficult as suppliers continue to explore the market for a range of options.

Past Performance and Benchmarking

	Value	London Average
2008/09	4,548	1,448
2009/10	3,547	1,183
		Value
April 2010		3,520
May 2010		3,496
June 2010		3,454
July 2010		3,425
August 2010		3,370
September 2010		3,341
October 2010		3,321
November 2010		3,305
December 2010		
January 2011		
February 2011		
March 2011		

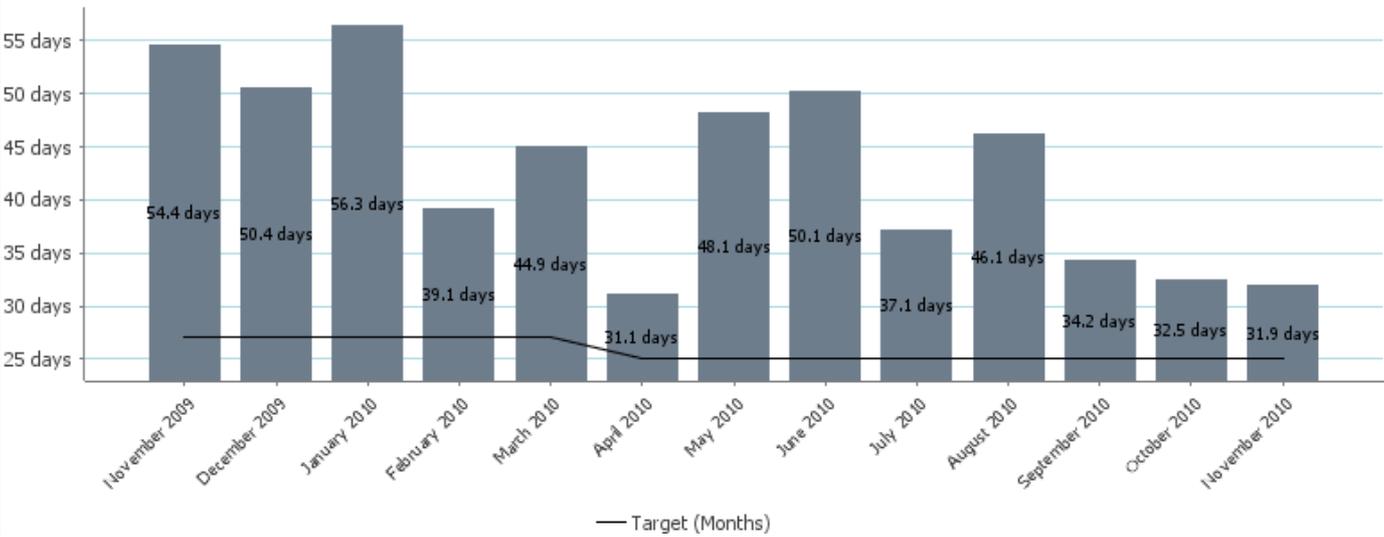
L0066 BV 212	Average relet times for local authority dwellings (calendar days)																															
Status:	YTD against last year	2010/11	Current Target:	Polarity:																												
Red		39.2 days	25 days	Aim to Minimise																												
Rationale																																
Related PIs																																
Average general needs relet times for local authority dwellings(calendar days)			2010/11	35.2 days																												
Average supported housing relet times for local authority dwellings (calendar days)			2010/11	54.1 days																												
Monthly Performance																																
UE07_H_L0066 Average relet times for local authority dwellings (calendar days)																																
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Comment																																
<p>The figure provided for November 2010 is only provisional until approved by HfH's EMT Board. HfH will provide a commentary following the EMT Board meeting and therefore the commentary provided relates to last month's performance.</p> <p>The commentary below relates to the previous months performance for October 2010: Void turn-around performance, reflected in indicator BV 212, remains outside of target and tolerance. This is despite a positive movement in this indicator over the course of the month. HfH is primarily responsible for the repairs part of the process, and this has seen a significant improvement in performance over the last twelve months. The void turnaround performance, ex BV212, improved to 32.5 days in October. The year to date position on this measure is currently 40.0 days. Both these figures are significantly outside of target; however the October turn-around represents the second best monthly figure over the course of the last twelve months. HouseMark benchmarked top quartile performance on this item was 22.0 days.</p>																																
Past Performance and Benchmarking																																
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2008/09		44.3 days																														
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Table 1: **Revenue 2010/11** - The aggregate revenue projected position in 2010/11 is shown in the following table.

	Approved Budget	Projected variation
	£m	£m
Children and Young People	70.5	7.5
Adults, Culture & Community	77.6	(0.1)
Corporate Resources	6.2	(0.5)
Urban Environment	54.5	1.0
Policy, Performance, Partnerships & Communications	1.7	0.0
People, Organisation & Development	(0.7)	(0.6)
Chief Executive	1.0	(0.1)
Non-service revenue	32.6	(3.0)
Unallocated Area Based Grant	1.7	(1.7)
Total - General Fund	245.1	2.6
Children and Young People (DSG) - Non-Schools	0.0	0.0
Children and Young People (DSG) - ISB	0.0	0.0
Total - Dedicated Schools Grant	0.0	0.0
Total - Housing Revenue Account	2.9	(0.4)

Table 2: **Capital 2010/11** - The aggregate capital projected position in 2010/11 is as shown in the following table.

Capital	Approved Budget	Spend to date	Projected variation
	£m	£m	£m
Children & Young People			
BSF Schools Capital Programme	62.9	40.2	(3.9)
Primary Capital Programme	9.9	4.2	0.5
Early Years, Community and Access	3.1	1.2	(0.2)
Planned Asset Maintenance	0.9	1.4	
Devolved Schools Capital	1.6	0.0	
Social care and other	0.4	0.0	
Total - Children & Young People	78.7	47.1	(3.6)
Libraries	1.0	0.4	(0.4)
Agency (DFG)	1.6	0.7	
Housing Aids & Adaptations	1.5	0.8	
Lordship Recreation Grounds	0.9	0.2	(0.5)
Sports and Leisure Improvement Programme	0.9	0.3	
Play Provisions	0.7	(0.0)	0.0
Strategic Sports Pitches Improvement Programme	0.0	0.0	
Other schemes/projects under £1m	2.3	1.1	
Total - Adults, Culture & Community	8.7	3.5	(0.9)
Corporate Resources			
Information Technology	2.6	0.5	
Property Services	0.2	0.0	
Corporate Management of Property	0.9	0.4	
Accommodation Strategy Phase 2	3.2	0.3	(3.2)
Hornsey Town Hall	1.2	0.1	
Alexandra Palace - Replacement Ice Rink& Repairs& Maintenance	2.8	(0.1)	
Other schemes/projects under £1m		0.3	
Total - Corporate Resources	10.8	1.6	(3.2)
Urban Environment – General Fund			
Parking Plan	0.6	0.3	
Street Lighting	0.8	0.4	
BorRds,H'Ways Resurfacing	2.6	1.2	
TFL	4.1	1.8	
Marsh Lane Depot Project - GAF 3	3.1	0.5	(2.1)
Other schemes/projects under £1m	2.8	1.5	
Total - Urban Environment – General Fund	14.1	5.7	(2.1)
Urban Environment - HRA			
Planned Preventative Maintenance	3.0	1.1	(0.2)
Housing Extensive Void Works	1.2	0.8	(0.1)
Boiler Replacement	2.4	1.8	
Capitalised Repairs	4.4	2.6	
Lift Improvements	1.5	0.6	(0.0)
Decent Homes Standard	33.5	15.6	0.2
Mechanical & Electrical Works	3.0	0.4	0.2
Professional Fees	1.4	1.1	0.2
Fire Protection Work	1.6	1.1	
Other schemes/projects under £1m	3.0	0.5	(0.4)
Total - Urban Environment - HRA	55.0	25.5	0.0
Total- Haringey Capital Programme	167.3	83.3	(9.9)

Table 3: Proposed virements are set out in the following table.

<i>Revenue Virements</i>						
Period	Service	Key	Amount current year (£'000)	Full year Amount (£'000)	Reason for budget changes	Description
8	ACCS	Rev*	1,235	0	Corrective Budget Realignment	Allocation of Social Care Reform Grant to correct account codes and to reflect actual allocation for 2010-11.
8	ACCS	Rev	188	188	Corrective Budget Realignment	Reconfigure budgets for Wolves Lane Nursery.
8	ACCS	Rev*	0	331	Budget savings	Permanent 10% top slice of Supplies & Services budget.
8	ACCS	Rev*	253	0	Corrective Budget Realignment	Reallocation of budgets within OPS Commissioning (£225k) and one off virement from OPS Commissioning to OPS Day care (£28k).
8	NSR	Rev	150	0	Corrective Budget Realignment	One off contribution from NSR for Customer Service's Out of Hours Service.
7	NSR	Rev*	694	694	Corrective Budget Realignment	Release of budget from NSR to meet Concessionary Fares budget shortfall.
7	NSR	Rev	195	0	Corrective Budget Realignment	One off contribution from NSR for Cooperscroft within the Adults services.
6	NSR	Rev	196	196	Corrective Budget Realignment	Realignment of Corporate Council Wide costs income & expenditure budgets to reflect actual activity levels.
6	NSR	Rev*	26,069	26,070	Corrective Budget Realignment	Prudent re-alignment of treasury income and expenditure budgets to reflect actual activity levels.

<i>Capital Virements</i>						
Period	Service	Key	Amount current year (£'000)	Full year Amount	Reason for budget changes	Description
P9	CYPS	Capital	113		Grant allocation to be utilised in 2010/11	Revised Sure Start Capital grant allocations for 2010-11
P9	CYPS	Capital	101		Grant allocation to be utilised in 2010/11	Revised Sure Start Capital grant allocations for 2010-11
P9	CYPS	Capital	100		Grant allocation to be utilised in 2010/11	Revised Sure Start Capital grant allocations for 2010-11
P9	CYPS	Capital	916		Grant allocation to be utilised in 2010/11	Revised Sure Start Capital grant allocations for 2010-11
P9	CYPS	Capital	387		Grant allocation to be utilised in 2010/11	Revised Sure Start Capital grant allocations for 2010-11

1 Financial regulations require proposed budget changes to be approved by Cabinet. These are shown in the above table. These changes fall into one of the following categories:

- all changes in gross expenditure and/or income budgets between business units in excess of £100,000; and
- all changes in gross expenditure and/or income budgets within business units in excess of £100,000.
- any virement that affects achievement of agreed policy or produces a future year's budget impact if above £100,000.

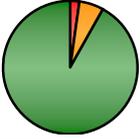
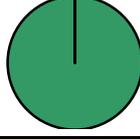
2 Under the Constitution, certain virements are key decisions. Key decisions are:

- for revenue, any virement which results in change in a directorate cash limit of more than £250,000; and
- for capital, any virement which results in the change of a programme area of more than £250,000.

3 Key decisions are highlighted by an asterisk in the table.

4 The above table sets out the proposed changes. There are two figures shown in each line of the table. The first amount column relates to changes in the current year's budgets and the second to changes in future years' budgets (full year).

Table 3: **RAG status** of planned savings and planned investments

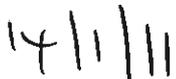
Council Wide Savings and Investments	2010/11 Target £'000	Nov-10	
Planned Savings - Red		180	
Planned Savings - Amber		469	
Planned Savings - Green	<i>8,004</i>	7,355	
Planned Investments - Red		0	
Planned Investments - Amber		0	
Planned Investments - Green	<i>8,899</i>	8,899	



Haringey Council
Agenda item:

Cabinet

On 25 January 2011

Report Title.	Treasury Management Strategy Statement 2011/12 to 2013/14	
Report of:	Director of Corporate Resources	
Signed :	 	
Contact Officer :	Nicola Webb, Head of Finance: Treasury & Pensions Telephone 020 8489 3726	
Wards(s) affected: All	Report for: Non Key Decision	
1. Purpose of the report		
1.1	To present the proposed Treasury Management Strategy Statement for 2011/12 to 2013/14 to Cabinet prior to it being presented to full Council for final approval.	
2. Introduction by Cabinet Member for Finance & Sustainability (Councillor J Goldberg)		
2.1	It is a requirement of the CIPFA Treasury Management Code of Practice that full Council approves a Treasury Management Strategy Statement on an annual basis to reflect the importance of members being fully involved in deciding how treasury management is operated.	
2.2	The strategy of running low cash balances is proposed to continue in the coming year because short term investment rates are projected to stay low. This strategy would mean that borrowing is only undertaken as it is required and so avoids incurring high long term borrowing costs for longer than necessary.	
2.3	The proposed strategy sets out an extension to the Council's lending list to include European banks to provide more capacity and increase the amount of interest earned by the Council on it's balances. This proposal has been carefully considered before being put forward and advice has been taken from the Council's treasury management advisers to ensure the security of the Council's monies is	

not compromised. Officers will of course keep the creditworthiness of those financial institutions with whom we are prepared to lend under close scrutiny.

3. Recommendation

- 3.1 That the proposed Treasury Management Strategy Statement for 2011/12 to 21013/14 at Appendix A be recommended to Council for final approval.

4. Reason for recommendation

- 4.1 To ensure a Treasury Management Strategy is in place in advance of the financial year 2011/12 as required by the CIPFA Treasury Management Code of Practice.

5. Summary

- 5.1 This report sets out the proposed Treasury Management Strategy Statement for financial years 2011/12 to 2013/14 in accordance with the CIPFA Treasury Management Code of Practice. The strategy was considered by General Purposes Committee on 11th January 2011 and they have recommended that it is approved.
- 5.2 The proposed borrowing strategy is to keep borrowing to a minimum due to the "cost of carry" resulting from the difference in short term and medium/long term interest rates.
- 5.3 Some limited additions to the Council's lending list are proposed in order to provide some further capacity. These proposals are put forward having taken advice from the Council's treasury management advisers and are prudent enough to ensure the credit quality of the Council's investment portfolio remains high.

6. Head of Legal Services Comments

- 6.1 The Head of Legal Services has been consulted on the content of this report and comments that its content and recommendation are within the policy agreed by Council and consistent with the purposes of Financial Regulations. In considering the report Members must take into account the expert financial advice available in the report and any further advice given at the meeting in relation to the level of risk inherent in the proposals.

7. Use of appendices

- 7.1 Appendix A: Treasury Management Strategy Statement and Investment Strategy 2011/12 to 2013/14.

8. Local Government (Access to Information) Act 1985

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

- Financial Planning report for 2010/11 to 2012/13 reported to Council and agreed on 22nd February 2010.
- Treasury Management reports to General Purposes Committee 28th June 2010, 23rd September 2010 and 11th January 2011.

For access to the background papers or any further information please contact Nicola Webb, Head of Finance: Treasury & Pensions, on 0208 489 3726.

9. Background

9.1 The CIPFA Treasury Management Code of Practice requires all local authorities to agree a Treasury Management Strategy Statement including an Investment Strategy annually in advance of the financial year. The strategy should incorporate the setting of the Council's prudential indicators for the three forthcoming financial years.

9.2 Following the publication of the revised CIPFA Treasury Management Code of Practice in 2009, the Council's constitution was amended to incorporate treasury management reporting requirements. General Purposes Committee are now required to receive the Treasury Management Strategy Statement in advance of it being submitted to Cabinet and full Council for final approval. General Purposes Committee considered the Strategy Statement on 11th January 2011 and recommended that it is approved. A further requirement is for the strategy to be scrutinised in advance of approval by Council and so it will be presented to Audit Committee on 3rd February 2011 for this purpose.

10. Proposed Treasury Management Strategy Statement

10.1 The proposed Treasury Management Strategy Statement is set out in Appendix A to this report. The document includes the following:

- Borrowing (section 3)
- Investments (section 4)
- Monitoring (section 8)

- 10.2 The key factor to note in considering the strategy for 2011/12 is that short term interest rates are expected to remain very low throughout the year in contrast to medium and long term rates. This means that there will be a “cost of carry” if funds are borrowed in advance of capital expenditure being incurred. Therefore the Council anticipates continuing to run a strategy of keeping cash balances low and invested short term and to borrow only when required.
- 10.3 The proposed prudential indicators set out in the report do not reflect the funding of Decent Homes. The government have not yet made clear how much will be allocated to the Council or how it will be funded. Once this is clear, the prudential indicators will need to be revisited and if necessary revised. Any revisions to the indicators will need to be approved by full Council.

11. Proposed additions to approved Investment counterparties and instruments

- 11.1 The proposed investment strategy for 2011/12 is set out in section 4 and annexes 4 and 5 of Appendix A. There are two proposed additions to the existing approved lending list:
- Addition of Nat West and Standard Chartered to the list of UK banks
 - Deposits with non UK banks
- There is also a proposed addition to the types of instruments which can be used:
- UK Treasury Bills issued by the Debt Management Office
- 11.2 The Council’s treasury management advisers have recommended the addition of UK banks Standard Chartered and Nat West. The long term credit rating of Standard Chartered has been upgraded following an improvement in the level of its balances. It is now clear that Nat West has a long term future within the RBS Group and with stable ratings, it is recommended that it is added to the lending list.
- 11.3 UK Treasury Bills are issued by HM Treasury’s Debt Management Office and so are guaranteed by the UK government. They are proposed for inclusion as they offer a better rate of return than the Debt Management Account Deposit Facility, albeit with less flexibility on term (they are only available for periods of 1 month, 3 months and 6 months) with the same level of security.
- 11.4 In order to provide a wider range of creditworthy counterparties for the Council to invest with, it is proposed to add a limited range of non-UK banks to the Council’s lending list. The banks it is proposed to add are all based in AAA rated European countries and have minimum long term credit ratings of A+ and in fact many are more highly rated than the UK banks already on the list. The table overleaf demonstrates this as it lists the banks in descending order of their current lowest long term rating.

UK Banks – Long term ratings		Non UK Banks – Long term ratings	
		Rabobank	AA+
HSBC	AA		
Barclays Bank	AA-	Nordea Bank	AA-
Santander UK	AA-	BNP Paribas	AA-
		Credit Agricole CIB	AA-
		Credit Agricole SA	AA-
		Svenska Handelsbanken	AA-
Bank of Scotland	A+	Deutsche Bank	A+
Lloyds TSB	A+	Credit Suisse	A+
Clydesdale Bank	A+	Societe Generale	A+
Nationwide Building Soc	A+	ING Bank	A+
Royal Bank of Scotland	A+		
Nat West	A+		
Standard Chartered	A+		

11.5 It is proposed that these banks have a lower credit limit than the UK banks - £15m compared to £20m and there is a maximum period of investment of 6 months. It is also proposed that investments in any one country's banks are limited to a maximum of 10% at the time of investment, excluding the UK.

11.6 All counterparties, and the countries in which they are based, are kept under continual review by officers and the Council's treasury management advisers, Arlingclose Ltd. In the event any information reveals a concern about a counterparty's creditworthiness or the country in which it is based, it will be removed from the lending list with immediate effect and no new investments entered into. Sections 4.4 and 4.5 of Appendix A set out the range of information monitored.

12. Recommendation

12.1 That the proposed Treasury Management Strategy Statement for 2011/12 to 21013/14 at Appendix A be recommended to Council for final approval.

**Treasury Management Strategy Statement
and Investment Strategy 2011/12 to 2013/14**

Contents

1. Background
2. Balance Sheet and Treasury Position
3. Borrowing Strategy
4. Investment Policy and Strategy
5. Outlook for Interest Rates
6. Balanced Budget Requirement
7. MRP Statement
8. Monitoring and Reporting
9. Other Issues

Annexes

1. Current and Projected Portfolio Position
2. Summary of Prudential Indicators
3. Arlingclose's Economic and Interest Rate Forecast
4. Specified and Non specified Investments
5. Lending List of counterparties for investments

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") and the Prudential Code require local authorities to determine the Treasury Management Strategy Statement (TMSS) and Prudential Indicators on an annual basis. The TMSS also incorporates the Investment Strategy as required under the Communities and Local Government (CLG) Department's Investment Guidance.
- 1.2 CIPFA has defined Treasury Management as:
"the management of the organisation's investments and 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 is responsible for its treasury decisions and activity. No treasury management activity is without risk. The successful identification, monitoring and control of risk are integral elements of treasury management activities and include Credit and Counterparty Risk, Liquidity Risk, Market or Interest Rate Risk, Refinancing Risk and Legal and Regulatory Risk.
- 1.4 The strategy takes into account the impact of the Council's Revenue Budget and Capital Programme on the Balance Sheet position, the current and projected Treasury position, the Prudential Indicators and the outlook for interest rates.
- 1.5 The purpose of this report is to propose:
 - Treasury Management Strategy - Borrowing in Section 3, Investments in Section 4
 - Prudential Indicators – these are detailed throughout the report and summarised in Annex 2
 - MRP Statement – Section 7
- 1.6 The Council originally adopted the CIPFA Code of Practice for Treasury Management in May 2002. At its meeting on 22nd February 2010 the Council adopted the revised CIPFA Code of Practice for Treasury Management. The Council has incorporated the changes from the revised CIPFA Code of Practice into its treasury policies, procedures and practices. All treasury activity will comply with relevant statute, guidance and accounting standards. Adoption of the Code is one of the Prudential Indicators.

2. Balance Sheet and Treasury Position

- 2.1 The underlying need to borrow for capital purposes, as measured by the Capital Financing Requirement (CFR), together with Balances and Reserves, are the core drivers of Treasury Management activity. The estimates, based on the current proposed Revenue Budget and Capital Programmes, are:

Table 1: Treasury Position

	31/03/2011 Estimate £000	31/03/2012 Estimate £000	31/03/2013 Estimate £000	31/03/2014 Estimate £000
General Fund CFR	281,164	268,465	261,365	252,521
HRA CFR	488,046	488,046	488,046	488,046
Total CFR	769,210	756,511	749,411	740,567
Less: Existing Profile of Borrowing & Other Long Term Liabilities	(713,976)	(667,476)	(625,476)	(578,780)
Cumulative Maximum External Borrowing Requirement	55,234	89,035	123,935	161,787
Unearmarked Balances & Reserves	(17,822)	(17,873)	(17,873)	(17,873)
Cumulative Net Borrowing Requirement /(Investments)	37,412	71,162	106,062	143,914

- 2.2 The Council's level of physical debt and investments is linked to these components of the Balance Sheet. The current portfolio position is set out at Annex 1. Market conditions, interest rate expectations and credit risk considerations will influence the Council's strategy in determining the borrowing and investment activity against the underlying Balance Sheet position. The Council will ensure that net physical external borrowing (i.e. net of investments) will not exceed the CFR other than for short term cash flow requirements.
- 2.3 Estimates of Capital Expenditure:
It is a requirement of the Prudential Code to ensure that 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.

Table 2: Capital Expenditure

	2010/11 Approved £000	2010/11 Projected Actuals £000	2011/12 Estimate £000	2012/13 Estimate £000	2013/14 Estimate £000
Non-HRA	95,956	99,115	42,671	40,000	30,426
HRA	52,642	55,033	17,526	14,843	13,543
Total	148,598	154,148	60,197	54,843	43,969

2.4 Capital expenditure is expected to be financed as follows:

Table 3: Capital Financing

	2010/11 Approved £000	2010/11 Projected Actuals £000	2011/12 Estimate £000	2012/13 Estimate £000	2013/14 Estimate £000
Capital receipts	5,520	3,566	13,444	9,277	5,650
Other grants & contributions	4,943	10,166	7,786	12,977	14,088
Government Grants	67,160	69,766	24,724	12,008	6,966
Major Repairs Allowance	12,909	14,137	13,543	13,543	13,543
Revenue contributions	7,757	7,877	400	1,700	200
Total Financing	98,289	105,512	59,897	49,505	40,447
Borrowing	50,309	48,636	300	5,338	3,522
Total	148,598	154,148	60,197	54,843	43,969

2.5 Incremental Impact of Capital Investment Decisions:

As an indicator of affordability the table overleaf shows the impact of capital investment decisions on Council Tax and Housing Rent levels. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme with an equivalent calculation of the revenue budget requirement arising from the proposed capital programme.

2.6 As reported in the treasury monitoring reports during 2010/11 the indicators set in February 2010 are actually the total of Band D council tax and housing rent, rather than the incremental impact relating to capital decisions. This is the reason the approved figures for 2010/11 are much higher than future years. The reduction between 2010/11 and 2011/12 onwards is due to the reduction in the amount of capital expenditure being funded through borrowing shown in Table 3 above.

Table 4: Incremental Impact of Capital Investment Decisions

	2010/11 Approved £	2010/11 Projected Actual £	2011/12 Estimate £	2012/13 Estimate £	2013/14 Estimate £
Increase in Band D Council Tax	1,184.32	9.96	1.00	1.88	1.95
Increase in Average Weekly Housing Rents	83.20	0.01	0.02	0.00	0.00

- 2.7 Reform to the Council Housing Subsidy System: CLG consulted on proposals to reform the council housing subsidy system in July 2010. The consultation proposed a removal of the subsidy system by offering a one-off reallocation of debt. Details of the new system will be announced in January 2011, and will be introduced in the Localism Bill to enable the new system to start in 2012. For the Council, this is expected to equate to a reduction in debt of £236m. CLG proposes to settle this by repaying a proportion of each of the Council's PWLB loans.
- 2.8 The estimate for interest payments in 2011/12 is £41.3m and for interest receipts is £0.28m. The ratio of financing costs to the Council's net revenue stream 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 ratio is based on costs net of investment income.

Table 5: Ratio of Financing Costs to Net Revenue Stream

	2010/11 Approved %	2010/11 Projected Actual %	2011/12 Estimate %	2012/13 Estimate %	2013/14 Estimate %
Non-HRA	4.67	5.52	4.95	4.04	3.72
HRA	33.39	31.36	31.90	29.87	28.84

3. Borrowing Strategy

- 3.1 The Council's balance of actual gross borrowing plus other long-term liabilities is shown in Annex 1. This is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit.
- 3.2 The Authorised Limit sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) and is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit).

Table 6: Authorised Limit for External Debt

	2010/11 Approved £000	2010/11 Projected Actual £000	2011/12 Estimate £000	2012/13 Estimate £000	2013/14 Estimate £000
Borrowing	860,455	663,811	861,544	857,239	851,332
Other Long-term Liabilities	39,545	50,165	85,335	80,110	74,606
Total	900,000	713,976	946,879	937,349	925,938

- 3.3 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.

Table 7: Operational Boundary for External Debt

	2010/11 Approved £000	2010/11 Projected Actual £000	2011/12 Estimate £000	2012/13 Estimate £000	2013/14 Estimate £000
Borrowing	835,455	663,811	761,544	757,239	751,332
Other Long-term Liabilities	39,545	50,165	56,890	53,407	49,737
Total	875,000	713,976	818,434	810,646	801,069

- 3.4 The Director of Corporate Resources 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 General Purposes Committee.
- 3.5 In conjunction with advice from its treasury management adviser, Arlingclose Ltd, the Council will keep under review the following borrowing options:
- PWLB loans
 - Borrowing from other local authorities
 - Borrowing from institutions such as the European Investment Bank and directly from Commercial Banks
 - Borrowing from the Money Markets
 - Local authority stock issues
 - Structured finance

- 3.6 The PWLB issued a new set of lending arrangements on 20th October 2010, following the Spending Review announcement, which increase the cost of new local authority fixed rate loans to 1% above the cost of the Government's borrowing. Despite this, the PWLB remains an attractive source of borrowing, given the transparency and control that its facilities continue to provide. The types of PWLB borrowing that are considered appropriate for a low interest rate environment are:
- Variable rate borrowing
 - Medium-term Equal Instalments of Principal (EIP) or Annuity Loans
 - Long-term Maturity loans, where affordable.
- 3.7 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 and to maintain stability. The differential between debt costs and investment earnings, despite long term borrowing rates being at low levels, remains acute and this is expected to remain a feature during 2011/12. The "cost of carry" associated with medium and long term borrowing compared to temporary investment returns means that new fixed rate borrowing could entail additional short-term costs. The continued use of internal resources in lieu of borrowing is likely to remain the most cost effective means of financing capital expenditure during 2011/12.
- 3.8 PWLB variable rates are expected to remain low as the Bank Rate is maintained at historically low levels for an extended period. Exposure to variable interest rates will be kept under regular review. Each time the spread between long-term rates and variable rates narrows by 0.50%, this will trigger a formal review point and options will be considered in conjunction with the Council's treasury management adviser and decisions taken on whether to retain the same exposure or change from variable to fixed rate debt. The Council's existing PWLB variable rate loan borrowed prior to 20th October 2010 will be maintained on its initial terms and is not subject to the additional increased margin for new variable rate loans.
- 3.9 The Council has £125m of loans which are LOBO loans (Lender's Options Borrower's Option) of which £75m of loans are currently in or will be in their call period in 2011/12. In the event that the lender exercises the option to change the rate or terms of the loan, the Council will consider the terms being provided and also repayment of the loan without penalty. The Council may utilise cash resources for repayment or may consider replacing the loan(s) by borrowing from the PWLB. The default response will however be early repayment without penalty.
- 3.10 The rationale for considering any possible rescheduling opportunities during the year 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.

As opportunities arise, they will be identified by Arlingclose and discussed with the Council's officers. Borrowing and rescheduling activity will be reported to General Purposes Committee as part of the quarterly monitor reports.

- 3.11 The following Prudential Indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. 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.
- 3.12 The Council's existing level of fixed interest rate exposure is 98.5% and variable rate exposure is 1.5%, however it is recommended that the limits in place for 2010/11 are maintained in future to retain flexibility.

Table 8: Fixed and Variable Interest Rate Exposure

	2010/11 Approved %	2010/11 Actual %	2011/12 Estimate %	2012/13 Estimate %	2013/14 Estimate %
Upper Limit for Fixed Interest Rate Exposure	100	98.5	100	100	100
Upper Limit for Variable Interest Rate Exposure	40	1.5	40	40	40

- 3.13 The Council will also limit and monitor large concentrations of fixed rate debt needing to be replaced. Limits in the following table are intended to control excessive exposures to volatility in interest rates when refinancing maturing debt.

Table 9: Maturity Structure of fixed rate borrowing

	Lower Limit %	Upper Limit %
under 12 months	0	25
12 months & within 2 years	0	25
2 years & within 5 years	0	50
5 years & within 10 years	0	60
10 years & within 20 years	0	60
20 years & within 30 years	0	60
30 years & within 40 years	0	60
40 years & within 50 years	0	60
50 years & above	0	60

4. Investment Policy and Strategy

- 4.1 Guidance from the Communities and Local Government Department (CLG) on Local Government Investments in England requires that an Annual Investment Strategy be set.
- 4.2 The Council's investment priorities are, in this order:
- security of the invested capital;
 - liquidity of the invested capital;
 - an optimum yield which is commensurate with security and liquidity.
- 4.3 Investments are categorised as 'Specified' or 'Non Specified' investments based on the criteria in the CLG Guidance. Instruments proposed for the Council's use within its investment strategy are contained in Annex 4 and the list of proposed counterparties is shown in Annex 5. The Director of Corporate Resources, 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. Investment activity will be reported to General Purposes Committee as part of the quarterly reports.
- 4.4 With all investments the Council makes there is a risk of default, so the proposed list of investments is prepared to minimise this risk by being selective about the counterparties to be used. They are then subjected to continual monitoring, in conjunction with the Council's treasury management advisers, to ensure that they continue to meet the high standard set. The range of information used to determine creditworthiness is:
- Credit Ratings (minimum long-term A+ for counterparties; AAA for countries)
 - Credit Default Swaps (where quoted)
 - Net Debt as a Percentage of GDP for countries
 - Sovereign Support Mechanisms/potential support from a well-resourced parent institution
 - Share Prices
 - Macro-economic indicators
 - Corporate developments, news and articles, market sentiment.
- 4.5 If the monitoring reveals any concern about a counterparty's creditworthiness, it will be removed from the lending list with immediate effect. In any period of significant stress in the markets, the default position is for investments to be made with the Debt Management Office – either in the Debt Management Account Deposit Facility (DMADF) or UK Treasury Bills. (The rates of interest from the DMADF are below equivalent money market rates, but the returns are an acceptable trade-off for the guarantee that the Council's capital is secure.)

- 4.6 The changes to the list of specified counterparties proposed for 2011/12 are:
- Addition of Nat West and Standard Chartered to the list of UK banks
 - Deposits with non UK banks
- There is also a proposed addition to the list of instruments which can be used:
- UK Treasury Bills issued by the Debt Management Office
- 4.7 The Council's treasury management advisers have recommended the addition of UK banks Standard Chartered and Nat West following an improvement in the ratings of the former and the confirmation of the long term future of the latter within the RBS Group. UK Treasury Bills are issued by HM Treasury's Debt Management Office and so are guaranteed by the UK government. They are proposed for inclusion as they offer a better rate of return than the DMADF, albeit with less flexibility on term, with the same level of security.
- 4.8 In order to provide a wider range of creditworthy counterparties for the Council to invest with, it is proposed to add a limited range of non-UK banks to the Council's lending list. The banks it is proposed to add are all based in AAA rated European countries and have minimum long term credit ratings of A+ and in fact many are more highly rated than the UK banks already on the list.
- 4.9 The UK Bank Rate has been maintained at 0.5% since March 2009, and is anticipated to remain at low levels throughout 2011/12. Short-term money market rates are likely to remain at very low levels for an extended period which will have a significant impact on investment income.
- 4.10 To protect against a prolonged period of low interest rates and to provide certainty of income, 2-year deposits and longer-term secure investments may be considered within the limits proposed for Non-Specified Investments (see Annex 4). If longer-term investments are considered they would include:
- Term Deposits with counterparties rated at least A+ (or equivalent)
 - Supranational Bonds (bonds issued by multilateral development banks): Even at the lower yields likely to be in force, the return on these bonds will provide certainty of income against an outlook of low official interest rates.
- 4.11 The Council has placed an upper limit for principal sums invested for over 364 days, as required by the Prudential Code. 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.

Table 10: Upper Limit for total principal sums invested over 364 days

	2010/11 Approved	2010/11 Projected Actual	2011/12 Estimate	2012/13 Estimate	2013/14 Estimate
	£000	£000	£000	£000	£000
Principal	60,000	0	20,000	20,000	20,000

5. Outlook for Interest Rates

- 5.1 The economic interest rate outlook provided by the Council's treasury management adviser, Arlingclose Ltd, is attached at Annex 3. The Council will reappraise its strategy from time to time and, if needs be, realign it with evolving market conditions and expectations for future interest rates.
- 5.2 The interest rate outlook shows that short term rates are expected to remain significantly lower than long term rates throughout 2011/12. For this reason it is anticipated that cash balances will be kept at a minimum throughout the financial year as the "cost of carry" will be significant for any borrowing taken before capital expenditure is incurred.

6. Balanced Budget Requirement

- 6.1 The Council complies with the provisions of Section 32 of the Local Government Finance Act 1992 to set a balanced budget.

7. MRP Statement

- 7.1 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 (SI 2008/414) place a duty on local authorities to make a prudent provision for debt redemption. Guidance on Minimum Revenue Provision has been issued by the Secretary of State and local authorities are required to "have regard" to such Guidance under section 21(1A) of the Local Government Act 2003.
- 7.2 The four MRP options available are:
 Option 1: Regulatory Method
 Option 2: CFR Method
 Option 3: Asset Life Method
 Option 4: Depreciation Method
- 7.3 MRP in 2011/12: Options 1 and 2 may be used only for supported expenditure. Methods of making prudent provision for self financed expenditure include Options 3 and 4 (which may also be used for supported expenditure if the Council chooses).

- 7.4 It is a requirement for Council to approve the MRP statement before the start of the financial year. If it is ever proposed to vary the terms of the original MRP Statement during the year, a revised statement will be put to Council at that time.
- 7.5 It is proposed the Council will apply Option 1 in respect of supported capital expenditure and Option 3 in respect of unsupported capital expenditure. This is a continuation of current practice. MRP in respect of leases brought onto the Balance Sheet under the IFRS-based Code of Practice will match the annual principal repayment for the associated deferred liability.

8. Monitoring and Reporting

- 8.1 General Purposes Committee will receive a quarterly report on treasury management activity and performance. This will include monitoring of the prudential indicators.
- 8.2 It is a requirement of the Treasury Management Code of Practice that an outturn report on treasury activity is produced after the financial year end, no later than 30th September. This will be reported to General Purposes Committee in advance of Cabinet and Council. Audit Committee will be responsible for the scrutiny of treasury management activity and practices.
- 8.3 Officers monitor counterparties on a daily basis with advice from the Council's treasury management advisers to ensure that any creditworthiness concerns are addressed as soon as they arise. Senior management hold monthly meetings with the officers undertaking treasury management to monitor activity and to ensure all policies and procedures are being followed.

9. Other Issues

- 9.1 Training
CIPFA's Treasury Management Code of Practice requires the Director of Corporate Resources to ensure that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities.
- 9.2 Regular training sessions are arranged for members to keep their knowledge up to date. This included a Treasury Management Strategy training session on 11th January 2011.

9.3 Investment Consultants

The CLG's Guidance on local government investments recommends that the Investment Strategy should state:

"Whether and, if so, how the authority uses external contractors offering information, advice or assistance relating to investment and how the quality of any such service is controlled."

- 9.4 The Council has appointed Arlingclose Limited to provide information and advice about the types of investment the Council should undertake and the counterparties that should be used. Quarterly service review meetings take place to monitor the service and the appointment is formally reviewed in accordance with the Council's Contract Standing Orders.

ANNEX 1

Current and Projected Portfolio Position

	Current Portfolio £000	31 Mar 11 Estimate £000	31 Mar 12 Estimate £000	31 Mar 13 Estimate £000	31 Mar 14 Estimate £000
External Borrowing:					
Fixed Rate – PWLB	460,806	490,806	529,106	530,106	527,706
Fixed Rate – Market	125,005	125,005	125,005	125,005	125,005
Variable Rate – PWLB	20,000	48,000	0	0	0
Variable Rate – Market	0	0	0	0	0
Total External Borrowing	605,811	663,811	654,111	655,111	652,711
Existing long-term liabilities	2,625	2,539	2,442	2,334	2,213
IFRS Long Term Liabilities:					
- PFI	43,026	40,929	38,957	36,884	34,705
- Operating Leases	7,351	6,697	6,010	5,288	4,530
Total Gross External Debt	658,813	713,976	701,520	699,617	694,159
Total Investments	20,000	20,000	40,000	40,000	40,000
(Net Borrowing Position)/ Net Investment position	(638,813)	(693,976)	(661,520)	(659,617)	(654,159)

ANNEX 2

Summary of Prudential Indicators

No.	Prudential Indicator	2011/12		2012/13		2013/14	
CAPITAL INDICATORS							
1	Capital Expenditure	£60,197k		£54,843k		£43,969k	
2	Ratio of financing costs to net revenue stream						
	General Fund	4.95%		4.04%		3.72%	
	HRA	31.90%		29.87%		28.84%	
3	Capital Financing Requirement	£756,511k		£749,411k		£740,567k	
4	Incremental impact of capital investment decisions						
	Band D Council Tax	£1.00		£1.88		£1.95	
	Weekly Housing rents	£0.02		£0.00		£0.00	
TREASURY MANAGEMENT LIMITS							
5	Authorised Limit	£946,879k		£937,349k		£925,938k	
	Operational Boundary	£818,434k		£810,646k		£801,069k	
6	Upper limit – fixed rate exposure	100%		100%		100%	
	Upper limit – variable rate exposure	40%		40%		40%	
7	Maturity structure of borrowing (U: upper, L: lower)	L	U	L	U	L	U
	under 12 months	0%	25%	0%	25%	0%	25%
	12 months & within 2 yrs	0%	25%	0%	25%	0%	25%
	2yrs & within 5 yrs	0%	50%	0%	50%	0%	50%
	5 yrs & within 10 yrs	0%	60%	0%	60%	0%	60%
	10 yrs & within 20 yrs	0%	60%	0%	60%	0%	60%
	20 yrs & within 30 yrs	0%	60%	0%	60%	0%	60%
	30 yrs & within 40 yrs	0%	60%	0%	60%	0%	60%
	40 yrs & within 50 yrs	0%	60%	0%	60%	0%	60%
	50 yrs & above	0%	60%	0%	60%	0%	60%
8	Sums invested for more than 364 days	£20,000k		£20,000k		£20,000k	
9	Adoption of CIPFA Treasury Management Code of Practice	√		√		√	

ANNEX 3

Arlingclose's Economic and Interest Rate Forecast

	Dec-10	Mar-11	Jun-11	Sep-11	Dec-11	Mar-12	Jun-12	Sep-12	Dec-12	Mar-13	Jun-13
Official Bank Rate											
Upside risk	-	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	0.50	0.50	0.50	0.75	1.00	1.25	1.50	2.00	2.50	2.75	2.75
Downside risk	-	-	-	- 0.25	- 0.50	- 0.50	- 0.50	- 0.50	- 0.50	- 0.50	- 0.50
1-yr LIBID											
Upside risk	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	1.50	1.75	2.00	2.25	2.50	2.75	3.00	3.25	3.50	3.50	3.50
Downside risk	- 0.25	- 0.25	- 0.25	- 0.25	- 0.50	- 0.50	- 0.50	- 0.50	- 0.50	- 0.50	- 0.50
5-yr gilt											
Upside risk	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	2.00	2.25	2.75	3.25	3.50	3.75	4.00	4.00	4.00	4.00	4.00
Downside risk	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25
10-yr gilt											
Upside risk	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50
Central case	3.50	3.75	3.75	4.00	4.25	4.50	4.75	4.75	4.75	4.75	4.75
Downside risk	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25
20-yr gilt											
Upside risk	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.50
Central case	4.25	4.50	4.75	5.00							
Downside risk	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25
50-yr gilt											
Upside risk	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Central case	4.25	4.25	4.50	4.75	4.75	4.75	4.75	4.50	4.50	4.50	4.50
Downside risk	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25	- 0.25

Arlingclose's comments and assumptions

- The recovery in growth is likely to be slow, uneven and more "Square root" than "V" shaped.
- The initial reaction to the Comprehensive Spending Review is positive but implementation risks remain.
- The path of base rates reflects the fragility of the recovery and the significantly greater fiscal tightening of the emergency budget. With growth and underlying inflation likely to remain subdued, the Bank will stick to its lower for longer stance on policy rates.
- Gilts will remain volatile as the growth versus headline inflation debate escalates.

Specified and Non Specified Investments

Specified Investments identified for use by the Council

Specified Investments are those that meet the criteria in the CLG Guidance, i.e. the investment

- is sterling denominated.
- has a maximum maturity of 1 year.
- meets the “high credit quality” definition as determined by the Council or is made with the UK government or is made with a local authority in England, Wales, Scotland or Northern Ireland or a parish or community council.
- 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).

“Specified” Investments identified for the Council’s use are:

- Deposits in the DMO’s Debt Management Account Deposit Facility
- Deposits with UK local authorities
- Deposits with banks and building societies
- AAA-rated Money Market Funds with a Constant Net Asset Value
- Treasury-Bills (T-Bills)
- *Certificates of deposit with banks and building societies
- *Gilts: (bonds issued by the UK government)
- *Bonds issued by multilateral development banks

** Investments in these instruments would only be undertaken on advice from the Council’s treasury management adviser.*

For credit rated counterparties, the minimum criteria will be the lowest equivalent short-term and long-term ratings assigned by Fitch, Moody’s and Standard & Poor’s (where assigned).

Long-term minimum: A+ (Fitch); A1 (Moody’s); A+ (S&P)

Short-term minimum: F1 (Fitch); P-1 (Moody’s); A-1 (S&P)

The Council will also take into account the range of information on investment counterparties detailed in section 4.4.

Specified investments will be made within the limits detailed in the following table. The limits stated will apply across the total portfolio operated by the Council and so incorporate both Council and Pension Fund specific investments.

Instrument	Country/ Domicile	Counterparty	Maximum Counterparty Limits £m	Maximum period of investment*
Term Deposits	UK	Debt Management Account Deposit Facility (DMADF), Debt Management Office (DMO)	No limit	6 months
Gilts	UK	Debt Management Office (DMO)	No limit	364 days
T-Bills	UK	Debt Management Office (DMO)	No limit	6 months
Term Deposits/ Call Accounts	UK	Other UK Local Authorities	£30m per local authority	364 days
Term Deposits/ Call Accounts/ Certificates of Deposit	UK	Counterparties rated at least A+ Long Term and F1 Short Term (or equivalent)	£20m per bank or banking group	364 days
Term Deposits/ Call Accounts/ Certificates of Deposit	Non-UK	Counterparties rated at least A+ Long Term and F1 Short Term (or equivalent) in European countries** with a Sovereign Rating of at least AAA from all three credit rating agencies.	£15m per bank or banking group	6 months
Bonds issued by multilateral development banks	Non-UK	Counterparties rated AAA in which the UK is a shareholder	£15m per counterparty	364 days
AAA-rated Money Market Funds	UK/Ireland/ Luxembourg domiciled	Constant Net Asset Value Money Market Funds (MMFs)	£20m per MMF***; Group limit £100m	Instant Access

* The limits for the period of investment are the maximum for the categories of counterparties. Lower operational limits will apply if recommended following a review of creditworthiness.

** Investments in any one country's banks will be limited to a maximum of 10% of the total investments at the time of investment, excluding the UK.

*** Limit per MMF to be no more than 0.5% of the Money Market Fund's total assets.

Non-Specified Investments proposed for use by the Council

Non-specified investments are those which do not meet the criteria for specified investments. The non-specified investments which it is proposed the Council will consider are investments for longer than one year with the same counterparties as specified investments. None of these will constitute capital expenditure. Non-specified investments will form a maximum of 50% of the total portfolio at any time.

	In-house use	Maximum maturity	Capital expenditure?
<ul style="list-style-type: none"> ▪ Term Deposits with UK banks and building societies ▪ Certificates of Deposit with UK banks and building societies 	✓	5 years	No
<ul style="list-style-type: none"> ▪ Gilts ▪ Bonds issued by multilateral development banks 	✓ (on advice from treasury adviser)	5 years	No

In determining the period to maturity of an investment, the investment should be regarded as commencing on the date of the commitment of the investment rather than the date on which funds are paid over to the counterparty.

ANNEX 5

Lending List of counterparties for investments

This is the proposed list of counterparties which the Council can lend to. The list will be kept under constant review and counterparties removed if the process described in 4.4 and 4.5 raises any concerns about their credit worthiness.

Instrument	Country/ Domicile	Counterparty	Maximum Counterparty Limit £m
Gilts, Treasury Bills, Term Deposits	UK	Debt Management Office (Term deposits with Debt Management Account Deposit Facility DMADF)	No limit
Term Deposits	UK	Other Local Authorities	£30m per local authority
Term Deposits/ Call Accounts/ Certificates of Deposit	UK	Santander UK Plc (Banco Santander Group)	20
Term Deposits/ Call Accounts/ Certificates of Deposit	UK	Bank of Scotland (Lloyds Banking Group)	20
Term Deposits/ Call Accounts/ Certificates of Deposit	UK	Lloyds TSB (Lloyds Banking Group)	20
Term Deposits/ Call Accounts/ Certificates of Deposit	UK	Barclays Bank Plc	20
Term Deposits/ Call Accounts/ Certificates of Deposit	UK	Clydesdale Bank (National Australia Bank Group)	20
Term Deposits/ Call Accounts/ Certificates of Deposit	UK	HSBC Bank Plc	20
Term Deposits/ Call Accounts/ Certificates of Deposit	UK	Nationwide Building Society	20
Term Deposits/ Call Accounts/ Certificates of Deposit	UK	NatWest (RBS Group)	20

Instrument	Country/ Domicile	Counterparty	Maximum Counterparty Limit £m
Term Deposits/ Call Accounts/ Certificates of Deposit	UK	Royal Bank of Scotland (RBS Group)	20
Term Deposits/ Call Accounts/ Certificates of Deposit	UK	Standard Chartered Bank	20
Term Deposits/ Call Accounts/ Certificates of Deposit	Finland	Nordea Bank	15
Term Deposits/ Call Accounts/ Certificates of Deposit	France	BNP Paribas	15
Term Deposits/ Call Accounts/ Certificates of Deposit	France	Credit Agricole CIB (Credit Agricole Group)	15
Term Deposits/ Call Accounts/ Certificates of Deposit	France	Credit Agricole SA (Credit Agricole Group)	15
Term Deposits/ Call Accounts/ Certificates of Deposit	France	Société Générale	15
Term Deposits/ Call Accounts/ Certificates of Deposit	Germany	Deutsche Bank AG	15
Term Deposits/ Call Accounts/ Certificates of Deposit	Netherlands	ING Bank NV	15
Term Deposits/ Call Accounts/ Certificates of Deposit	Netherlands	Rabobank	15
Term Deposits/ Call Accounts/ Certificates of Deposit	Sweden	Svenska Handelsbanken	15

Instrument	Country/ Domicile	Counterparty	Maximum Counterparty Limit £m
Term Deposits/ Call Accounts/ Certificates of Deposit	Switzerland	Credit Suisse	15
Money Market Funds	Ireland	BlackRock Institutional Sterling Liquidity Fund	20
Money Market Funds	Ireland	BlackRock Institutional Sterling Government Liquidity Fund	12
Money Market Funds	Ireland	Goldman Sachs Liquid Reserves Fund	20
Money Market Funds	Ireland	Henderson Global Investors Liquid Assets Sterling Fund	15
Money Market Funds	Ireland	Invesco Short Term Investments Company Sterling Liquidity Portfolio	5
Money Market Funds	Luxembourg	J.P. Morgan Asset Management Sterling Liquidity Fund	20
Money Market Funds	Ireland	RBS Global Treasury Fund - Sterling	20
Bonds	European Union	European Investment Bank	15
Bonds	European Union	European Bank for Reconstruction and Development	15
Bonds	Worldwide	International Bank for Reconstruction and Development (the World Bank)	15



Haringey Council

Agenda item

[No.]**Cabinet****On 25 January 2011**

Report Title: **Delivering an Early Years Single Funding Formula for Haringey**

Report authorised by : **Peter Lewis, Director, Children and Young People's Service**

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Wards(s) affected: All

Report for: Key Decision

1. Purpose of the report

1.1 To recommend an Early Years Single Funding Formula for Haringey following consultation with partners. The proposed formula will be presented to the Schools Forum on 17th January 2011 and its view will be made available to the Cabinet.

1.2 The Early Years Single Funding Formula (EYSFF) is a statutory requirement from April 2011. The government intends it to be a transparent and equitable formula that funds the free entitlement of all three and four year olds in both the maintained and non-maintained sectors. It is expected to address the current differences in the funding levels and arrangements between the two sectors. The EYSFF will replace the different funding mechanisms currently in place for nursery schools, nursery classes in maintained schools, children's centres and provision in the Private, Voluntary and Independent (PVI) sector.

1.3 The free entitlement is a universal benefit of 15 hours per week provision over at least 38 weeks per year.

- 1.4 The Schools Forum must be consulted on the implementation of the EYSFF. In Haringey this has been fulfilled by the EYSFF Project Board consisting of representatives from Primary and Nursery Schools, Children's Centres, the PVI sector and Trade Unions.
- 1.5 Cabinet received a report on the EYSFF on 16th November 2010 and consultation with partners took place in Autumn 2010 and the outcome of the consultation is reflected in the proposed methodology for operating the formula.
- 1.6 Cabinet are asked to agree the recommended formula, taking account of feedback from the Schools Forum meeting of 17th January 2011. If necessary, a further report will be presented to Cabinet at its meeting of 8th February 2011 if any further refinement of the formula is necessary to ensure that this meets the needs of Haringey children and families. The formula will be implemented in April 2011 in accordance with the relevant regulations.

2. Introduction by Cabinet Member

- 2.1 The adoption of the Single Funding formula is a statutory requirement. There has been considerable consultation with providers and with the Schools Forum and the report reflects that consultation.
- 2.2 The underlying principles on which the elements of the formula are based are aimed at achieving good quality care across the borough and targeting resources in a way that ensures the best outcomes for all children by compensating for deprivation and disadvantage where necessary.
- 2.3 The history of early years provision in maintained settings in Haringey, the distinct geographical divide between more and less deprived areas and the inequities in the national distribution of resources which results in a significant under funding in Haringey, have all made it particularly difficult to come up with a formula which ensures there is universal provision while also targeting the children most in need.

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

- 3.1 The introduction of the EYSFF is aligned to a number of key council priorities and to the Draft Early Years Policy. The EYSFF is a statutory requirement to apply a single funding formula to both the maintained and non-maintained sector and will lead to a redistribution of resources between sectors and areas.
- 3.2 The EYSFF reflects the Council vision set out in strategic priority 3 to "Encourage lifetime well being". The proposals address this priority by seeking to ensure there is equitable payment for all providers who are delivering to the highest possible quality. Once funding for the universal entitlement has been met remaining resources will be targeted at our more disadvantaged families.

In addition, the introduction of the Formula links to the Children and Young People's Plan 2009 - 2020 priorities set out below;

Priority 1 – to improve health and well-being throughout life

Priority 3 – to improve safeguarding and child protection

Priority 4 – develop positive human relationships and ensure personal safety

Priority 5 – develop sustainable schooling and services with high expectations of young people

Priority 6 – engender lifelong learning for all across a broad range of subjects both in and out of school

Priority 10 – Empower families and communities

3.3 The programme also links with the Council's Sustainable Community Strategy - 2007-2016, in particular the outcomes;

- Economic vitality and prosperity shared by all
- Safer for all
- Healthier people with a better quality of life.

3.4 The programme has clear links to the Council's Child Poverty Strategy and Action Plan 2008-2011, namely;

Objectives 1: Addressing worklessness and increasing parental employment in sustainable jobs

Objective 2: Improving the take-up of benefits and tax credits

Objective 3: Reducing educational attainment gaps for children in poverty

4. Recommendations

4.1 That the Early Years Single Funding Formula set out in Appendix 1 is agreed.

4.2 That the transitional and payment arrangements set out in Sections 2 and 3 of Appendix 1 are agreed.

4.3 That the EYSFF is kept under review to ensure it is fit for purpose.

5. Reason for recommendations

5.1 Early indications are that greater targeting of resources will be central to the Government's future policy for early years and childcare. The Haringey draft Early Years policy is intended to ensure that services are of the highest quality and are targeted at the most disadvantaged so that outcomes for children are improved.

5.2 The EYSFF Project Board has involved a wide range of services and interested parties and the Board has discussed all aspects of the proposed policy and formula. The Council consulted with partners during the autumn and the proposed formula reflects feedback from the consultation.

5.3 The proposed rates reflect the suggested relative distribution of resources. Funding for the EYSFF will come through the Dedicated Schools Grant (DSG). The per pupil funding element of the DSG was announced on 13 December

2010 but the Council's allocation will not be known until the result of the late January pupil counts are known. Final confirmation by the DfE will not be given until June 2011 following a data checking exercise. Therefore, Cabinet are asked to agree the provisional methodologies that have been used to arrive at a proposed formula.

6. Other options considered

6.1 The previous government originally proposed implementation of the EYSFF from April 2010 but, following a number of concerns, announced in January 2010 its deferment for a year. The present government recently confirmed the statutory requirement to implement the EYSFF in April 2011.

6.2 The implementation of the EYSFF is therefore a statutory requirement but there is local discretion on the detail of the formula other than it must contain a deprivation supplement. The formula is necessarily a compromise between funding the universal provision for all three and four year olds and the targeting of resources at the most needy. This is particularly difficult given the history of early years provision in maintained settings in Haringey, the distinct geographical divide between more and less deprived areas and the inequities in the national distribution of educational resources which results in a significant under funding in Haringey. These issues were pointed out to the Secretary of State in a letter from the Schools Forum. The formula supports, as far as possible, the delivery of our draft Early Years Policy and our priority of ensuring that resources are targeted to those in greatest need.

6.3 Further support could be targeted at deprivation but at the risk to the funding of the universal entitlement with the danger of losing provision in the non-maintained sector, which provides for approximately 30% of children accessing the free entitlement. The EYSFF therefore reflects the obligation to have sufficient places but without the government addressing the historical funding difficulties that Haringey faces.

7. Summary

7.1 This report sets out the recommended Early Years Single Funding Formula to be implemented in April 2011. The Schools Forum must be consulted on the process for operating the EYSFF and Members are asked to agree the proposals put forward in this report, subject to the recommendations of the Schools Forum of 17th January 2011.

7.2 The formula comprises a number of base rates which reflect the main costs of providing the free entitlement within the different types of settings e.g. variations in pay rates, contact ratios and support costs are taken into account. The base rate is augmented by a number of supplements which reflect fundamental differences in the cost of providing the free entitlement or to prioritise expenditure in line with the Council's Early Years Policy; in this way quality, flexibility in provision and deprivation are particularly recognised.

7.3 The EYSFF will replace a number of disparate funding arrangements such as

payments to PVI providers based broadly upon the previous Nursery Education Grant which paid providers at a single hourly rate and the arrangements for Nursery Schools and Nursery Classes which were previously part of the Haringey Formula for Financing Schools.

- 7.4 The Council has an obligation to take into account the sustainability of all settings in its formula. The government has identified maintained nursery school provision as a particular area where per pupil costs are high and which are therefore susceptible to becoming unsustainable where participation is low. The government requires local authorities to ensure that nursery schools do not close as a direct result of the new formula.

8. Chief Financial Officer Comments

- 8.1 It is a statutory requirement that the Council implements the EYSFF from April 2011. The EYSFF will determine how the Council distributes the agreed funding between providers.
- 8.2 The funding will come from the ring-fenced Dedicated Schools Grant (DSG), which in 2011-12 will include the former Flexible Entitlement (formerly Pathfinder) Grant. The level of resource allocated to the EYSFF will be a decision for the Cabinet, in consultation with the Schools Forum.
- 8.3 The Cabinet may decide, in consultation with the Schools Forum, to prioritise DSG spending on the EYSFF and maintain or increase 2010-11 funding levels. This would be at the expense of other priorities within the DSG, such as the Inclusive Learning Campuses. The Forum will consider this as part of the DSG Strategy for 2011-12 at its 17th January meeting.

9. Head of Legal Services Comments

- 9.1 The Head of Legal Services has been consulted on the content of this report. The recommendations and content meet the requirements of the framework established by the Department for Education arising from Section 202 of the Apprenticeships, Skills, Children and Learning Act 2009.

10. Equalities and Community Cohesion Comments

- 10.1 An Equalities Impact Assessment (EIA) has been conducted on the implications of the Early years Single Funding Formula consulted on. The EYSFF does not in itself provide more resources – it is a means of distributing existing resources. There are more PVI settings in the West of the Borough and therefore the EYSFF, which requires money to follow the child, will redirect resources away from East of the Borough where a higher proportion of the maintained nursery settings and children from deprived backgrounds are located. The formula contains elements that will ensure that the most vulnerable attract additional resources, but this in itself will not prevent the redistribution mentioned without additional resources being provided.
- 10.2 The funding formula has been revised since the EIA assessment was undertaken. The redistribution of funding to the non-maintained sector has been reduced and the deprivation supplement has been more finely targeted at the most needy by using the weighting the Index of Multiple Deprivation for

individual children rather than for settings and by reducing the weighting of the least deprived quartile to zero.

10.3 The families who face the greatest barriers to social inclusion are those who are least likely to access the benefits and services to which they are entitled. The lower levels of take-up of free funded early education and childcare from ethnic minority groups and from the most socio-economically deprived communities contributes to the widening gap in achievement and aspiration as children move through the school system. The history of early years provision in Haringey, the distinct socio-economic divide within the borough and the funding inequalities arising from the Area Cost Adjustment, cause specific issues that have been raised with the Secretary of State for Education, see Appendix 4.

10.4 Therefore the proposed EYSFF deprivation component comprises two factors – the Index of Multiple Deprivation and the location of ethnic minority groups in the community. This means that a proportion of funding is directed to the provision that meets the needs of the most deprived or at risk of low attainment.

10.5 We propose to centralise the targeted childcare places which have been historically allocated to specific primary and nursery schools and Children's Centres so that we can ensure that these places are allocated to the children most in need. This will assist in the mitigation of the migration of resources from the areas of greatest disadvantage.

10.6 In addition, in the event that headroom is available i.e. funding over and above that necessary to meet the proposed rates and transitional arrangements, we recommend that this is distributed through the deprivation factor.

11. Consultation

11.1 Substantial work took place in developing the EYSFF in the lead up to the original implementation date of April 2010. We distributed consultation documents to a wide range of stakeholders including providers from the maintained, private, voluntary and independent (PVI) sector, head teachers and governing bodies, giving the opportunity to provide written feedback. Further written consultation took place with the same stakeholders in autumn 2010.

11.2 The complex nature of the proposals and the variety of consultees made it a challenging consultation to undertake.

11.3 To aid understanding, consultation events were held in December 2009, January 2010 and November and December 2010.

11.4 The EYSFF has been reviewed in the light of the comments received from

these consultation exercises.

- 11.5 The Schools Forum was consulted on the proposed formula on 11th November 2010. The Forum agreed the following motion in response to the EYSFF.

Haringey Schools forum is seriously concerned at the potential impact of the EYSFF as set out in the Equalities Impact Assessment which suggests that:

1. It will lead to a greater proportion of resources in the West Network
2. It will bring a greater investment to already advantaged communities.
3. It will significantly reduce funding to Nursery Schools and Nursery Classes.
4. It will reduce the Council's capacity to use childcare as a key lever in mitigating the effects of poverty.

We note the intention to introduce a deprivation factor to mitigate these effects.

However because of current uncertainties of funding we do not know whether there are sufficient resources for the deprivation factor to cancel out the adverse equalities impact without top slicing the DSG and thereby reducing all school budgets. We note that the EYSFF implies a development of service but that this development has not been fully funded. We request that unless this development is fully funded it does not proceed.

We therefore agree to raise these concerns about the implementation of the EYSFF with local M.P's, with government and other Local Authorities, whilst recognising our commitment to improve outcomes for all children and maintain the sustainability of all settings.

- 11.6 A letter was sent to the Secretary of State for Education raising the Forum's concerns. The letter and the response received are attached as Appendix 4.

12. Service Financial Comments

- 12.1 The introduction of the EYSFF is a statutory requirement and replaces existing early years funding allocations for maintained settings (nursery classes in primary schools, nursery schools and some elements of Children Centres) and Private, Voluntary and Independent settings. Funding for the former weekly free entitlement of 12.5 hours of early years provision was provided from the ring-fenced Dedicated Schools Grant (DSG). In the current financial year there is also a specific grant, the flexible entitlement grant, covering the extension of the free entitlement to 15 hours over 38 weeks. This will be incorporated within the DSG in 2011/12.
- 12.2 In the current financial year, the resource allocated to support the free entitlement amounts to c£11.5m and is funded primarily from the DSG. The DfE has set the indicative DSG for 2011/12 at the same per-pupil cash sum

as 2010-11 and this therefore represents a cut in real terms. The EYSFF and other developments, such as the Inclusive Learning Campuses, will therefore need to be funded from reduced resources. The introduction of the Pupil Premium will benefit those schools that have high levels of deprivation but will not directly affect the EYSFF. The introduction of a negative Minimum Funding Guarantee will allow some scope in deciding how resources are to be allocated in 2011-12. It will be a decision for the Cabinet, in consultation with the Schools Forum, on the level of resources to be allocated for the EYSFF. The rates set out in the appendices are therefore indicative and will be confirmed once the funding available has been agreed.

13. Use of appendices /Tables and photographs

Appendix 1 Early Years Single Funding Formula
 Appendix 2 Formula Exemplifications
 Appendix 3a Written Response to autumn 2010 Consultation
 Appendix 3b Response to autumn 2010 Workshops
 Appendix 4a Letter to Secretary of State for Education
 Appendix 4b Response

14. Local Government (Access to Information) Act 1985

Not Applicable

15. Report

Background

- 15.1. The introduction of an Early Years Single Funding Formula in April 2011 is a statutory requirement. The formula should be a single, transparent and equitable way of funding the free entitlement of all three and four year olds to early years education. The funding will apply to any setting providing the free entitlement, whether in the maintained or non-maintained sectors. The funding formula should reflect the different costs faced by the different groups of settings.
- 15.2. A previous report on the EYSFF was presented to Cabinet on 16th November 2010, before the conclusion of the consultation with stakeholders. This report incorporates the outcome of the consultation and recommends the formula to be implemented, subject to the view of the Schools Forum.

Consultation – Autumn 2010

- 15.3. This was the second round of consultation. Over 300 stakeholders were consulted and the written responses by sector are shown in the following table.

Setting	Responses
PVI	12
Primary Schools	26
Nursery Schools	3
Total	41

- 15.4. In addition, four workshops were held, one for primary schools, two for PVI settings and one open meeting. In the last three, 30 representatives from 25 PVI settings, 3 Children Centres and 5 primary schools attended.
- 15.5. An analysis of the points raised is included as Appendix 3. The following paragraphs summarise the significant issues and the action proposed to address them.
- 15.6. The majority of responses from all sectors said that the hourly rates used understated those they actually faced. Rates for the maintained sector have been updated to address these concerns; those for the PVI are in the process of being updated. The funding for this increase will come from the reduced flexibility supplement and the profit supplement.
- 15.7. The major concern reflected in responses from the primary school sector was the difficulty of providing flexibility. Flexibility is a significant element in the government's approach to early years provision but there is no requirement on individual providers to offer this. There is also no statutory requirement to have a flexibility supplement. A sizable element of funding was targeted through this supplement and it is clear that to continue with this in its present form would remove further resources from school nursery classes. It is therefore proposed that the size of the flexibility supplement be reduced, with the majority of the funding being directed through the basic hourly rates to reflect the issues explored in paragraph 16.5. A flexibility factor will be retained for those settings, mostly in the Private, Voluntary and Independent (PVI) sectors, that are facing additional costs because of their offer of a flexible entitlement.
- 15.8. The consultation responses supported differentiation of premises costs for PVI settings, although one response from the nursery school sector doubted the existence of sufficiently detailed information to allow this. A concurrent exercise to obtain information from the PVI sector on premises costs yielded a poor response with only 8 replies. Further work is continuing to obtain this data, but the default position is to apply a flat rate per hour as exemplified in the consultation.

- 15.9. Two of the consultation questions were specific to nursery school funding. Nursery schools currently have high per-pupil funding compared to other sectors because of the more specialised service they provide and have a higher risk of becoming unsustainable; the previous government issued guidance that they expected the formula to maintain the sustainability of nursery schools. One question concerned a reduction in the contact ratio from 1:13 to 1:10 to reflect the quality of provision and the different statutory ratios that applied at different times of the day. Responses were almost entirely opposed to this, comments indicated that the reasoning behind the proposal could in future apply to all sectors and we do not propose to pursue this. The second question related to a lump sum element for nursery schools and a much lower hourly rate than that consulted on. There was a mixed response to this; responders from the non-maintained sector pointed out that many PVI settings faced similarly high per-pupil overheads and risks of unsustainability. Responses from primary schools included a view that this might be justified in recognising differential provision and levels of deprivation. We are proposing to introduce a lump sum based on the Minimum Basic Allocation with a corresponding reduction in hourly rates.
- 15.10. Twenty-three places in nursery schools were identified as specifically reserved for children with Special Educational Needs (SEN). These will form part of the longer-term review of full time places but for 2011-12 it is recommended that these continue as planned places reserved for SEN Panel allocations.
- 15.11. The proposed 'Profit Supplement' was supported by the PVI sector, but was strongly opposed by the maintained sector. This supplement is allowed by government guidance and is to reflect that some PVI settings exist to make a profit. It can also be seen as a supplement to recognise that, in some settings, the free entitlement is provided at below cost and that this loss is recouped from fees; for such settings, the increase in the free entitlement from 12.5 to 15 hours extended the loss-making element and reduced the time available to recoup this loss. We propose not to continue with this as a supplement but to incorporate it within the basic hourly rate see 16.5.
- 15.12. Some responders from primary schools questioned the application of a deprivation supplement to the PVI sector. A deprivation supplement is the only mandatory requirement and must be applied to all sectors. However, the detail of the supplement is a local decision and the consultation proposed applying a weighting to the average Index of Multiple Deprivation (IMD) for a setting. The weighting would fall into four bands ranging from one for settings in the least deprived quartile to four for those in the most deprived. Responses both through and outside the consultation questioned why a setting serving the least deprived should have any weighting. Whilst this proposal is understandable it would lead to a child from a very deprived area not attracting additional funding if the average IMD for the setting they attend puts it in the lowest quartile. A way to address concerns about the weightings but to still ensure all children from deprived areas are supported is to apply the weighting to the individual child, with the revised weightings ranging from 0 to 4.

Resources

15.13. The resource available for the free entitlement in 2010-11 was £11.5m. The estimated provision of the remaining flexibility supplement, VAT and quality supplement is £0.35m, leaving £11.15m for the remaining formula elements at current resource levels. For 2011-12, all of this resource is now within the Dedicated Schools Grant (DSG). The DSG has continued at the same per pupil rate as in 2010-11, which represents a fall in real terms. The decision on the resource for the EYSFF rests with Cabinet following consultation with the Schools Forum.

Early Years Single Funding Formula

15.14. The recommended formula is set out in Appendix 1 and exemplified in Appendix 2.

Recommendations

15.15. That the Early Years Single Funding Formula set out in Appendix 1 is agreed.

15.16. That the transitional and payment arrangements set out in Sections 2 and 3 of Appendix 1 are agreed.

15.17. That the EYSFF is kept under review to ensure it is fit for purpose.

Early Years Single Funding Formula .

The proposed EYSFF consists of

- **base rate**, covering the main costs of providing the free entitlement, and
- **supplements** to reflect different levels of deprivation, hours of opening etc in different settings.

1.1. Base Rate

The Base rate is the sum of the following factors.

- 1.1.1. **Basic Hourly Rate.** The basic hourly rate, incorporates funding for:
- Direct staffing costs, this takes account of the relative pay rates in the different sectors for teachers, lead and support workers and the contact ratios in the different sectors. Contact ratios are dependent on the qualification of those providing services¹. It also takes account of the need for direct contact staffing at all times and of the need to fund National Insurance and employers pension contributions.
 - Indirect staffing costs, this recognises the costs of management, administration and Planning, Preparation and Assessment (PPA) time. This will be covered by the lump sum for nursery schools.
 - Learning Resources, provision for this has been made at £102 per child per year. We have recognised that unrecoverable VAT may be an issue for some settings and we have reflected this in the VAT supplementary rate below.
 - Premises costs, for nursery classes based in maintained primary schools these are covered by the premises allocation in the schools' funding formula so, following the principle of not double funding settings, these have not been included for those settings in the costs for the single funding formula. Children Centres premises costs are similarly paid via the Children's Centre Formula allocation and so are also not included. A flat rate allocation of £0.42 per hour for PVI settings, based on formula allocations in maintained schools, is proposed unless we are able to obtain sufficient data from PVI settings to replace this with more targeted funding.

¹ The Statutory guidance for the EYFS gives the minimum requirement of staff to children in all settings for different ages.

Between 8am and 4pm where a suitably qualified teacher or Early Years Professional is employed there should be a ratio of at least 1 adult to 13 children. Within maintained schools it is a requirement that a teacher is employed to work within each EYFS class.

In settings that are not maintained schools and where there is no teacher or Early Years Professional there should be a minimum ratio of 1 adult to 8 children at all times. There should always be at least 1 member of the staff group who is qualified to at least NVQ level 3 in childcare and 50% of the rest of the group qualified to at least NVQ level 2

In Haringey it has been the practice to provide a ratio of 1 adult to 10 children within the nursery schools to support high quality.

1.1.2. **Basic rate by setting.** The basic rate reflects the differential costs encountered by different types of settings. These are illustrated in Appendix 2a, please note that these are indicative and we will update them to reflect price changes and the resources available for the EYSFF in 2011/12. The setting groups used are:

1. Small PVIs with between 1 and 16 children per 3 hour session;
2. Mid-range PVIs with between 17 and 24 children per session;
3. Large PVIs with 25 or more children per session;
4. Children's Centres;
5. Maintained school nursery classes;
6. Maintained nursery schools.

NB All children must be aged 3 or 4 and qualify for the free entitlement for the purpose of these calculations.

1.1.3. **Graduate Leader costs** - the quality supplement is to recognise the need to contribute towards the additional costs of PVI settings with graduate leaders; the basic rate for maintained settings already reflects the cost of teachers.

1.1.4. **Childminders.** This is a developing area for funding the free entitlement. Childminders must be qualified to at least NVQ level 3 and accredited with the LA through a quality network in order to take part in the scheme. A network is being piloted within the LA which will be reviewed and then developed during 2011. Information from the DfE² and from neighbouring authorities identify hourly base rates, excluding supplements, ranging from a lower quartile of £3.25 to an upper quartile of £3.73. We propose to include childminders in our proposed formula for settings with 1 to 32 children, which provides for £3.85 per hour.

1.2. Supplements

The following supplements are proposed:

1.2.1. Deprivation Supplement.

This is based on the following two factors:

- i. Sixty percent is distributed with reference to the Index of Multiple Deprivation (IMD) for the home address of children at each setting. The IMD for each child will place him or her into one of four bands. Each band is allocated one of the following weightings:

² DfE recently published report 'Early Years Pathfinder Formula Analysis'

Band	Level of Deprivation	Weighting
1	Least deprived	0
2		1
3		2
4	Most deprived	4

- ii. Forty percent is allocated with reference to the number of children from targeted underachieving ethnic groups.

1.2.2. Quality Supplement

1.2.2.1. A quality supplement is provided to PVI settings (who do not receive the higher level of funding provided to schools to employ teachers or school funding for training). The supplement is designed to help improve all settings from satisfactory to good when inspected by Ofsted or from bronze to silver in our local Quality Improvement Accreditation Scheme. A further supplement will be paid to recognise the cost of continuing to deliver high quality provision and to recognise the additional cost when a graduate leader is employed.

1.2.2.2. The following extract sets out the Accreditation Scheme in more detail

The Haringey Quality Improvement Accreditation Scheme has been created to run alongside the EYSFF to support settings to improve. Those settings that achieve accreditation at bronze level will be invited to work with the Authority to improve their provision with the aim of achieving a silver level accreditation the next year. A quality supplement will be paid to the setting, subject to resources being available, once an action plan with timescales has been agreed with their Advisory Teacher.

1.2.3. Flexibility Supplement.

1.2.3.1. We know from research that 3 and 4 year old children benefit most from attending regular 2-3 hour nursery education sessions every day. If these sessions are extended to a full day there is no difference in educational outcomes for the child. If the sessions are taken in blocks across fewer days then the outcomes for the child are not so good.

1.2.3.2. However, the needs of the parents and family and their economic status also have an impact on the development of children. The Government, therefore requires Local Authorities to provide parents with a flexible offer of provision for the education of 3 and 4 year olds

1.2.3.3. A flexibility supplement based on providing a top up to the basic rate direct staff cost for those settings offering a flexible entitlement. The local definition of flexibility is:

1. 3 hours a day over 5 days per week, taken with two providers
2. Free entitlement taken over a minimum of 3 days per week
 - a. 5 hours +5 hours + 5hours
 - b. 6 hours + 6 hours + 3 hours
 - c. 3 hours +3 hours +3 hours+ 6 hours
3. Free entitlement taken over a full year instead of term time only, for example.
 - a. Over 48 weeks – 11.8 hours per week
 - b. Over 50 weeks – 11.4 hours per week

1.2.3.4. The flexibility supplement will be £0.5 per hour.

1.2.4. **VAT Supplement.** We need to ensure equity between those settings able to recover VAT and those that cannot. The original proposal was a supplementary hourly rate of £0.07 for the settings who cannot recover VAT based on the prevailing rate of 17.5%. The increase in VAT rates to 20% in January 2011 it is proposed to increase the supplement to £0.08 to maintain parity.

1.3. Other considerations within the formula

1.3.1. **Nursery School Formula.** The three nursery schools provide a specialised service and have a higher risk of becoming unsustainable. The formula provides a lump sum element, based on that previously applied through the Minimum Basic Allocation. The formula will also continue to fund the Special Educational Needs places previously provided, these will be earmarked for SEN Panel allocations. In the longer term, these will be part of the review of full-time places.

1.3.2. **Full-Time Places.** We are reviewing the use of the existing Full Time (FT) places in maintained settings. In the meantime, we will use a full time supplement to fund the existing distribution of places.

2. Sustainability, the Minimum Funding Guarantee and Transitional Arrangements.

Introduction

- 2.1. The Local Authority has a duty to provide sufficient flexible childcare places to meet parental demands. The regulations governing the EYSFF make it clear that funding must, other than in exceptional circumstances, be based on participation and not planned places.
- 2.2. In some instances, there may be a need to provide or maintain places in areas to meet demand that is not financially sustainable on the basis of a simple application of the EYSFF as it currently stands.
- 2.3. In addition, there is a general recognition that implementing formula changes, particularly where additional resources cannot be guaranteed, results in settings that gain or lose money (turbulence). In order to allow settings to manage these changes on a sensible and planned basis transitional arrangements are normally provided. The following paragraphs identify the approach in these areas.

Sustainability

- 2.4. The Authority has an obligation to take into account the sustainability of all settings and is proposing to retain resources that can be targeted on particular settings, outside of the EYSFF, where provision needs to be maintained but where the formula fails to deliver sufficient resource. This approach would apply equally to all settings. In considering what resources would be allocated from this source account would need to be taken of the need to maintain a setting in a particular area and the extent to which further financial support was appropriate given the settings obligation to operate efficiently.
- 2.5. The government has identified maintained nursery school provision as an area where per pupil costs are high and which are therefore susceptible to becoming unsustainable where participation is low. LAs are required to ensure that they do not close as a direct result of the new formula.
- 2.6. In all settings, there is clearly a balance between recognising the on-going need for provision in an area and not maintaining provision that represents poor value for money.
- 2.7. Currently playgroups are awarded sustainability funding to ensure sufficient nursery education places for all 3 and 4 years olds, as well as providing sufficient childcares places for all parents who wish to access them. The future for this funding is dependent on government and council decision on funding availability.

Minimum Funding Guarantee.

- 2.8. The School Finance Regulations require LAs to apply a national Minimum Funding Guarantee (MFG) to the year on year increase in per pupil funding. The MFG applies to maintained nursery schools and nursery classes and for the 2011-12 financial year is negative, -1.5%. It does not apply to PVI settings.

Transitional Arrangements.

- 2.9. Transitional arrangements are appropriate when a significant redistribution of resources takes place. This prevents excessive turbulence in settings and allows for a smoother adjustment to the changed circumstances by limiting the maximum loss/gain of funding for any setting.
- 2.10. The maximum reduction in 2011-12, when compared with funding determined under previous arrangements, will be limited to 33% in 2011-12, rising to 66% in 2012-13. No transitional arrangements would apply from 2013-14 onwards. The application of a percentage reduction to settings gaining under the new arrangements will meet the cost of transitional protection.

3. Payments and In Year Adjustments.

Introduction

- 3.1. Pupils will be counted termly on the basis of participation. The following process will ensure settings are funded on a regular basis to meet their cashflow needs. In the first year of operation, the proposal is to mirror, as far as possible, the existing arrangements as they are understood and will allow the operation of the formula to bed-in. These arrangements are set out below.

Maintained Settings.

- 3.2. From April 2011, the basis of all early years funding will be the actual termly count of hours of free entitlement provided. The count will use the official DfE pupil level count that usually takes place in the third week of each term.
- 3.3. Maintained schools will be provided with indicative budgets for the full financial year based on pupil attendance as recorded on the January 2011 PLASC return. Any adjustments due to be made, based on the three termly counts in 2011-12, will be actioned as an adjustment to the schools 2012-13 budget. Revised projections of resources due for 2011-12 will be provided following the termly counts so that appropriate financial provision can be made.
- 3.4. Schools will continue to receive monthly cash advances in the normal way including resources for the provision for their early years free entitlement.

Private Voluntary and Independent Provision (PVI)

- 3.5. PVI settings will also be provided with indicative budgets for the full financial year using data collected through the January Early Years Census together with data from the previous financial year. The indicative allocation will be based on 2 terms using the January data and 1 term using the preceding years autumn term data.
- 3.6. In order to ensure that all PVI settings have sufficient cashflow in advance of the actual termly count being completed, it is proposed that at the beginning of each term a monthly cash advance based on 1/12th of the annual indicative budget is paid. An adjustment will then be made as soon as the detail of the actual termly count are known.

Cost/Drivers	Appendix 2a					
	1	2	3	4	5	6
	PVIs with 1-32 3&4 Year Olds	PVIs with 33-48 3&4 Year Olds	PVIs with 49-64 3&4 Year Olds	Children's Centres	Primary Nursery Classes	Maintained Nursery
Adult/Child Ratio	1-8	1-8	1-8	1-8	1-13	1-13
Typical Number of Children 3-4 per session	16	24	32	24	26	39
Typical Number of Children 3-4 per session	1-16	17-24	25-32	1-24	1-26	1-39
Teacher/ Lead Worker Needed per session	1	1	2	1	1	2
Support Staff Needed per session	1	2	2	2	1	1
Based on Survey/Grade	Survey	Survey	Survey	SO1 31	M6	M6
Teacher/ Lead Worker Basic Salary for 36 hours	20,000	20,000	20,000	28,032	36,046	36,046
Teacher/ Lead Worker ErNI & Pension	4,200	4,200	4,200	8,426	7,817	7,817
Total Teacher/Lead Worker Salary for 36 hours	24,200	24,200	24,200	36,458	43,863	43,863
Based on Survey/Grade	Survey	Survey	Survey	SC3 17	SC6 28	SC6 28
Support Staff Basic Salary for 36 hours	17,000	17,000	17,000	18,582	25,455	25,455
Support Staff ErNI & Pension	3,570	3,570	3,570	5,402	7,601	7,601
Total Support Staff Salary for 36 hours	20,570	20,570	20,570	23,984	33,056	33,056
Total Lead Salary for Setting - 15 hours	10,083	10,083	20,167	15,191	20,244	36,553
Total Support Salaries - 15 hours	8,571	17,142	17,142	19,987	13,773	13,773
Direct Staffing Costs per session	18,654	27,225	37,308	35,178	34,018	50,326
Cost per Pupil	1,166	1,134	1,166	1,466	1,308	1,290
Cost per Hour (15 hours x 38 weeks)	2.05	1.99	2.05	2.57	2.30	2.26
Cost Manager/Head per session	40,000	40,000	40,000	43,863	91,784	
Percentage per session	25%	25%	25%	5%	5%	
Total Cost of Manager/Head Teacher	10,000	10,000	10,000	2,193	4,589	0
Cost per Pupil	625	417	313	91	177	0
Cost per Hour	1.10	0.73	0.55	0.16	0.31	0.00
Admin/Finance/Secretarial/Bursar	20,570	20,570	20,570	23,984	33,056	
Percentage per session	5%	5%	5%	5%	5%	
Total Cost of Administrative/Financial Support	1,029	1,029	1,029	1,199	1,653	0
Cost per Pupil	64	43	32	50	64	0
Cost per Hour	0.11	0.08	0.06	0.09	0.11	0.00
To cover breaks	2,269	4,537	4,537	4,537	4,537	
Planning, Preparation and Assessment Time	1,008	1,008	2,017	1,519	2,024	3,655
Total Indirect Staffing Costs	14,305	16,574	17,582	9,449	12,804	3,655
Cost per Pupil	894	691	549	394	492	94
Cost per Hour (15 hours x 38 weeks)	1.57	1.21	0.96	0.69	0.86	0.16
Learning Resources	0	0	0	0	0	0
Cost per Pupil	102	102	102	102	102	102
Cost per Hour	0.18	0.18	0.18	0.18	0.18	0.18
Subtotal Cost Per Pupil	2,162	1,927	1,817	1,961	1,903	1,486
Subtotal Cost Per Hour (15 hours x 38 weeks)	3.79	3.38	3.19	3.44	3.34	2.61
Rent Rates	35,252	35,252	35,252	0	0	
Insurance	4,932	4,932	4,932	0	0	
Basic Allocation	3,047	3,047	3,047	0	0	0
Total Premises % Allocated	43,231 8.6%	43,231 12.9%	43,231 17.3%	0	0	28,852
Total Premises Allocation	3,718	5,577	7,457	0	0	28,852
Cost per Pupil	232	232	233	0	0	740
Cost per Hour	0.42	0.42	0.42	0.00	0.00	0.66
Total Allocation	36,677	49,376	62,348	44,626	46,821	82,833
Total Cost per Pupil	2,394	2,159	2,050	1,961	1,903	2,226
Total Cost per Pupil per Week (38 weeks)	63	57	54	52	50	59
Total Cost per Hour (15 hours)	4.20	3.79	3.60	3.44	3.34	3.91
Maintained Primary and Children's Centres Rate incl Premises (funded separately)				3.86	3.76	
Differential Manager/Graduate Leader Salary	3,863	3,863	3,863			
Percentage	25%	25%	25%			
Cost per Pupil	60	40	30			
Proposed Graduate Leader Supplement	0.11	0.07	0.05			

Appendix 2b Exemplification - Maintained and Summary

Maintained Schools	DCSF no	Quality Rating	Pupil Numbers 2010/11			Proposed Allocation							
			Nursery P/T	Nursery P/F/T	Total Pupils	@ 15 Hours ea for 38 wks	Basic Allocation	Deprivation Supplement	Flexibility Supplement	Lump Sum	SEN Places	Full Time Supplement	
# Alexandra Primary	2078	0	0.11	8	20	28	15,960	53,279	7,038	0	0	0	38,056
# Belmont Infant	2003	0	0.13	50	0	50	28,500	95,141	6,839	0	0	0	0
# Bounds Green Infant	2005	0	0.19	37	20	57	32,490	108,461	10,747	0	0	0	38,056
# Broadwater Farm Primary	2077	0	0.10	41	30	71	40,470	135,101	22,559	0	0	0	57,085
# Bruce Grove Primary	2083	0	0.06	52	0	52	29,640	98,947	13,776	0	0	0	0
# Campbourne Infant	2009	0	0.10	32	10	42	23,940	79,919	5,800	0	0	0	19,028
# Coldfall Primary	2029	0	0.05	30	10	40	22,800	76,113	2,322	0	0	0	19,028
# Coleridge Primary	2058	0	0.06	70	0	70	39,900	133,198	2,810	0	0	0	0
# Crowland Primary	2075	0	0.11	22	24	46	26,220	87,530	14,000	0	0	0	0
# Devonshire Hill Primary	2015	0	0.12	2	50	52	29,640	98,947	20,467	0	0	0	45,668
# Downhills Primary	2087	0	0.06	48	0	48	27,360	91,336	10,866	0	0	0	95,141
# Earham Primary	2080	0	0.04	31	0	31	17,670	58,988	6,065	0	0	0	0
# Earlsmead Primary	2020	0	0.07	52	0	52	29,640	98,947	13,321	0	0	0	0
# Ferry Lane Primary	2065	0	0.07	23	0	23	13,110	43,765	6,770	0	0	0	0
# The Green CE Primary	3301	0	0.12	6	20	26	14,820	49,473	11,990	0	0	0	0
# Highgate Primary	2022	0	0.06	29	10	39	22,230	74,210	2,075	0	0	0	0
# Lancasterian Primary	2025	0	0.09	78	0	78	44,460	148,420	23,776	0	0	0	38,056
# Lea Valley Primary	2063	0	0.06	50	0	50	28,500	95,141	14,322	0	0	0	28,542
# Lordship Lane Primary	2082	0	0.08	94	0	94	53,580	178,866	24,074	0	0	0	0
# Mulberry Primary	3001	0	0.06	69	0	69	39,330	131,295	17,035	0	0	0	0
# Nightingale Primary	2064	0	0.09	34	20	54	30,780	102,753	13,799	0	0	0	0
# Noel Park Primary	2086	0	0.10	63	15	78	44,460	148,420	19,374	0	0	0	38,056
# North Harringay Primary	3512	0	0.07	72	0	72	41,040	137,003	15,935	0	0	0	28,542
# Our Lady of Muswell RC Primary	3500	0	0.06	51	0	51	29,070	97,044	1,857	0	0	0	0
# Rhodes Avenue Primary	2072	0	0.06	52	0	52	29,640	98,947	154	0	0	0	0
# Risley Avenue Primary	2084	0	0.08	59	20	79	45,030	150,323	23,260	0	0	0	0
# Rokesly Infant	2042	0	0.09	52	0	52	29,640	98,947	5,316	0	0	0	38,056
# St Aidan's Primary	3000	0	0.10	26	10	36	20,520	68,502	3,468	0	0	0	0
# St Ann's CE Primary	3304	0	0.11	0	25	25	14,250	47,571	8,068	0	0	0	0
# St Francis de Sales RC Infant	3507	0	0.09	53	2	55	31,350	104,655	16,249	0	0	0	19,028
# St Ignatius RC Primary	3502	0	0.07	39	0	39	22,230	74,210	14,068	0	0	0	47,571
# St James' CE Primary	3303	0	0.06	27	0	27	15,390	51,376	235	0	0	0	3,806
# St John Vianney RC Primary	3510	0	0.08	35	0	35	19,950	66,599	5,700	0	0	0	0
# St Martin of Porres RC Primary	3508	0	0.11	49	0	49	27,930	93,238	2,981	0	0	0	0
# St Mary's CE Infant	3306	0	0.13	52	0	52	29,640	98,947	9,568	0	0	0	0
# St Mary's RC Infant	3505	0	0.11	49	0	49	27,930	93,238	10,041	0	0	0	0
# St Michael's CE Primary N6	3302	0	0.06	52	0	52	29,640	98,947	1,435	0	0	0	0
# St Paul's & All Hallows CE Infant	3300	0	0.22	0	50	50	28,500	95,141	23,715	0	0	0	95,141
# Seven Sisters Primary	2088	0	0.11	36	18	54	30,780	102,753	20,719	0	0	0	34,251
# South Harringay Infant	2046	0	0.17	69	0	69	39,330	131,295	10,471	0	0	0	0
# Stamford Hill Primary	2047	0	0.20	0	49	49	27,930	93,238	14,390	0	0	0	93,238

Maintained Schools	DCSF no	Quality Rating	% of roll	Pupil Numbers 2010/11			Proposed Allocation						
				Nursery Pupils P/T	Nursery Pupils F/T	Total Pupils	@ 15 Hours ea for 38 wks	Basic Allocation	Deprivation Supplement	Flexibility Supplement	Lump Sum	SEN Places	Full Time Supplement
# Stroud Green Primary	2079	0	0.13	5	48	53	30,210	100,850	12,649	0			91,336
# Tiverton Primary	2057	0	0.10	0	40	40	22,800	76,113	14,099	0			76,113
# Welbourne Primary	2062	0	0.14	45	29	74	42,180	140,809	26,716	0			55,182
# West Green Primary	2051	0	0.07	33	0	33	18,810	62,793	7,669	0			0
# Weston Park Primary	2076	0	0.11	52	0	52	29,640	98,947	4,478	0			0
Primary School Totals				1829	520	2349	1,338,930	4,469,736	523,067	0	0	0	989,469
# Pembury	1000			64	26	90	51,300	200,333	40,192	0			44,519
# Rowland Hill	1001			40	43	83	47,310	184,752	27,884	0			73,456
# Woodland Park	1003			55	24	79	45,030	175,848	17,066	0			37,841
Nursery School Totals				159	93	252	143,640	560,933	85,143	0	539,981	286,098	155,815
Totals for PVIs and Children's Centres						1432	816,240	3,212,764	227,733	0	0	0	0
Flexible Entitlement Grant													
Grand total					613	4033	2,298,810	8,243,433	835,943	0	539,981	286,098	1,145,284

0.36

Appendix 2b Exempr Full Time Supplement at 30 Hours Appendix 2b

Maintained Schools	Total Proposed Allocation	2010/11 Allocations				Total relevant elements 10/11 Formula Funding	Cash Variance	Notional Variance	
		Total AWPU including F/T Allocations	Addn' Educational Needs Allocation	Admn' Educational Needs Allocation	Total relevant elements 10/11 Formula Funding			Variation excl Transitional Funding Arrangements	Top up PT Pupils from 12.5 to 15 hours at Direct Staffing Cost
Alexandra Primary	98,374	91,832	8,714	100,546	(2,172)	(1,984)	(4,157)		
Belmont Infant	101,981	91,806	7,618	99,423	2,557	(12,402)	(9,845)		
Bounds Green Infant	157,265	145,079	12,513	157,593	(328)	(9,177)	(9,505)		
Broadwater Farm Primary	214,744	190,995	24,856	215,852	(1,107)	(10,170)	(11,277)		
Bruce Grove Primary	112,723	95,478	12,389	107,867	4,856	(12,898)	(8,042)		
Campsbourne Infant	104,747	97,327	8,968	106,295	(1,548)	(7,937)	(9,485)		
Coldfall Primary	97,463	93,655	3,107	96,762	701	(7,441)	(6,740)		
Coleridge Primary	136,008	128,528	5,373	133,901	2,108	(17,363)	(15,255)		
Crowland Primary	147,198	132,966	12,372	145,338	1,860	(5,457)	(3,597)		
Devonshire Hill Primary	214,555	196,530	25,320	221,850	(7,295)	(496)	(7,791)		
Downhills Primary	102,202	88,133	10,084	98,218	3,984	(11,906)	(7,922)		
Earlham Primary	65,053	56,919	5,986	62,906	2,147	(7,689)	(5,542)		
Earlsmead Primary	112,268	95,478	12,124	107,602	4,665	(12,898)	(8,233)		
Ferry Lane Primary	50,535	42,231	5,137	47,368	3,168	(5,705)	(2,537)		
The Green CE Primary	99,520	88,160	14,318	102,478	(2,958)	(1,488)	(4,446)		
Highgate Primary	95,314	91,819	3,356	95,174	139	(7,193)	(7,054)		
Lancasterian Primary	172,196	143,217	17,134	160,351	11,846	(19,347)	(7,502)		
Lea Valley Primary	109,463	91,806	12,355	104,161	5,302	(12,402)	(7,100)		
Lordship Lane Primary	202,940	172,594	20,117	192,712	10,228	(23,316)	(13,087)		
Mulberry Primary	148,330	126,692	15,443	142,135	6,195	(17,115)	(10,920)		
Nightingale Primary	154,608	139,571	14,445	154,016	592	(8,433)	(7,842)		
Noel Park Primary	196,337	173,532	20,840	194,372	1,965	(15,627)	(13,662)		
North Harringay Primary	152,938	132,200	13,603	145,803	7,135	(17,859)	(10,724)		
Our Lady of Muswell RC Primary	98,901	93,642	3,642	97,284	1,617	(12,650)	(11,033)		
Rhodes Avenue Primary	99,101	95,478	2,057	97,535	1,566	(12,898)	(11,332)		
Risley Avenue Primary	211,640	185,474	24,871	210,345	1,295	(14,634)	(13,339)		
Rokesly Infant	104,263	95,478	5,669	101,146	3,117	(12,898)	(9,781)		
St.Aidan's Primary	90,998	86,311	4,498	90,808	189	(6,449)	(6,260)		
St.Ann's CE Primary	103,210	96,429	12,781	109,210	(6,001)	0	(6,001)		
St.Francis de Sales RC Infant	124,710	105,028	13,226	118,255	6,455	(13,146)	(6,691)		
St.Ignatius RC Primary	88,278	71,608	8,433	80,042	8,236	(9,674)	(1,437)		
St.James' CE Primary	51,611	49,575	2,224	51,799	(187)	(6,697)	(6,884)		
St.John Vianney RC Primary	72,299	64,264	5,618	69,882	2,417	(8,681)	(6,264)		
St.Martin of Porres RC Primary	96,220	89,969	4,637	94,607	1,613	(12,154)	(10,541)		
St.Mary's CE Infant	108,515	95,478	9,274	104,751	3,763	(12,898)	(9,135)		
St.Mary's RC Infant	103,279	89,969	9,401	99,370	3,908	(12,154)	(8,245)		
St.Michael's CE Primary N6	100,382	95,478	2,218	97,696	2,686	(12,898)	(10,212)		
St.Paul's & All Hallows CE Infant	213,997	192,858	28,003	220,861	(6,864)	0	(6,864)		
Seven Sisters Primary	157,723	135,529	17,551	153,080	4,642	(8,929)	(4,287)		
South Harringay Infant	141,765	126,692	11,861	138,552	3,213	(17,115)	(13,902)		
Stamford Hill Primary	200,867	189,001	21,630	210,631	(9,764)	0	(9,764)		

	2010/11 Allocations				Cash Variance	Notional Variance	
	Total Proposed Allocation	Total AWPUs including F/T Allocations	Addn'l Educational Needs Allocation	Total relevant elements 10/11 Formula Funding		Variation excl Transitional Funding Arrangements	Top up PT Pupils from 12.5 to 15 hours at Direct Staffing Cost
Maintained Schools							
Stroud Green Primary	204,834	194,324	16,256	210,580	(5,746)	(1,240)	(6,986)
Tiverton Primary	166,325	154,286	17,270	171,556	(5,231)	0	(5,231)
Welbourne Primary	222,707	194,483	24,631	219,114	3,593	(11,162)	(7,569)
West Green Primary	70,462	60,592	7,593	68,185	2,277	(8,185)	(5,908)
Weston Park Primary	103,425	95,478	3,891	99,369	4,056	(12,898)	(8,842)
Primary School Totals	5,982,271	5,363,972	543,408	5,907,380	74,891	(453,665)	(378,774)
Pembury	558,933						
Rowland Hill	609,737			585,384	(26,451)	(15,875)	(42,326)
Woodland Park	459,299			630,883	(21,146)	(9,922)	(31,068)
Nursery School Totals	1,627,970			1,640,548	(12,578)	(39,438)	(52,017)
Totals for PVI's and Children's Centres	3,440,498			2,475,928	964,570	(389,271)	575,298
Flexible Entitlement Grant					0		0
Grand total	11,050,739			10,023,856	1,026,882	(882,375)	144,508

Appendix 2c Exemption - Children Centres and PVI Settings										Appendix 2c		
Name of Provider	Postcode	Setting Type	3 Yr olds claiming NEG	4 Yr Olds claiming NEG	Total	Basic Allocation	Deprivation Supplement	Flexibility Supplement	Total Proposed Allocation	Nursery Education Grant Allocation	Funding for Additional 2.5 Hours at Direct Staffing Rate	Variation
Park Lane Childrens Centre	N17 0HN	4	24	11	35	68,650	8,301	-	76,951	60,515	9,514	6,921
Woodside Childrens Centre	N22 5SJ	4	33	22	55	107,878	14,621	-	122,499	95,095	14,951	12,453
Triangle Childrens Centre	N15 6NU	4	23	13	36	70,611	14,020	-	84,631	62,244	9,786	12,601
Broadwater Farm Childrens Centre	N17 6HE	4	14	14	28	54,920	15,928	-	70,847	48,412	7,611	14,824
Stroud Green Children's Centre	N4 3EX	4	9	9	18	17,653	2,025	-	19,678	15,561	2,447	1,671
Stoncroft Childrens Centre	N8 7HR	4	32	17	49	96,110	5,541	-	101,650	84,721	13,320	3,609
Pembury Childrens Centre	N17 9XE	1	2	0	2	3,923	12,802	-	16,725	3,458	544	12,723
101 Playgroup												
345 Pre School Church Crescent	N8 9BG	1	25	0	25	59,859	1,969	-	61,827	43,225	6,796	11,806
345 Pre School Springfield	N10 3NE	1	19	2	21	50,281	463	-	50,744	36,309	5,709	8,726
345 Pre School Teardown	N2 9JH	2	23	12	35	75,576	771	-	76,347	60,515	9,514	6,318
Active Learning	N10 1NB	1	15	8	23	55,070	231	-	55,301	39,767	6,252	9,282
Adventureland Day Nursery	N8 8RG	2	28	13	41	88,532	1,563	-	90,095	70,889	11,145	8,061
African Caribbean Day Nursery	N8 7BS	1	15	5	20	47,887	2,508	-	50,395	34,580	5,437	10,379
Artida's Nursery	N8 0JP	1	9	4	13	31,126	3,361	-	34,487	22,477	3,534	8,476
Assunath Islamic Centre	N17 7HU	1	1	1	2	4,789	617	-	5,406	3,458	544	1,404
Bowes Park Nursery	N17 6SB	1	6	0	6	14,366	2,028	-	16,394	10,374	1,631	4,389
Chestnuts Playgroup	N22 8YR	2	22	19	41	88,532	3,300	-	91,832	70,889	11,145	9,798
Children's Paradise	N15 5BN	2	33	8	41	88,532	10,777	-	99,309	70,889	11,145	17,275
Crowland Playgroup	N17 9LN	1	12	0	12	28,732	2,411	-	31,143	20,748	3,262	7,133
Devon Close Pre-School	N15 6UX	1	6	4	10	23,943	1,969	-	25,912	17,290	2,718	5,904
Dinosaurs Playgroup	N17 9HR	1	12	7	19	45,492	7,680	-	53,172	32,851	5,165	15,156
Eagle Nursery Ltd	N8 7SL	1	7	2	9	21,549	1,563	-	23,112	15,561	2,447	5,104
Excelsior College	N8 0RG	1	2	0	2	4,789	560	-	5,349	3,458	544	1,347
Fortis Green Nursery	N17 8JL	1	1	5	6	14,366	154	-	14,520	10,374	1,631	2,515
Greygates Day Nursery	N2 9EP	2	31	10	41	88,532	77	-	88,610	70,889	11,145	6,575
High Cross Playgroup	N10 3NG	1	17	7	24	57,464	231	-	57,696	41,496	6,524	9,675
Highgate Activity Nursery	N15 4BN	1	31	1	32	76,619	8,264	-	84,883	55,328	8,699	20,856
Hilltop Playgroup	N6 4QH	1	10	2	12	28,732	483	-	29,215	20,748	3,262	5,205
Hollybush Nursery	N10 2QE	1	9	2	11	26,338	125	-	26,463	19,019	2,990	4,453
Hornsey Ridge Playgroup	N8 7HL	1	15	10	25	59,859	694	-	60,553	43,225	6,796	10,532
Ise Amrit Centre for Women & Children	N8 0QS	1	8	5	13	31,126	1,311	-	32,438	22,477	3,534	6,427
Islamic Shaksyah Foundation	N17 8JN	1	20	6	26	62,253	9,888	-	72,141	44,954	7,068	20,119
Keiki Daycare	N15 5RG	2	20	20	40	86,373	6,210	-	92,583	69,160	10,873	12,550
Ladybird Montessori	N8 7DE	1	3	1	4	9,577	308	-	9,886	6,916	1,087	1,883
Little Jewels Pre-School	N6 4ND	1	10	2	12	28,732	-	-	28,732	20,748	3,262	4,722
Little Tree Montessori	N4 1RT	1	8	4	12	28,732	1,352	-	30,084	20,748	3,262	6,074
Mitakee Playgroup	N8 9SG	2	27	12	39	84,214	2,468	-	86,682	67,431	10,602	8,649
New Age Child Care Services Ltd	N15 3HB	1	10	0	10	23,943	2,297	-	26,241	17,290	2,718	6,232
Noahs Ark Day Nursery	N22 6PX	2	26	13	39	84,214	14,231	-	98,445	67,431	10,602	20,412
Norfolk House School	N22 6SY	1	17	6	23	55,070	2,391	-	57,461	39,767	6,252	11,441
North London Rudolf Steiner Nursery	N10 2EG	1	1	6	7	16,760	154	-	16,915	12,103	1,903	2,909
Nouveau Genesee Nursery & Pre School	N8 7PN	1	14	12	26	62,253	1,697	-	63,950	44,954	7,068	11,928
Orange Day Nursery	N17 8JL	1	5	4	9	21,549	154	-	21,703	15,561	2,447	3,696
Pavillion Pre-School	N8 0JE	1	17	7	24	57,464	1,311	-	58,775	41,496	6,524	10,755
Planet Tiny	N17 9EX	1	23	7	30	71,830	7,033	-	78,863	51,870	8,155	18,838
Rainbow Early Years & Childcare	N8 8NA	1	3	12	15	35,915	463	-	36,378	25,935	4,078	6,365
	N15 3PJ	1	9	4	13	31,126	2,579	-	33,705	22,477	3,534	7,695

Name of Provider	Postcode	Setting Type	3 Yr olds claiming NEG	4 Yr Olds claiming NEG	Total	Basic Allocation	Deprivation Supplement	Flexibility Supplement	Total Proposed Allocation	Nursery Education Grant Allocation	Funding for Additional 2.5 Hours at Direct Staffing Rate	Variation
Rainbow Playgroup	N10 2PT	1	9	5	14	33,521	693	-	34,214	24,206	3,806	6,202
Rosemount Nursery	N10 2DS	2	29	6	35	75,576	1,449	-	77,025	60,515	9,514	6,996
Somerford Grove Playgroup	N17 0HL	1	9	1	10	23,943	1,408	-	25,352	17,290	2,718	5,344
St James Pre School Playgroup	N10 3BG	2	23	11	34	73,417	308	-	73,726	58,786	9,242	5,697
Starshine Nursery	N8 8AX	1	11	6	17	40,704	869	-	41,572	29,393	4,621	7,558
Stallions Playgroup	N8 9LN	1	15	0	15	35,915	792	-	36,707	25,935	4,078	6,694
Sunrise nursery	N17 0EX	1	15	8	23	55,070	3,937	-	59,007	39,767	6,252	12,988
The Montessori House	N10 3LS	3	53	13	66	135,325	463	-	135,788	114,114	17,941	3,732
The Nursery Montessori Highgale	N6 4SP	1	17	6	23	55,070	1,526	-	56,596	39,767	6,252	10,577
Tottenham Green Community Nursery	N15 4JA	2	31	11	42	90,692	12,100	-	102,792	72,618	11,417	18,757
Tottenham Green Under Fives	N15 4GZ	1	10	4	14	33,521	7,107	-	40,628	24,206	3,806	12,616
West Green Playgroup	N17 6PW	1	19	7	26	62,253	6,673	-	68,926	44,954	7,068	16,904
Wiggly Worms Day Nursery	N15 3RB	1	13	2	15	35,915	1,023	-	36,938	25,935	4,078	6,925
Wood Green Pre-School	N22 8DW	1	27	2	29	69,436	4,225	-	73,661	50,141	7,883	15,637
Wood Green Salvation Army Playgroup	N22 6JA	1	12	11	23	55,070	6,121	-	61,191	39,767	6,252	15,172
Yeladenu Pre School	N10 1ND	1	15	4	19	45,482	154	-	45,647	32,851	5,165	7,631
Total			1015	417	1432	3,212,764	227,733	-	3,440,498	2,475,928	389,271	575,298

Deprivation Options

Maintained Schools	Original	0,1,2,4	0,0.5,2,4	0,0.5,1.5,4
2078 Alexandra Primary	6,771	7,038	7,150	7,423
2003 Belmont Infant	7,099	6,839	6,211	6,290
2005 Bounds Green Infant	10,232	10,747	11,015	10,299
2077 Broadwater Farm Primary	19,609	22,559	23,758	23,788
2083 Bruce Grove Primary	12,150	13,776	13,916	14,295
2009 Campsbourne Infant	5,762	5,800	5,504	5,936
2029 Coldfall Primary	3,828	2,322	1,846	1,952
2058 Coleridge Primary	5,569	2,810	2,531	2,758
2075 Crowland Primary	12,927	14,000	13,966	13,230
2015 Devonshire Hill Primary	18,317	20,467	21,254	21,229
2087 Downhills Primary	9,594	10,866	10,938	10,859
2080 Earlham Primary	5,723	6,065	5,838	5,489
2020 Earlsmead Primary	11,459	13,321	13,923	13,291
2065 Ferry Lane Primary	5,938	6,770	6,994	6,558
3301 The Green CE Primary	11,375	11,990	12,007	12,322
2022 Highgate Primary	3,946	2,075	1,982	2,025
2025 Lancasterian Primary	19,957	23,776	25,155	25,885
2063 Lea Valley Primary	12,289	14,322	15,089	14,628
2082 Lordship Lane Primary	20,898	24,074	24,678	23,980
3001 Mulberry Primary	14,843	17,035	17,400	17,740
2064 Nightingale Primary	13,186	13,799	13,781	13,416
2086 Noel Park Primary	17,552	19,374	19,626	19,616
3512 North Harringay Primary	14,079	15,935	16,085	16,959
3500 Our Lady of Muswell RC Primary	3,893	1,857	1,386	1,440
2072 Rhodes Avenue Primary	3,084	154	170	144
2084 Risley Avenue Primary	20,633	23,260	24,247	23,700
2042 Rokesly Infant	5,967	5,316	4,003	4,201
3000 St.Aidan's Primary	3,922	3,468	2,233	2,413
3304 St.Ann's CE Primary	7,453	8,068	8,249	7,837
3507 St.Francis de Sales RC Infant	14,144	16,249	16,795	17,196
3502 St.Ignatius RC Primary	11,993	14,068	14,693	14,691
3303 St.James' CE Primary	1,828	235	166	177
3510 St.John Vianney RC Primary	5,255	5,700	5,331	5,248
3508 St.Martin of Porres RC Primary	4,619	2,981	2,517	2,553
3306 St.Mary's CE Infant	9,525	9,568	8,997	9,410
3505 St.Mary's RC Infant	8,759	10,041	10,151	10,208
3302 St.Michael's CE Primary N6	3,737	1,435	1,203	1,173
3300 St.Paul's & All Hallows CE Infant	21,794	23,715	24,404	24,388
2088 Seven Sisters Primary	18,834	20,719	21,148	20,288
2046 South Harringay Infant	10,523	10,471	8,908	8,993
2047 Stamford Hill Primary	12,643	14,390	15,135	15,198
2079 Stroud Green Primary	12,370	12,649	11,737	11,911
2057 Tiverton Primary	12,576	14,099	14,662	14,580
2062 Welbourne Primary	23,931	26,716	27,492	28,123
2051 West Green Primary	6,936	7,669	7,703	7,417
2076 Weston Park Primary	5,280	4,478	3,454	3,729
Primary School Totals	492,803	523,067	525,429	524,984
1000 Pembury	35,333	40,192	41,840	41,896
1001 Rowland Hill	24,981	27,884	28,861	28,982
1003 Woodland Park	15,870	17,066	15,392	15,113
Nursery School Totals	76,183	85,143	86,093	85,992
N17 0HN Park Lane Childrens Centre	12,832.31	8,301	8,585	8,529
N22 5SJ Woodside Childrens Centre	17,332	14,621	14,532	13,890
N15 6NU Triangle Childrens Centre	11,845	14,020	14,267	14,011
N17 6HE Broadwater Farm Childrens Centre	18,091	15,928	16,440	16,569
N4 3EX Stroud Green Children's Centre	5,718	2,025	1,770	1,772
N8 7HR Stonecroft Childrens Centre	7,367	5,541	5,014	5,234
N17 9XE Pembury Childrens Centre	2,185	12,802	13,324	13,555

Children Centre Total	75,370	73,237	73,932	73,561
N8 9BG 101 Playgroup	3,718	1,969	1,548	1,571
N10 3NE 345 Pre School Church Crescent	978	463	339	337
N2 9JH 345 Pre School Springfield	2,318	771	509	529
N10 1NB 345 Pre School Tetherdown	1,472	231	212	192
N8 8RG Active Learning	3,445	1,563	1,177	1,291
N8 7BS Adventureland Day Nursery	2,748	2,508	2,353	2,389
N8 0JP African Caribbean Day Nursery	3,113	3,361	3,413	3,318
N17 7HU Artilda's Nursery	233	617	678	674
N17 6SB Assunnah Islamic Centre	1,180	2,028	2,003	2,027
N22 8YR Bowes Park Nursery	3,380	3,300	2,682	2,669
N15 5BN Chestnuts Playgroup	10,462	10,777	10,875	10,436
N17 9LN Children's Paradise	1,641	2,411	2,491	2,397
N15 6ux Crowland Playgroup	2,411	1,969	2,056	1,860
N17 9HR Devon Close Pre-School	4,699	7,680	8,161	8,514
N8 7SL Dinosaurs Playgroup	1,078	1,563	1,600	1,724
N8 0RG Eagle Nursery Ltd	240	560	541	521
N17 8JL Excelsior College	1,048	154	85	96
N2 9EP Fortis Green Nursery	3,094	77	42	48
N10 3NG Greygates Day Nursery	1,002	231	127	144
N15 4BN High Cross Playgroup	10,666	8,264	8,607	8,705
N6 4QH Highgate Activity Nursery	1,190	483	413	425
N10 2QE Hilltop Playgroup	436	125	110	110
N8 7HL Hollybush Nursery	2,546	694	382	433
N8 0QS Hornsey Ridge Playgroup	1,206	1,311	975	1,058
N17 8JN Ilse Amlot Centre for Women & Ch	6,809	9,888	10,260	10,019
N15 5RG Islamic Shaksiyah Foundation	11,344	6,210	6,592	6,719
N8 7DE Keiki Daycare	451	308	170	192
N6 4ND Ladybird Montessori	233	0	0	0
N4 1RT Little Jewels Pre-School	1,397	1,352	1,124	1,138
N8 9SG Little Tree Montessori	3,926	2,468	1,526	1,732
N15 3HB Mitalee Playgroup	764	2,297	2,215	2,188
N22 6PX New Age Child Care Services Ltd	11,877	14,231	13,981	13,971
N22 6SY Noahs Ark Day Nursery	1,562	2,391	2,247	2,406
N10 2EG Norfolk House School	917	154	85	96
N8 7PN North London Rudolf Steiner Nurse	2,333	1,697	1,357	1,299
N17 8JL Nouveau Genese Nursery & Pre S	2,335	154	85	96
N8 0JE Orange Day Nursery	10,941	1,311	1,229	1,203
N17 9EX Pavillion Pre-School	4,419	7,033	7,424	7,605
N8 8NA Planet Tiny	5,674	463	424	481
N15 3PJ Rainbow Early Years & Childcare	2,543	2,579	2,370	2,582
N10 2PT Rainbow Playgroup	2,427	693	610	613
N10 2DS Rosemount Nursery	4,696	1,449	1,325	1,322
N17 0HL Somerford Grove Playgroup	5,747	1,408	1,516	1,628
N10 3BG St James Pre School Playgroup	2,092	308	170	192
N8 8AX Starshine Nursery	1,108	869	625	665
N8 9LN Stationers Playgroup	1,014	792	583	617
N17 0EX Sunrise nursery	3,434	3,937	4,028	3,960
N10 3LS The Montessori House	2,930	463	339	337
N6 4SP The Nursery Montessori Highgate	446	1,526	1,283	1,322
N15 4JA Tottenham Green Community Nurs	13,768	12,100	12,348	12,562
N15 4GZ Tottenham Green Under Fives	6,056	7,107	7,293	7,118
N17 6PW West Green Playgroup	3,882	6,673	6,592	6,671
N15 3RB Wiggly Worms Day Nursery	2,510	1,023	880	954
N22 8DW Wood Green Pre-Schol	3,336	4,225	4,293	4,065
N22 6JA Wood Green Salvation Army Playg	5,264	6,121	6,052	6,084
N10 1ND Yeladenu Pre School	1,048	154	85	96
PVI Total	191,586	154,496	150,489	151,406
Grand Total	835,943	835,943	835,943	835,943

Summary of Consultation Responses.**Appendix 3a**

Forty-one responses were received. Of these three were from nursery schools, 12 from PVI settings and 26 from 24 primary schools, including two schools for which responses were received from both the head teacher and the governing body.

I have set out below a summary of the responses by question, in some cases officer comments have been added in italics.

Consultation Question 1: Should the premises allocation for PVI setting be a uniform hourly rate or should there be more differentiation between the different kinds of settings?

PVIs. All responses agreed that there should be differentiation to ensure those with higher costs are adequately compensated. Savings from those with costs below the proposed rate should be utilised to fund those with higher costs. Banding may be an option but settings should be reviewed annually to ensure correct banding.

Primary Schools. Many responded that they had insufficient information on which to comment but then added comments such as 'will depend on setting', 'PVIs use all sorts of premises', 'PVIs paying no or peppercorn rents should not be funded', 'should reflect actual rent', 'rent mortgage costs should be excluded unless a lot more detailed information is available', 'Where PVIs face little costs for premises, this should not be an opportunity to augment their coffers'. These riders support a differentiated approach.

Nursery schools. One response doubted the existence of sufficiently detailed information on PVI costs and noted very wide variations reported by pathfinder LAs. The comment suggests a uniform rate would be simpler to manage if an average and viable cost can be evidenced.

Officer comment. The response supports a differentiated approach, but a concurrent exercise asking PVIs for information on premises costs produced a disappointing response (eight) and insufficient information on which to base payments based on actual costs. The exercise will be repeated with the aim of eventually introducing a differentiated factor.

Consultation Question 2: Do the settings proposed and the underlying assumptions adequately reflect your own setting and costs?

PVIs. One setting thought so, others simply said 'No', one commented that the rates reflected the minimum cost of starting salaries and did not allow scope for rewarding experience. The same responder commented that the ratios were also the maximum allowed and that many settings operated good practice through more favourable ratios to allow for breaks, absences and key worker continuity. The pay rates do not reflect current market rates. One responder commented that the assumptions did not reflect their circumstances as their curriculum & staffing resources were unique in the industry.

Primary Schools. The overwhelming response was that the hourly rate did not adequately reflect the true costs faced by nursery classes and that nursery classes were under-funded. Some thought nursery school funding too high. One response thought PVI costs remarkably low (this is not supported by other comments in the same response). I have summarised the main contentions below and *added officer comments in italics*:

1. Direct staffing costs. The 30 hours in the basic hourly rate did not reflect the 32.5/36 hours and 40 weeks staff are required to work. Staff in PVIs were believed to be paid only for contact hours.
The responses from primary schools did not take account of the additional 10% of teacher hours funded through the PPA supplement in the indirect costs. A flexible offer will attract additional funding..
2. Additional staff costs needed to cover break between sessions.
An element has now been added to reflect this..
3. Some teachers are on upper pay scale.
Additional UPS costs are met through the Teacher Pay Grant element of the school specific funding.
4. The formula does not recognise the payment of TLR points.
Schools will continue to receive the Minimum Basic Allocation within the School Specific funding formula.
5. Why should PVIs/profit making settings receive deprivation funding, especially those in more affluent areas? One school recommended bandings of 0, 0.5, 1.5 or 2 and 4. The allocation of £267k to PVIs was questioned.
A deprivation supplement is the only supplement we must have and it should apply to all settings. We have revised the proposed deprivation supplement to target funding at individual children rather than settings and revised the weightings to 0, 1, 2 and 4. The £267k was derived by grossing up the current nursery AEN to reflect the total population of those taking up the free entitlement.
6. The funding rate for nursery schools is too high.
The methodology for nursery schools has been reviewed and the proposal is now for a lump sum and a lower hourly rate.
7. Will the funding of one person to support transition to 15 hours continue.
No.
8. Head teachers mainly on Group 3.
We have revised the spinal point for head teachers to LS25, the average point for head teachers of schools with nursery classes..
9. Admin grade and % too low.

Admin grades reflect the average of junior administrative posts in primary schools.

10. No premises costs are included for schools.
These remain within the site-specific allocation of the main school funding formula.
11. Nursery classes take far more administration than other ages.
12. The formula does not reflect indirect costs such as SENCO, admin officer, site manager and catering costs.
The formula recognises admin officer costs and the continuation of site and school specific funding will provide a contribution to the other costs.
13. The payment of a graduate supplement was opposed by many primary school respondents. Many argued that if graduates had chosen to work in the PVI sector they had done so in the knowledge of the relative pay scales.
This ignores the desire to improve quality of provision by attracting high calibre employees and the legislation requirement that all settings have a suitably qualified leader.
14. One school reported a contact ration of 1:10 in its nursery class.

Nursery Schools. Work is continuing to ensure a consistent understanding of data collection, funding for SEN places and lump sums. The model will have to continue to be assessed and developed. Loss of funding over transitional period will be an issue as costs will not be reducing over this period.

The proposed model has replaced the high hourly rate with a lower rate and a lump sum. SEN places will continue to be on a planned place basis.

Consultation Question 3: Do you agree with the introduction of a one-off lump sum to help PVI settings from bronze to silver accreditation levels?

PVIs. One playgroup said no. They thought they would never be in a position to afford 'a full-time teacher' and therefore not achieve a silver accreditation. They saw this as diverting funding to children centres and nurseries and away from smaller settings. Another response commented that a lump sum would be beneficial if it covers the costs associated with the higher accreditation. The same responder thought the hourly rate for the graduate leader would be better as an annual lump sum to ensure greater stability.

Primary Schools. Almost all responses objected to this, the main argument against being that schools do not receive funding for training. One response asked this to be applied to maintained as well as non-maintained settings. One school expressed the view that the maintained sector should not subsidise the private sector for work it should undertake for itself. There was also a common view that quality in schools was higher because teachers were employed in primary classes.
All schools are in receipt of Standards Fund and Standards Grant funding. Schools are funded for the employment of a teacher; the graduate supplement is to recognise the additional cost of those PVI settings seeking to employ suitably qualified staff.

Nursery Schools. Concerns were expressed that assessment may be subjective and lead to lengthy appeals. Very clear criteria is therefore necessary – perhaps based on OFSTED judgements and paid to settings with good or outstanding judgements to promote expectation that all settings should reach high standards. Payments should encourage financially viable settings to reach certain standards rather than just funding already adequate settings.

Consultation Question 4: Should there also be a further supplement to recognise continuing high quality service such as gold/gold star?

PVIs. A concern was expressed, as with Q2, that this would channel money away from smaller settings to those with teachers. This responder made the point that qualified staff did not necessarily have skills or experience suited to working in early years. Another responder supported the supplement on the grounds that having attained higher standards there were ongoing costs to maintain that standard and that the supplement should apply to silver, silver*, gold and gold* accreditations. Not to recognise the continuing costs could act as a perverse incentive.

Primary Schools. The majority said no but without expressing further comment; some linked it to responses to question 3.

Nursery Schools. Doubt was expressed as to whether this was needed in the 'market driven system we are supposed to be moving to.

Consultation Question 5: Should there be a quality supplement for nursery schools to reflect the recommended ratio of 1:10?

PVIs. If this is to recognise good practice it should be payable to all nurseries that follow this practice. Many PVI settings run over their ratio to improve practice and for parity, this should also be funded. Alternatively, if the ratio is to reflect the hours when a 1:8 ratio is applicable then this could be reflected as a supplement.

Primary Schools. Generally the response was a flat no, or only if it applied to all settings, but one response commented that the lower ratio implies recognition of differential quality and that a decision on this cannot be taken in isolation but needs to take account of whether nursery schools serve the neediest sections of the population.

Nursery Schools. The term 'Quality supplement' was thought to be misleading. The 1:10 ratio reflects the operational needs of the nursery, which provides a mix of 1:13 and 1:8 provision. The responder acknowledged that to retain parity with nursery classes funding for the free entitlement should be at 1:13.

Officer Comment. Following consultation, we are no longer proposing a lower contact ratio for nursery schools.

Consultation Question 6. Do you agree that a uniform hourly rate should be used for the flexibility supplement?

PVIs. One responder commented that this should be banded rather than a flat rate. Bands should reflect the costs of being open for longer than a session and the additional costs of being open all year, such as higher staff costs to cover holiday entitlements that cannot be taken during closed periods. Another responder commented No, the code of practice says that implementation should take the sustainability of the provider into account, that it is unreasonable to pay providers less than the cost of delivery for care and education.

Primary Schools. Some responded that there was insufficient information upon which to base a response, but the majority were of the view that the flexibility proposed was not a viable option in primary schools. Several responders were opposed on educational grounds expressing the view that it wasn't in a child's best interest and that we should be focussed on the child's needs not the parents.

Nursery Schools. This is not mandatory, as part of pilot most maintained settings have reached a balance of what they think is operationally achievable. Flexibility supplement may encourage providers to seek additional funding by encouraging attendance patterns that are detrimental to a child's continuity of learning and relationships with peer groups.

Officer Comment. Whereas we propose to continue with a flat rate flexibility supplement in cases where the local offer is being met, we acknowledge that its scope will be much smaller than originally envisaged and will mostly apply to PVI and nursery school settings. Much of the funding for the supplement has therefore been transferred into the basic hourly rate.

Consultation Question 7 Do you agree with the flexibility options stated above and are there any other flexibility options that should be included in the Haringey local offer?

PVIs. Should include attendance for 12.5 hours over two days, this is specifically used by the Govt as an example of flexibility. Not to allow this would exclude some children currently funded. The consultation gave examples of 'stretched' entitlement rather than an exhaustive list and a question was raised through the consultation as to whether any number of weeks between 39 and 52 would be allowable.

Primary Schools. The majority of responses thought it unrealistic to offer flexibility. Some thought it good in theory but unlikely to be workable in practice. Views expressed included the impracticality of negotiating with other providers. An irregular pattern of attendance would create staffing difficulties and there would be additional administrative costs. There was a question as to whether flexibility supplement would be attracted by the availability or actual take-up of flexibility. PVI settings had always been more flexible. Again, doubt was expressed about the educational value of flexibility with the view that flexibility would have a negative impact on education, one responder described it as a nonsense. A strong preference was evident that the funding should be retained within the maintained sector.

Nursery Schools. They are sufficient to start with.

Officer comment. See response to question 6.

Consultation Question 8 Should there be a profit supplement and if not should the funding be distributed in some other way?

PVIs. Three responded positively and one did not seem to understand the question. Of the former, one response was simply 'yes'; one that they lost 60% on each free hour provided and would be happy with an amount that allowed them to break even; and one that a 'for profit' setting will set its fee level in the expectation that every child will contribute to that profit factor. If that is not the case the funded child is being subsidised by fee paying children.

Primary Schools. Unanimously opposed, views expressed included, 'disgraceful suggestion' and 'Ridiculous' the majority expressed the view that it was an improper or inappropriate use of public money and that the money should be retained within the maintained sector.

Nursery Schools. Using public money to support profit is not defensible. Need robust procedures in place to monitor how PVIs are spending money in support of the free entitlement.

Officer Comment. We are not proposing to proceed with this supplement. Funding will be incorporated within higher hourly rates.

Consultation Question 9 Appendix 1 exemplifies the effect of the higher hourly rate for nursery schools. Would you support a lower hourly rate supplemented by a lump sum? This would provide greater stability rather than higher funding for nursery schools

PVIs. One responder commented that it is sensible to provide stability for nursery schools but also to provide equivalent stability for the PVI sector. Instability in any setting is caused by variation in headcounts and uncertainty as to future funding, PVIs, like nursery schools were stand alone and did not benefit from economies of scale the lump sum was supported as long as it was paid to PVI settings as well as nursery schools.

Primary Schools. A variety of comments, many thought that more information was needed to form a view, one respondent reiterated their response to Q5 that this might recognise differential quality and that a decision on this cannot be taken in isolation but needs to take account of whether nursery schools serve the neediest sections of the population.

Nursery Schools. Higher costs for nurseries are acknowledged by pathfinder LAs. Nursery schools are stand alone and have relatively high costs compared with nursery classes. The lump sum route will provide sustainability – for the sake of transparency, the formula should make a clear link between the lump sum and square meter allocation.

Officer Comments. We are recommending a lower hourly rate plus a lump sum.

Consultation Question 10 Do the policy principles provide the correct basis for our work in early years?

PVIs. One response commented on the effective support from the Early Yrs Team and the need for this to continue. Additional reference could be made in the policy to continue to maintain the partnership between the EYs Team and the PVI sector

Primary Schools. The majority of responses thought that the principles were appropriate but were not supported by the EYSFF moving money from more to less deprived areas, which would do nothing to narrow the attainment gap.

Nursery Schools. OK given where we are.

Consultation Question 11 Can this policy be strengthened in order to ensure that the most vulnerable children have the highest priority?

PVIs. Yes, it was commented that the admissions criteria is being reviewed. Amendment of the admissions criteria for PVIs would enable them to adopt the placing of LACs as the highest priority and enable the adoption of the rest of the protective measures in the admissions criteria.

Primary Schools. The majority of responders thought that the most vulnerable children would suffer through EYSFF. One responder commented that vulnerable families benefit hugely from FT places.

Nursery Schools. Cannot force 3 & 4 year olds to participate so hard to enforce. Even if given highest priority there will be a time-lag.

Consultation Question 12 Does this policy support the provision of the highest quality of education for those that will benefit the most?

PVIs. The policy is there to support the duty to ensure that there are sufficient good quality childcare places available for all children.

Primary Schools. Responses were either no or that the policy does but the formula does not. One commentator thought that the formula confused babysitting and education.

Nursery Schools. All children should be able to benefit from high quality education. The disadvantage subsidy will go some way towards supporting settings catering for children and families in need.

Consultation Question 13 Is there anything you would like to see added amended or strengthened?

PVIs. One commented that the draft policy was welcomed, subject to concerns raised elsewhere. Another that the funding must reflect the actual cost of provision and not create unnecessary admin burdens.

Primary Schools. Generally, comments were similar to those for Q12, that the principles were good but not supported by the formula, there were also comments that the admissions criteria needs to be written properly and clarified. One responder wanted a separation of education from childminding.

Nursery Schools. Review after a year.

Please identify any possible difficulties that your setting faces in offering the full free entitlement.

PVIs. One responder commented about the practicalities of providing flexible places that leads to an uneven take-up and unfilled hours and a reduced contribution to costs. This will make budgeting and committing to salaries and maintaining high quality difficult. If two days are not allowed it is difficult to see how three days can be offered and will reduce flexibility currently offered. Primary problem is insufficient funding to ensure sustainability without cross-subsidisation. The prohibition on additional funding in the Code of Practice focuses attention on true cost of each place and the risk to sustainability and childcare places if a setting is underfunded.

Primary Schools. Overwhelmingly, the comments were on the difficulty of providing a flexible entitlement and the impact on provision of moving funding away from the most disadvantaged.

Nursery Schools. Flexible arrangement of entitlement over 3 days already in place and little more can be offered. If funding for core day places is removed/reduced it will affect the sustainability of the setting and our ability to target the most disadvantaged. There will need to be an appropriate staffing structure in place by Sept 2011.

Please use this space to make any additional comments you have on the proposed Early Years Single Funding Formula or the Draft Early Years Policy.

PVIs. One responder commented that provision needs to be made to review/amend groupings and application of supplements to ensure allocations correctly reflect the setting in question. A formal appeals process may be needed. Another commented that, whilst wholeheartedly supporting efforts to extend quality provision to children from lower income families they believed that this policy will create a two tiered system with small sessional providers ceasing to operate and quality nurseries opting out. Also unhappy that this has been locally rather than nationally implemented. A third responder noted the perception that addressing the funding issues in the PVI sector is perceived as taking money from one sector to give to another. And asks if the MFG can be applied to PVIs.

Primary Schools. Views expressed included future improvements will be impossible and there will be a knock on effect on other KSs. DSG should be top sliced. EYSFF will not support vulnerable children and move funding to less deprived areas. Flexibility should be abandoned. Limited scope to reduce costs in nursery classes.

Nursery Schools. Very complex proposal. Especially for governors not directly involved. Proposals cannot be looked at in isolation, especially when other funding sources are not secure. Potential reduction in quality of provision due to increasing ratios is a concern. Providing a suitable staffing structure to deliver effectively will impact on other aspects of the centre.

Responses from Workshops.**Summary of Issues Raised.**

1. Playgroup representatives were concerned that they would be unable to afford qualified staff and this placed in question their ability to achieve a gold rating through the accreditation scheme.

Officer comment. The proposed formula includes a quality supplement that recognises the additional cost of qualified staff and the additional costs of qualifying.

2. Playgroup representatives raised the issue of children who become three during a term but who are not yet eligible for the free entitlement.

Officer comment. Eligibility for the free entitlement is from the start of the term following a child's third birthday. We will look at how this transition can be managed but funding for this is outside the DSG.

3. A major concern of many providers was whether funding will be available for those children whose parents choose not to take up the full 15 hour entitlement. Full-time private providers were also concerned that they may not be able to offer the 15 hours over a minimum of three days and queried whether they could provide 12.5 hours over two days.

Officer comment. If a parent chooses not to take up the full 15 hours, the setting will be funded for the hours taken, subject to the maximum of 12.5 hours that can be taken in less than 3 days.

4. There was concern over the Code of Practice' requirement that ' – local authorities should not fund providers to deliver fewer hours than the statutory 15 hours - - without good reason (for example, limited premises or opening hours).' It was suggested that settings that have only one session a day should fall within the definition of good reason.

Officer comment. We need to ensure our practices do not impact negatively on children. If settings are unable to provide 15 hours because of restrictions on how they operate and they are not then taking fees for extended hours then payments will not be affected.

5. Playgroup representatives were concerned that they did not receive the level of support for inclusion that children centres did and wanted reassurance that they would be supported for children with additional educational needs.

Officer comment. The Deprivation Supplement is based on the funding primary and nursery schools receive to cover deprivation and Additional Educational Needs. This will now be extended to the PVI sector.

6. There was debate about whether having a graduate leader was an appropriate measure of quality or was experience more valuable.

Officer comment. The promotion of graduate leaders accords with both national and local priorities but it is acknowledged that this does not mean that settings without graduate leaders are not providing quality provision.

7. PVI representatives were concerned that the sector was facing increased administrative burdens but did not have the administrative support enjoyed by schools. The EYSFF would introduce additional burdens.

Officer comment. The EYSFF builds in funding for administration and the LA will look at how it manages its information requirements and the impact this has on settings.

8. Concern was expressed that the full time places currently allocated to primary schools were not being properly used, support was expressed for a review that takes account of the needs of the child and targets places at those children who need them most.

Officer comment. A review is being undertaken.

9. Providers were concerned that hourly rates would not cover costs and that increases in rent and VAT would add to problems.

Officer comment. There will be a supplement to cover VAT and hourly rates have been revised. A survey of PVI settings to establish premises costs generated a poor response. A follow up exercise will be undertaken.

10. It was noted that top-up fees were not allowed under current legislation.

11. The formula needs to be kept under review to ensure it is fit for purpose.

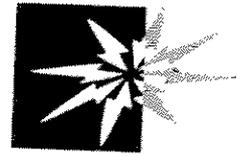
Officer comment. Agreed.

12. Concern was expressed about parents moving provision and providers losing out on funding. It was pointed out that the Project Board had been developing parent contracts that set out contract periods and the responsibilities of parents and settings; these are intended to prevent such occurrences.

13. There needs to be clarity about how funding is split when children having more than 15 hours a week at more than one provider.

Officer comment. This would generally be split pro-rata, but further guidance would be developed.

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www.haringey.gov.uk



Head of Corporate Finance Kevin Bartle

Haringey Council

Rt Hon. Michael Gove MP
House of Commons,
London,
SW1A 0AA

Your ref:

Date: 2nd December 2010

Our ref: Steve Worth

Direct dial: 020 8489 3708

Email: Stephen.worth@haringey.gov.uk

Dear Secretary of State,

Early Years Single Funding Formula

I am writing on behalf of the Haringey Schools Forum to draw your attention to the impact of the Early Years Single Funding Formula on our most needy children. The Forum is strongly committed to improving outcomes for all children and to the implementation of a funding formula that will ensure the sustainability of all early years providers. However, it believes that the geographical characteristics and history of early years provision in Haringey, combined with the relatively low per pupil funding we receive, will inevitably lead to resources being redirected from the more to the less needy. To prevent this regressive outcome the Forum is asking you to recognise the difficulty of Haringey's position and to find additional resources with which the Council can implement the formula without reducing services to its most deprived children.

The recent campaign 'A Fair Deal for Haringey Children' highlighted the anomalies within the Area Cost Adjustment that results in the serious under funding of our pupils. The Forum was pleased to hear you acknowledge the unfairness of the current funding formula when you spoke earlier this week at Woodside High school. Obviously we are disappointed that the Government has decided not to redress this problem next year. Haringey Council will therefore be implementing the single funding formula with already insufficient resources. The Forum is also concerned that the introduction of the Pupil Premium for statutory school age children will lead to a reduced Dedicated Schools Grant, further constraining the Council's capacity to fund provision for children under five without diverting resources from other, already underfunded, age groups.

The single funding formula will bring the funding of our private, voluntary and independent providers to a level more commensurate with their costs. The Forum fully



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Getting Closer to Learning



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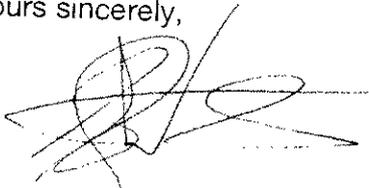
supports the intention behind this, but cannot support the resulting redistribution of already scarce resources from nursery classes and schools.

Historically, Haringey has invested heavily in early years provision and the great majority of our primary and infant schools have nursery classes. The distribution of these classes is borough wide and the Council's commitment to increasing the funding allocated through deprivation factors targets resources at the most needy areas. The provision of early years places by the private, voluntary and independent sector is skewed towards our less deprived neighbourhoods. This is a particular issue in Haringey which contains a distinct geographical split between the generally affluent west of the borough and the deprived east.

The formula the Council is proposing has a heavy weighting for deprivation, an average of £0.36 per hour compared with a median of £0.26 in pathfinder authorities. Despite this, the proposed formula will redistribute money from the more deprived east to the more affluent west of the borough and from maintained nursery classes and schools to providers in the private, voluntary and independent settings.

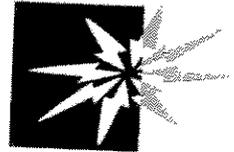
The Forum believe that the introduction of the single funding formula without the additional resources that would address the existing inequities of the Area Cost Adjustment will be detrimental to those very groups that both Government and Council policies seek to benefit.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Steve Worth', written over a horizontal line.

Steve Worth,
For Haringey Schools Forum.

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7th Floor, Alexandra House, 10 Station Road, Wood Green, London N22 7TR
Tel: 020 8489 0000 Fax: 020 8489 5923
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Head of Corporate Finance Kevin Bartle

Haringey Council

David Lammy MP
House of Commons,
London,
SW1A 0AA

Your ref:

Date: 2nd December 2010

Our ref: Steve Worth

Direct dial: 020 8489 3708

Email: Stephen.worth@haringey.gov.uk

Dear Mr Lammy,

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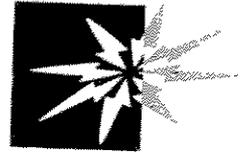


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Head of Corporate Finance Kevin Bartle

Haringey Council

Lynne Featherstone MP
House of Commons,
London,
SW1A 0AA

Your ref:

Date: 2nd December 2010

Our ref: Steve Worth

Direct dial: 020 8489 3708

Email: Stephen.worth@haringey.gov.uk

Dear Ms Featherstone,

Early Years Single Funding Formula

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INVESTMENT PEOPLE

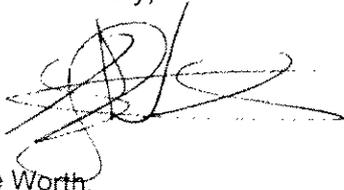
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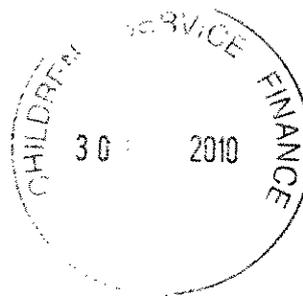
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Yours sincerely,



Steve Worth,
For Haringey Schools Forum.

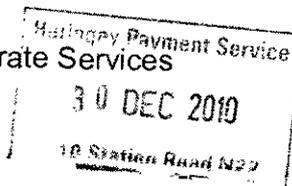
Department for Education



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Mr Steve Worth
London Borough of Haringey, Corporate Services
Alexandra House
10 Station Road
London
N22 7TR



Our ref: 2010/0102912
December 2010

Dear Mr Worth,

Thank you for your letter of 02 December 2010 about the Early Years Single Funding Formula (EYSFF) which has been passed to me for reply.

The Government has taken the decision to introduce the EYSFF in every local authority from April 2011, following the successful implementation in over 70 pathfinder authorities from April 2010. For too long, early years funding has been inconsistent and patchy across the country with too many children, particularly from disadvantaged families not accessing any, or all of their free nursery education hours. The EYSFF requires all local authorities to be transparent about the funding that they are providing for free nursery education for 3 and 4 year olds by taking a more equitable and cost effective approach – so that parents and providers are able to hold them to account.

It is fundamental that the EYSFF is based on a detailed understanding of providers' costs in both the maintained and Private Voluntary and Independent (PVI) sectors. In determining rates, local authorities should be able to explain and justify any differences in funding between providers under the new formula.

I acknowledge your concern about differences that can occur between the areas covered by the School Teachers' Review Body's (STRB) four pay bands and the Area Cost Adjustment provided as part of the Dedicated Schools Grant (DSG). I can assure you that this issue, and its impact on funding in Haringey in particular, has been raised with us and was considered as part of the review of the DSG which ended in July 2010.

Following the election last May the coalition government confirmed that it wanted to continue the 'spend-plus' methodology of funding schools in 2011-12 so that the level of turbulence in the system was minimised while the pupil premium was introduced. Longer term, the Government's view is that the system of school funding needs reforming. Currently schools facing similar challenges can receive vastly different levels of funding, for no reason other

than historical accident and an out of date assessment of need. The Government believes that two schools with the same needs should receive the same level of funding. It should not be dependent on historical allocations made for a different set of children. The Department for Education will be working closely with Local Authorities and schools to ensure a stable transition to any new system, taking account of their experiences of the current arrangements, and its strengths and weaknesses. I should stress that there will therefore be a full and detailed consultation on school funding changes for 2012-13 and beyond. The White Paper published in November said that we would consult on the merits of a national funding formula, the factors to be included in such a formula, and the necessary transitional arrangements. As part of this work we will be looking at options for the Area Cost Adjustment.

Yours sincerely,



Rob Shearer
Early Years and Extended Schools



Agenda item:

[No.]

Cabinet

25th January 2011

Report Title. Proposals for a new Single Frontline Service

Report of **Niall Bolger, Director of Urban Environment**

Signed :

Contact Officer : Stephen McDonnell, Assistant Director Frontline Services (Interim)

Wards(s) affected: **All**

Report for: **Non-Key Decision**

1. Purpose of the report (that is, the decision required)

1.1. The purpose of this report is to provide:

- Outline details on the shaping of a new Single Frontline Service; and
- Set out the principles of the new service and how the service will engage, respond and deliver for future Area Assemblies/Area Committees.

2. Introduction by Cabinet Member (if necessary)

2.1 In response to the draconian settlement that this Council has received from Government, Haringey will have to make the biggest budget cuts in its history. The severity of these reductions is not driven from any economic need to address the deficit, but is founded on a political ideology which seeks to strangle the public sector's role in providing services to its local community. This case against Government is further proven by the way it has front loaded cuts into next year, requiring Haringey to identify savings of £46million. Over the next three years we will need to reduce our spending by £87million, a reduction of over 20% in expenditure.

- 2.2 It is within this financial environment that the Cabinet has to make extremely difficult decisions in cutting and reducing services. Where possible we need to minimise the impact of these cuts on our residents and traders by reviewing the way we currently work, and reorganising ourselves to do more for less, emphasize on behaviour and culture change and join up our services better. One such way is looking at the proposal of a Single Frontline service.
- 2.3 Currently, we have over 130 officers who provide a patrolling presence on our streets but have specialised functions, such as Street Enforcement, Highways Inspection, Parking Enforcement, Highways Enforcement and Waste Contract Monitoring. The new Single Frontline service will look to provide a single uniformed service divided into two areas, Neighbourhood Services and Street Management. Both teams will be joined up, and have the tools and expertise to report issues across the streetscene, whether that be fly tips, illegally parked cars, or highway defects. This alignment of several frontline services will address concerns previously raised by Members that services should be more joined up and share information better.
- 2.4 However, each team will retain its own functions to deliver specific outcomes. A key outcome for Street Management will be to reduce road congestion and improve road safety, whereas a key outcome for the new Neighbourhood Services will be to identify and resolve local issues for each of the Area Assemblies and Committees.
- 2.5 The current Neighbourhood Management Service has been included as part of this review and the Single Frontline will encapsulate and build on its ideals to deliver an area based approach to resolve local issues. This will include a new Engagement and Enablement team whose role will be to work with the local community to identify the priorities and needs of residents and traders from each Area Assembly. The issues identified will form part of an Area Action Plan, which will be consulted on through an Area Assembly and agreed by the Area Committee. It will then be passed over and presented to the new Neighbourhood Service to address and resolve. The Area Assemblies and Area Committees will then be able to hold the service to account by monitoring how much progress has been made in delivering the actions as set out in the plan.
- 2.6 The success of the proposals will be predicated on a number of key relationships. Firstly, with our local communities and how can we enable and facilitate them to resolve some of the issues highlighted and prevent their reoccurrence. Secondly, with our partners, and how we as a Council can work more effectively with them to deliver better outcomes for Haringey. Key partners will include the new waste contractor, with a focus on how they will deliver improvements to street cleansing, actions to reduce the level of fly tipping, increase recycling and engage with local communities by working with local schools and by setting up a network of environmental champions. The new waste contractor will pool resources and work closely with the proposed Neighbourhood Service to address and change behaviours to ultimately reduce the incidences of issues, such as fly tipping and littering. Another key partner will be Homes for Haringey, which will continue to play an important role in helping to resolve local issues, and delivering positive

environmental outcomes for tenants, leaseholders and surrounding householders. Finally, the Council intends to work more closely with the Safer Neighbourhood Teams, with both parties providing a joined up on-the- street presence, and working more effectively together to engage with our community to ensure we have accurately captured local priorities.

2.7 Nevertheless, we will have to provide this service with less money as the new proposal will have to achieve a savings target of £3.5 million. However, I am confident that the proposed Single Frontline Service will minimise the impact on our residents and provide them with the highest quality services possible despite the reduction in the available spend.

2.8 As the Cabinet Member I would like to confirm my support for the development of a Single Frontline Service.

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

3.1. Council Plan Priorities are:

- A Greener Haringey – becoming one of London’s greenest boroughs.
- A Better Haringey – cleaner, greener & safer places.
- A Thriving Haringey – encouraging lifetime well being at home, work, play and learning.
- Driving change, improving quality – customer focussed, cost effective services achieving high levels of satisfaction.

4. Recommendations

4.1. To agree to the principle of the amalgamation of Frontline Services together with elements of the existing Safer Stronger Communities into a new Single Frontline Service.

4.2. To agree to develop the detail of the reorganisation and present this to the General Purposes Committee on 29th March 2011.

5. Reason for recommendation(s)

5.1. As a result of the budgetary constraints that the Council is facing we are required to consider new and more effective ways of working.

6. Other options considered

6.1. Officers are required to put forward budget reduction proposals because of the

budgetary challenges the Council is facing.

7. Summary

7.1 The strategic direction and priorities for a future Single Frontline Service delivery would be as follows;

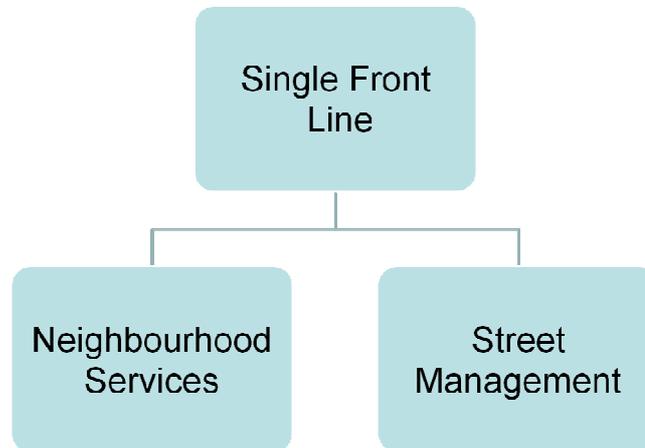
- The Single Frontline would be more than a re-badge of existing services; it is about creating an instantly recognisable on-street presence that reinforces a single face of the Council's frontline services.
- To institute a service delivery model that allows flexibility in how resources are deployed to address and resolve local community needs that will vary by locality and/or over time.
- To deliver clean and safe streets, offering protection to citizens and responsive local services.
- A street management function to reduce congestion and improve road safety.
- To maintain and where possible improve the quality of the Council's Highway's infrastructure.
- To have a transparent financial model that will show how street management income is reinvested back into Council services.
- To empower, facilitate and work with residents and businesses to identify local priorities to tackle environmental problems together, encouraging resident involvement in delivery of services and co-production of outcomes.
- To work more effectively with partners, i.e. Safer Neighbourhood Teams, contractors and voluntary sector to commission services that will deliver local outcomes and priorities.
- To integrate the customer interface, invest in the use of appropriate IT solutions to engender a single working platform across the frontline.

7.2 Budgetary challenges

- The Council faces the challenge of a much reduced affordability envelope but with greater expectations of delivering services that meet the priorities of local communities. The proposal of this paper is to make recommendations of the principles of a Single Frontline business model that will best meet these financial challenges, whilst minimising the impact on frontline services.
- The approach is based on the Council's model of commissioning services, which would identify the best value option to deliver outcomes for residents. This could and would lead to a variety of commissioned services, such as in-house, contractor, shared services etc. The common criteria is that commissioned services would be required to operate and respond competitively to market conditions and provide a degree of flexibility to meet local needs and priorities.

7.3 Single Frontline

The Single Frontline will consist of two main elements, Neighbourhood Services & Street Management.



7.3.1 Neighbourhood Services

Key Principles:

- **Neighbourhood Action Teams** - A clear manifesto commitment was the creation of Neighbourhood Action Teams. Neighbourhood Services would bring all the key service areas under one area of responsibility and accountability, bringing all the service components together to tackle environmental issues. The new multifunctional Neighbourhood Environmental Officers (NEOs) responsibilities will include the following:
 - Contract Management;
 - Enforcement (street);
 - Highways Inspection & Enforcement;

Within the Neighbourhood Action Teams the following teams will provide specialised services:

- Out of Hours (Noise/Licensing);
 - Trade Waste Enforcement;
 - ASBAT; and
 - HMOs (Cross Directorate Embedded Team).
- By pulling these resources together it will mean that whilst reducing the total number of 'on the street' officers the new service will be able to provide greater flexibility and opportunities to delivery local outcomes as well as offering a more area based focus and extended hours of operations, seven days a week and a night time presence.
 - A key aspect to the success of the Neighbourhood Action Teams will be continuing and building the relationship with key partners, including SNTs and Homes for

Haringey (HfH). In many wards in the east of the borough HfH will be an integral partner working on a day to day basis with Neighbourhood Environmental Officers in developing area based solutions positively impacting on tenants, leaseholders and surrounding householders. HfH officers will also play an important role as part of the new waste services partnership working with the new contractor and NEOs in maximising the benefits of the new contract.

- The deployment of Neighbourhood Environmental Officers will be based on the needs of each Area Assembly.
- **Community Engagement & Enablement** – A team to support all elements of the Single Frontline whose functions will include:
 - To engage with residents effectively to understand the needs and priorities of the Area Assemblies/Committees.
 - To support and monitor the delivery of local action plans.
 - To develop and enhance relationships with local community groups to act as an enabler/facilitator providing a ‘neighbourhood problem solver’ function and interface.
 - To provide an ongoing consultation service dealing with potential transport/parking schemes.
 - To promote, facilitate and monitor environmental behavioural change by working closely with contractors, community groups and resident associations.
 - To work with partners and the community to identify local crime and anti-social behaviour.
 - To identify and monitor key Local Performance Indicators to measure success or otherwise, being transparent and thus being accountable to local communities.
 - To consider and develop more joined up ways of working across the Council to ensure existing routes of community engagement are best utilised and new opportunities for engagement are maximised.
- **Highways** – The service will continue to work on a planned or reactive basis, maintaining and improving the public infrastructure, which includes:
 - Street lighting;
 - Reactive and planned maintenance;
 - Design and implementation of Road Safety schemes;
 - Design and implementation of Transport for London funded schemes i.e. Town Centres, Bus Lanes, Principal Road Network; and
 - Design and implementation of Council funded schemes.
- The service model will be designed:
 - to be flexible to reflect the level of funding available for each year;
 - to provide choices for residents and traders in each Area Assembly for establishing where investment in the public highway infrastructure will take place;

- to be responsive to local issues, resolving problems as identified in Area Action Plans; and
 - to ensure that more residents and traders are fully aware of any works being undertaken within their Area Assembly.
- **Regulatory Services** - To provide statutory regulatory services, which includes; environmental health, trading standards, animal welfare and licensing. The regulatory teams will work closely with the Neighbourhood Action Teams with all officers providing on-the-ground intelligence for each other, as well as commissioning specific areas of work to tackle local priorities within Area Assemblies/Committees.

A key difference to the existing arrangements with Neighbourhood Management would be that *ad-hoc* requests would need to be aligned with the pre-agreed Area Action Plans. The new arrangements will focus attention on resolving local issues and will see improved delivery of outcomes and better management of expectations.

To determine the success of the services and outcomes it will be essential to have a performance framework in place that will assess the effectiveness of how local priorities have been addressed and resolved. A key component of this would be resident satisfaction and the ability to measure this at a local level. Existing residents' surveys do not provide statistically viable information at this level and this would need to be implemented if a true understanding of satisfaction was to be determined.

7.3.2 Street Management

Key Principles

- By bringing together the infrastructure, enforcement and income recovery it will provide an accountable single focus for the holistic delivery of this service. For example, those responsible for designing a parking or road traffic scheme and generating the relevant Traffic Management Orders will also be accountable when the scheme is enforced ensuring that the desired outcomes of reducing congestion and improving road safety are met.
- It is proposed that the new service budget will be based on a 'Trading Account', which will provide the transparency required for residents in demonstrating how surplus revenue is reinvested into other Council services.
- Street Management would be responsible for ensuring that the Council meets its obligations under the Traffic Management Act and meeting the strategic objective of a Greener, Better and Thriving Haringey by managing the flow of traffic through and around the borough, as well as ensuring works undertaken on the highway do not adversely impact on the flow of traffic or damage the highway.
- Whilst this would be a separate patrolling unit we would seek to have the

officers in a uniform that would easily identify them as part of the Single Frontline service.

7.4 Governance Arrangements

- Following the Council's recent Governance Review, proposals have been developed to re-energise Area Assemblies and introduce Area Committees. It is envisaged that the priorities for a local area will be developed by local residents and traders through an Area Assembly and recommended to an Area Committee. In this proposed model it will be the Area Committee whom will approve the Area Action Plan, which will need to be compliant with Council policy and be affordable. It will be the responsibility of the new Single Frontline to address and resolve the environmental issues identified in Area Action Plans mainly through the Neighbourhood Action Teams.
- The proposed Single Frontline will also have a key role in engaging with residents and traders through Area Assemblies, to support the development of Area Action plans, facilitate and enable the local community to play an active role in resolving issues themselves and to update the Area Assemblies/ Committees on progress.
- The details of the new terms of reference for the new governing arrangements are being developed and further details will be presented in the General Purposes Committee report.

7.5 Interdependencies

- Due to the centralisation of key services, central units will be required to provide key support to the business units based on efficient and effective (market conditions) SLA's. Areas included in this would be;
 - Finance
 - Policy
 - Performance (local as well as corporate)
 - Complaints
 - Communications
 - IT
 - Customer Services
 - HR
- It is essential that these services are commissioned to deliver the required levels of support to the Single Frontline. Support services will provide a critical role in achieving the improved environmental outcomes for residents/traders and how they will perceive the future service.

7.6 Delivering the Outcomes

- A project team has been set up to deliver this organisational change programme using existing resources within the service. This team will ensure the project is managed effectively and the milestones outlined below are delivered on time. The project team will also continue with Member engagement to ensure comments and feedback are captured appropriately.
- In order to maximise the outcomes from the resources available on-street it is essential that officers are provided with the tools to do the job. The first consideration will be training so that officers can become familiar and effective in a number of disciplines. The second is to provide a mobile working solution that will allow the maximum time on-street and limit the amount of time required in the office.
- It is important to note that the cultural and behavioural change required to move from discreet single functions to a multi-disciplinary operation as well as the wider span of controls in some areas is considerable and will require strong leadership and communications.
- In addition, to ensure that services are maintained there will need to be a phased approach to implementation. Even where existing services are being merged there will be considerable change and this will need to be managed and supported effectively. During this period of change Officers may require additional support as they have to adapt to new ways of working as new systems are developed and introduced.

7.7 Key Milestones

- The following are the key completion milestones for delivering the proposed change;
 - Develop detailed proposal – 11th February 2011
 - General Purposes Committee – 29th March 2011
 - Consultation – 6th May 2011
 - Structure finalised – 27th May 2011
 - Street Management go live – 1st August 2011
 - Network Services full go live – 2nd January 2011

8 Chief Financial Officer Comments

- 8.1 Any savings figures included within this report are purely indicative at this stage. It should firstly be noted that the total figure of around £3.5m incorporates options around Neighbourhood Management and Enforcement that are already part of the HESP process and hence the £3.5m is not wholly additional to existing options being discussed with Members.

8.2 Detailed work is underway to identify the precise additional saving possible but the final saving will be dependent on a myriad of factors such as;

- Other complementary reviews within Urban Environment being agreed and actioned.
- The level of impact that Support Service Reviews have on the posts identified within the scope of this restructuring.
- The level of specific external grant funding in the future.
- The timescale taken to agree and implement this proposal.
- The successful implementation of the new waste management contract.
- Grading of new posts following job evaluations.

8.3 It is likely that a restructure of this complexity will take significant time and resources to implement and although it will be possible to deliver significant savings in 2011-12 with early agreement of the principles, the full year effect of the savings will be realised in 2012-13.

8.4 The vast majority of savings achieved will relate to staffing and thus there is the possibility of a significant redundancy cost associated with these proposals.

8.5 There may also be a need for some investment in IT to enable savings to be fully realised. Proposals will be brought forward for agreement if necessary.

9 Head of Legal Services Comments

9.1 The Head of Legal Services has been consulted on the content of this report. The recommendations in the report entail significant reorganisation within the service. While there are no detailed proposals at this stage, it is noted that the target savings of £3.5 million are said to involve significant staff reductions, including up to 40 FTE redundancies within Frontline Services and the proposed closure of the Neighbourhood Management Service.

9.2 These proposals should be planned and implemented under the terms of the Council's policies and procedures regarding restructuring, redeployment and redundancy. Consultation will be required with employees affected and statutory consultation must be carried out with recognised trades unions. Such consultation should be completed before any final decision is made to implement the proposals. It is noted that the new service may be offered under a number of models including in-house provision, shared services and commissioned services.

9.3 Legal advice will be required in respect of proposed service changes involving the transfer of functions to other providers or employers or to changes to the employment relationship. As the equalities and community cohesion comments in the report make clear, a full equalities impact assessment will be required in respect of these proposals, the outcome of which must be considered before any final decision is made.

10 Equalities & Community Cohesion Comments

10.1 As stated in the introduction, this report proposes the principle of a Single Frontline Service and provides an outline of the shape of the new Service that will incorporate the existing services from Neighbourhood Management, (Safer Stronger Community), Enforcement, Highways and Environmental Resources.

10.2 Many of the principles outlined in this initial proposal are consistent with the Council's equal opportunities policy and our equalities and community cohesion duties. These include the duty to engage, consult and involve our local communities in determining local priorities and in decisions that affect their lives.

10.3 In view of the fact that the establishment of the new Service will involve a restructure, which will impact on staff and services, a full equality impact assessment will need to be carried out in order to determine the full equalities implications of the proposal.

10.4 Following a full Equality Impact Assessment, a detailed equalities comment will be provided.

11 Consultation

11.1 A full programme of consultation will be undertaken for the next stage of the development of the proposal and will be presented to the General Purposes Committee.

12 Service Financial Comments

12.1 The formation of a Single Frontline is estimated to save the Council around £3.5m (FYE). The savings are mainly generated by the rationalisation of services from Neighbourhood Management (Safer Stronger Community), Enforcement, Highways and Environmental Resources into a Single Frontline.

12.2 This includes savings from the proposed closure of the Neighbourhood Management Service reducing staff numbers by 24 FTEs, as well as those savings agreed by Cabinet on 21st December 2010 relating to the Enforcement service.

12.3 The majority of savings (around £3m) are expected to be achieved due to reductions in staff numbers, although there are also expected to be savings related to reduced running costs, for example reductions in priority plan budgets formerly part of Neighbourhood Management and potentially some increases in

income. The staff savings for Frontline Services have been estimated at £1.6 million with staff numbers reducing by approximately 40 FTEs.

12.4 The existing staffing budgets for Frontline Services and Neighbourhood Management are shown in Table 1 below.

Table 1

Area	10-11 Staffing Budget £000s	Part of Corporate Review £000s	Part of Urban Environment Restructuring £000s	Remaining Budget £000s
Parking / Concessionary Fares	4,371	-45		4,326
Enforcement	4,127	-40	-619	3,468
Environmental Resources	4,176	-51	-3,142	981
Sustainable Transport	2,651		-232	2,419
Neighbourhood Management	1,612			1,612
Management and Support	593	-557		36
Total	17,530	-693	-3,993	12,844

12.5 The existing staff budgets have then been amended for staff who are deemed to be out of scope of the Single Frontline, either because of being part of Corporate reviews, (Policy, Finance and Complaints) or for those functions that are part of wider Urban Environment proposals. These are;

- Recycling and other Environmental Resources staff transferring into new Waste Management Contract;
- Sustainable Transport and Environmental Resources Staff who fill form part of the new Carbon Management and Sustainability service;
- Coroners and Mortuary functions within Enforcement.

12.6 Of the remaining staffing budget of around £12.8m, the majority of staff posts within Parking and Sustainable Transport will form part of the wider Single Frontline service but will not generate significant levels of savings in doing so. This is because they are generating income (Parking) or undertaking work reliant on external income (Sustainable Transport).

12.7 This would leave a remaining staffing budget of around £6.5m of which savings of £3m (46%) are envisaged. This would largely come from:

- Amalgamation of the Neighbourhood Management, Highways Inspection, Street Enforcement and Contract Monitoring functions.
- De-layering of management roles and extension of responsibilities.
- Reduction in support staff.
- Reduction in Regulatory Services.
- Removal of tactical enforcement.

12.8 An example of the de-layering of management can be seen in the before and proposed after organisational charts for 3rd and 4th tier Managers attached as Appendix A.

12.9 The remaining £3.5 million will be the affordability envelope in which the new Neighbourhood Service will be built around.

12.10 Note, other service areas that are subject to reviews such as Policy and Performance, Finance and Complaints will need to be taken into account in understanding the resulting impact they may have in delivering a Single Frontline service.

12.11 If the principles of a Single Frontline are agreed then detailed revised budgets will be produced together with organisational structures which will form part of a future report which go to General Purposes Committee for consideration.

13 Use of appendices /Tables and photographs

13.1 Appendix A – Organisational Charts 3rd & 4th Tier

13.2 Appendix B – Single Frontline Service Presentation

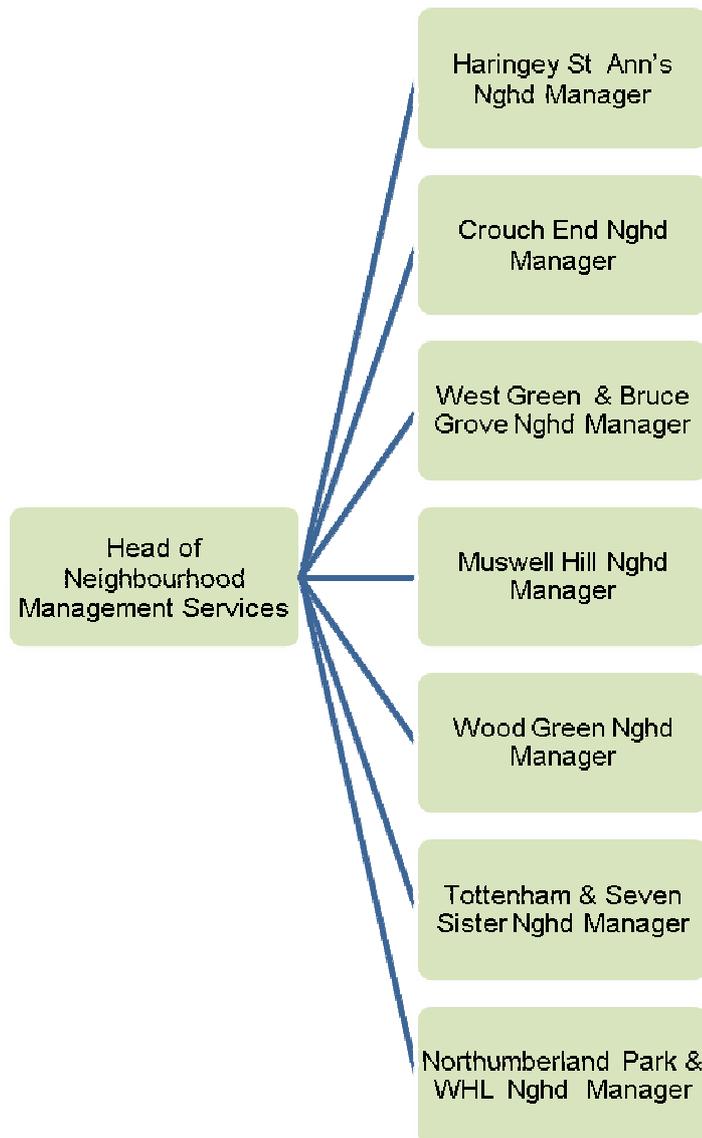
14 Local Government (Access to Information) Act 1985

14.1 [List background documents]

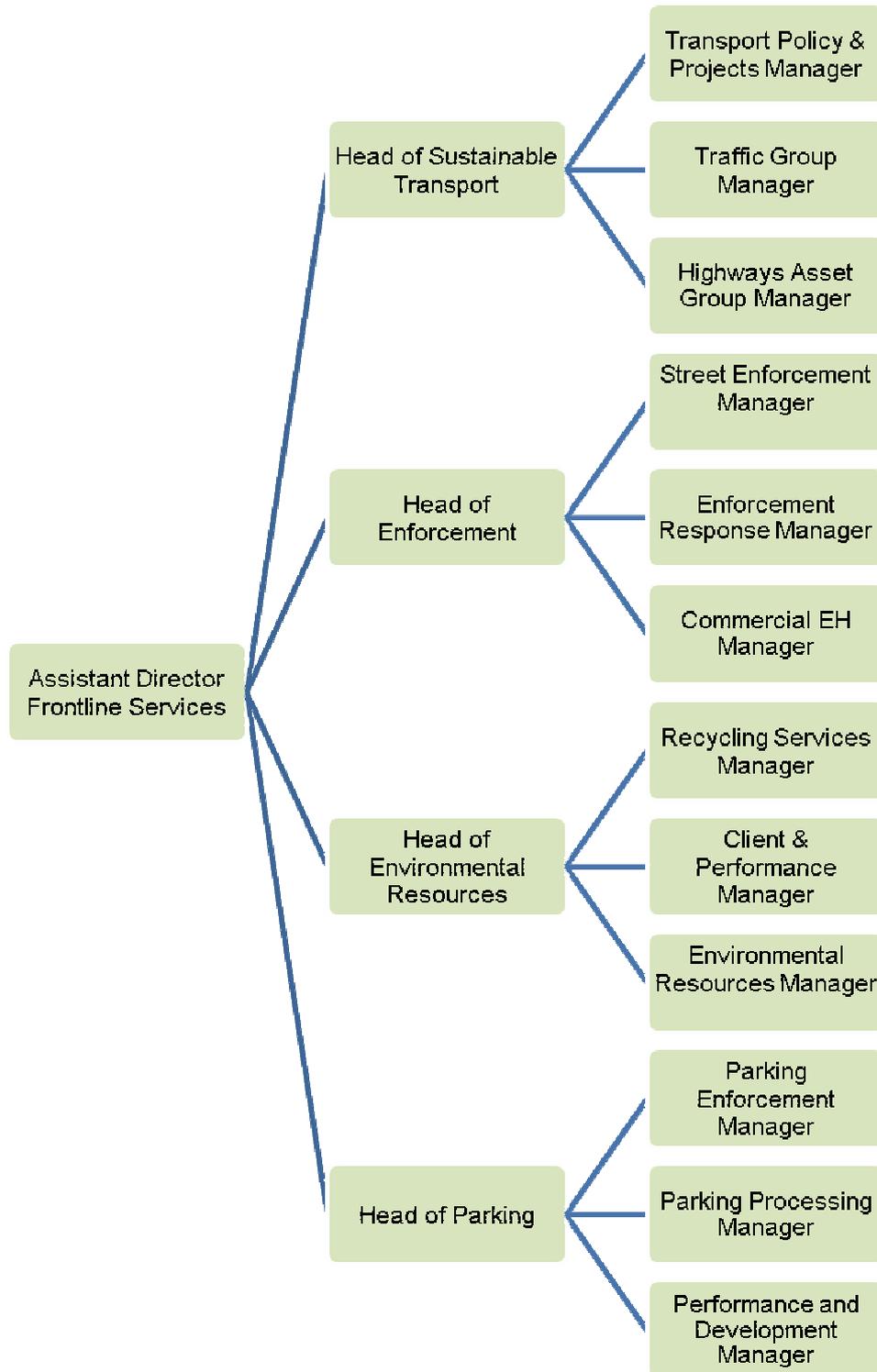
14.2 [Also list reasons for exemption or confidentiality (if applicable)]

Appendix A

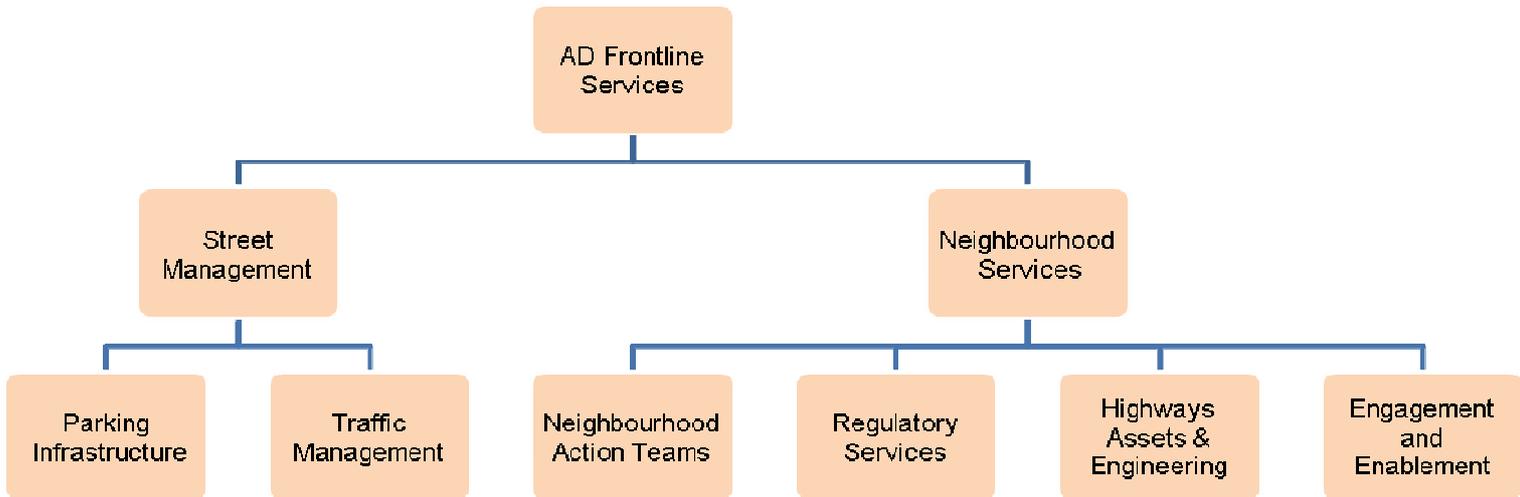
Current 3rd & 4th Tiers - Neighbourhood Management Services



Current 3rd & 4th Tiers - Frontline Services



Proposed 3rd & 4th Tiers - Single Frontline Services



Please note that this is an indicative structure which may change following consultation. It is proposed that aspects of the existing services will be transferred to other business units or the new waste contractor and will not form part of the Single Frontline (e.g. Recycling Manager – New Waste Contractor, Mortuary – Dir PH, Coroner - Dir PH, Planning Enforcement – Planning & Regeneration etc.)

Outline Proposals for a Single Frontline Service

Introduction

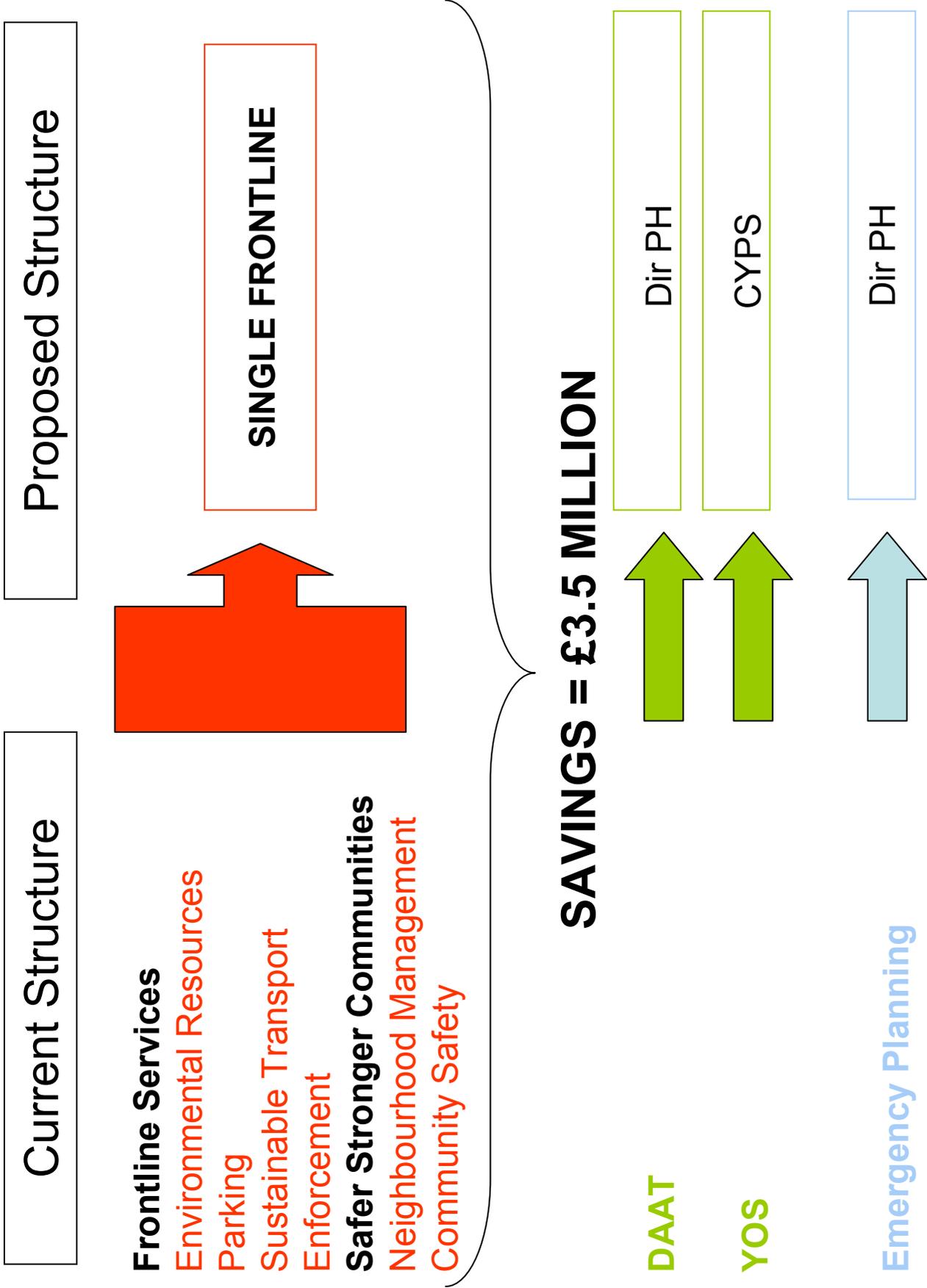
- 1. Cabinet Introduction**
- 2. Recommendations**
- 3. Principles of a Single Frontline Service:**
 - Neighbourhood Services**
 - Street Management**
- 4. Governance Arrangements**
- 5. Questions & Answers**

Cabinet Introduction – Single Frontline Service

- Context
 - £46 million savings required for 2011/12
 - £87 million over next 3 years
 - Difficult decisions to cut or reduce services
- Need to do more for less
- Minimise the impact on residents/traders
- Engage and empower residents
- Work more effectively with partners
- Save £3.5 million – amalgamation of Business Units / functions

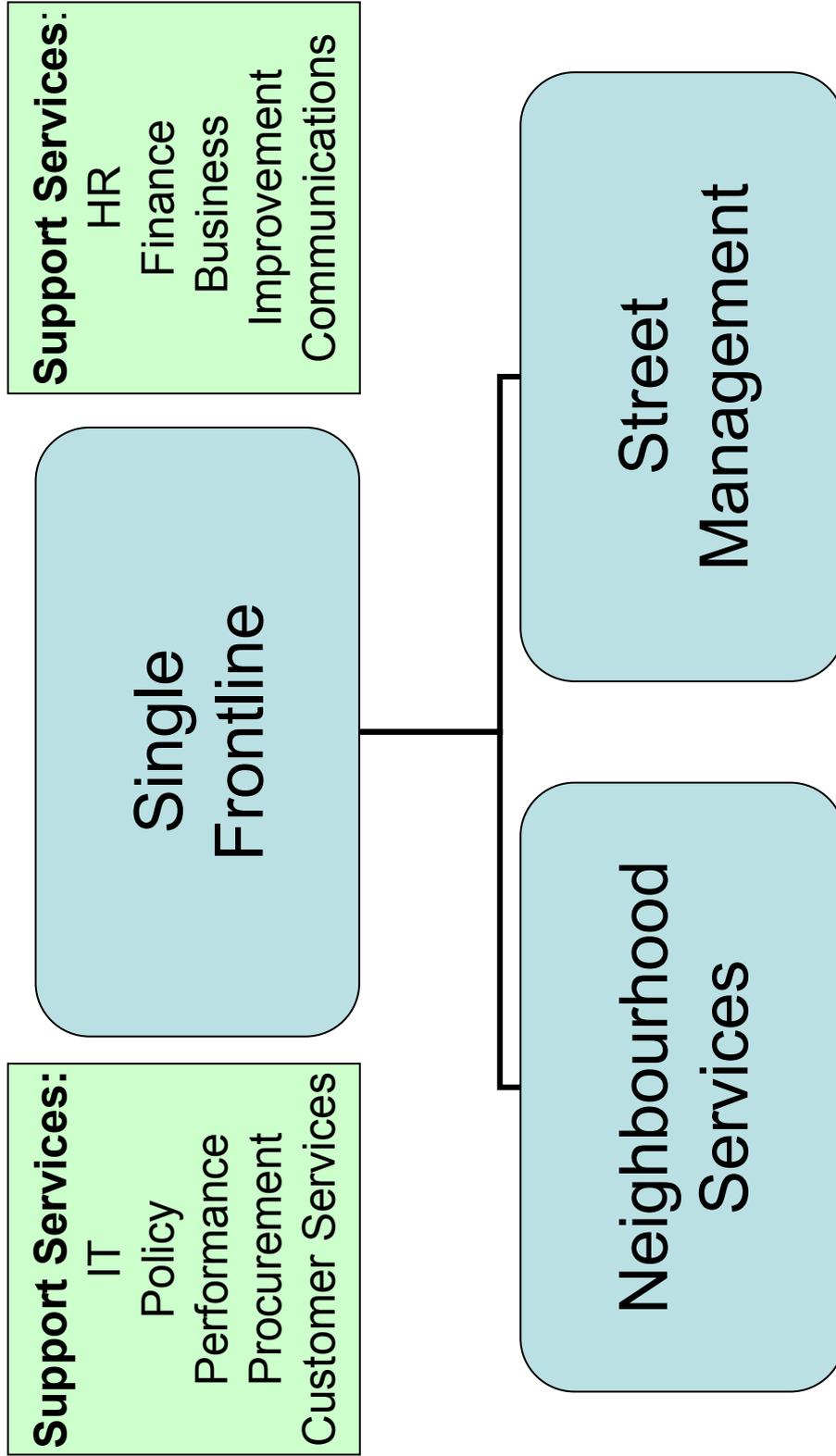
Recommendations

- To agree the principle of the amalgamation of Frontline Services together with elements of Safer Stronger Communities into a new **Single Frontline Service**.
- To agree to develop the detail of the reorganisation and present this to the General Purposes Committee.

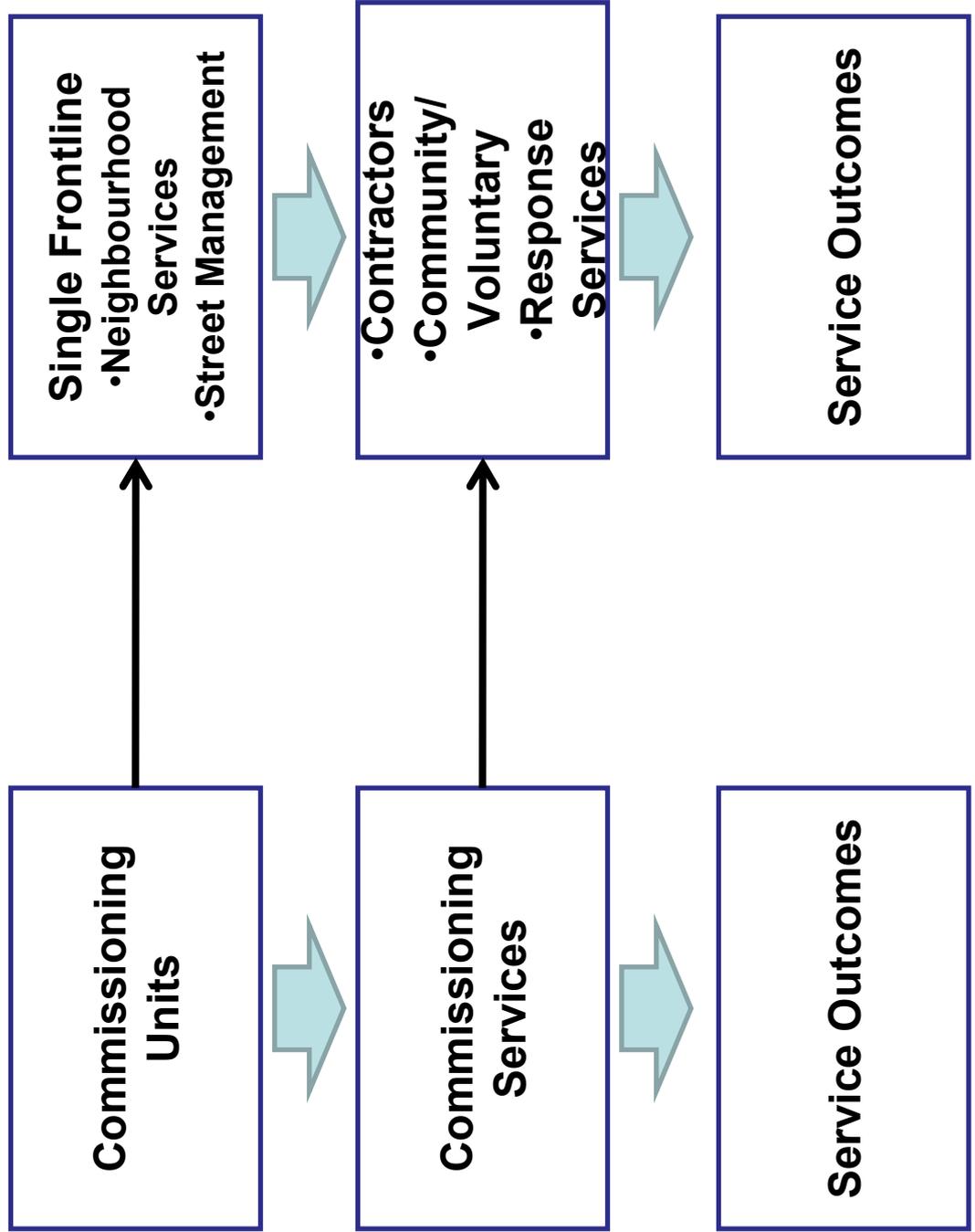


Financial Savings

- £3.5 Million Target (FYE)
 - SSC Neighbourhoods £1.4 Million
 - 24 Staff
 - Frontline Services £2.1 Million
 - 40 Staff (15% Reduction)



Commissioning Approach

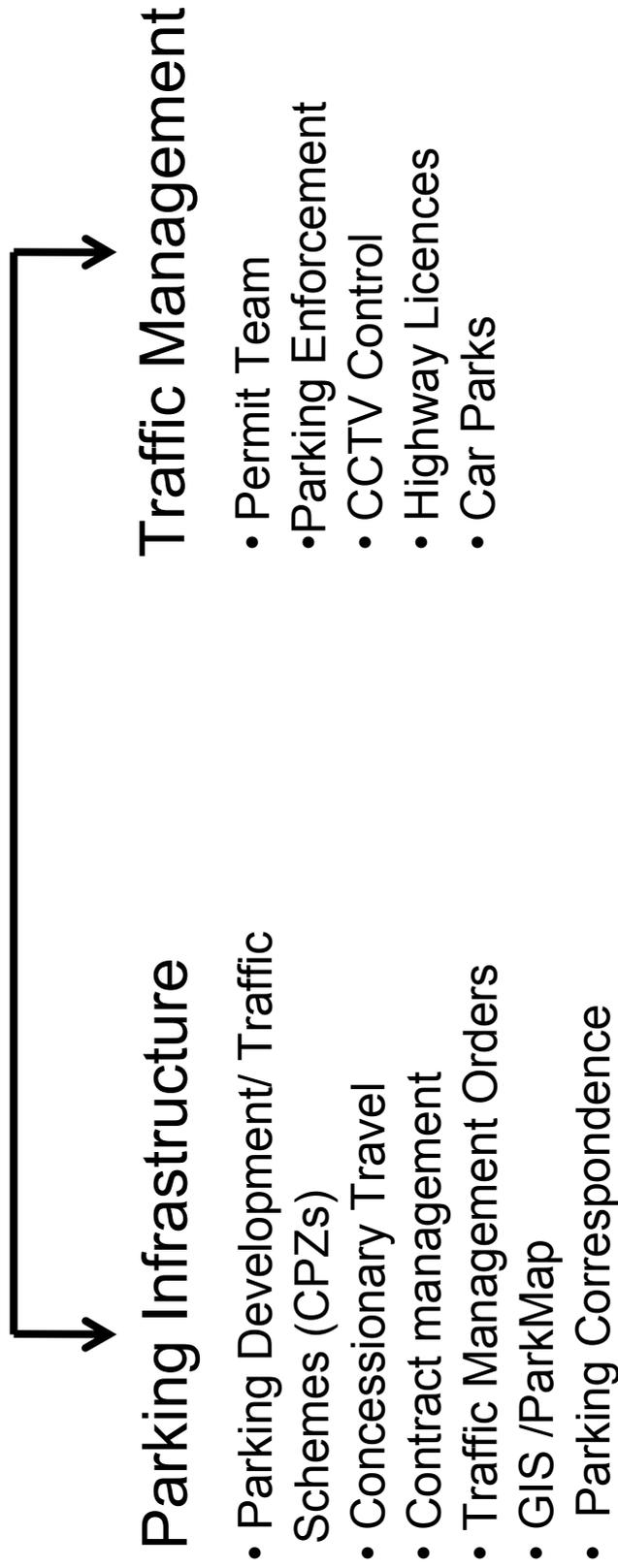
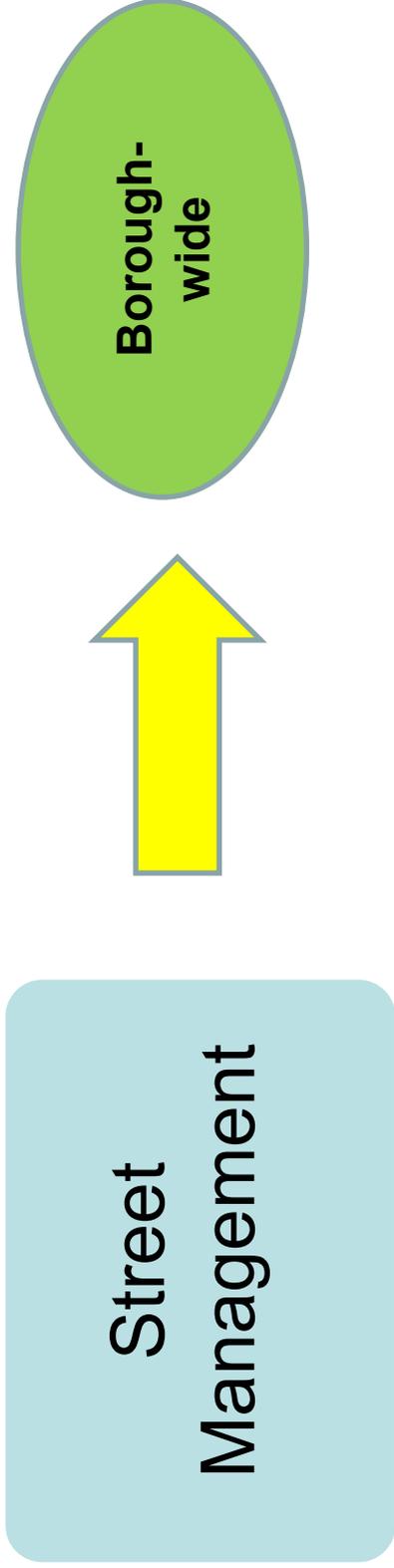


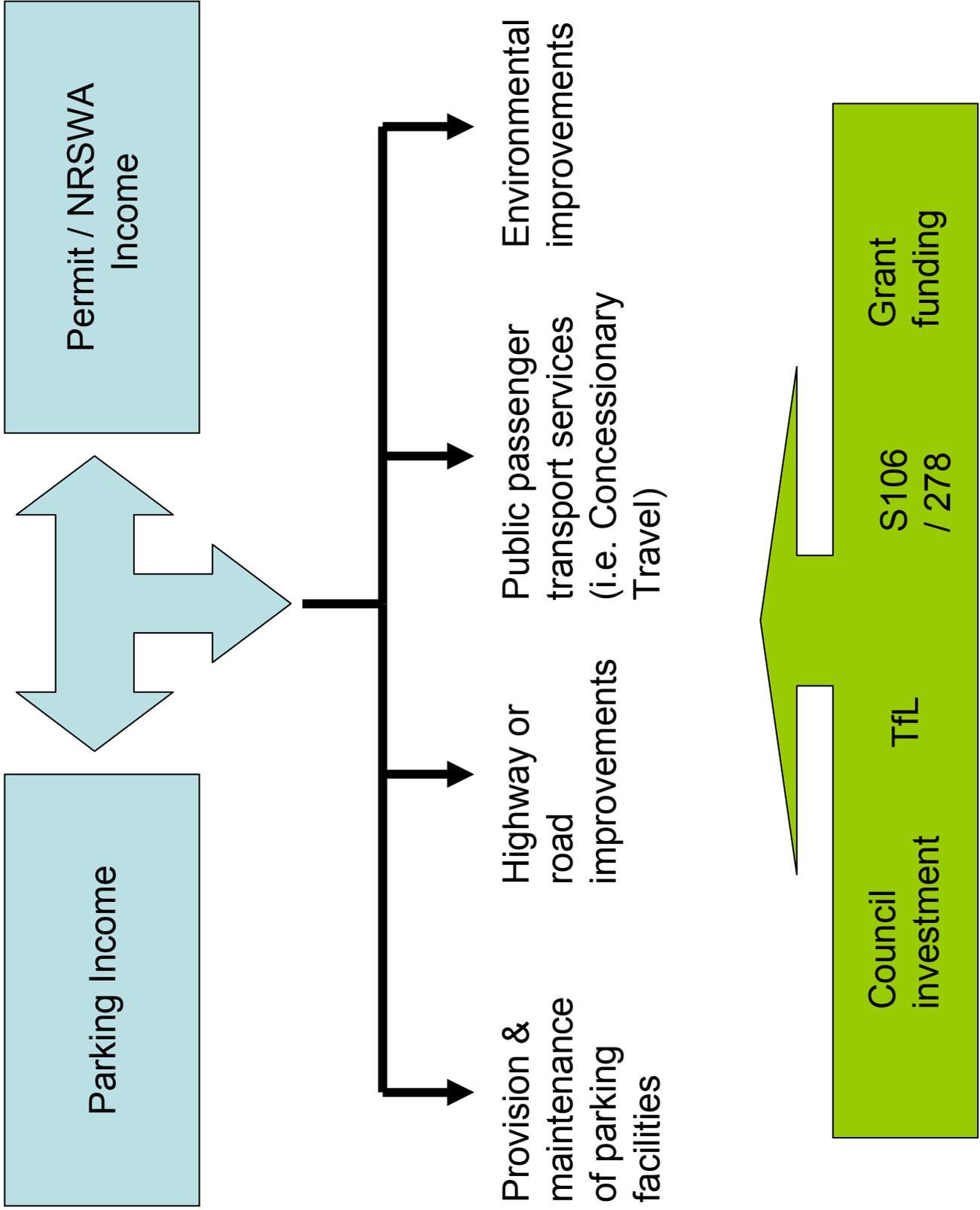
Single Frontline

Key Objectives Include :

- An instantly recognisable uniformed presence
- To provide high quality services
- Support Area Assemblies (Forums) / Area Committees:
 - Identify local priorities – Area Plans
 - Be more responsive to local issues
 - To empower and facilitate local residents/community groups
- To improve traffic flow and reduce the number of accidents
- To work more effectively with partners
- Less Money - minimise the impact on residents/traders

COMMISSIONING UNITS

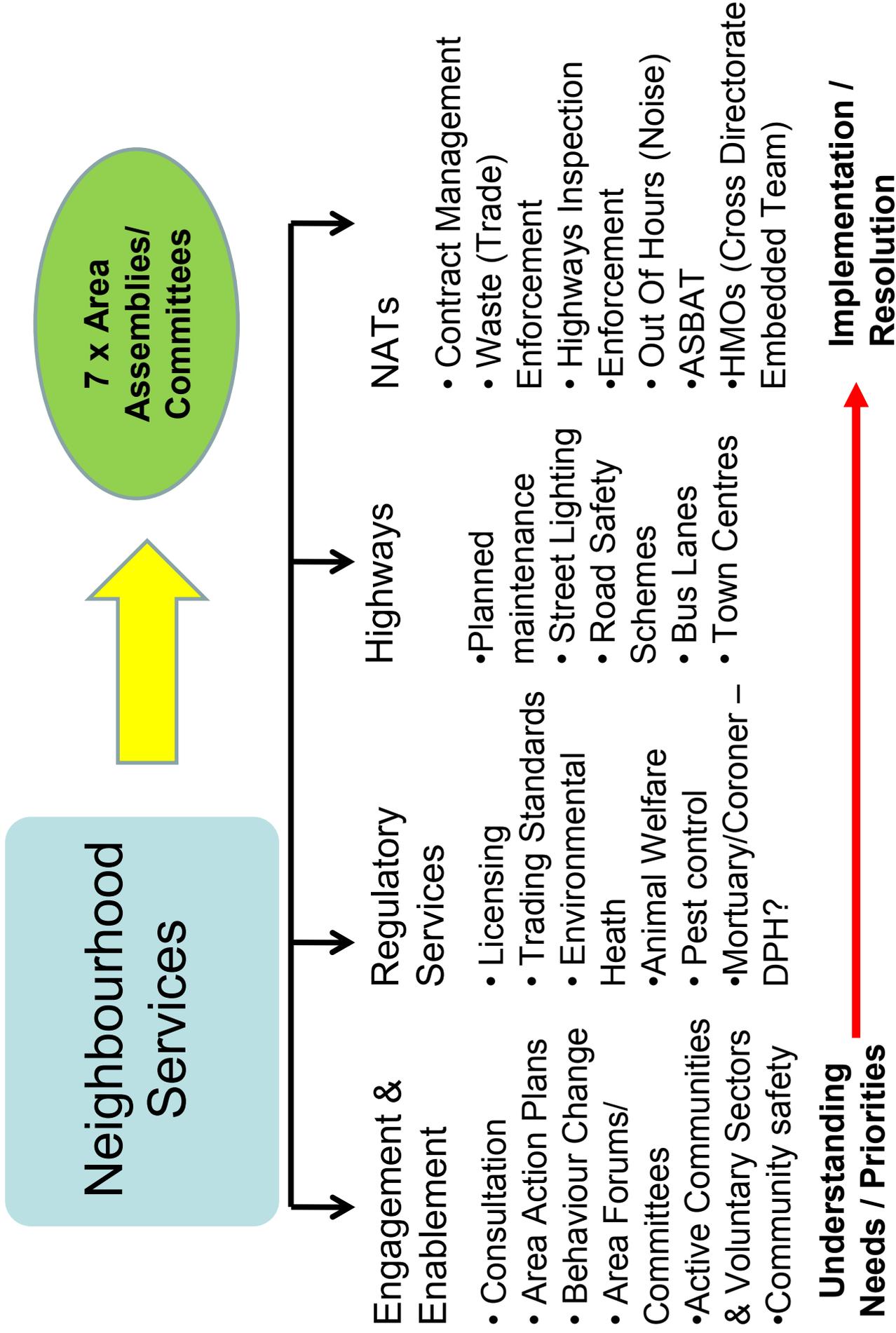




Street Management Rationale

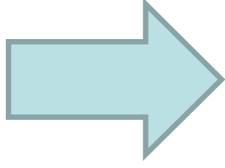
- By aligning these areas ensures that all aspects of the Traffic Management Act are met;
- Provides a borough-wide focus
- Accountability and responsibility for the end to end process;
- Trading account provides transparency;
- That revenue is identified for reinvestment;
- Can be badged to reinforce the Single Frontline.

COMMISSIONING UNITS

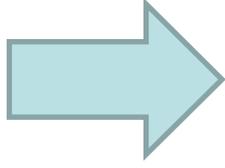


Neighbourhood

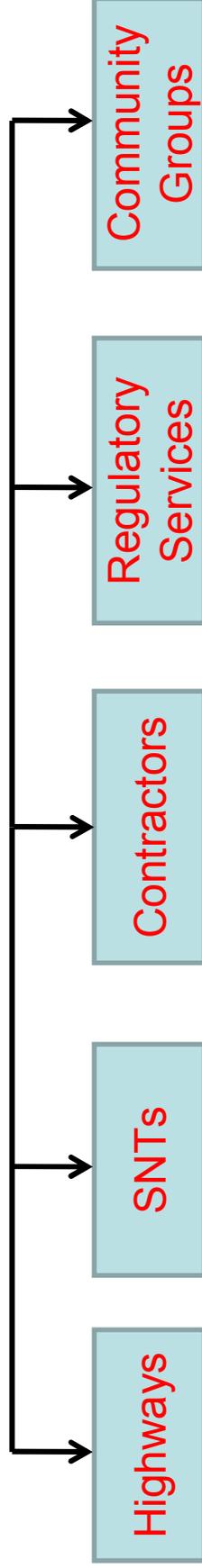
Identify Needs of Local Community

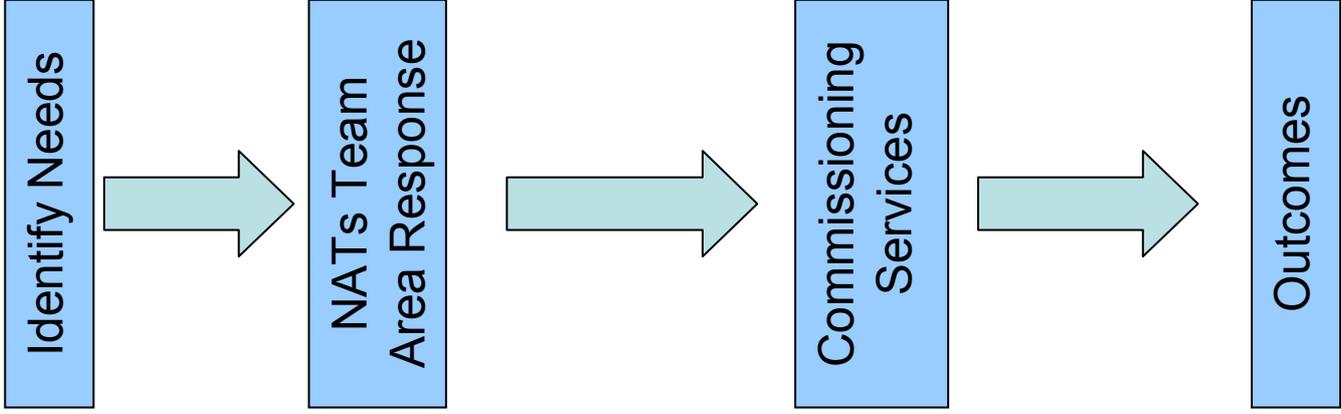


NATs Team Area Response



Commission Services





Fly-tipping hotspot identified through local community

Resolve Issue: Gather enforcement intelligence; undertake enforcement, complete monitoring of site; design out the problem, identify work to be commissioned

Commission:

- Waste contractor for removal
- Waste contractor to educate and inform local residents
- Highways to design and implement a scheme to prevent access to site
- Local residents to be eyes and ears
- Local residents for clean up
- SNT for Further Action/Arrest

Improve street cleanliness

Neighbourhood Services Rationale

- Instantly recognisable On Street Presence
- Provides a framework for identifying local priorities
- Provides Area Based Solutions
- Stronger Engagement & Empowerment with Local Communities.
- NATs - Multi-disciplined patrolling Neighbourhood Environmental Officers to ensure service outcomes delivered by:
 - Commissioning specific services
 - Effective contract management
 - Enforcement
- Meets statutory responsibilities.
- Integration of services – Single IT Work Platform

Working in Partnership - SNTs

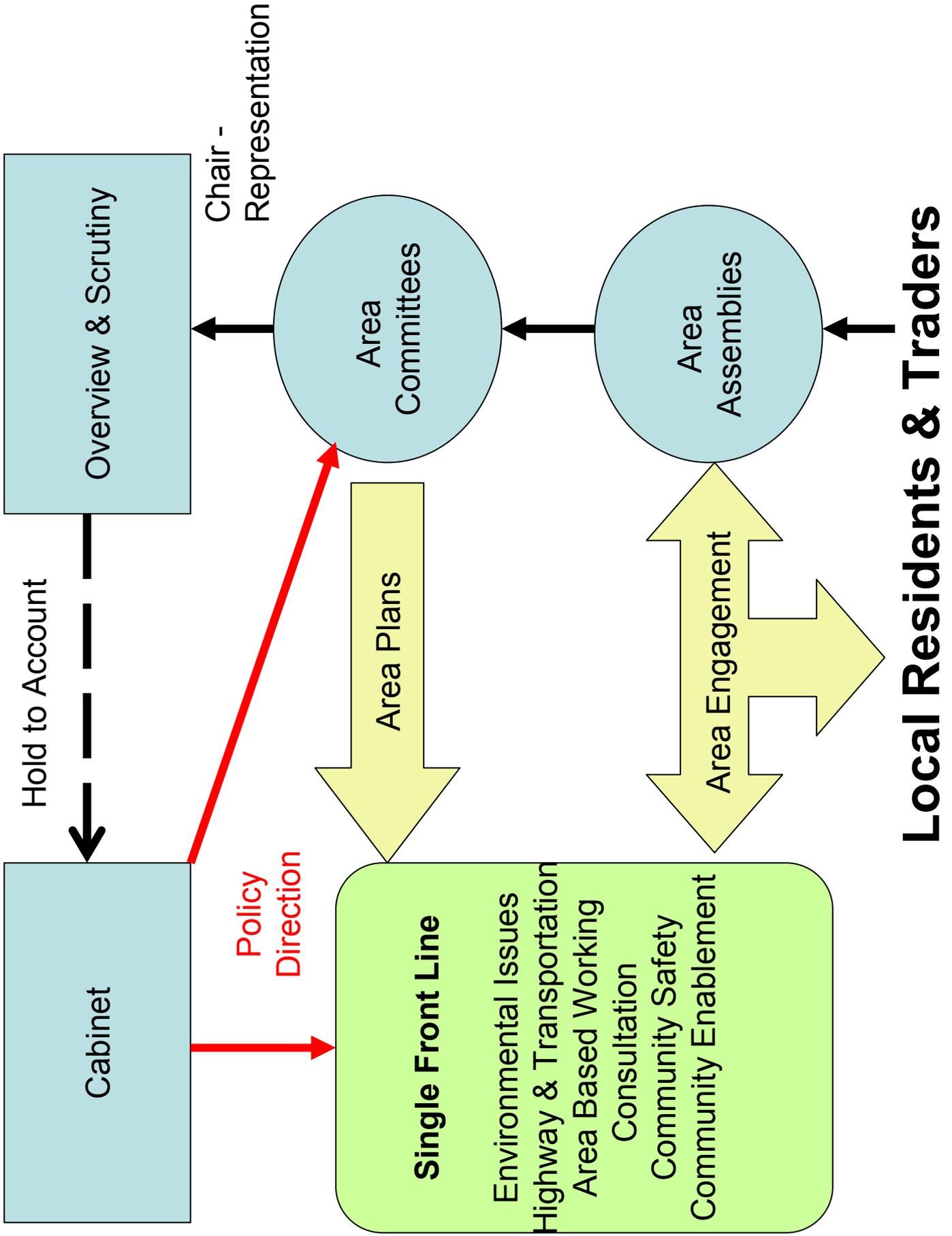
- **Joint working**
 - Litter Patrols
 - Fly Tipping
 - Dog Fouling
 - Licensing
 - Intelligence Gathering
- **Engagement with community to understand needs**
 - SNT Ward Plans
 - Area Forum/ Committee Action Plans
- **Training/ Awareness/ Shared Intelligence and information**
- **Joint Performance Indicators – Place Satisfaction Rates**
- **Potential co-location**
- **Joint funding arrangements – mutual benefits**

Working in Partnership - Veolia

- Service design around Area Assemblies
 - More responsive and accountable to local community
 - Contractor to play a more proactive role in engaging with local community groups and resident associations
 - Street Cleansing Service to have individual Area Assembly branding, linking the service to the local community
 - Street Cleansing Targets to be established for each Area Assembly
- Fly Tips less than 3m³ to be collected within 6 hours
- All residential roads to be swept x2 per week
- All residential roads to be swept over 6 days (Mon – Sat)

Working in Partnership - Veolia

- Transparency of information – public web links to monitor services, report problems and request services;
- Veolia staff to be trained in complaints resolution and Customer Care service principles;
- Analyse complaints to resolve underlying issues;
- Recruiting & supporting Local Environment Champions;
- A dedicated Education & Participation Team of 6 staff supported by a £300K per annum budget for engagement, communication, marketing & educational campaigns;
- A £50K per annum fund to be shared with Schools to incentivise recycling.



Meeting Manifesto Commitments

- **Tackling violent crime and anti-social behaviour**
- **Tackling environmental crime (Street Enforcement - NATs)**
- **Tackling dangerous dogs and their owners**
- **Tackling carbon emissions**
- **Green transport**
- **Decent Homes and neighbourhoods for all (Rogue Landlords)**
- **Delivering value for money**
- **Delivering services that you want**

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Haringey Council

Agenda item:

[No.]

Cabinet

25th January 2011

Report Title: Future of the Neighbourhood Management Service

Report of: Niall Bolger, Director of Urban Environment

Signed :

Contact Officer: Jean Croot, Head of Safer Stronger Communities

Email: jean.croot@haringey.gov.uk

Wards(s) affected: **All**

Report for: **Cabinet 25 January 2011**

1. Purpose

1.1 To propose recommendations for the future of the Neighbourhood Management Service and its key functions.

2. Introduction by Cabinet Member (if necessary)

2.1 Frontline Services and Neighbourhood Management have been key in supporting the Council in achieving its priorities, particularly those regarding improvements to the environment and access to Council services. However, we now face a number of critical decisions to be made in light of challenging budget issues. The reality is that we are unable to sustain the existing level of services and we have to identify new ways of working that joins up frontline environmental services better. The development of a Single Frontline Service will engage with the community to understand its priorities and needs, then address those needs It will also lead to implementation of our manifesto commitments prioritised in this area of work . Whilst recognising that the Neighbourhood Management Service (NMS) has played an important role in the past, we now need to ensure the key activities carried out by the NMS are maintained, whilst achieving the significant savings required.

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

3.1 Council Plan Priorities are:

- A Greener Haringey – Becoming one of London’s greenest boroughs
- A Better Haringey – cleaner, greener & safer places
- A Thriving Haringey – encouraging lifetime well being at home, work, play and learning.
- Driving change, improving quality – customer focussed, cost effective services achieving high levels of satisfaction.

4. Recommendations

- 4.1 That the Neighbourhood Management Service (NMS) is dis-established.
- 4.2 That the key functions currently carried out by the NMS and requiring to be maintained are transferred to other Council departments/teams where appropriate to facilitate their continuation, within existing resource limits and financial envelopes for these services.
- 4.3 That buildings currently managed/utilised by NMS to be transferred to Property Services or HfH (according to ownership).
- 4.4 That the General Purposes Committee consider the staffing changes arising from these recommendations.

5. Reason for recommendations

- 5.1 Given the current need to identify and achieve the biggest cuts to Council funds and resources experienced by local government, it is no longer viable to maintain the Neighbourhood Management Service, which is neither a statutory nor essential service.
- 5.2 Certain key functions will need to be maintained and therefore transferred to other Council departments/teams.
- 5.3 Buildings utilised by Neighbourhood Management Service will need to be managed by Property Services or HfH, according to ownership of these buildings.

6. Summary

6.1 Introduction

6.1.1 Given the current need to identify the biggest cuts to Council services experienced in local government, it is no longer viable to maintain the Neighbourhood Management Service which is neither a statutory nor an essential service. This recommendation is a tough one, but is offered due to recognition of other Council services being more important to ensuring the Council can both support its most vulnerable residents and deliver on the Administration’s manifesto pledges, and due to both the size and speed of the reductions to funding required following the reductions in local authority funding introduced by the Coalition Government.

6.1.2 A review of the Neighbourhood Management Service (NMS) has been undertaken to consider the work of the current NMS, what key functions of the

service would need to be repositioned to ensure these would be appropriately delivered, and what functions are no longer viable given the significant cost reductions required of non-statutory services.

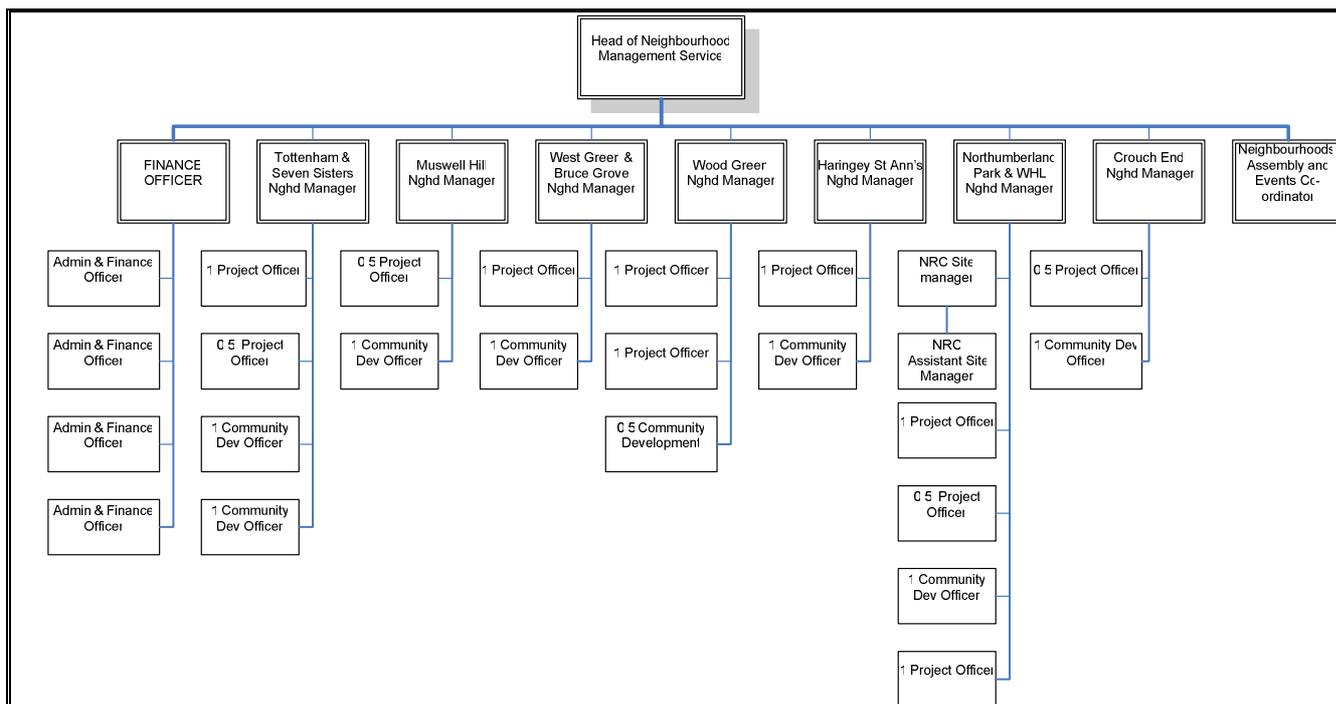
6.1.3 Although national consideration is being given as to how communities can be self-enabling, the Council will need time to consider how best it can support this new agenda and position itself to develop the delivery of this agenda alongside its residents. The long term aim will be to enable our communities to work as active citizens with the Council and our partners to shape future services and influence change in their neighbourhoods, and the development of a Single Frontline Service in the Urban Environment Directorate will begin to carry this work forward.

6.2. The Current Service Offer

6.2.1 The current Neighbourhood Management was developed within the ethos of neighbourhood renewal and supported by Neighbourhood Renewal Funding. As a consequence the service focussed upon :-

- Building the capacity of communities in Haringey to enable local people to be part of local decision making processes.
- The facilitation of seven Area Assemblies four times a year, encouraging local residents and partners to raise issues of concern.
- Local Area Based Working, bringing residents and partners together to find solutions to local issues and problems.
- Facilitation, delivering and monitoring of Making the Difference projects put forward by local communities and residents.
- Designing and undertaking mechanisms to ensure 'new' and 'hard to reach' communities are able to access Council services.

6.2.2 The current service structure is displayed in the chart below:



6.2.3 The revised 2010/11 Neighbourhood Management budget (excluding corporate overheads) is a gross cost of £2.738m. This includes certain buildings (e.g. the Neighbourhood Resource Centre) and related staff that will remain required whilst the Council owns those buildings. The currently agreed staff establishment is 28 FTE costing £1.435m. The detail is set out in the table below:

2010/11 Revised Neigh'd Mgt Budget (excl. corporate overheads)	Core Funding	ABG Grant	Total Budget
	£	£	£
Employees	1,024,300	487,000	1,511,300
Premises	161,500		161,500
Transport	5,000		5,000
Supplies & Services	180,400		180,400
Third Party Payments	352,700	195,000	547,700
Contingencies	332,100		332,100
Total Expenditure (excl. overheads)	2,056,000	682,000	2,738,000
Government Grants		-682,000	-682,000
Customer & Client Receipts	-64,900		-64,900
Recharges			0
Total Income	-64,900	-682,000	-746,900

Net expenditure (excluding overheads) is therefore **£1,991,100**.

6.2.4 An analysis of key activities of the service is shown in the table below:

Area of activity	Brief description
-------------------------	--------------------------

Area Assemblies	Planning, preparation, co-ordination and delivery of AA's including liaison with partners, members and services.
Area based working	Planning, preparation and delivery of ABW meetings; chasing up activity and maintaining action plans.
Access to Services	Contribution to events
Making the Difference	Processing applications, assessing suitability, advising Members, monitoring implementation, financial management, project managing and delivering schemes.
Neighbourhood activity	Day to day neighbourhood management, including facilitating partnership responses to local issues as they occur/are received. Often as a result of a phone call/ email requiring immediate action.

6.2.5 A high level evaluation on the service has been undertaken, and the following conclusions have been drawn:

- The Neighbourhood Management Service (NMS) was established in 2005 in the era of neighbourhood renewal and has delivered some key successes underpinning the Council's relationship with residents and communities. The service at that time was developed in part to ensure that services were appropriately coordinated and focussed in local areas. Through the models developed by neighbourhood management, these area based approaches are now mainstreamed. Responsive services are now part of the core business of the Council.
- Some good area based working is undertaken, bringing partners together to problem solve at a local level, though stronger and more developed in some neighbourhoods than others.
- There has been success in engaging hard to reach and emerging communities through the access to services programme and general community capacity building.
- The process of engagement of local residents and communities in the development of Area Priority Plans proved beneficial and popular. However there is still a disconnect with the overall business planning process of the Council and partners. This way of working has increasingly become a core part of the way that the Council delivers services and its status as mainstream activity will be formalised under the new structures for delivering Council services.
- The Area Assembly process has been part of the Governance Review, which has acknowledged that currently Area Assemblies have attendance that varies from area to area, has some examples of good practice and community engagement but that there is no "obvious and transparent mechanism by which issues raised in Area Assembly discussions are fed into the Council's policy and decision making process". The Governance Review report therefore recommends that Area Assemblies continue as a means for local councillors to engage with local people and where local priorities will be set. This Report suggests these are called Area Forums. The Governance Review report also recommends Area Committees to enable devolved decision-making, covering the same geographical area as the Area Forums. This report suggests these Area Forums/Committees are both held three

times per year. This would enable the Area Forums to be held in June, October, and February, with the Area Committees being held 3 – 4 weeks later in July, November and March, thereby providing a real opportunity to take the issues of importance for local people to be discussed with decisions made by the Area Committees.

- There will be an important relationship between Area Forums and proposed Area Committees. Not least because of the opportunities to empower local residents to raise issues and become involved in their local forums as there will be a more direct connection between this activity and influencing decisions.
- NMS facilitates and administers the Making the Difference (MtD currently £50k per assembly area) programme which is described in the Governance Review report as “being popular with some residents and councillors is expensive to operate and can be divisive.” The current process requires vast amounts of officer time to administer; does not operate strategically and becomes very piecemeal with limited impact. Products of MtD have traditionally been projects around planting and greening; gating; community events and trips; park signage; schools nature and greening.

6.3. Proposed Future of Neighbourhood Management

6.3.1 There will no longer be a requirement for the continuation of the Neighbourhood Management Service in its current format.

6.3.2 Certain key elements would need to be retained and could effectively be delivered through other parts of the organisation, none the less, substantial savings would be achieved

6.3.3 An exit strategy will be developed to ensure that buildings currently managed by NMS are transferred according to ownership (mainly council buildings which will require transfer to Property Service, plus one building to be transferred back to HfH). Likewise, some longer term project work will require transferring to mainstream services for continuation/completion beyond 2010/11.

Element	Facilitated by	Cost	Rationale
Area Forums and Area Committees	The Governance Review will determine the terms of reference for these bodies (which will come under Single Frontline Service and Democratic Service)	£40k	Officer time plus venue, publicity and other related costs x 21 meetings.
Making The Difference	Administered in line with agreed Council criteria/priorities.	£175k	Reduce to £25k per Area Forum (7 x 25 = 125)
Area Based Working	Mainstream work in Urban Environmental Director and Police.	No additional costs	Officer time and Council buildings
Community Engagement	Mainstream into new Single Frontline Service	£165k	4 officers to maintain and develop community

engagement function

Given the above costs of £380k, there would be a saving of approximately £1,400k.

- Elements of the service which are properly part of the apparatus for local democracy, to be more appropriately placed within Democratic Services, including Area Assemblies and Area Committees. The Governance Review will determine appropriate terms of reference for these bodies.
- Area based working can continue through mainstream delivery, with added strength through the new Single Frontline Service, aiming at speedy resolutions through joined-up and partnership working.
- Making The Difference will be advertised to bona-fide residents' groups/forums prior to the start of the financial year through an annual bidding process against commissioning intentions agreed by Cabinet and linked to achieving Council priorities. Projects would be delivered on a 'by you, for you' basis whereby community/voluntary groups would need to demonstrate the capacity to deliver and manage both project and the funds.
- The Single Frontline Service will need a small number of community engagement officers (3 – 4) to ensure this element of local engagement is fully covered in the new service.
- An exit strategy will be developed to cover any outstanding projects/areas of work that will need to be continued. One such example is the **Living Under One Sun** healthy living project, which was set up to help reduce crime at the local adventure playground, bringing mothers and local women of different ethnicities to meet and cook and share stories of their lives. This project has been very successful and therefore work has begun to transfer this into a social enterprise which would enable it to be independent from requiring Council support (officers and finance).
- There are several buildings that the NMS currently has responsibility for or utilises. The chart below identifies these buildings and future plans for these.

Building	Ownership/ Management	Comments	Future Responsible Service
10 th Floor, Alexandra House	Haringey Council (Property Service)	Space is allocated to NMS	Property Service (Corporate Directorate)
Shropshire Hall	Haringey Council (Children & Young Peoples Service)	Space is currently rented to NMS	Children's Centre (C&YPS)
West Green Learning Centre	Park View Academy	Space is currently rented to NMS	Park View Academy
Milton Hall	Homes for Haringey	Plans underway to rent out to a community group	Homes for Haringey

Aspire Base	Homes for Haringey	Discussions taking place re future use, with HfH and Youth Service.	Homes for Haringey
Neighbourhood Resource Centre	Haringey Council (Property Service)	Is included in the Community Buildings Review	Property Service (Corporate Directorate)

6.4 Conclusion

The closure of the current Neighbourhood Management Service, even allowing for the resources recommended above to enable key functions to be maintained, will achieve a saving of around £1,400k after the costs at 6.3.3 above, plus Area Based Working funding of £682k has been deducted from the savings.

7. Chief Financial Officer Comments

This report proposes dis-establishing the Neighbourhood Management service as part of a move to a Single Front Line.

It is estimated that the savings achievable are around £1.4m, although there will be significant redundancy costs associated with this. The exact level of savings will be dependent on the exact level of resources transferred to other areas for functions such as Area Forums and Making the Difference and the level of resources that need to be retained in the Single Front Line.

The total savings envisioned in the Single Front Line concept are around £3m, it should be noted these are not additional to the savings in this report. The Neighbourhood Management related saving forms a significant part of the overall £3m.

8. Head of Legal Services' Comments

The Head of Legal Services has been consulted on the content of this report. The proposals regarding the position of the employees identified in the report should be carried out in compliance with the Council's policies concerning restructuring, redeployment and redundancy. Meaningful consultation should commence on the proposals and should be completed before any final decision is made concerning whether it is necessary to issue notice of termination of employment in respect of any employee. Consideration must be given to whether or not to carry out an Equalities Impact Assessment of the proposals, which, if carried out, must be completed before any final decision is made on these proposals. Since the proposals affect more than 20 staff, any decision on them, whether final or made in principle, comes within the remit of the General Purposes Committee.

Appendix A Timetable (Dates to be completed once decision is given)

Action	Date	Leads
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Report to CAB	23/12/10	NB/Cllr Canver
Report to Leader's Conference	4/1/11	NB/Cllr Canver
Cabinet	25/1/11	Cllr Canver
Inform staff & unions in face-to-face meeting		Head of Service
Prepare formal consultation pack Staff and trade unions consultation employeeside@haringeyunison.co.uk branchsecretary@haringeyunison.co.uk hara1@blueyonder.co.uk gmbtradeunion@ealing.gov.uk		Head of Service; HR Business Partner
Negotiation with Property Services and HfH Including timetable for transfer		Strategic Manager
Negotiation with Corporate Voluntary Sector grants including timetable for transfer		Strategic Manager
Negotiation with Democratic Services Including timetable for transfer		Strategic Manager
Deadline for receipt of staff/TU comments on consultation		NM staff/TU's
Response from management to staff		Head of Service; HR Business Partner
Exit strategy regarding longer term projects/work/info and data		Head of Service;
Development of Single Frontline Service		AD Frontline Service / Head of Service;

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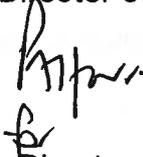
Haringey Council

Cabinet

On 25 January 2011

Report Title: Homes for Haringey Re-inspection – Final Report

Report of: Director of Urban Environment

Signed:  4/1/2011
Niall Bolger, Director of Urban Environment

Contact Officers :

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Wards(s) affected: All

Report for: Key Decision

1. Purpose of the report

- 1.1 To inform Members of the outcome of the re-inspection of Homes for Haringey by the Audit Commission in June 2010.
- 1.2 To inform Members of Homes for Haringey's plans to address the formal recommendations made by the Audit Commission.

2. Introduction by Cabinet Member (if necessary)

Housing Management Services provided by Homes for Haringey (the Council's Arms Length Management Organisation – ALMO) have been assessed as being 'good' with promising prospects for improvement. Whilst this is the same outcome as achieved in 2007, it is important to remember that the bar is constantly being

raised and the organisation has had to improve measurably to retain this judgement. At least 3 London ALMO's have reverted to one star upon re-inspection.

I am particularly pleased that some of HfH's activities have been rated best in class specifically: resident involvement, health and safety arrangements around gas, tenancy management and organisational capacity. The inspectors were also complimentary about the Repairs service and services provided to Leaseholders, with the report highlighting a range of positive outcomes for residents.

I am also pleased that Homes for Haringey are actively addressing those areas requiring improvement, for example:

- Grounds maintenance, "communal grounds are not always maintained."
- Introductory Tenancies will be introduced on 1st April 2011.

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

3.1. Homes for Haringey's actions in response to the Audit Commission recommendations support the following Council priorities:

- Priority 4- A Thriving Haringey:

By improving housing services through reducing re-let times for empty homes; by improving the approach to income management and arrears; and by improving the approach to diversity through increasing capture and use of profile information.

- Priority 5 – Delivering high quality, efficient services

By further developing our performance management framework and developing and embedding our approach to Value for Money.

4. Recommendations

4.1. It is recommended that the Committee:

- Notes Homes for Haringey's approach for responding to the Audit Commission's recommendations and findings
- Recognises that Homes for Haringey and the Council will need to jointly review the approach to, and the authority of the ALMO in, the delivery of re-letting empty properties and pursuing debt.

5 Reason for recommendation(s)

- 5.1 Homes for Haringey has significantly improved the management of Haringey Council's housing stock since 2006 as demonstrated in the 2007 Inspection Report, and again in the 2010 re-inspection report. They have demonstrated a track record of continuous improvement and of learning from feedback.
- 5.2 Two of the Audit Commission's formal recommendations are outside of the ALMOs authority to deliver without the support of the Council.

6. Other options considered

- 6.1 Not applicable.

7 Summary

- 7.1 Homes for Haringey (HfH) has been assessed as delivering a "Good" (two star) service with "Promising Prospects for Improvement" by the Audit Commission. Informal feedback from the Audit Commission indicates that they recognise that Homes for Haringey has consolidated and strengthened its position.
- 7.2 The on site inspection took place from 21st June to 2nd July. The report was published on 4th November (there were delays in arranging a meeting to discuss the draft version of the report due to significant changes proposed for the future of the Audit Commission announced immediately after the inspection).
- 7.3 Seventeen key lines of enquiry areas (KLOEs) were examined. HfH was judged to be performing well in all areas but one. Void management was judged as a weakness despite the significant time and effort that has gone into achieving improved end to end performance through the Void Improvement Project. This remains an area of focus and performance has improved since the inspection. A summary of the performance against each KLOE area is contained within the appendix to this report.
- 7.4 The Audit Commission identified a number of areas of strength, along with areas requiring further improvement. These are set out within **Appendix A** of this report.
- 7.5 In its report the Audit Commission makes 5 specific recommendations covering the following areas:
- Reduce time taken to relet empty property
 - Improve the approach to income collection and arrears management
 - Improve the approach to diversity
 - Further develop and embed the approach to value for money
 - Undertake further improvements to performance reporting
- 7.6 The Homes for Haringey Board is responsible for ensuring that the recommendations are addressed and that progress against this is regularly reported to it and to the Council, through existing mechanisms.

7.7 Homes for Haringey has submitted a formal response to the report, which is attached at **Appendix B** for information.

8 Chief Financial Comments

8.1 The actions within this report can be contained within existing resources.

8.2. The process around write-off of debts will be reviewed along with all other key financial processes as part of the Support Services Review.

9 Head of Legal Services Comments

9.1 The Head of Legal Service has been consulted in the preparation of this report.

9.2 This re-inspection was carried out by the Housing inspectorate pursuant to its powers under the Local Government Act 1999 section 10. Homes for Haringey's retention of its two star rating, the improvement plan it has adopted and monitoring by the Council, will continue to ensure the Council's compliance with the best value legal framework.

9.3 The Delegation Agreement between the Council and Homes for Haringey contains a degree of Delegated Authority to write off debts. This will need to be reviewed and possibly amended, if Homes for Haringey is to be given the power to write off certain types and levels of debt.

10 Equalities & Community Cohesion Comments

10.1 The inspection report includes comments relevant to the equalities and diversity elements of the service and these will be reviewed to ensure that the recommendations raised by the Audit Commission in this area are addressed. The key task is to increase the level of profile data held and to ensure that it is accessible and used effectively.

11. Consultation

11.1 Consultation took place with the Audit Commission on their findings and the draft report. The final report has been published on both the Audit Commission and Homes for Haringey websites. The HfH Board has received a closure report and a copy of the final report. The Council has been advised of the outcome and this will be formally reported to the Council Cabinet in January 2011. Tenants and leaseholders have been informed of the outcome via the regular newsletter and through the existing resident involvement mechanisms. Separate notification was also sent to all residents who participated in the inspection process via focus groups etc.

12. Service Financial Comments

12.1 The total fees charged by the Audit Commission in respect of the inspection are estimated to be £70,000. These costs have been met from the Homes for Haringey budget along with other associated incidental expenses.

13 Use of appendices /Tables and photographs

13.1 Appendix A – Summary and scoring

13.2 Appendix B - Homes for Haringey's formal response to the report

14 Local Government (Access to Information) Act 1985

- Re-inspection report: Homes for Haringey 04 November 2010
<http://www.audit-commission.gov.uk/SiteCollectionDocuments/InspectionOutput/InspectionReports/2010/homesforharingey4nov2010REP.pdf>

Appendix A – Audit Commission Summary and Scoring

Summary

1. Homes for Haringey has been assessed by the Audit Commission as currently providing a “Good” (2 star) service which has “Promising Prospects for Improvement”.
2. The Audit Commission found the service to be good because it has a range of strengths including:
 - There are easy to access services, with good quality information for customers
 - Appropriate support arrangements for vulnerable residents
 - A successful decent homes programme is currently being delivered, and health and safety risks such as fire and asbestos are managed well
 - Environmental sustainability and energy efficiency issues are being addressed
 - Repairs are easy to report and the quality of work is generally good, and all homes have a valid annual gas safety check. Tenant satisfaction with repairs and gas services is high
 - Aids and adaptations are completed quickly
 - A wide range of rent payment options and good quality debt advice are available
 - Residents are actively involved in shaping services through a wide range of opportunities
 - Strong multi agency partnerships are effectively tackling anti social behaviour
 - Estates are clean with only a small amount of litter and graffiti
 - Leaseholders receive a good service
 - Supported housing schemes are well managed
 - There are many examples of efficiencies being achieved
3. Areas requiring improvement were identified as:
 - The quality of customer services is not consistently high and customer satisfaction is low across several service areas
 - Some buildings are not compliant with disability discrimination requirements
 - Understanding of customer needs is limited and services are not systematically tailored to meet diverse needs
 - Non-urgent repairs are not completed in a timely way and there is a backlog of communal repairs

- Empty homes are not being repaired and re-let quickly
- Income collection and arrears management performance is not consistently strong and a high number of evictions take place
- Communal grounds are not always well maintained

The service has promising prospects for improvement because:

- There is a good track record of service improvements in many areas recognised through a range of awards and external accreditation
- The percentage of homes that meet the decent homes standards has increased from 57 to 72.5 per cent
- The range of opportunities to participate and the number of residents involved in improving services have increased over the past two years
- The organisation has strong leadership and an experienced Board
- There is a clear and effective planning framework with strong delivery against improvement plans and clear plans for further improvements
- Capacity is strong through skilled staff, effective IT systems and strong partnerships.

However, there are a number of barriers to improvements. These include:

- Understanding of tenants' needs is still limited
- Budgets are often overspent, indicating weaknesses in financial management
- There is no clear strategy for meeting longer term investment requirements.

The Audit Commission have additionally made 5 formal recommendations. These recommendations have been assigned to senior managers and added to Homes for Haringey's improvement plans:

- I. To improve the time it takes to re-let empty homes by:**
 - reviewing the impact of the new Tenancy Liaison Officers;
 - consulting with new tenants to learn from their experience of the process;
 - working with the Council to improve viewing and letting arrangements;
 - considering the benefits of different improvement tools and approaches;
 - learning from other landlords who have made significant improvements in re-let times.
- II. Improving the approach to income collection and arrears management by:**
 - reintroducing the use of SMS text messaging by income collection officers;
 - consulting tenants and routinely measuring the satisfaction of those tenants using the rent and arrears management service;
 - reviewing the management arrangements for monitoring procedures; and
 - continuing to negotiate with the Council for some degree of delegated authority to write off certain levels and types of debt.
- III. Improving the approach to diversity by:**
 - ensuring full compliance with the Disability Discrimination Act 2005;
 - developing a co-ordinated approach to collecting and maintaining resident profile data;
 - reviewing what information is collected to ensure all communication and other needs and preferences are understood;
 - ensuring staff and residents understand how services can be delivered flexibly; and
 - fully integrating the use of diversity data into service planning and reviews.
- IV. Further develop and embed the approach to managing value for money by:**
 - reviewing the programme and pace of VFM service reviews;
 - reviewing the employee to property ratio to identify areas for greater productivity or efficiency;
 - establishing clear and specific efficiency targets for all service areas;
 - agree clear annual priorities with tenants for any reinvestments; and
 - systematically analysing costs against comparative performance and customer satisfaction levels.
- V. Improve performance reporting by:**
 - ensuring regular independent audits of performance data;
 - including cost, performance and satisfaction analysis in reports to the Performance Committee, Board and residents; and
 - exploring ways to make better use of benchmarking information to make it explicit to residents and the Board how HfH's performance compares.

4. Next steps

4.1 The final report has been sent to all managers and they are tasked with addressing the formal recommendations as well as other improvement areas contained in the report, through the business planning process. The Executive Management Team are scrutinising the draft business plan at the end of November and will ensure that our future plans address weaknesses raised.

Action: Ensure all formal Audit Commission recommendations are addressed and other criticisms are responded to.

Owner: Sue Hunter

4.2 The learning from this inspection, as well as the on-going updating of a self assessment, is covered in the scope of our new Service Excellence Programme – 'Fit for the Future'.

Action: This is covered in Strand 3 of the Service Excellence Programme – To maintain regulator compliance

Owner: Joy Walton

4.3 The Local Government Ombudsman is emerging as the most likely trigger for a future inspection, and we have identified this as an area we can do more prevention and learning through our existing Complaints Board – which has been successful to date in driving up performance in this area.

Action: Future Complaints Board meetings to have Local Government Ombudsman cases – performance and learning - as a standard agenda item

Owner: Sue Hunter

Scoring the service

		Prospects for improvement?				
Excellent						
Promising				☀		A good service?
Uncertain						
Poor						
	Poor	Fair	Good	Excellent		
		★	★★	★★★		

1 The report is now a public document and is published on the [Audit Commission website](#). Homes for Haringey have issued a response to the inspection (Appendix B). This will be published alongside the report in the new year.

1.1 Overall we have moved one indicator from red to green. Judgement 2 "Prospects for Improvement" is the area of greatest improvement with 2 out of 3 indicators improving. (Appendix 2)

Voids is judged as our one poor area, despite the significant time and investment into the end to end service through the Voids Improvement Project.

1.2 A communication strategy was developed as part of the overall project plan and results have now been communicated to all internal and external stakeholders.

2. **Strengths:** the following areas were highlighted as having "strengths that significantly outweigh weaknesses" which basically means providing an excellent service:

- **Gas:** improved from Fair to Excellent with inspectors noting a pro-active and quality assured service, strong performance on gas servicing, and contractors working in a customer focused way
- **Resident Involvement:** retained the Excellent judgement form 2007, with inspectors stating that they tried and failed to find weaknesses in the service
- **Tenancy Management:** improved from Fair to Excellent with inspectors noting a strong approach to dealing with new tenants and vulnerable tenants, effective tackling of Anti-social Behaviour, and good partnership working
- **Does the organisation have the capacity to improve (Judgement 2):** improved from Promising to Excellent with inspectors noting a Board with a good range of expertise, effective IT and Human Resources provision and improving management capacity

Direction of travel – Inspections 2007 to 2010

KLOE/Service	2007	2010	D.O.T.	Comments
Access & Customer Care	Strong	Strengths outweigh Weaknesses	↓	Weaknesses: phones/complaints performance and a change to opening hours (Control Centre) which was not consulted with residents
Diversity	Strengths outweigh Weaknesses	Strengths outweigh Weaknesses	→	We need to further improve collection and use of profile and tenants needs information
Capital, Planned and Major Works	Strengths balanced Weaknesses	Strengths outweigh Weaknesses	↑	The following areas were highlighted for improvement: communications to residents, resident choice in Decent Homes Programme, SAP rating
Responsive Repairs	Strengths outweigh Weaknesses	Strengths outweigh Weaknesses	→	The main improvement areas highlighted were non-urgent and communal repairs performance
Voids	Strengths outweigh Weaknesses	Weaknesses outweigh Strengths	↓	Timeliness, quality and issues with the viewings and lettings process were highlighted
Gas	Strengths balanced Weaknesses	Strengths Significantly outweigh Weaknesses	↑	Our considerable progress in this area was recognised
A&A	Weaknesses outweigh Strengths	Strengths balanced Weaknesses	↑	Recommendations include better promotion of the service, more consultation with users (by HfH), and satisfaction needs to improve
Income Management	Weaknesses outweigh Strengths	Strengths balanced Weaknesses	↑	Some strengths noted. There are some indicators we need to improve and Homes for Haringey's inability to write-off debt that it is not cost effective to pursue was a weakness
Resident Involvement	Strong	Strengths Significantly outweigh Weaknesses	→	The inspectors stated that it was difficult to find any improvement areas
Tenancy Management	Strengths balanced Weaknesses	Strengths Significantly outweigh Weaknesses	↑	Strong progress noted. Resident satisfaction with Anti Social Behaviour cases was the one improvement area – as with many of our peers
Estate Management	Strong	Strengths outweigh Weaknesses	↓	The reduced judgement is solely based on inspectors' views of grounds maintenance – despite HfH demonstrating an awareness of the issues and remedial action
Leasehold and Right to Buy	Strong	Strengths outweigh Weaknesses	↓	Low leaseholder satisfaction and low collection of leaseholder profile data appear to be the reason for this result
Supported Housing	Strengths outweigh Weaknesses	Strengths balanced Weaknesses	↓	The following were highlighted again in this judgement: poor grounds maintenance, high relet times, low levels of resident profile data
VFM	Strengths outweigh Weaknesses	Strengths balanced Weaknesses	↓	Feedback included: some services not VFM, overheads are high, VFM reviews too slow. The inspectors also had different views to HfH about how VFM targets should be set across the organisation.

Prospects	2007	2010		Comments
Track Record	Strengths balanced Weaknesses	Strengths outweigh Weaknesses	↑	Progress noted. Reasons for not getting "significantly outweigh" were: voids and lettings performance, insufficient collection and use of resident needs information, some performance indicators have not improved sufficiently
Manage Performance	Strengths outweigh Weaknesses	Strengths outweigh Weaknesses	→	Reasons for not getting "significantly outweigh" were: budget overspends, and insufficient delegated authority, there were also some recommendations around improving performance reporting
Capacity to Improve	Strengths outweigh Weaknesses	Strengths Significantly outweigh Weaknesses	↑	HfH performed strongly in this category. The only concern the inspectors raised was "no clear strategy for long term investment requirements"

Appendix B Homes for Haringey's response to the inspection

Homes for Haringey agrees that the Audit Commission report represents a fair assessment of the services provided at the time of the inspection.

We are pleased that our excellent progress in Gas Servicing and Tenancy Management since the last inspection was recognised and that our award winning work in Resident Involvement was highlighted. We are also proud that our efforts to change the culture of the organisation have been noted.

We recognise that we are not yet consistently strong and have more work to do in some areas, primarily Voids, Income Collection and Value for Money, as detailed in the inspection report. We thank the Audit Commission for their recommendations which we have incorporated into our improvement plans. We will work with our residents to monitor progress and outcomes through our developing approach to co-regulation.

The inspectors identified a number of areas where Homes for Haringey and Haringey Council may need to reconsider the approach and the authority of the ALMO, for example in order to improve the end to end management of empty properties and in ceasing to pursue debt where it is not cost effective to do so. Homes for Haringey has already submitted proposals to the Council with regard to the future management arrangements in these areas.

Homes for Haringey would like to thank our staff, residents, partners and Board Members for their hard work and support in continuing to improve services and achieving a two star inspection outcome. We will continue to strive for excellence and feel this is well within our grasp.

Homes for Haringey would also like to thank the Audit Commission for their assistance and for the support received from their representatives throughout the process.

MINUTES OF THE CHILDREN'S SAFEGUARDING POLICY AND PRACTICE ADVISORY COMMITTEE**MONDAY, 6 DECEMBER 2010**

Councillors Amin, Davies, Hare, McNamara and Rice (Chair)

Apologies None received

Also Present: Hilary Corrick, Marion Wheeler, Alison Botham

MINUTE NO.	SUBJECT/DECISION	ACTON BY
CSPAPC 20	APOLOGIES FOR ABSENCE No apologies for absence were received.	
CSPAPC 21	URGENT BUSINESS There were no items of urgent business submitted.	
CSPAPC 22	DECLARATIONS OF INTEREST There were no declarations of interest put forward.	
CSPAPC 23	MINUTES The minutes were agreed as an accurate record of the meeting. It was noted that Cllr Davies had been a member of this committee in the previous municipal year and it was agreed that the minutes be amended to reflect this.	HDLMS
CSPAPC 24	FUTURE OF THE CHILDREN'S SAFEGUARDING POLICY AND PRACTICE COMMITTEE At the previous meeting of the committee there had been discussion on its terms of reference, role in the committee structure, function and purpose. The Chair had met with the Cabinet Member for Children and Young People to discuss these issues further and compile proposals on the future of the committee for consideration at this meeting. Similarities of the committee's role to scrutiny and its position in the committee structure was discussed. It was felt that the committee was correctly aligned to the Cabinet as an Advisory Committee. This provided the committee with a long term status and allowed linkages to the Corporate Parenting Advisory Committee to be made. The Children's Safeguarding Policy and Practice Committee was constructed to work in parallel to the Corporate Parenting Advisory Committee and	

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	<p>had duties for overseeing the Council's responsibility for children in need, particularly focussing on safeguarding. This included children that are at home, looked after children and children who would come into contact with safeguarding policies. Members noted that the Corporate Parenting Advisory Committee was also responsible for looked after children and focused on: improving their life chances, ensuring children had a voice in the safeguarding process, providing an advocacy function within the children's trust, and the council, on behalf of children in care, monitored the quality of their care and ensured that they had sustainable arrangements for their future and wellbeing.</p> <p>Members agreed that the profile of the committee should be raised and there should be more awareness of the committee's work. This would be assisted by increasing officer attendance at meetings and by amending the constitution of the committee so that it was more in line with the arrangements for the Corporate Parenting Committee. Clarification was sought on the current constitutional differences between the Corporate Parenting Advisory Committee and Safeguarding Policy and Practice committee and these were outlined.</p> <p>It was important that the Children's Safeguarding Policy and Practice Committee continue undertaking detailed case scrutiny into chosen day to day safeguarding practices as this was an essential qualitative function not carried out by any other committee in the Council. The Children's Safeguarding Policy and Practice Committee role was dissimilar to role of the Child Protection Overview and Scrutiny Committee which was involved in considering quantitative information and scrutinizing the overall performance of the child protection service.</p> <p>Members requested performance related reports on the daily activities of the safeguarding service and noted that these types of reports had been considered by the past membership of the committee. However thought would be given to adding performance related reports to committee's work programme for the year.</p> <p>RESOLVED</p> <ol style="list-style-type: none"> 1. That the committee be reconstituted and work along similar lines to the Corporate Parenting Advisory Committee with a report compiled for Cabinet seeking ratification of this 2. That the role of the committee, in terms of detailed case scrutiny and the understanding of safeguarding policy, procedures and performance be unchanged. 	<p>DDC&F HLDMS</p> <p>DDC&F</p> <p>HLDMS</p> <p>DDC&F</p>
<p>CSPAPC 25</p>	<p>EXCLUSION OF THE PRESS AND PUBLIC</p> <p>That the press and public be excluded from the meeting for</p>	

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	<p>consideration of the items below as they contain exempt information as defined in section 100a of the Local Government Act 1972 (as amended by section 12a of the Local Government Act 1985); paras 1&2; namely information relating to any individual, and information likely to reveal the identity of an individual.</p>	
<p>CSPAPC 26</p>	<p>CAF ACTION PLAN</p> <p>The committee considered the common assessment framework (CAF) action plan which set out activities undertaken to address issues highlighted in the audits of CAF practices undertaken in August and September. These actions would not take account of the recommendations made in the recent follow up audit work completed in November as there would not have been time to consider these proposals and add potential actions to the plan.</p> <p>The committee noted the particular issues highlighted for action in the audits which were: evaluation of assessments undertaken which had resulted in no additional service being required, level of information on CAF activity on Framework I and the backlog of CAF's to be reviewed by a manager. Members were advised that the CAF Panel continued to monitor cases where there was no service allocation agreed. Where there was poor quality information supplied on the CAF form, this was followed up by the CAF Panel, with referrers, to ensure important information was supplied. In response, to the detail of information held on Framework I concerning CAF decisions, we noted that the decisions taken by the CAF Panel were checked and ratified before addition to a child's record on Framework I which, usually meant that there was a delay in adding this information to the system following the panel meeting. The timescale for clearing the backlog of CAF cases for decision was by the end of the year.</p> <p>Clarification was sought on the training provided for referrers completing a CAF form. We were informed that Social Workers were already aware of the basic requirements of the CAF form, learned through their training. There were sessions provided by a combination of council officers and partner representatives for staff that are and should be undertaking CAF's. A new programme of training sessions on the due to start in Jan 2011.</p> <p>The committee noted the CAF action plan and agreed that it be a standing item on the agenda to enable them to be kept informed of the continuing work to clear the backlog of cases.</p> <p>There was concern expressed on the purpose, length and format of the CAF and whether it was always the right solution when seeking an additional service for a child. The committee however accepted that the information provided by the CAF could enable professionals at a CAF Panel meeting to detect any serious underlying issues the child maybe encountering. Also the discussion between the referrer and the parent, which the completion of the CAF form initiated, was recognised by the</p>	<p>AB</p>

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	<p>committee to be important in its own right.</p> <p>RESOLVED</p> <ol style="list-style-type: none"> 1. That a progress report on the actions, particularly the backlog of cases, in the CAF Action Plan be considered at our next meeting in January. 2. That a workshop session between the CAF Panel, referrers, and the Children's Safeguarding Policy and Practice Committee is arranged to take place in the first quarter of the new year. The Independent Member in collaboration with the CAF Panel chair will devise a programme for this session. 	<p>AB</p> <p>AB/HC</p>
<p>CSPAPC 27</p>	<p>CAF AUDIT OF CASES</p> <p>The Independent Member of the committee had completed follow up work on a sample of CAF's assessed by the CAF Panel at their June meeting. The Independent Member had been commissioned to speak with the participants (referrers and parents) from the cases that she had audited from the June panels. These cases were disproportionately cases where the CAF Panel had decided they were not eligible for service, no further action was agreed, and where there was insufficient information provided.</p> <p>The Common Assessment Framework (CAF) is essentially a tool for identifying a child's needs, what was working well in their life, then putting in place a plan to make sure they get the support they need. Members were reminded that a CAF is only used where the child has an identified need which is below the threshold required for access to social care services, when completion of an initial and core assessment is necessary by a Social Worker. The CAF Panel meetings allowed professionals to assess the range of services a child may require and share existing information held on a child. The CAF Panel meets twice a month and had a wide attendance with appropriate officers/professionals that could make decisions and recommendations on CAF forms received.</p> <p>When considering the responses from the CAF audit and follow up work, it was important for the committee to examine these results with a note of caution as this was a qualitative study and the results were not designed to provide performance information on the CAF process. We learnt that half of the parents spoken to who had not obtained an additional service for their child, had been positive about the process as it had led to discussion about their child's needs with a professional (the referrer). Some referrers, not obtaining an additional service for a child, had been successful through an alternative route. Other referrers had expressed dissatisfaction about the process when not receiving a</p>	

MINUTES OF THE CHILDREN'S SAFEGUARDING POLICY AND PRACTICE ADVISORY COMMITTEE**MONDAY, 6 DECEMBER 2010**

service. There was negativity noted about the length of the application with requests made by referrers for a simpler form, particularly when there was a single service required such as speech therapy. Generally parents were more positive about the CAF process than referrers. There was frustration expressed by participants about lack of feedback from the CAF Panel when a service was not agreed and about delays in service provision after a service had been agreed. This raised questions about the level of involvement of participants in the decision making part of the CAF process.

The committee discussed the importance of communication and how this was important in ensuring that referrer and parents had reasonable expectations about the CAF process. They suggested a need to ensure that referrers were aware, before the start of the CAF application, of all the routes to additional services and likelihood of receiving a service through these processes. They further suggested that participants should be encouraged to seek services such as speech /language therapy, EPS, or childcare more directly with the service instead of through the CAF. This could in turn contribute to reducing the number of cases deemed ineligible for an additional service and save time for the CAF Panel.

The performance of the CAF Panel was discussed and clarification sought on how its work compared to other boroughs. It was noted that the last external feedback on the service found it to be performing well in relation to the number of assessments completed. There were also emerging national recommendations which advocated the sole use of CAF for agreeing additional services around a child, with a low threshold of need, which the Council was already in line with. Members noted that any proposed amendments to the CAF process and monitoring arrangements for decisions made by the Panel would need to be considered together with the current capacity of the service in mind. We were assured that officers were continually looking at the most efficient and effective way of dealing with CAF applications whilst also keeping to key safeguarding requirements such as information sharing.

After considering the findings of the Independent Member study and discussion of these issues the following recommendations were put forward:

RESOLVED

1. That the CAF Panel should consider undertaking or commissioning a review of time scales, both for consideration of CAF assessments by the Panel from receipt of the assessment and also for the provision of agreed service.
2. That the CAF Panel should consider how the CAF Panel discussion could be recorded in Framework I, and whether it is possible for this to be done during the Panel meeting.

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MONDAY, 6 DECEMBER 2010

	<ol style="list-style-type: none"> 3. That the CAF Panel should consider some focused work with referrers about the possibility of simplifying the CAF form to make it more accessible. 4. That the CAF Panel should consider with service providers whether a full CAF is necessary for the provision of single services such as EPS and Speech Language Therapy, and whether it would be possible for schools and health professionals to apply direct for some services in some circumstances. 5. That the CAF Panel should consider providing more detailed feedback to referrers. 6. That the above recommendations from the committee are communicated to the Cabinet member for Children and Young People, in the form of a letter, for agreement and implementation. 	HLDMS
<p>CSPAPC 28</p>	<p>EXAMPLES OF CORE AND INITIAL ASSESSMENTS</p> <p>Committee members were provided with examples of recent core and initial assessments to aid their learning and understanding on how a child's need was assessed. We noted that an Initial Assessment for children in need would be completed in 10 working days. Core Assessments were completed for children with complex needs. These should be completed within 35 working days. Where there is evidence of significant harm a Child Protection Core Assessment is completed within 35 working days. Training was provided to the committee on the safeguarding work and processes followed by the Children & Young People in June 2010</p> <p>RESOLVED</p> <ol style="list-style-type: none"> 1. That training information provided on the services and processes in safeguarding be re - circulated to Members of the committee for reference purposes. 2. That Members return the copies of initial and core assessment documents provided to the next meeting and raise any issues or queries they have. 3. That training sessions on relevant safeguarding issues are added to the committee's work programme. 	<p>HLDMS</p> <p>All to note</p> <p>MW</p>
<p>CSPAPC 29</p>	<p>ANY OTHER BUSINESS</p> <p>20th January 2011</p>	

**MINUTES OF THE CHILDREN'S SAFEGUARDING POLICY AND PRACTICE ADVISORY
COMMITTEE
MONDAY, 6 DECEMBER 2010**

Cllr Reg Rice
Chair

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**MINUTES OF THE CABINET VOLUNTARY SECTOR COMMITTEE
MONDAY, 6 DECEMBER 2010**

Councillors *Dogus (Chair), *Goldberg and *Vanier.

*Present

Also Present: Councillor Reith.

MINUTE NO.	SUBJECT/DECISION	ACTION BY
VSGC04.	<p>MINUTES (Agenda Item 4)</p> <p>RESOLVED</p> <p>That the minutes of the meetings held on 23 November 2009 and 20 September 2010 be approved and signed.</p>	HLDMS
VSGC05.	<p>EXEMPT MINUTES (Agenda Item 8)</p> <p>The minutes were the subject of a motion to exclude the press and public from the meeting as they contained exempt information relating to the business or financial affairs of any particular person (including the Authority holding that information).</p> <p>Arising from our consideration of Minute VSGC.08(9), we noted that the funding previously made to the organisation named therein remained unallocated and we agreed that it should now be offered up as a saving.</p> <p>RESOLVED</p> <p>That the exempt minutes of the meetings held on 23 November 2009 and 20 September 2010 be approved and signed.</p>	DACCS HLDMS
VSGC06.	<p>PROGRESS REPORT ON 'RED' FLAGGED ORGANISATIONS REVIEWED UNDER THE COMMUNITY CENTRES CORE GRANT FUNDING ROUND FOR 2010/13 (Report of the Director of Adult, Culture and Community Services - Agenda Item 9)</p> <p>The Appendix to the interleaved report was the subject of a motion to exclude the press and public from the meeting as it contained exempt information relating to the business or financial affairs of any particular person (including the Authority holding that information).</p> <p>We noted that following the November 2009 Committee decision the 3 Community Centres which, although providing worthwhile and valued services, had demonstrated weakness in their performance and/or financial stability, had been closely monitored by the Council's Voluntary Sector Team. We also noted that in line with our decision of 23 November 2009 (vide Minute VSGC.08 - 2009/10) the Council's Audit and Risk Management Team had been tasked with reviewing and making recommendations to the organisations operating the Centres for further improvements to their financial management.</p>	

**MINUTES OF THE CABINET VOLUNTARY SECTOR COMMITTEE
MONDAY, 6 DECEMBER 2010**

We were informed that for all three organisations financial viability remained a significant concern and their ability to repay debt was considered poor based on their most recent accounts. Given the current economic climate and the possibility of further financial uncertainty for organisations of this nature, we were concerned about the impact of these organisations becoming insolvent and whether the services which they supplied could be provided in a different way by redirecting the grant funding or needed to be provided at all.

We were also informed that under Paragraph 6.2 (a) of the Terms and Conditions of Revenue Grant Aid an organisation's signed and certified audited accounts were required within 6 months of the end of the organisation's financial year. However, and despite reminders, the organisations named in paragraphs 5.1 and 5.2 of the interleaved report had failed to submit timely certified Audited Accounts for assessment. In addition the organisation named in paragraph 5.1 owed the Council a considerable sum of money in respect of energy costs. While an agreement had been reached allowing the organisation to repay the debt on a monthly basis over a period of approximately 2 years, should this organisation cease to operate the likelihood of recovery was considered slim. We were advised that the organisation's solvency score was considered to still be well below an acceptable ratio which constituted a risk to the Council in continuing to fund the organisation.

With regard to the organisation named in paragraph 5.2 of the interleaved report, we noted that their financial year end was 31 March but that their accounts for the financial year 2009/10 had not been received until 10 November and then only in draft form. An appraisal of their audited accounts for the period ending 31 March 2009 had resulted in a poor solvency score which suggested that the organisation might struggle to meet demands on short term resources.

We noted that the revised business plan of the organisation named in paragraph 5.3 of the interleaved report was considered to be ambitious and its success would depend on securing additional external funding to sustain itself and support its proposed projects. However, the withdrawal of funding to the organisation by the PCT due to their budgetary constraints left the Council as the only provider of funds to this organisation which was a cause for concern. In accordance with our decision vide Minute VSGC.08 (6) - 2009/10, an audit review of the organisation's financial systems had been carried out in order to make recommendations on how probity and financial management could be improved. An appraisal of the organisation's audited accounts for the period ending 31 March 2010 had also been conducted and we noted that the solvency score was still well below the acceptable ratio. This suggested that the organisation might struggle to meet short term calls on resources with a risk to the Council in continuing to fund this organisation. There had also been a reduction in activities for generating funds in 2009/2010 and any further reductions in incoming resources would worsen the solvency position in future years. The cost of generating voluntary income was also not in correlation with income

**MINUTES OF THE CABINET VOLUNTARY SECTOR COMMITTEE
MONDAY, 6 DECEMBER 2010**

	<p>generated.</p> <p>RESOLVED</p> <ol style="list-style-type: none"> <li data-bbox="336 353 1337 831">1. That, having regard to the failure of the organisation named in paragraph 5.1 of the interleaved report to submit signed and certified audited accounts within 6 months of the end of the organisation's financial year in accordance with paragraph 6.2 (a) of the Terms and Conditions of Revenue Grant Aid and in the light of serious concerns that to continue to provide three year grant funding which would put the Council at risk, approval be granted in principle to the termination of the core funding of the organisation as at 31 March 2011 subject to a further investigation of their financial position and the Director of Adult, Culture and Community Services in consultation with the Chair be authorised to make the final decision on the termination of funding. <li data-bbox="336 869 1337 1234">2. That, having regard to the failure of the organisation named in paragraph 5.2 of the interleaved report to submit signed and certified audited accounts within 6 months of the end of the organisation's financial year in accordance with paragraph 6.2 (a) of the Terms and Conditions of Revenue Grant Aid and in the light of serious concerns that to continue to provide three year grant funding which would put the Council at risk, core funding of the organisation be terminated forthwith. It was agreed that this decision would be implemented by the Director of Adult, Culture and Community Services. <li data-bbox="336 1272 1337 1491">3. That in the light of serious concerns that to continue to provide three year grant funding which would put the Council at risk, core funding of the organisation named in recommendation 5.3 be terminated as at 31 March 2011. It was agreed that this decision would be implemented by the Director of Adult, Culture and Community Services. 	<p>DACCS</p> <p>DACCS</p> <p>DACCS</p>
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The meeting ended at 20.30 hours.

DILEK DOGUS
Chair

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**MINUTES OF THE CABINET PROCUREMENT COMMITTEE
THURSDAY, 16 DECEMBER 2010**

Actions arising from Cabinet Procurement Committee are monitored and progress reported by Corporate Procurement. Officers must therefore ensure that all actions assigned to them, are fully addressed and signed off with the Contracts Management Officer in the Corporate Procurement Unit.

Councillors Goldberg (Chair), *Bevan, Kober and *Reith.

*Present

MINUTE NO.	SUBJECT/DECISION	ACTION BY
PROC57.	<p>APOLOGIES FOR ABSENCE (Agenda Item 1)</p> <p>Apologies for absence were submitted by Councillors Goldberg and Kober. In the absence of Councillor Goldberg, Councillor Reith took the Chair.</p> <p>(Councillor Reith in the Chair)</p>	
PROC58.	<p>MINUTES (Agenda Item 4)</p> <p>RESOLVED</p> <p>That the minutes of the meeting held on 25 November 2010 be approved and signed.</p>	HLDMS
PROC59.	<p>DISABLED ADAPTATIONS FRAMEWORK AGREEMENT EXTENSION (Report of the Director of Adult, Culture and Community Services - Agenda Item 6)</p> <p>We noted that the Disabled Adaptations Framework Agreement had been awarded in January 2009 for a period of 2 years, with the option to extend for up to a further 2 years subject to satisfactory performance and that the current Framework Agreement expired on 22 January 2011.</p> <p>We also noted that the Framework Agreement had significantly reduced the time taken from referral to occupational therapy services to the provision of a major adaptation (end to end process), thereby enhancing the service provided for the residents of Haringey living in Council and non Council properties. The performance of the contractor had been satisfactory throughout the initial term of the Framework Agreement.</p> <p>RESOLVED</p> <p>That in accordance with Contract Standing Order 13.02 the Disabled Adaptations Framework Agreements with Effectable Construction Services Limited and Mullaley and Company Limited be extended for a period of 1 year with an estimated total value of £3 million.</p>	

**MINUTES OF THE CABINET PROCUREMENT COMMITTEE
THURSDAY, 16 DECEMBER 2010****PROC60. LORDSHIP RECREATION GROUND RESTORATION PROGRAMME**

(Report of the Director of Adult, Culture and Community Services -
Agenda Item 7)

Our Chair agreed to admit the report as urgent business. The report was late because the client team had only received the consultants completed tender report on 8 December and as a consequence had not been able to complete the report until then.

The report was too urgent to await the next meeting because £200,000 of the funding for the project was being provided by the Environment Agency and in order to obtain this funding, the Council must have entered into a contract for the capital works with a principal contractor and received the funding by 31 March 2011. Were the report to be delayed to the next meeting, it would place the funding at considerable risk of being lost in the event of there being any delays in completing the contract and as some degree of delay was likely on a contract of this size and complexity, this presented too great a risk to the Council's overall best interests.

The Appendix to the interleaved report was the subject of a motion to exclude the press and public from the meeting as it contained exempt information relating to the business or financial affairs of any particular person (including the Authority holding that information).

We noted that sought our approval to the appointment of a works contractor for landscaping, building and civil engineering work to develop the following facilities:

- Restoration of the Moselle Brook
- New Environment Centre
- New bike track development
- Restoration of the Shell Theatre and Toilet Block
- Restoration of the Model Traffic Area
- Restoration of the Lordship Lane entrance
- Extensive re-landscaping works including new park signage and furniture.

We also noted that the restoration plans had an overall value of £7.7 million which included the delivery of the above key physical improvements and facilities as well as the implementation of plans for audience development, training, volunteering, improved management and heritage and conservation.

We were advised that the total funding available for the capital works was broken down between works, professional fees and contingency and that the approval now sought was to enter into a contract for the major works, to incur the professional fees and for the expenditure of the contingency if required. We were also advised that the contingency sum would not form part of the contract value but would be held by the Council and used in accordance with the Council's Change Control Procedure. Once all the works were complete, it was estimated that the

**MINUTES OF THE CABINET PROCUREMENT COMMITTEE
THURSDAY, 16 DECEMBER 2010**

	<p>Park would attract an attendance of 1,250,000 per annum compared with an estimated attendance of 55,000 in 2007.</p> <p>RESOLVED</p> <ol style="list-style-type: none"> 1. That in accordance with Contract Standing Orders 11.01(b) and 11.03 approval be granted to the award of the contract for restoration works to Lordship Recreation Ground Vinci Construction UK Ltd. on the terms and conditions set out in the Appendix to the interleaved report and that authority to approve the final contract amount be delegated to the Director of Adult, Culture and Community Services. 2. That the client contingency sum specified in the Appendix to the interleaved report be approved, it being noted that it did not form part of the contract sum. 3. That approval be granted to the design fees detailed in the Appendix to the interleaved report. 	<p>DACCS</p> <p>DACCS</p> <p>DACCS</p>
<p>PROC61.</p>	<p>AWARD OF CONTRACT FOR FITNESS SUITE EQUIPMENT SUPPLY (Report of the Director of Adult, Culture and Community Services - Agenda Item 8)</p> <p>With the consent of the Committee this item was withdrawn.</p>	

The meeting ended at 18.15 hours.

LORNA REITH
In the Chair

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Agenda item:

[No.]**Cabinet****25 January 2011**

Report Title. DELEGATED DECISIONS AND SIGNIFICANT ACTIONS

Report of the Assistant Chief Executive (People & Organisational Development)

Signed :

Contact Officer : Richard Burbidge

Telephone: 020 8489 2923

Wards(s) affected: **Not applicable**Report for: **Information****1. Purpose of the report**

1.1 To inform the Cabinet of delegated decisions and significant actions taken by Directors.

1.2 The report details by number and type decisions taken by Directors under delegated powers. Significant actions (decisions involving expenditure of more than £100,000) taken during the same period are also detailed.

2. Introduction by Cabinet Member (if necessary)

2.1. Not applicable

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

3.1. These are contained in the individual action forms.

4. Recommendations

4.1. That the report be noted

5. Reason for recommendation(s)

5.1. Not applicable.

6. Other options considered

6.1. Not applicable

7. Summary

7.1 To inform the Cabinet of delegated decisions and significant actions taken by Directors.

7.2 The report details by number and type decisions taken by Directors under delegated powers. Significant actions (decisions involving expenditure of more than £100,000) taken during the same period are also detailed.

8. Chief Financial Officer Comments

8.1. Where appropriate these are contained in the individual delegations.

9. Head of Legal Services Comments

9.1. Where appropriate these are contained in the individual delegations.

10. Head of Procurement Comments – [Required for Procurement Committee]

10.1. Not applicable

11. Equalities & Community Cohesion Comments

11.1. Where appropriate these are contained in the individual consultation forms.

12. Consultation

12.1. Where appropriate details are contained in the individual consultation forms.

13. Service Financial Comments

13.1. Where appropriate details are contained in the individual consultation forms.

14. Use of appendices /Tables and photographs

14.1. Not applicable

15. Local Government (Access to Information) Act 1985

15.1 Background Papers

The following background papers were used in the preparation of this report;

Delegated Decisions and Significant Action Forms

Those marked with ♦ contain exempt information and are not available for public inspection.

The background papers are located at River Park House, 225 High Road, Wood Green, London N22 8HQ.

To inspect them or to discuss this report further, please contact Richard Burbidge on 020 8489 2923.

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DIRECTOR OF ADULT, CULTURE AND COMMUNITY SERVICES

Significant decisions - Delegated Action –November 2010

◆ denotes background papers are Exempt.

No	Date approved by Director	Title	Decision
1.	15.11.10	Delegated Authority: Playbuilder Project Year 2 - revised	Agreed
2.			

Delegated Action

	Number
01.11.10: contract LBH and Networked Neighbourhoods	1
11.11.10: Haringey Timebank – funding approval	1
16.11.10: contract LBH and Equals Training CIC	1
17.11.10: contract LBH and National Autistic Society	1
23.11.10: CSO 6.04 under CSO 7 Care HIV Test Service in Wood Green Library	1

Submission authorised by: MT Phung

Mun Thong Phung

Director of Adult, Culture and Community Services

Date: 8th December 2010

DIRECTOR OF CYPS

Significant decisions - Delegated Action November and December 2010

◆ Denotes background papers are Exempt.

No	Date approved by Director	Title	Decision
1.	24.11.10	Refurbishment of Coppetts Wood PPSC – extension of contract	Agreed to extend the contract to allow additional works
2.	29.11.10	Request for waiver of requirement to formal tender for provision of Interim Deputy Director, SSI	Agreed
2.	9.12.10	Mulberry Primary School Re-modelling Project – extension of contract for design consultancy	Agreed to extension of contract
3.	23.12.10	Safeguarding and Support	Agreed to restructuring of management and senior practitioner posts in First Response and Safeguarding and moving these posts on to the Council's standard pay scales with a recruitment and retention supplement

Delegated Action

Type	Number
6.03	£6543.30
6.04	£12500
6.05	£50000
7.01	3102
11.02	9920
13.01a	£13260.13
	£6500
	£15500
	£58850
	£5795
	£13000
	£25,000
	11000
	18072
	£30000
	£50000

Submission authorised by: *[Signature]*
 21/1/10

Peter Lewis, Director, CYPS

CORPORATE RESOURCES AND CHIEF EXECUTIVE SERVICE

Significant decisions - Delegated Action 2010/11 – November 2010

◆ denotes background papers are Exempt.

No	Date approved by Director	Title	Decision
1. ◆	03.11.10	Approval for award of contract under CSO 11.02 re: Framework Agreement for the collection, transport and sustainable end-of-life management of fixtures, fittings and equipment (Lot 2 – IT and Electrical).	For the Director of Corporate Resources to award the Framework Agreement for the collection, transport and sustainable end-of-life management of fixtures, fittings and equipment (Lot 2 – IT and Electrical).
2. ◆	16.11.10	Decision Report of the Director of Corporate Resources in consultation with the Cabinet Member for Finance and Sustainability re: Disposal of 78 Shepherd's Hill, N6 and 226 Stapleton Hall Road, N4.	To proceed with the disposal and agree terms following Cabinet approval in September 2010.

Delegated Action

Type	Number
Approval for award of contract under CSO 11.02 re: Licence to operate hot beverage dispensers at Haringey Council offices (Civic Centre and River Park House), signed by DCR 01.11.10.	1
Renewal of Approval for award of contract under CSO 11.02 re: Consultancy services in Human Resources to the Council – Housing investigation project, signed by Assistant Chief Executive, People & OD 03.11.10.	1
Request for extension of the waiver of CSO 6.01 under CSO 7 dated 10 th March 2009 for a further 6 months until March 2011 re: Hornsey Town Hall Project, signed by DCR 03.11.10.	1
Request for waiver of CSO 6.05 under CSO 7 re: Installation of Voltage Optimisation at Hornsey School, signed by DCR 03.11.10.	1
Request for waiver of CSO 6.05 under CSO 7 re: Installation of Voltage Optimisation at Alexandra Park School, signed by DCR 03.11.10.	1

Delegated Action cont'd	
Type	Number
Decision under Delegated Authority - Director of Corporate for disposals under £500,000 re: 8 Talbot Road, Tottenham, N15 8DH, signed by DCR 07.11.10.	1
Request for waiver of CSO 6.04 under CSO 7 re: Shaping the future of public services in Haringey focus groups, signed by Assistant Chief Executive, People & OD 16.11.10.	1
Approval for award of contract under CSO 11.02 re: Automatic Thermostatic Radiator Valves (TRVs) in 3 Care Homes, signed by DCR 23.11.10.	1

Submission authorised by: *J. Paine 5/12/10*



Haringey Council

Agenda item: **[No.]****Cabinet****On 25th January 2011**Report Title. **Land at Bull Lane and Pasteur Gardens N18**Report of **Director of Corporate Resources**

Signed :

Contact Officer : Dinesh Kotecha
 Head of Corporate Property Services
 Tel: 020 8489 2101
dinesh.kotecha@haringey.gov.uk

Wards(s) affected: Out of borough sites
(White Hart Lane)

Report for: **Key Decision****1. Purpose of the report**

- 1.1. To update the Cabinet since its conditional approval in March 2010 to dispose of Bull Lane and Pasteur Gardens N18 to Community Action Sport in order to develop and manage the site for sporting, recreation and community use.
- 1.2. To seek Cabinet's advice on the future direction of the proposed disposal.

2. Introduction by Cabinet Member

- 2.1. The Council has a long term aim of unlocking the potential from these sites whilst improving sport and recreation facilities for the local community. Unfortunately Community Action Sport has not found itself able to conclude agreement on the disposal on the basis previously agreed by Cabinet and it is now important that the Council returns to looking at wider options if it is to continue to make progress on achieving its aim. The Council remains committed to working with the community on this scheme and this will not preclude the future involvement of community organisations in development of proposals or future management of these sites.

<p>3. State link(s) with Council Plan Priorities and actions and /or other Strategies:</p> <p>In addressing these two out borough sites, the Council can contribute to the social and physical regeneration of the Bull Lane area as well as releasing capital resources to support the capital programme.</p>
<p>4. Recommendations</p> <p>4.1 To note that Community Action Sport has not been able to conclude agreement on its proposed acquisition of Bull Lane and Pasteur Gardens on the basis of the terms and conditions agreed by Cabinet on 23rd March 2010.</p> <p>4.2 To agree that the disposal to Community Action Sport as authorised on 23rd March should not proceed and to re-affirm the Council’s commitment to the regeneration and improvement of these two sites, including the continued provision of recreational facilities, and the value which it places on partnership with the community sector in securing their future.</p> <p>4.3 To agree to market the Bull Lane and Pasteur Gardens sites, inviting the full range of potential purchasers (and their potential partners) to submit bids outlining how these will meet the Council’s long standing objectives of investing in the retention of open green spaces, improving sports and leisure facilities, contributing to social and economic regeneration and generating capital receipts.</p>
<p>5. Reason for recommendation(s)</p> <p>It has not been possible to make progress on the previously agreed option for disposal of these sites. In order to avoid further delay in achieving the Council’s objectives of regenerating these sites through their disposal, Cabinet is asked to agree that work now proceeds on pursuing other options as set out in the report.</p>
<p>6. Other options considered</p> <p>To allow CAS further time in which to deliver a revised plan whilst the Council continues to work with CAS as a ‘preferred purchaser’</p>

7. Summary

Background

7.1 These former school playing fields both lie outside the borough boundary within the Borough of Enfield. The Council has historically pursued disposal of the sites in one package to enable them, and Bull Lane in particular, to be improved and developed for sports, recreation, open space and housing whilst delivering a residual capital receipt

for the Council which could be reinvested in capital programme priorities. The Bull Lane site comprises 11 acres and the Pasteur Gardens site 6.75 acres. Two specific proposals have emerged in recent years as set out in paras 7.2 and 7.3 below.

7.2 Long term discussions with Enfield Council resulted in a resolution to grant planning approval for a mixed use scheme at Bull Lane which would permit residential development on part of the Bull Lane site subject to improvements being made to the remainder of the site and Pasteur Gardens. This scheme was subject to a Site Development Framework (since prepared) and a S.106 Agreement with Enfield which would include the following key points:-

- Housing development on Bull Lane not exceeding 1.62 hectares (4 acres) at a net density of 200 habitable rooms per hectare with the provision of affordable housing at 50% (nomination rights to be shared equally between Enfield and Haringey Councils).
- Delivery of improvements to Bull Lane and Pasteur Gardens to include two football pitches and changing facilities.
- Transfer of land from Haringey to Enfield of the remainder of Bull Lane and the whole of Pasteur Gardens with a sum of money payable by Haringey for the provision of improved facilities and future maintenance.
- Provision and future retention of a footpath link between Bull Lane and Weir Hall open space

7.3 The Council was also approached by Community Action Sports (CAS) which, having long campaigned against disposal of Bull Lane, put forward a proposal to acquire both Bull Lane and Pasteur Gardens and invest in them to provide and manage sports and recreational facilities which would benefit the local community including local sports organisations and schools. The acquisition by CAS and subsequent investment would be enabled by grants to CAS from sports related charities and grant-funding organisations.

7.4 In December 2008 the Cabinet agreed that it would consider CAS's proposals alongside any other emerging options and set a timescale for CAS to develop its business plan during which time the Council's discussions with Enfield would also continue. Following lengthy and detailed discussion aimed at an optimum solution to support a community led, social regeneration of the sites whilst minimising risks to the delivery of the Council's wider objectives, the CAS proposals were reported to Cabinet on 23rd March 2010 which authorised officers in consultation with the relevant Cabinet Member to:-

- Negotiate and agree the final Heads of Terms for the grant of a Lease and enter in to an Agreement for Lease (AGL).
- Grant the Lease on confirmation that CAS satisfied the conditions set out in the AGL.

The granting of authority to enter into Heads of Terms for the grant of a lease and AGL was also subject to further work on CAS's proposed way of operating and a report back to Cabinet on this.

7.5 The conditions set out were primarily aimed at safeguarding future sport and recreational facilities on Bull Lane, given that a long lease was proposed. It was also

agreed that the sale price should be independently assessed by the District Valuer to confirm that best consideration for this particular disposal would be achieved.

- 7.6 In deciding to dispose of the land with restrictions to sports and recreation use, Cabinet also agreed to treat with CAS to the exclusion of other potential bidders. Although this option would not yield the maximum possible capital receipt it was preferred as it involved greater social regeneration and Cabinet recognised the value of a community led and supported development. However, to ensure that the Council's objectives and investment were safeguarded, Cabinet agreed to build in certain safeguards and conditions.
- 7.7 To enable CAS to demonstrate viability and affordability of their plans to develop and manage these sites for community led sports and leisure uses, the land deal approved by Cabinet was structured in two parts. The first part is an "Agreement for Lease" (AGL) which is in effect an exchange of contracts and would give CAS a legally binding interest in the land to enable them to secure funding for the preparation of development plans and subsequent investment. Completion of the contract and grant of the lease would be subject to certain conditions being met as part of due diligence, to ensure that the objectives agreed by the Council for the land (good quality sports and recreation facilities for the community for the long term) remained deliverable. A long-stop date of two years was also agreed with CAS as a realistic timescale to develop robust plans and secure funding offers. (If the conditions as stated in the AGL had not been met then the AGL would fall away and the Lease would not be entered in to).
- 7.8 The conditions to be included within the AGL that CAS need to comply with before the grant of the Lease are as follows:
- i) The setting up and participation in a Joint Project Group, which will include Council representatives. The group's function is to include the engagement of the local community and local stakeholders in the shaping of the final scheme, which will include layout of the games area in accordance with Sport England's requirement and the construction of a pavilion on each of the sites.
 - ii) A refreshed capital development plan and viable operational business plan to reflect the following;
 - a) Revised estimates of capital costs together with any proposed phasing of the scheme.
 - b) Realistic expectations of securing funding for scheme proposals
 - c) Evidence based income streams for demand from sporting and recreation facilities and any assumptions relating to ancillary income streams including revenue grants and non-sport funding.
 - d) Robust estimates of revenue expenditure from the operations.
 - e) Risk and contingency plans.
 - iii) A satisfactory independent review of the proposed governance and risk management arrangements including adequate succession plans to reflect growth in operations of the charity.
 - iv) Obtaining planning permission for the scheme.

v) Obtaining a secure offer for funding for the whole scheme

7.9 The proposed lease also included a reverter clause enabling the Council to buy back the sites if CAS was unable to implement the scheme within five years from signing the AGL. CAS was additionally required to give an undertaking that it would not be reliant on the Council for capital or revenue funding.

7.10 Cabinet also agreed that disposal to CAS should be subject to further information being provided in a report back to Cabinet on CAS's proposed method of operating (to address some questions raised by Members).

Current position

7.11 Since March 2010 there have been on-going discussions with Community Action Sport which has not found itself in a position to conclude the Agreement for Lease on the basis of the terms and conditions previously agreed by Cabinet. Officers have met CAS along with two of their potential funding organisations.

7.12 CAS has since sought the Council's agreement to submit a revised, smaller scale proposal in conjunction with removing some of the conditions stipulated, proceeding with the grant of a lease in advance of all conditions being met and without the preliminary Agreement for Lease (AGL). CAS considers that a smaller scheme would carry less risk, enabling some of the pre-conditions to be dispensed with and a full lease granted directly. CAS also sees the granting of an early lease as important to securing grant and other funding for its proposed scheme.

7.13 The recent discussions have covered a number of issues on which more detailed information and commentary has been provided in exempt paras 7.14 to 7.30.

7.14– (**Exempt** information relating to lease terms and conditions and discussions with CAS).

Options

7.31 The current options are:-

- i) To allow CAS further time (12 weeks has been proposed) in which to deliver a revised plan whilst the Council continues to work with CAS as a 'preferred purchaser'
- ii) To market the Bull Lane and Pasteur Gardens sites, inviting the full range of potential purchasers (and their potential partners) to submit bids outlining how these will meet the Council's long standing objectives of investing in the retention of open green spaces, improving sports and leisure facilities, contributing to social and economic regeneration and generating capital receipts.

Conclusion

7.32 The Council has a longstanding objective of disposing of both of these sites which lie outside the borough and has historically explored schemes which as well as securing

improved sport and leisure facilities, particularly on Bull Lane, would also generate a capital receipt for the Council. During this time the future of the sites has remained uncertain and their potential for providing better facilities has not been realised.

- 7.33 Whilst partnership with the voluntary sector in investment and future management of these sites is to be welcomed, it has not been possible to reach agreement with CAS on detailed terms for the disposal and the conditions set out in the Cabinet's resolution of 23rd March 2010 have not been fulfilled. Given the long lease involved and the need to exercise due diligence in safeguarding the long term future of these sites, the Council is not in a position to accede to CAS's request to vary the terms and conditions of the proposed lease that were previously agreed by Cabinet. As variation of the terms and conditions is also implied in the revised proposal which CAS has requested time to develop, this is likewise not recommended as a way forward.
- 7.34 Any on-going delay to disposal of these sites will in turn delay their regeneration and realisation by the Council of a planned capital receipt, whilst direct and indirect Council costs will continue to be incurred. In order to make progress on this longstanding objective, it is recommended that the disposal to CAS agreed in March 2010 should not now proceed and work should resume on pursuing other options as described in the report with detailed proposals reported to Cabinet in due course.
- 7.35 However it should be noted that neither of options ii) or iii) in para 7.31 above preclude the potential for partnership with voluntary sector groups, including CAS, in future investment in these sites or their future management and operation.

8. Chief Financial Officer Comments

- 8.1. Paragraphs 7.3 – 7.9 summarise the rationale for the decision in March 2010 to grant a lease to CAS; in essence the CAS scheme offered community involvement and social regeneration with higher levels of sporting facilities which were viewed as valuable and felt to compensate for a lower level of capital receipt. The CAS proposal also appeared to provide greater certainty over the timing of delivery of the scheme.
- 8.2. It is now being reported that since March it has not been possible to reach agreement with CAS on the structure of the proposed AGL and terms and conditions despite a number of meetings, the essence of which is set out in exempt paragraphs 7.14 – 7.30. Members will remember that the conditions attached to the CAS proposal were built in order to safeguard the Council's objectives and investment over the lifetime of the lease.
- 8.3. As a consequence of the delay, officers are now proposing three options for consideration and to obtain advice on the future direction of the disposal. Paragraph 7.31 outlines the options.
- 8.4. There is no guarantee that providing an additional 12 weeks to CAS will enable the community led option to be delivered. It will also require additional officer input into assessing the revised proposals and could lead to further delay and degeneration of the sites with no conclusive outcome.

9. Head of Legal Services Comments

9.1 The Head of Legal Services has been consulted on this report and the legal comments have been incorporated into the main body of the report.

9.2 (**Exempt** information on lease).

10. Equalities & Community Cohesion Comments

The future regeneration of the Bull Lane site, including improved recreational facilities will provide benefits to the local community in a recognised area of deprivation.

11. Consultation

11.1 A meeting was held on the 13th January 2011 with Community Action Sport, Ward Members and the Leader to inform CAS that, as they are not in a position to proceed with the AGL as approved by Cabinet, officers would be reporting to Cabinet on 25 January 2011 to secure a decision to return to a review of the options. At this meeting CAS brought along representatives from London Marathon Trust and Sport England. CAS reiterated that as a Charity they cannot take the significant financial risks of meeting the pre-conditions for the lease in view of the uncertain funding environment. CAS also confirmed that whilst still committed to the development of Pasteur Gardens they are primarily interested in saving Bull Lane and that the inclusion of Pasteur Gardens does add to the funding requirements and financial risks. CAS repeated their request to be granted 12 weeks to allow their consultant to prepare a more realistic scheme in the current funding climate. On this point one of the funders present stated that if CAS prepares a viable scheme within the next three months and submits a funding application for the development, they will commit to considering this with a view to giving a decision at an early stage. The meeting concluded with a common agreement to focus on the long awaited resolution of the future of these sites. The views expressed by CAS were noted and Officers confirmed that the outcome of this meeting will be conveyed to Cabinet when the report is considered.

11.2 Proposals for any future scheme will be subject to consultation with the local community.

12. Service Financial Comments

12.1 & 12.2 (**Exempt** information on land values).

13. Use of appendices /Tables and photographs (None).

14. Local Government (Access to Information) Act 1985

14.1 Background Documents

Cabinet reports and minutes on Bull Lane and Pasteur Gardens – 16th December 2008 and 23rd March 2010.

14.2 This report contains exempt information contained in exempt Appendix A which is **not for publication**. The exempt information is under the following category (identified in amended schedule 12A of the Local Government Act 1972)

S(3) Information relating to the financial or business affairs of any particular person including the authority holding the information.

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