

Overview and Scrutiny Committee

MONDAY, 16TH DECEMBER, 2013 at 18:00 HRS - CIVIC CENTRE, HIGH ROAD, WOOD GREEN, N22 8LE.

MEMBERS: Councillors Bull (Chair), Winskill (Vice-Chair), Adamou, McNamara and Newton

Co-Optees: Ms Y. Denny (Church of England representative),¹ Catholic Diocese vacancy, Mr E. Reid (Parent Governor) and Mrs M. Ezeji (Parent Governor)

PLEASE NOTE: Councillor Bull will chair the meeting for areas covered by the OSC (as detailed in the briefing report). Councillor Winskill will chair item 8 of the agenda where the draft recommendations are discussed, in accordance with Part 4, Section G, paragraph 7.4 of the Council's Constitution.

AGENDA

1. WEBCASTING

Please note: This meeting may be filmed for live or subsequent broadcast via the Council's internet site - at the start of the meeting the Chair will confirm if all or part of the meeting is being filmed. The images and sound recording may be used for training purposes within the Council.

Generally the public seating areas are not filmed. However, by entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings for webcasting and/or training purposes.

If you have any queries regarding this, please contact the Committee Clerk at the meeting.

2. APOLOGIES FOR ABSENCE

3. URGENT BUSINESS

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

4. DECLARATIONS OF INTEREST

A member with a disclosable pecuniary interest or a prejudicial interest in a matter who attends a meeting of the authority at which the matter is considered:

- (i) must disclose the interest at the start of the meeting or when the interest becomes apparent, and
- (ii) may not participate in any discussion or vote on the matter and must withdraw from the meeting room.

A member who discloses at a meeting a disclosable pecuniary interest which is not registered in the Register of Members' Interests or the subject of a pending notification must notify the Monitoring Officer of the interest within 28 days of the disclosure.

Disclosable pecuniary interests, personal interests and prejudicial interests are defined at Paragraphs 5-7 and Appendix A of the Members' Code of Conduct

5. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS

To consider any requests received in accordance with Part 4, Section B, paragraph 29 of the Council's Constitution.

6. BUDGET SCRUTINY PROCESS AND TIMETABLE (PAGES 1 - 6)

A briefing on the budget scrutiny process and timetable for 2013/14.

7. BUDGET SCRUTINY 2013/14 (PAGES 7 - 102)

To consider revenue and capital proposals in the following documents:

- a) Revenue savings proposals detailed in **Appendix A** of the Financial Outturn 2012/13 and Budget for 2014/15 (Cabinet Report June 2013)
- b) Draft Cabinet report – Financial Planning 2014/15 to 2016/17 (areas for scrutiny by OSC can be found at pages 104 and 105 of the agenda pack).

N.B. the Draft Cabinet report – Financial Planning 2014/15 to 2016/17 is the draft Cabinet paper and therefore subject to change before Cabinet on 17 December.

The policy / service areas covered by Overview and Scrutiny are:

- Performance
- External Partnerships
- Northumberland Park Project
- Corporate Policy & Strategy
- Communications
- Legal services
- Human resources
- Organisational development
- Council Budget
- Corporate property
- IT
- Customer Services
- Benefits
- Regeneration
- Employment/worklessness
- Community cohesion
- Tottenham Regeneration Project
- St Ann's redevelopment
- Partnership arrangements
- Carbon reduction

8. DRAFT PANEL RECOMMENDATIONS

Chaired by Councillor Winskill

To review and discuss draft recommendations from the Scrutiny Panels.

TO FOLLOW

9. NEW ITEMS OF URGENT BUSINESS

10. FUTURE MEETINGS

23 January 2014

17 March 2014

David McNulty
Head of Local Democracy and
Member Services
River Park House
225 High Road
Wood Green
London N22 8HQ

Felicity Parker
Principal Committee Co-Ordinator
Tel: 020-8489 2919
Fax: 020-8881 5218
Email: felicity.parker@haringey.gov.uk

Friday 6 December 2013

Cover for:	Overview and Scrutiny Committee/Communities Scrutiny Panel/Environment and Health Scrutiny Panel/Adults and Health Scrutiny Panel/Children and Young People Scrutiny Panel
Title:	Scrutiny of the Draft Medium Term Financial Plan
Officer Support:	<p>Communities Scrutiny Panel & Children and Young People Scrutiny Panel: Rob Mack Senior Policy Officer, 0208 489 2921 Rob.Mack@Haringey.gov.uk</p> <p>Environment and Housing Scrutiny Panel & Overview and Scrutiny Committee: Martin Bradford Senior Policy Officer, 0208 489 6950 Martin.Bradford@Haringey.gov.uk</p> <p>Adults and Health Scrutiny Panel & Overview and Scrutiny Panel: Melanie Ponomarenko Senior Policy Officer, 0208 489 2933 Melanie.Ponomarenko@Haringey.gov.uk</p>
Date:	December 2013

1. Haringey Constitution

- As laid out in Part 4, Section G of the Haringey Constitution, the Overview and Scrutiny Committee shall undertake scrutiny of the Council's budget through a Budget Scrutiny process. The procedure by which this operates is detailed in the Protocol covering the Overview and Scrutiny Committee.
- Also laid out in this section is that the Chair of the Budget Scrutiny Review process will be drawn from among the opposition party Councillors sitting on the Overview and Scrutiny Committee. The Overview and Scrutiny Committee shall not be able to change the appointed Chair unless there is a vote of no confidence as outlined in Article 6.5 of the Constitution.

2. Overview and Scrutiny Protocol

- The Overview and Scrutiny Protocol lays out the process of Budget Scrutiny and includes the following points:

- The budget shall be scrutinised by each Scrutiny Review Panel, in their respective areas. Their reports shall go to the OSC for approval. The areas of the budget which are not covered by the Scrutiny Review Panels shall be considered by the main OSC.
- A lead OSC member from the largest opposition group shall be responsible for the co-ordination of the Budget Scrutiny process and recommendations made by respective Scrutiny Review Panels relating to the budget.
- Overseen by the lead member referred to in paragraph 9.2, each Scrutiny Review Panel shall hold a meeting following the release of the December Cabinet report on the new 3-year Medium Term Financial Plan. Each Panel shall consider the proposals in this report, for their respective areas. The Scrutiny Review Panels may request that the Cabinet Member for Finance and Sustainability and/or Senior Officers attend these meetings to answer questions.
- Each Scrutiny Review Panel shall submit their final budget scrutiny report to the OSC meeting in January containing their recommendations/proposal in respect of the budget for ratification by the OSC.
- The recommendations from the Budget Scrutiny process, ratified by the OSC, shall be fed back to Cabinet. As part of the budget setting process, the Cabinet will clearly set out its response to the recommendations/proposals made by the OSC in relation to the budget.

3. Budget Scrutiny & Haringey Corporate Plan

- Scrutiny Members should consider the savings and investments as outlined in the Draft Medium Term Financial Plan taking into account the agreed key priorities of the Council. The agreed key priorities and outcomes as stated in the Corporate Plan 2013-2015 are:

The outcomes we are seeking	Priorities
<p>Outstanding for all: Enabling all Haringey children to thrive</p>	<p>1. Work with schools, early years and post 16 providers, to deliver high quality education for all Haringey children and young people</p> <p>2. Enable every child and young person to thrive and achieve their potential</p>
<p>Safety and wellbeing for all: A place where everyone feels safe and has a good quality of life</p>	<p>3. Make Haringey one of the safest boroughs in London</p> <p>4. Safeguard adults and children from abuse and neglect wherever possible, and deal with it appropriately and effectively if it does occur</p> <p>5. Provide a cleaner, greener environment and safer streets</p>

	6. Reduce health inequalities and improve wellbeing for all
Opportunities for all: A successful place for everyone	7. Drive economic growth in which everyone can participate 8. Deliver regeneration at priority locations across the Borough 9. Ensure that everyone has a decent place to live
A better council: Delivering responsive, high quality services and encouraging residents who are able to help themselves to do so	10. Ensure the whole council works in a customer focussed way 11. Get the basics right for everyone 12. Strive for excellent value for money

- On consideration of the Draft MTFP Scrutiny Members should make recommendations to be referred to the Overview and Scrutiny Committee for approval, prior to approval and referral to Cabinet for consideration.

4. Timetable

Budget Scrutiny training Date: November 2013	Budget Scrutiny training session for OSC and Panel Members.
<u>Scrutiny Panels:</u> E&H –2 Dec CSP –2 Dec CYP –5 Dec A&H –12 Dec OSC: 16 Dec	Scrutiny Panels and OSC scrutinise Draft MTFP and any budget saving identified in their area of responsibility. Cabinet Member for Finance & Senior Officers attend to answer questions.
Early Dec	Local Government Settlement
17 th December	Draft budget report at Cabinet
Dec-early Jan	Actions from Budget Panel meetings and OSC

	<p>Budget meeting followed up.</p> <p>OSC Budget Scrutiny report formulated ensuring legal and finance comments and input.</p>
23 rd January	<p>Final Budget Scrutiny Report and recommendations approved by OSC and formally referred to Cabinet.</p>
11 th February	<p>Cabinet.</p> <p>OSC recommendations from the Budget Scrutiny process report to Cabinet for response.</p> <p>As part of the budget setting process, the Cabinet will clearly set out its response to the recommendations/ proposals made by the OSC in relation to the budget.</p>
26 th February	<p>Budget setting at Full Council</p>

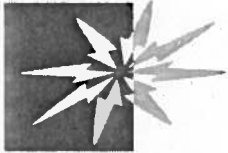
5. Areas covered by each Scrutiny body

- Overview and Scrutiny Committee and Panels are asked to consider the draft MTFP in relation to the areas which their OSC/panels cover, as agreed by the Overview and Scrutiny Committee in July 2013.
- These areas are:

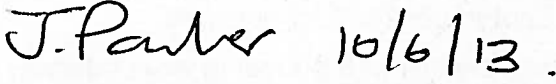
Scrutiny body	Policy service /areas covered
<p>Overview and Scrutiny Committee</p> <p>Chair:</p> <p>Cllr Bull</p>	<ul style="list-style-type: none"> ▪ Performance ▪ External Partnerships ▪ Northumberland Park Project ▪ Corporate Policy & Strategy ▪ Communications ▪ Legal services ▪ Human resources ▪ Organisational development ▪ Council Budget ▪ Corporate property ▪ IT ▪ Customer Services ▪ Benefits ▪ Regeneration ▪ Employment/worklessness ▪ Community cohesion ▪ Tottenham Regeneration Project ▪ St Ann’s redevelopment ▪ Partnership arrangements ▪ Carbon reduction
<p>Adults and Health</p> <p>Chair:</p>	<ul style="list-style-type: none"> ▪ Adult social care ▪ Public Health ▪ Link with CCG ▪ Health and Wellbeing Board ▪ Adult health services ▪ Children’s health services

<p>Cllr Adamou</p>	<p style="text-align: right;">Page 5</p> <ul style="list-style-type: none"> ▪ Transition ▪ Changes to service provision ▪ Voluntary sector ▪ Safeguarding policy
<p>Children and Young People</p> <p>Chair:</p> <p>Cllr Newton</p>	<ul style="list-style-type: none"> ▪ Looked after Children ▪ Fostering and adoption ▪ Education e.g. exam results & school improvements ▪ Youth offending ▪ Safeguarding ▪ Effectiveness of partnership working ▪ Child poverty ▪ Safeguarding Policy
<p>Housing and Environment</p> <p>Chair:</p> <p>Cllr McNamara</p>	<ul style="list-style-type: none"> ▪ Recycling and waste management ▪ Highways ▪ Sustainable transport ▪ Parking ▪ Parks and Open spaces ▪ Planning & Licensing ▪ Enforcement ▪ Strategic housing policy, social housing, housing allocations.
<p>Communities</p> <p>Chair:</p> <p>Cllr Winskill</p>	<ul style="list-style-type: none"> ▪ Crime and disorder ▪ Libraries ▪ Culture ▪ Leisure ▪ Equalities ▪ Domestic violence ▪ Area Forums and Committees

This page is intentionally left blank



Haringey Council

Report for:	Cabinet 18 June 2013	Item Number:	
Title:	Financial Outturn 2012/13 and Budget 2014/15		
Report Authorised by:	 Julie Parker, Director of Corporate Resources		
Lead Officer:	Kevin Bartle, Assistant Director - Finance		
Ward(s) affected: All	Report for Key/Non Key Decisions: Key		

1. Describe the issues under consideration

- 1.1. Following the conclusion of the financial year, the provisional revenue and capital outturn for 2012/13 is set out together with proposed transfers to reserves and revenue and capital carry forward requests.
- 1.2. The Government's on-going deficit reduction programme means that Local Government funding continues to be reduced year-on-year. In the current fiscal climate the council needs to continuously assess ways in which it can operate in a leaner and more agile manner. This report sets out the steps that have been taken and principles followed that have led to identifying areas where savings can be realised. These are being recommended for agreement ahead of setting the 2014/15 budget.

2. Introduction by the Cabinet Member for Finance and Carbon Reduction – Councillor Joe Goldberg

- 2.1. I am pleased to report that the council has again risen to the significant challenge of balancing its budget against a backdrop of severe government cuts. Based on how the Government has chosen to apportion the cuts previously, we have to



Haringey Council

assume deprived areas like Haringey will continue to be the hardest hit. To date, Haringey has faced £170.34 per head of cuts, versus the London Borough of Richmond-upon-Thames which has only faced cuts of just £11.99 per head.

- 2.2. Despite this, the Council has again successfully managed the budget while still managing to protect frontline services. Staff and Members have worked hard to maintain the prudent and sensible approach to financial management of the Council's resources.
- 2.3. The Council's draft Statement of Accounts for 2012/13 is currently being finalised. This draft will be subject to audit which is due to be completed by early September. The final audited accounts will then be submitted to Corporate Committee on 19th September 2013 for approval.
- 2.4. The work on balancing the 2014/15 budget is well underway with significant progress being made to date on identifying savings that will need to be made to fill the budget gap in that year. The Government's austerity programme shows no abatement and we are forced to respond, in Haringey's case, in order to protect residents' services. Budget savings proposals are attached to this report that do not impact on our policy but clearly do have implications. They are, however, necessary. In my view it is now obvious the Government's austerity programme has failed and that we will now face an unprecedented 7 years of continuous cuts, the need to be masters of our own destiny is even more important if we are to deliver on our promise to the residents of Haringey.
- 2.5. I commend this report to the Cabinet for approval.

3. Recommendations

That Cabinet:-

- 3.1. notes the 2012/13 provisional general fund revenue outturn, after proposed transfers to reserves and carry forwards, of a £6m surplus and the reasons for variances set out in Appendix 1;
- 3.2. approves the proposed transfers to reserves of £0.58m and the revenue carry forward requests of £1.839m set out in Appendix 1;
- 3.3. notes the provisional Housing Revenue Account (HRA) outturn deficit of £0.126m and the reasons for variances set out Appendix 2;
- 3.4. approves the charging of the net overspend position on the Homes for Haringey Company Account (£105k) against the Housing Revenue Account (paragraph 10);
- 3.5. notes the provisional position on the Dedicated Schools Budget (paragraph 6.5);
- 3.6. notes the provisional General Fund capital outturn position of a £2.4m surplus set out in Appendix 3;
- 3.7. approves the proposed capital carry forward requests of £2.609m set out in Appendix 4;



Haringey Council

- 3.8. approves draft savings proposals, to be recommended to the Council at its meeting in February 2014 for the Council's MTFP 2014/15 – 2016/17, set out in Appendix B;
- 3.9. notes the approach to the proposed Zero Based Budgeting (ZBB) exercise as set out in paragraph 16; and,
- 3.10. approves the budget virement, re-profiling and reserve transfer requests for 2013/14 set out in Appendix 5.

4. Other options considered

- 4.1. The reporting of the Council's outturn and management of financial resources is a key part of the role of the Chief Financial Officer (S151 Officer) and there are no other options available.
- 4.2. The budget cycle could be based on the same timetable as last year with savings for 2014/15 being considered at the December 2013 Cabinet meeting. Alternative savings could also be identified, but those detailed in this report are considered to provide the appropriate balance across services, reflecting the Council's priorities and the timescales for implementation.

5. Background information

Financial Outturn

- 5.1. This report sets out the provisional outturn position for the General Fund, Housing Revenue Account, Dedicated Schools Budget, Collection Fund and the Capital Programme for 2012/13. The Statement of Accounts will be prepared in accordance with the Accounts and Audit Regulations and the draft accounts (which will be subject to external audit) will be approved by the Chief Financial Officer before 30 June 2013.
- 5.2. The external audit of the accounts will commence in July. The auditors will submit a report on their findings, and issue their formal opinion, at Corporate Committee on 19 September 2013.
- 5.3. The report also includes a request to approve a number of virements above £100,000 for the 2013/14 budget in line with financial regulations.

Savings

- 5.4. Following approval of the Council's Medium Term Financial Plan at February 2013 Council a budget gap of c£20m for 2014/15 was estimated. Recognising and identifying where savings can be made and taking the steps needed to realise those savings will assist the budget setting process for 2014/15. The remainder of the savings required identified in the MTFP for the subsequent years of the plan are expected to be more transformational in nature and will take longer to assess.
- 5.5. In preparing the 2014/15 budget for the HRA, a 10% target has been set for Homes for Haringey for savings in 2014/15 on management budgets with a view to the money creating more space in the HRA.



Haringey Council

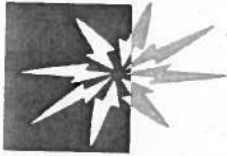
- 5.6. The Government will be publishing a spending review for 2013 (SR2013) on 26th June 2013, this may require the 2014/15 budget position to be reviewed which may change the size of the budget gap.
- 5.7. This report identifies savings proposals at a high level, analysed across directorates. It is recommended that approval is given now so that work can begin on the proposals to ensure that budgets can be reduced from 1 April 2014 with costs already at the lower levels.
- 5.8. The activity to identify this tranche of savings has been completed and work has been undertaken to identify how and where the savings will be made, details of them are set out in Appendix C.

6. Outturn 2012/13– Revenue General Fund

- 6.1. The general fund revenue outturn is summarised in Table 1 below. There is a net general fund surplus of £6.078m after carry forwards and planned transfers to reserves: the variance represents 2.2% of the net approved budget. The variances and the requests for carry forward of underspends are explained in more detail in Appendix 1. The provisional outturn is broadly in line with the period 10 projection previously reported to Cabinet.
- 6.2. The provisional position on the Collection Fund (encompassing both National Non Domestic Rates (NNDR) and Council Tax) is an overall deficit of £490k compared to a previously estimated deficit of £1.4m; this is due to improved collection performance and a corresponding effect on bad debt provision. The effects of which will be reflected when setting the 2014/15 budget. This position was anticipated and a transfer to reserves to fund the future deficit was approved by Members as part of the 2011/12 outturn.
- 6.3. A summary of the Council's provisional general fund outturn position as at 31 March 2013 is set out in Table 1 below.

Table 1 - showing the draft general fund revenue outturn summary

Directorate	Approved revenue budget	Variance from budget after transfers and carry forwards
	£m	£m
Adults and Housing (excluding HRA)	94.6	0
Chief Executive	1.5	(0.1)
Corporate Resources	8.8	(1.0)
Children and Young People's Service	83.8	0
Place and Sustainability	57.7	0
Public Health	0.9	0
Non-Service Revenue	31.1	(4.9)
Total – General Fund	278.4	(6.0)

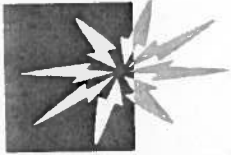


Haringey Council

- 6.4. The majority of the underspend has occurred in the Non-Service Revenue budget which consists of four main elements; Treasury Management (interest earnings and debt financing costs), contingencies and provisions, the Council's contribution to Alexandra Palace and Park, and payments to levying bodies (e.g. Lee Valley, North London Waste Authority and London Pensions Fund Authority). The underspend on NSR is mainly attributable to:
- Contingencies were not drawn upon during the year to the extent that was previously envisaged. Contingencies are established in order to provide a financial buffer against events that cannot be foreseen, and given the significant change that the Council continues to undergo, the contingency budget is understandably high. The level of contingencies will be reviewed as part of the on-going MTFP process;
 - Treasury activities continue to be managed to maximise the efficiency of the Council's borrowing, primarily through the use of internal borrowing arrangements to reduce the need to borrow externally and incur debt charges;
 - The provisional outturn for the Alexandra Park and Palace Trust shows a deficit of £1.23m, compared to a budgeted deficit of £2.1m; resulting in an £0.87m underspend which is reflected within the overall NSR underspend. The Trust have been aiming to minimise their deficit in order to fund the regeneration activities. This is in line with previous considerations by Cabinet.
- 6.5. During the year a number of schools with deficit budgets transferred to Academy status and as a result the overall level of the remaining schools' balances increased to an estimated £7m. Provision was made to cover the impact of some schools leaving their deficit with the Council, although in accordance with the relevant regulations, some took their deficit with them into Academy status. The position on the centrally retained element of the Dedicated Schools Budget (DSB) is broadly balanced.

7. Transfers to Reserves

- 7.1. At the March 2013 Cabinet meeting a number of transfers to reserves were approved totalling £7.2m; a small number of further transfers totalling £0.580m are now proposed for which Members' approval is sought.
- 7.2. It is proposed to transfer the final underspend within the Children and Young People's Service, which amounts to £280k, to reserves in order to support the transformational programme in that service in 2013/14.
- 7.3. A request is being made to transfer £300k to reserves from the IT services underspend to be used in support of developments associated with the ONESAP programme.



Haringey Council

- 7.4. The general fund underspend of £6m, broadly in line with the forecast previously provided to Cabinet, will be transferred to earmarked General Fund Reserves in accordance with the decision made by Council in February 2013. This will assist the council in dealing with risks going forward e.g. welfare benefit changes.

8. Outturn 2012/13– Capital

- 8.1. The final approved capital programme for 2012/13 was £92m. The provisional net underspend, including slippage, is £5.9m as set out in table 2 below (6.4% of the approved budget).

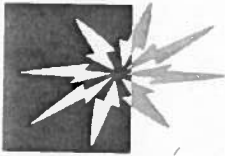
Table 2 - showing the draft capital outturn summary

Directorate	Approved Budget	Outturn Variance
	£m	£m
Children & Young People	17.8	1.8
Adults and Housing	3.4	0.3
Corporate Resources	5.8	(1.1)
Place and Sustainability	22.2	(3.4)
Housing Revenue Account	42.7	(3.5)
Total	91.9	(5.9)

- 8.2. Detailed explanations of the variances are set out in Appendix 2. There are two substantial overspends within the Children's Services portfolio; the Rhodes Avenue project was the subject of a detailed report to Cabinet on 16 April 2013. The second project, Broadwater Farm Inclusive Learning Campus, will be the subject of a future report.
- 8.3. A number of projects have slipped and are the subject of carry forward requests as set out in Appendix 4; the carry forward requests of £2.609m can be fully funded in 2013/14 from capital resources to be carried forward into that year.

9. Carry Forward Proposals – Revenue and Capital

- 9.1. The Council's financial regulations stipulate that Cabinet will determine any carry forward sums in respect of budget variations at the year-end.
- 9.2. Revenue carry forward proposals totalling £1.839m are shown in Appendix 1. If approved, these items will be added to relevant cash limits in the 2013/14 budget. Within the Place and Sustainability Directorate carry forward requests amounting to £969k have been requested. These relate primarily to areas where grant money has been received, commitments have been made but the resources will actually be spent in 2013/14.



Haringey Council

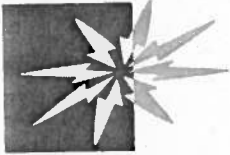
- 9.3. Within Non Service Revenue a request of £870k has been made, to carry forward the underspent resources for Alexandra Park and Palace to support their future regeneration plans, in line with previous Cabinet decisions.
- 9.4. Capital carry forward proposals are included for consideration amounting to £2.609m and are detailed in Appendix 4.

10. Housing Revenue Account (HRA)

- 10.1. The original budget for the HRA provided a planned revenue surplus of £7,514k that would fund capital expenditure including an expanded Decent Homes programme. This would have left the balance in the reserves unchanged.
- 10.2. In February, the Cabinet agreed that Homes for Haringey could call upon £1,305k additional funding to offset staff exit costs relating to the new Vision for Housing Management restructure. It was also agreed that £2m of Decent Homes Grant Funding would be brought forward from future years and used in 2012-13. The net result of these two changes will mean an increase in reserves of £695k.
- 10.3. A full list of variances against the HRA budget is shown in Appendix 2. The final revenue out-turn was an overspend of £126k against the planned surplus resulting in an actual out-turn of £7,388k. This is net of both the additional funding agreed by Cabinet in March in order to fund redundancy costs in Homes for Haringey and the proposed funding of the remaining overall shortfall on the Homes for Haringey Company Account amounting to £105k and for which Members approval is now sought.
- 10.4. The whole of the revenue surplus will be transferred to the HRA reserve. There was no call on reserves to fund capital expenditure during 2012/13 as a result of the underspend on the programme and the use of grant funding. The balance on this reserve, which is ring fenced to the HRA, will therefore increase by £6.7m. The Council's Financial policy is to maintain a working balance of at least £5m on this reserve; balances in excess of this are available to fund future expenditure and their use will be considered as part of the HRA medium term financial strategy.

Table 3 - showing the draft HRA outturn summary

Item	Revised Budget	Outturn	Variance
	£'000	£'000	£'000
Income	(106,767)	(108,327)	(1,560)
Expenditure	99,253	100,938	1,685
Net deficit / (surplus)	(7,514)	(7,388)	126
Working balance b/fwd 1 April 2012		(11,611)	
Working balance c/fwd 31 March 2013		(18,999)	
Planned closing balance as at 31 March 2013		(12,306)	
Variation in closing balance		(6,693)	



Haringey Council

11. Provisions and Contingent Liabilities

11.1. Under accounting requirements the Council is required to consider any areas where it feels there is a potential future liability. Depending on the certainty of this liability and information on the value of the liability, the Council will either raise a provision for this liability or disclose a contingent liability in the notes to the accounts. All areas for provisions and contingent liabilities are in the process of being reviewed. These will be considered in the near future and finalised and reported as part of the Statement of Accounts 2012/13.

12. Budget Virements

12.1. The out-turn report is the first report of a financial nature to be presented to Cabinet during the current committee cycle. Financial procedure rules require Cabinet to approve budget virements above £100,000 and a number have been identified for the current financial year (2013/14). Inclusion in the report presents an opportunity for approval in a timely manner.

12.2. There is a capital virement proposal this period. The weather during last winter, and the early part of spring, was exceptionally severe and led to deterioration in the state of Borough Roads. Thus it is proposed that £1.5m of capital funding indicatively allocated to be spent in 2014/15, is brought forward and spent in 2013/14 to address this problem. This is in addition to capital funding already allocated to the 2013/14 budget.

12.3. Cabinet are asked to approve the virement requests set out in Appendix 5.

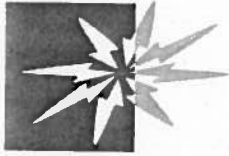
13. Savings - 2014/15

13.1. Work has been undertaken through identifying potential reductions principally to staffing, procurement and commissioning budgets.

13.2. The detailed savings proposed to date total £20m. The details of the proposals are set out in Appendix B and thus should enable Cabinet Members to understand what the savings proposals will involve. They are currently at a fairly high level. The schedule included at the Appendix is believed to be sufficient to provide members with the necessary overview to enable provisional decisions to be taken at this Cabinet meeting.

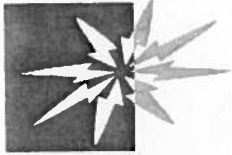
13.3. Work will be undertaken throughout the year on an ongoing basis to evaluate the impact of the proposals. If refinements are required these will be addressed in the budget setting process and when implementation decisions are made.

13.4. There are clearly risks around some of the proposals. Mitigation measures are being prepared as part of the risk assessment work.



Haringey Council

- 13.5. It is proposed to delete the draft budgetary provision for general and contractual inflation within the 2014/15 MTFP, thus contributing £3.5m of savings.
 - 13.6. This proposal to delete the inflation provision is not without risk. Directorates are now in discussion with some of the Council's major contractors advising that next year's payments will not be increased for inflation. There will be consequences to this move and potential impacts will be reported when known.
 - 13.7. The proposals in relation to Public Health (£577k) consist mainly of overhead charges that are planned to be properly levied to the Directorate from 1 April 2014. Consideration is also being given to existing services that could equally be provided by Public Health and thus funded from the Public Health grant, which would result in further General Fund savings. Additional savings proposals from Public Health, therefore, may be brought forward for further consideration in due course.
 - 13.8. The Chief Executive is reviewing management structures, senior staffing levels and pay levels. It is likely that this will result in further savings; these will be reported as proposals to be considered by members and will be included to assist in setting the 2014/15 budget.
- 14. Other matters and overall position**
- 14.1. Further work is being undertaken to review unit costs and benchmarking data to highlight where Haringey is paying above the average for particular services and to identify where the Council may be an 'outlier' in terms of costs. A targeted cash reduction is included within the proposals to bring such identified costs down to, at least, the average level. This will cover both service expenditure and support service costs. The plan is to identify actions that will bring costs down to the average which supports the saving identified. A target saving of £4m is proposed.
 - 14.2. The Council has been in a beneficial position on treasury management during 2012/13; having reviewed the budget and the potential for this to continue it is recommended that a further £2m of treasury management savings be included for 2014/15.
 - 14.3. The savings identified, if approved, will result in staffing reductions in a number of cases and thus redundancy plans may be required later in the year.
 - 14.4. Across the new savings proposals as currently drafted it is estimated that approx. 200 staff are affected, with approx. 100 posts deleted. However with around 9 months before the start of 2014/15 it is anticipated that the actual numbers of staff redundancies will be lower than this as managers take opportunities to keep posts that fall empty vacant, or only make temporary appointments.
 - 14.5. Appendix A provides a summary of the plans to identify savings of £20m that will assist in preparing a balanced budget for 2014/15.



Haringey Council

15. Service Implications

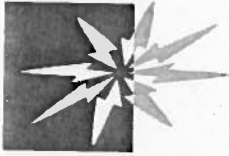
- 15.1. It does need to be acknowledged that in some cases it may be difficult to achieve a saving without impacting on policy/service provision/ performance in some way e.g. when renegotiating a contract to cover a lack of inflation increase may require a service change.
- 15.2. Given the scale of the required savings targets, directorates will try to mitigate against any negative service impact. However the size of the targets means that reductions may impact on service delivery, outcomes and performance. Council service directorates have many statutory functions and it is important to note that resultant service reductions could pose risks; efforts will be made however to mitigate such risks.
- 15.3. Notwithstanding the above, individual Council Directors believe that the savings can be delivered and cabinet approval is, therefore, sought to their implementation.

16. Zero Based Budgeting

- 16.1. The Zero Based Budgeting activity that Councillor Goldberg announced at the February 2013 Council meeting will be commenced soon. It is planned that work will be undertaken to explore what the Council will look like in the future and set the tone for the period 2015/16 onwards.
- 16.2. The programme will be in five parts:
 - insight and understanding of service performance;
 - engagement with residents and strategic partners;
 - service designs;
 - prioritisation and costing; and,
 - transition planning.
- 16.3. A needs audit and a benchmarking exercise will be undertaken to gain a better understanding of how the Council's services meet residents' expectations and how our costs and service outcomes compare with similar Councils.
- 16.4. We expect to engage with residents and partners about Haringey 'the place' through, possibly, community events and an on-line budget simulator.
- 16.5. This needs to be a fundamental reassessment and head-to-toe redesign of council services, that is fit for the future world where the like for like budget will have been reduced dramatically. It will identify what the council should look like in 2018/19 and how to get there from where the council is now.
- 16.6. This will be a significant piece of work and is expected to be completed during 2014 to inform the 2015/16 budget setting process.

17. Comments of the Chief Finance Officer and financial implications

- 17.1. This report has been prepared by the Chief Finance Officer and her comments are incorporated throughout the report.



Haringey Council

18. Head of Legal Services and legal implications

18.1. The Budget and Policy Framework Procedure Rules at Part 4 Section E of the Constitution set out the process which must be followed when the Council sets its budget. It is for the Cabinet to approve the proposals and submit the same to the Full Council for adoption in order to set the budget.

18.2. The Cabinet will need to ensure that where necessary, consultation is carried out and equalities impact assessments are undertaken and that the outcomes of these exercises inform any final decisions. The Council will need to ensure that any finalised proposals do not result in the Council being unable to comply with its statutory duties.

19. Equalities and Community Cohesion Comments

19.1. Equality Impact Assessments will be carried out on the budget proposals and outcomes will be included in the relevant Cabinet reports as appropriate.

20. Head of Procurement Comments

20.1. These will be inserted as the proposals progress through the different stages of approval.

21. Policy Implications

21.1. The savings proposals included within the report are not intended to impact on Council policy.

22. Timetable

22.1. The budget setting timetable is as follows:

Cabinet	18 June 2013
Government Spending Review (SR2013)	26th June 2013
Cabinet – Financial Planning 2014/15-2016/17	9 July 2013
Budget Scrutiny	Nov/ Dec 2013
Local Government Settlement	Early Dec 2013
Cabinet – Draft 2014/15 Budget	17 December 2013
O and S to Finalise Recommendations on budget	23 January 2014
Cabinet – Final Budget	11 February 2014
Council – Budget and Council Tax Setting	26 February 2014



Haringey Council

23. Use of Appendices

Outturn report 2012/13

- 1 – Summary revenue position and detailed variance analysis, including proposed carry forwards and transfers to/from reserves.**
- 2 – Housing Revenue Account detailed variance analysis.**
- 3 – Detailed Capital Variances.**
- 4 – Capital Carry Forward Requests.**
- 5 – Virements 2013/14.**

Budget report 2014/15

- A – Summary**
- B – Detailed Proposals**

24. Local Government (Access to Information) Act 1985

n/a

APPENDIX 1

Revenue		Variation
Outturn 2012/13- explanation of variances from budget		£000's
		+ / (-)
Children & Young People Services		
1	Looked After Children (LAC) Placements - two internal residential homes were closed during the year and budgets moved to support the external placements budget. The number of Looked after Children fell from a level of 547 at the end of March 2012 to 512 at the end of March 2013. The service continues to review the cost of placements to ensure value for money and that the needs of the individual child are met.	(326)
2	No recourse to public funds client related costs - the client caseload increased during the year because of limited Home Office support which meant that cases could not be progressed to a conclusion (whether this is the right to remain in the country or deportation). In May, the Home Office assigned a dedicated resource.	432
3	Asylum client related costs - prior year forecasts of spend were higher than actuals and this resulted in a circa £500k improvement in 2012/13 (one-off) plus client related expenditure supported by grant was lower due to reduced client numbers.	(682)
4	Children and Families Legal disbursements - lower than anticipated due to reduced numbers of LAC and improved management of demand for legal input.	(144)
5	Special Guardianship and adoption client related - 31 special guardianship orders were achieved in 2012/13 and 14 children were adopted against a target of 13. Otherwise, these children would have continued to be Looked After by Haringey and the underspend on LAC placements would have been lower.	230
6	Children and Families Staffing expenditure - management action has been taken to contain budget pressures by holding vacancies and applying grant funding to overspends.	43
7	Children and Families client related expenditure - overspent because of alternative strategies being used to safeguard clients in their own home. The new strategy of only making placements within a 21 mile radius of Haringey will reduce the costs of contact and transport in the new year.	201
8	Youth Offending Service - staffing underspend due to vacancies being held and maternity leave left uncovered in order to give staff development opportunities. Additional grant funding was received and a planned IT system upgrade has been delayed.	(279)
9	Youth, Community and Participation - underspend arising from delays in commissioning.	(37)
10	Children on the Cusp of Care - underspent due to delays experienced in the recruitment of specialist staff to deliver this new programme.	(90)
11	Prevention and Early Intervention management - vacancies were held to cover overspends elsewhere in the service and in anticipation of savings to be made in the financial year 2013/14.	(118)
12	School Standards and Inclusion Management - overspent because of specialists being appointed to advise on business transformation and improved structures of the business unit.	203
13	Early Years - underspent budgets were held to cover projected overspends in the Council's Children's Centres.	(191)
14	School Related Premature Retirement Costs and redundancies - although the Council is statutorily required to fund school redundancies, influence over school plans is limited. Additional measures are now in place to ensure that alternative options are fully explored. Increasing numbers of schools changing to academy status will also reduce liabilities in the future.	572
15	Local Authority Central Spend Equivalent Grant (LACSEG) - the service received an unringfenced grant in respect of prior years which has been transferred to an earmarked reserve following Cabinet approval for it to be used in 2013/14 to support the service improvement programme.	(576)
16	Troubled Families - is a 3 year initiative which targets the most vulnerable families living in the Borough for assistance in breaking the cycle of deprivation and need. The planned unspent balance of the grant funding will be transferred to an earmarked reserve following Cabinet approval. The reserve will be applied in future years to balance the phasing of income and expenditure to enable the service to reach Government targets.	(532)
17	Other underspent budgets - held to compensate for departmental overspends.	(94)
Total - Children & Young People's Services - Before Transfers & c/fwds		(1,388)
Approved Transfer to / from Reserves - Cabinet 19 March:		
18	Local Authority Central Spend Equivalent Grant (LACSEG)	576
19	Troubled Families Grant	532
Total Approved Transfers to / from Reserves:		1,108
		Sub-total
		(280)
Proposed Transfer to Reserves:		
20	It is proposed to transfer the remaining CYPS underspend to reserves so that it can be used to contribute to funding the Children's transformation programme.	280
Total Proposed Transfer to Reserves:		280
Total - Children & Young People Services (Including transfer to / from reserves & c/fwds)		0
DSG		
21	Transfer to / from Dedicated Schools Grant (DSG) reserves - The overall position on the DSG is balanced.	0
Total - Children & Young People Services (General Fund and DSG).		0

APPENDIX 1

Revenue	Variation £000's + / (-)
Outturn 2012/13- explanation of variances from budget	

	Adults and Housing Services	
22	Bad Debt Provision. The level of outstanding client contribution debt has increased this year. This was reviewed in the Autumn and an action plan put in place to reduce debt. This has been partially successful and the outstanding amount has reduced from the earlier peak. However it is still necessary to make a larger than budgeted provision.	254
23	One Borough One Future Fund This is a special one off budget to fund innovative community projects. The projects have been selected and are now underway. This money should be carried forward into future years	(1,171)
24	Directorate Management Costs There are small underspends in a number of management and administrative budgets including building management and trade union activity	(60)
25	Older People Care Commissioning . Demand for care continues to rise as people live longer and require more intensive care packages to allow them to remain living independently. This is creating a strong budget pressure which has been contained in year and partly offset by underspends in other more controllable areas.	329
26	Care Commissioning for Adults with Disabilities and Substance Misuse Problems. Haringey has significant pockets of deprivation and ill health which leads to high demand for care services for these groups.	145
27	Care Management and Reablement (inc OT) Additional funding was made available late in the year by the Department of Health for social care projects that support health. This freed up other money to be used elsewhere. However due to the late announcement it was not possible to reinvest this money fully.	(340)
28	Care commissioning for Adults with Mental Health Problems There are very high levels of psychosis and other mental illness in Haringey and demand for these services are high. In addition a number of clients have been transferred from health funding to Local Authority responsibility	228
29	Care for Adults with Learning Disabilities. This overspend relates to a number of clients where responsibility for care funding was disputed. The costs for these clients had not previously been forecast but were included at year end.	227
30	Other Social Care Variances There are small underspends in the Framework-i systems team and the Deputy Director's cost centres. The Prevention Service budget has been managed to a small overspend across the overall budget	(105)
31	Housing Related Support In preparation for further savings required in future years, the service has reviewed all contracts and been successful in negotiating efficiencies. This means some savings have been achieved slightly ahead of schedule leading to an underspend.	(619)
32	Private Sector Leasing (PSL) Renewal This is due to the employment of agency staff to improve PSL void turnaround times and negotiate favourable rental terms for new and existing leases. This unbudgeted expenditure has been offset by compensatory savings in the repairs and maintenance budget.	130
33	Temporary Accommodation Although Haringey continues to be successful in reducing the numbers of households housed in Temporary Accommodation the procurement market has become more difficult as the impact of economic downturn and welfare reform leads to increased homelessness across the capital. The balance between different types of stock has changed slightly with less PSL stock in use and the prices paid have been increasing. It has also been necessary to make increased bad debt provision.	176
34	Private Sector Housing Fee income from the work carried out for Houses in Multiple Occupation has been achieved above budget levels.	(79)
35	Housing Services The service has been preparing for further staffing savings required over the next few years by holding vacancies where possible and trying to reducing costs. This has led to an in year underspend.	(307)
	Total - Adults & Housing Services - Before Transfers & c/fwds	(1,192)
	Approved Transfer to / from Reserves - Cabinet 19 March:	
36	One Borough One Future Fund This is a special one off budget to fund innovative community projects and will be required in 2013/14.	1,171
	Total Approved Transfer to / from Reserves:	1,171
	Sub-total	(21)
	Proposed Carry Forwards:	
37	None	0
	Total - Adults and Housing Services (including transfer to / from reserves & c/fwds)	(21)

APPENDIX 1

Revenue		Variation
Outturn 2012/13- explanation of variances from budget		£000's
		+ / (-)

Corporate Resources		
38	Director - the under spend is largely due to savings on salary costs.	(68)
39	Legal (Corporate) - the under spend is predominately due to significantly higher than budgeted external income arising from support for a number of large scale projects. This also includes some income from project work relating to 2011-12, received in 2012-13. Spend on court fees was also lower than expected.	(565)
40	Legal (Registrars) - the under spend is due to over achievement of budgeted income, forecast throughout the year.	(153)
41	IT - an underspend close to this level has been forecast since the middle of the year and the majority is due to early achievement of next years' savings as well as successful re-negotiation of a small number of large contracts.	(504)
42	Minor Variances	(11)
	Total - Corporate Resources - Before Transfers & c/fwds	(1,301)
	Proposed Transfer to / from Reserves:	
43	To support developments on the ONESAP Programme.	300
	Sub-total	(1,001)
	Proposed Carry Forwards:	
44	None	0
	Total - Corporate Resources (after transfer to/from reserves & c/fwds)	(1,001)

Place and Sustainability		
45	Single Front Line - Underspends due to waste income exceeding budgeted level (£310k), additional highways income (£372k) and higher than expected highways professional fee income (net of additional salary costs) (£449k) offsetting Pav & Display parking income shortfall (£405k)	(993)
46	Tottenham Team - Additional costs due to Master planning spend deemed to be revenue in nature.	124
47	Planning, Regeneration and Economy (PRE) - Underspend due to receipt of grant income to be spent in later years (£239k) and jobs fund monies awaiting contractual agreement (£300k), as well as income from Solar PV received ahead of capital repayment dates. The underspend on the worklessness programme was agreed by Cabinet in March 2013 as a transfer to reserves.	(2,283)
48	Corporate Property - Accommodation Strategy reserve monies (£284k) agreed as Transfer to Reserves by Cabinet also pressures due to delay in commencement of new Cleaning contract and rent income for Technopark.	(104)
49	Culture, Libraries and Learning - Underspends in running costs across the business unit	(68)
50	Leisure Services - Overspend due to delay in commencement in Leisure contract and Corporate bad debt adjustment (£61k)	539
51	Other minor variations	(13)
	Total - Place and Sustainability - Before Transfers & c/fwds	(2,798)
	Approved Transfer to / from Reserves - Cabinet 19 March:	
52	Resources in support of the Economic Regeneration Worklessness Programme	1,560
53	Insurance receipt for 639 High Road transferred to Accommodation Reserve as agreed by Cabinet on 19 March.	284
	Total Approved Transfer to / from Reserves:	1,844
	Sub-total	(954)
	Proposed Carry Forwards:	
54	Single Front Line - Air Quality Grant monies received in previous years to be spent in 2013-14.	79
55	Director's budget - Grant funding received from Homes and Communities Agency to be utilised in future years to support revenue cost of Housing Investment projects.	27
56	PRE - European Social Fund resources needed for match-funding - Monies not spent whilst awaiting finalisation of grant agreement for jobs programme work with GLA and London Councils.	300
57	PRE - Balance of allocated funds for the three year Houses in Multiple Occupation project group.	41
58	PRE - DECC Green Deal pioneer grant monies received late in 2012-13, to be spent in 2013-14	188
59	PRE - Solar PV income received ahead of repayment of borrowing	174
60	PRE - Grant funding for Housing Growth received in 2012-13, spend to support Housing Investment expected in 2013-14	50
61	Tottenham Team - Grant funding received in late 2012-13 projects under development and spend to take place in 2013-14	110
	Total Proposed Carry Forwards:	969
	Total - Place and Sustainability (after transfers to/from reserves & c/fwds)	15

APPENDIX 1

Revenue	Variation £000's + / (-)
Outturn 2012/13- explanation of variances from budget	

Chief Executive		
61	Chief Executive - this is mainly in relation to spend on transformation / shared services programmes. transformation.	299
62	OD&C - the under spend is against commissioned training.	(61)
63	Local Democracy - the under spend is due to a delay in recruiting to one post; a one-off saving against IT and the conscious decision to restrict spend on Member training.	(126)
64	Strategy & Business Intelligence - the vast majority of this under spend arises from holding posts vacant pending delivery of 2013/14 staffing savings	(361)
65	HR (Temporary Resourcing) - Higher than budgeted savings from margins applied to agency staff providers. Cabinet has agreed a transfer to reserves at the year end.	(470)
66	Minor Variances	17
	Total - Chief Executive - Before Transfers & c/fwds	(702)
	Approved Transfer to / from Reserves - Cabinet 19 March:	
67	HR (Temporary Resourcing)/ CE Under spend - March Cabinet agreed that the underspending in relation to the Temporary Resource Centre and other areas within the CE service be transferred to the financing reserve to cover in part the costs of the Interim Director of Strategy and Performance.	600
	Total Transfer to / from Reserves - Cabinet 19 March:	600
	Sub-total	(102)
	Proposed Carry Forwards:	
68	None	0
	Total - Chief Executive (after transfers to and from reserves & c/fwds)	(102)

Public Health		
69	Minor Variances	(7)
	Total - Public Health - Before Transfers & c/fwds	(7)
	Transfer to / from reserves:	0
	Sub-total	(7)
	Proposed Carry Forwards:	
70	None	0
	Total - Public Health (after transfers to and from reserves & c/fwds)	(7)

Non Service Revenue (NSR)		
71	Contingency - draw down not required during the year	(4,565)
72	Treasury - savings from active management of the debt portfolio	(2,800)
73	Alexandra Palace - lower than planned draw on deficit funding budget.	(870)
	Total NSR - Before Transfers & c/fwds	(8,235)
	Approved Transfer to / from Reserves - Cabinet 19 March:	
74	Concessionary Fares	500
75	Transfer to IT Infrastructure reserve agreed by Cabinet	800
76	Slippage against pre-agreed savings in 2012/13	1,200
	Total Approved Transfer to / from Reserves:	2,500
	Sub-total	(5,735)
	Proposed Carry Forwards:	
77	Alexandra Palace - carry forward under spend to support regeneration activity	870
	Total Proposed Carry Forwards:	870
	Total Non Service Revenue (after transfers to/from reserves & C/fwds)	(4,865)

APPENDIX 2

Housing Revenue Account		Variation £000's + (-)
Outturn 2012/13- explanation of variances from budget		
Housing Revenue Account		
1	Rental Income - Improved performance on void turn around times has led to an increase in chargeable dwelling rents	(737)
2	Leaseholder Income - The larger capital programme has generated a higher than budgeted recovery of leaseholder income. However this is partly offset by a change to the method of calculating bad debt provision which has increased the charge to the revenue account.	(581)
3	Net Service Charges and Other Income - As with rents improved performance on void turn around has led to an increase in charges	(119)
4	Interest Receivable . Although the HRA has held cash balances for most of the year the interest rate received has been low. This budget will be revised and updated in 2013/14.	196
5	Housing Management - A reduction in the payment of Council Tax for the void properties and savings made in energy costs	(712)
6	Bad Debt Provision - Income collection rates have been consistently under target all year resulting in increased levels of bad debt. The economic downturn has made rent collection more challenging. The income collection function in Homes for Haringey was restructured in year as part of the New Vision for Housing Management. Although this may have contributed to a short term dip in the activity of the team it is expected that performance will now improve.	951
7	Capital Financing - Debt interest charges to the HRA were lower than budgeted.	(712)
8	Impairment The capital value of some non dwellings assets (mostly shops) has fallen this year. Accounting rules under self financing require that this be recognised as a loss in the HRA accounts.	407
9	Anti Social Behaviour Action Team (ASBAT) - An additional recharge of £160k to the HRA in line with casework analysis	160
10	Other Property Costs - There have been favourable settlements on a number of property matters.	(344)
11	Hostels - Loss of rental income due to the decanting of Prothero House and an increase in bad debt provision.	180
12	Supported Housing - Shortfall of income as the unit has been working to a high specification for which they have not been fully reimbursed. Review of this area is taking place.	35
13	Additional Management Fee to Homes for Haringey - The Cabinet agreed in February to provide £1.305m additional funding from the HRA to cover redundancy and other costs arising from the New Vision for Housing Management restructure.	1,305
14	Homes for Haringey Overspend	
15	Other	105
Total - Housing Revenue Account - Before Transfers & c/fwds		(8)
Proposed Transfer from Reserves:		126
16	Transfer from HRA reserves	
Total Proposed Transfer from HRA Reserves:		(126)
		(126)
Total - Housing Revenue Account (including transfer to / from reserves & c/fwds)		0
Homes For Haringey Company Account		
17	Housing Management - Although there are areas that have under spent due to vacancies being held while the New Vision project was being carried out, the cost of redundancy payments charged here (£1.8m) has resulted in an overspend. Additional funding of £1.305m (based on earlier estimates) was approved in February to cover these one off costs.	1,716
18	Resources - Held vacancies within the Finance and the Procurement teams; also underspend in IT due to lower application software costs.	(181)
19	Corporately Managed budgets - This is mainly due to the contingency budget that was not allocated and a one-off accounting adjustment on the financial system. There has also been a saving generated on the pension auto-enrolment budget that was not required. There are, however, additional accommodation costs arising from the delayed vacation of the 13-27 Station Road offices.	(766)
20	Chief Executive's Office - Held vacancies within People Management and Communications section	(204)
21	Property Services - There is a large overspend on the Haringey Repairs Service that has been reported in year. This has arisen because the cost and volume drivers related to the bonus system were leading to high costs. HfH have carried out an exercise to amend the terms and conditions to rectify this. Full year benefit will be seen next year.	845
Total - Homes for Haringey before Reserves and Transfers		1,410
Approved Transfer to / from HRA		
22	Additional funding agreed by Cabinet to pay for H4H redundancy costs	(1,305)
Total Approved Transfer to / from Reserves:		(1,305)
Total - Homes For Haringey net overspend		105

APPENDIX 3

Capital		Variation £000's + / (-)
Outturn 2012/13 - explanation of variances from budget		
Children & Young People Services		
1	BSF Programme - Budget for residual programme management, retention and contingency costs not required. Budget will be retained in lifecycle fund to cover remaining costs of the ICT managed service contract, remaining BSF energy efficiency projects, and general lifecycle maintenance to protect BSF investment.	(649)
2	Heartlands High School Playing Fields - Project awaiting completion of legal agreements between school, sports club and the Council.	(203)
3	ICT Managed Service contract capital spend - Schools have delayed spending their local choice capital budgets until near contract end.	(181)
4	Lifecycle Fund - Budget not fully committed in year, following full condition survey review of priority projects	(143)
5	Rhodes Avenue Primary School - Phases 1, 2 and 3 - The forecast overspend on Phases 1 and 2 is £2.2m in total, and has crystallised earlier than the original budget profile. Phases 1 and 2 are now complete. The Cabinet report of 16th April explains the overspend and position in respect of Phase 3.	2,830
6	Broadwater Farm Inclusive Learning Campus - Spend is in advance of profile by £411k, plus overspend due to granted extension of time claims of £900k.	1,311
7	Temporary School expansions - Temporary expansions required for 2012/13 provided for below budget.	(110)
8	Welbourne Primary School expansion - Spend ahead of profile for this expansion project. Some additional costs relating to burst Thames Water main may be recouped.	524
9	Belmont Primary School - Project cancelled and closed. Remaining budget not required.	(269)
10	Mulberry Primary School - Spend ahead of profile. Project is now complete. Budget in 2013/14 will not be required.	198
11	Aiming High - short break provision for SEN - Budget not required in current year. Grant funding is eligible to be carried forward.	(337)
12	Alexandra Park Sports Club - Project was delayed due to poor spring weather. Will now be undertaken in autumn 2013 to avoid conflict with cricket season.	(125)
13	Electrical and ICT Infrastructure - Four school re-wiring projects all completed within budget.	(131)
14	Planned condition works - Budget not fully committed in year.	(154)
15	Carer Home Adaptations - Budget is partially committed (£60k) to fund a grant to support placement of large sibling group. The grant agreement is awaiting final sign off, so the underspend is proposed for carry forward.	(100)
16	Programme Contingency - Budget not required	(500)
17	Other minor variations less than £50k	(180)
Total Children & Young People Services		1,781

APPENDIX 3

Capital		Variation £000's + / (-)
Outturn 2012/13 - explanation of variances from budget		

Adults and Housing Services - HRA		
18	Structural and Extensive Void Works (various projects) - These are largely demand led projects and the number of void properties having work done on them and the value of the work was under that budgeted for. These will be revised in future to avoid this level of underspend occurring again.	(1,095)
19	Lift Improvements There was a delay in signing the contracts and then one of the contractors ceased to trade. Also flooding caused disruption to some of the works at one site.	(849)
20	Decent Homes Standard A high proportion of this programme was scheduled for the second half of the year and the bad weather meant that the works did not proceed as quickly as planned. There were also changes to works and sites selected which delayed the start of some works further.	(1,070)
21	Saltram Close These works (a playground and other environmental improvements) have now been completed at less than the original estimated cost.	(170)
22	Mechanical & Electrical Works The cost in year of the IRS contract was less than estimated and there was disruption on a number of other schemes including Pirate Radio Activity.	(315)
23	Other Housing Capital Works	(1)
HRA Subtotal		(3,500)
Adults and Housing Services - Non HRA		
24	Community Capacity Programme This is a programme funded by DoH grant. It is made up of a number of schemes that support the Adult Social Care Transformation agenda. There is slippage on a scheme at the Haven Day Centre where the works were respecified to reduce cost and in a number of IT projects	(180)
25	Disabled Facilities Grant There has been some slippage in the scheduling for this grant	(63)
26	Compulsory Purchase Orders There is an overspend on Phillip Lane where the property has been sold but the Council are still in negotiation with the original owner. The exact figure is not yet finalised but will be no more than £112k. The balance (£177k) is not an overspend as such but arises from a timing difference where expenditure has been incurred ahead of the income being received.	289
27	Private Sector Renewal The Council is part of the North London Consortium where the Council gives grants to bring empty properties back into use. The procedure is that the Council funds the works in advance and then invoices the Consortium for reimbursement. An invoice has been raised in the new financial year.	208
Total - Adults and Housing Services (Non HRA)		254
Total - Adults and Housing Services		(3,246)

Corporate Resources		
28	Corporate IT Programme - during the year, the Corporate IT Board review bids for resources against the Council's agreed IT capital budget and only allocate resources once fully worked up business cases are approved. The under spend is due to timings when equipment is delivered and installed which pushes some spend into 2013/14 along with some unallocated budget.	(341)
29	Infrastructure Renewal Programme - the majority of the under spend centres on the PC / Laptop replacement project which has been re-aligned with the Improving Haringey Programme.	(725)
30	Alexandra Palace - the variance is due to delays in beginning match funded work on the Colonnades.	(25)
31	Customer Services - funding agreed to undertake feasibility work around re-provision of customer service centres has been held to bring it in line with the activity around the customer services strategy. A carry forward request has been made.	(53)
Total Corporate Resources		(1,144)

APPENDIX 3

	Capital	Variation £000's + / (-)
	Outturn 2012/13 - explanation of variances from budget	

	Place and Sustainability	
32	Parking Plan - approval of extension to Bruce Grove CPZ was delayed	(67)
33	Section 278 Highways Act 1980 - Highways works associated with Coronation Sidings can only be programmed once Network Rail have completed their works.	(407)
34	S106 Schemes - Hale Village highways works, awaiting developer approvals to the proposed design	(531)
35	Borough Roads - Overspend due to Volker Contract accrual re claim for unapplied indexation	265
36	TfL - Area based schemes - TfL changes to allocations of £500k, plus underspend on Wood Green Major Scheme of £140k due to delays re TfL traffic modelling	(640)
37	TfL - Local Transport Funding - Majority of spend transferred to revenue	(56)
38	TfL - Corridors/Neighbourhoods - Green Lanes scheme spend behind profile	(422)
39	TfL - Biking Boroughs - agreed reduction in TfL allocation	(69)
40	Tottenham Hale Gyrotory - TfL managed scheme. TfL have invoiced earlier than originally notified. The funding is available on the Council's balance sheet to cover these costs from grant, S106 and planned use of capital receipts.	2,329
41	Affordable Housing - Original budget re-profiled to future years. Remaining spend relates to decant costs of Protheroe House to be funded from HRA	144
42	Energy Saving Measures (Green Deal) - Underspend due to lower than expected take-up of Muswell Hill pilot scheme.	(365)
43	Green Lanes (OLF) - GLA grant approval was delayed, impacting on the timetable for design and development of the scheme	(563)
44	Northumberland Park Development - Highways and Parking - Spend ahead of profile as agreed with GLA.	240
45	Growth on the High Road - Tottenham. Scheme to re-landscape Tottenham Green will now commence in autumn 2013 to avoid programming clash with Tottenham Hale Gyrotory works. Consultation on public realm works in Bruce Grove was extended to consider options.	(262)
46	Corporate management of property - Only highest priority works commissioned pending further review of Accommodation Strategy.	(428)
47	Dilapidation surveys - Budget not required as expected claims did not crystallise in year.	(499)
48	Smart Working - Underspend due to review of overall Accommodation Strategy	(387)
49	Specialist refurbishment - Budget was originally planned for move of specialist equipment store. Project was cancelled pending review of service.	(150)
50	Essential property condition and health and safety works - Only highest priority works commissioned	(491)
51	Lordship Recreation Ground - Project complete but final account has yet to be agreed and paid.	(395)
52	Leisure Centre capital works - underspend as drawdown by external provider slower than anticipated in works plan. Revised spend profile to be provided once designs are finalised.	(132)
53	Downlane Recreation Ground - Underspend. Scheme is dependant on successful outcome of bid for external match funding, which has still to be achieved.	(441)
54	Other minor budget variations under £50k (net underspend).	(28)
	Total Place and Sustainability	(3,355)
	Total Capital Variances	(5,965)

APPENDIX 4

Capital Capital carry forward requests from 2012/13		Carry forward request £'000
Children and Young People		
1	Heartlands High School Playing Fields - The council is committed to supporting the school obtain access to appropriate playing fields	203
2	ICT Managed Service contract capital spend - The ICT contract continues until September 2013	181
3	Aiming High - short break provision for SEN - Grant funding is eligible to be carried forward for capital investment to support short breaks for SEN children and carers.	337
4	Alexandra Park Sports Club - Contractor has been engaged, but works postponed until autumn.	125
5	Carer Home Adaptations - Budget is partially committed (£60k) to fund a grant to support the placement of a large sibling group.	60
Total Carry Forward Request – Children and Young People		906
Adults and Housing Services		
6	Community Capacity Grant - to cover slippage on the Haven Day Centre Improvement works and IT projects to provide more information electronically. This will help clients and families take more responsibility for achieving their own social care outcomes.	180
Total Carry Forward Request – Adults and Housing Services		180
Corporate Resources		
7	IT Capital Programme - due to limited IT capital allocation for 2013/14 Cabinet is requested to approve carry forward of this unspent, uncommitted budget	335
8	Web Renewal - final payment to supplier following introduction of new web look and feel	5
9	Mosaic - project to implement significant upgrades to social care system for Adults & Childrens scheduled to be implemented during 2013/14	155
10	Single Front Line Mobile Working - second phase of project to deliver enhanced mobile working solution for street officers within Frontline Services	55
11	Icon Migration & Upgrade - migration of Council's central payments system from current provider to upgraded version hosted at supplier site (resulting in savings for Council). Project scheduled for implementation in May 2013.	73
12	Customer Services - a small amount of the refurbishment budget is committed in 2013/14; a request for the remaining £50k is being made to support delivery of the customer services strategy.	53
13	Alexandra Palace - the budget is committed and required to complete the match funded expenditure on Colonnade repair works.	25
Total Carry Forward Request – Corporate Resources		701
Place and Sustainability		
14	Parking Plan - commitment to complete extension of Bruce Grove CPZ	67
15	Energy Saving Measures (Green Deal) - request is to provide budget to progress Decentralised energy project	365
16	Corporate Management of Property - £87k to complete RPH air conditioning unit replacement. £100k for priority works to Libraries to reduce risk of emergency closures.	187
17	Downlane Recreation Ground - Carry forward of Council match funding required in order to secure external grant contributions.	191
18	Bereavement - budget required for residual contractor claims.	12
Total Carry Forward Request - Place and Sustainability		822
Total Carry Forward Requests		2,609

Proposed virements are set out in the following table.

Revenue Virements						
Period	Service	Key	Amount current year (£'000)	Full year Amount (£'000)	Reason for budget changes	Description
2	PS	Rev	300	300	Budget Realignment	On-going increased funding for the Community Safety Team
2	PS	Rev	300	300	Budget Realignment	Realignment of the income budget due to pressures on achieving the TechnoPark income target
2	PS	Rev	200	-	Additional funding	Renewal of Parks Plant/Machinery
2	PS	Rev	90	-	Contingency sum for potential additional funding	Durham University - research partnership
2	PH	Rev	789	789	Budget Realignment	Realigning Public Health (PH) budget to the newly created PH Directorate structure
2	CE/CR /SP	Rev	9,342	9,342	Budget Re-Linking	Various business units moved/relinked as agreed at Corporate Committee on 22 January 2013
2	PH	Rev	15,579	15,579	Allocation of Grant Funding	Allocation of Public Health grant funding based on planned spend.
2	CE	Rev	299	299	Budget Re-Linking	Re-Link consultation budgets from Communications to S&B
2	SP	Rev	129	0	Budget Re-Linking	Re-linking budget for Director of Strategy & Performance from Chief Executives' Directorate to Strategy & Performance.

- 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.
- 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.
- Key decisions are highlighted by an asterisk in the table.
- 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).

Appendix A

SUMMARY

Proposed Efficiency Saving	Pre Agreed Savings	New Savings	Total Savings
	£'000	£'000	£'000

New Revenue Savings Proposals:

Adults and Housing	1,200	3,058	4,258
Chief Executive	415	839	1,254
Children and Young People	3,785	1,232	5,017
Corporate Resources	785	430	1,215
Legal	395	298	693
Place and Sustainability	2,712	2,248	4,960
Public Health	n/a	577	577
Strategy and Performance	129	480	609
Inflation	n/a	3,500	3,500
Other	35	1,338	1,373

SUB TOTAL NEW SAVINGS PROPOSALS	9,456	14,000	23,456
--	--------------	---------------	---------------

Treasury Management	2,000	2,000
Review of Unit Costs and other detailed savings to be identified during the year	4,000	4,000

TOTAL NEW SAVINGS PROPOSALS	9,456	20,000	29,456
------------------------------------	--------------	---------------	---------------

SUMMARY

Proposed Efficiency Saving	Pre Agreed Savings	New Savings	Total Savings
	£'000	£'000	£'000

New Revenue Savings Proposals:

Adults and Housing	1,200	3,058	4,258
Chief Executive	415	839	1,254
Children and Young People	3,785	1,232	5,017
Corporate Resources	785	430	1,215
Legal	395	298	693
Place and Sustainability	2,712	2,248	4,960
Public Health	n/a	577	577
Strategy and Performance	129	480	609
Inflation	n/a	3,500	3,500
Other	35	1,338	1,373

SUB TOTAL NEW SAVINGS PROPOSALS	9,456	14,000	23,456
--	--------------	---------------	---------------

Treasury Management	2,000	2,000
Review of Unit Costs and other detailed savings to be identified during the year	4,000	4,000

TOTAL NEW SAVINGS PROPOSALS	9,456	20,000	29,456
------------------------------------	--------------	---------------	---------------

DIRECTORATE: Adults and Housing

Prepared by: Lisa Redfern

Item	Proposed Efficiency Saving	2014-15	Full Year Saving	Impact on Performance (Service Delivery)	Impact on other Services	RAG Risk Rating	Dependencies/Risks that could affect delivery
		£'000	£'000				
New Revenue Savings Proposals:							
1	Rationalisation of support functions	378	378	Adult & Housing Services has already rationalised much of its management and back office staff so this is a further budget reduction. 26 None identified		A	Dependent on moves to RPH / Alex House
2	Cumberland Road security guard and other Directorate buildings and central management costs	26				A	Dependent on moves to RPH / Alex House
3	Adults Services Staffing Efficiencies	200	200	This proposal is about further business process re-engineering to ensure the highest level of productivity and expectation from all staff.		A	Dependent on moves to RPH / Alex House
4	Shared Lives Service (Adult Fostering for people with Learning Disabilities)	70	70	No negative service impact; based on achieving increased productivity		G	
5	Reablement Team Efficiency improvements/reduction in management, admin and non contact time etc.	120	120	The aim is to minimise impact through further management and back office efficiencies.		A	
6	Framework 1 systems team rationalisation	45	45	This team services the children and adults client database and the proposal is a further cut to this team which could reduce its overall responsiveness to social care staff.	The Systems team supports both Adults and Children's Social Care. Reduction may mean greater support is required from IT for upgrades etc	G	
7	Finance teams (financial assessments and adults payments team) - streamline and centralise in Corporate Resources/Customer Services	180	180	These are back office services but are crucial for effective operations. Reducing the team without impact on performance will depend on improvements in process and systems	The teams will be integrated with Procurement or Customer Services - with opportunities to explore further joined up working. This may result in some reorganisation in those services	A	This assumes that these teams can be integrated into central support functions
8	Care and Placements Budget	1,420	1,420	Achieving this saving will require a range of approaches including deployment of very strict controls and adherence to the Fair Access to Care Criteria; reviewing and reducing care packages where possible; tight system of authorisation; potentially longer waiting times for non-urgent services; ensuring value for money commissioning and contracting using the standardised tools such as the Care Funding Calculator and robust market management; good application of market benchmarking data.		A	The Care and Placements budget is a demand led budget, as such there is a risk that external factors such as demography could act against the cost control measures outlined.
9	Supplies and services savings on Housing and Adults	106	106	No impact		G	
10	Housing Management Rationalisation	186	186	This saving includes a reduction in senior and middle management. As such it has the potential to weaken management capacity to deliver later transformational savings and preventative work	Likely to involve new ways of working more closely with Homes for Haringey to streamline services across organisational boundaries	A	

DIRECTORATE: Adults and Housing

Prepared by: Lisa Redfern

Item	Proposed Efficiency Saving	2014-15 £'000	Full Year Saving £'000	Impact on Performance (Service Delivery)	Impact on other Services	RAG Risk Rating	Dependencies/Risks that could affect delivery
11 Community Housing Staffing Efficiencies		77	77	This deletes two posts and will have some impact on performance		A	
12 Housing Related Support		250	250	This is a procurement saving. Contract efficiencies will be achieved through renegotiation with providers.	HRS has a high preventative impact. Any drop in performance would lead to pressures elsewhere.	A	Dependent on successful renegotiation with providers
TOTAL NEW SAVINGS PROPOSALS		3,058	3,058				

DIRECTORATE: Chief Executives

Prepared by: Paul Ellcott

Item	Proposed Efficiency Saving	2014-15 £'000	Full year Saving £'000	Impact on Performance (Service Delivery)	Impact on other Services	RAG Risk Rating	Dependencies/Risks that could affect delivery
New Revenue Savings Proposals:							
1	Review of internal operations in CE and electoral registration	56	56	Consolidation of activities and No impact funding	No impact	G	Dependant on final award and contractual evaluation
2	Re-procurement of SAP contract	325	325	No impact	No impact	A	Variations in increased demand
3	Reduction of staff in Revenues, Benefits and Customer Services	155	155	155 Depends on demand - 136 hours per week reduction overall.	Reduction of staff handling customer enquiries could have a negative impact on back office.	A	Poorer people mgt delivery/ increased employee claims
4	Reduction of support staff in HR	47	47	Will likely impact on level of HR advice given to service mgrs and directorate mgt	Mgrs will have to do more for themselves without HR advice/ support	A	
5	Savings in existing IT contracts	100	100	No impact	No impact	G	
6	Reduction of staff in ITS	156	156	Reduction in responsiveness to IT requests raised by services	Reduced speed of resolving IT issues and IT developments.	A	Levels of acceptable risk
TOTAL NEW SAVINGS PROPOSALS		839	839				

Item	Proposed Efficiency Saving	2014-15 £'000	Full year Saving £'000	Impact on Performance (Service Delivery)	Impact on other Services	RAG Risk Rating	Dependencies/Risks that could affect delivery
New Revenue Savings Proposals:							
1 Children & Families Finance Team - cut staffing budget by 50%		210		210 This is a back office service but critical to the business. Reducing the team without impact on performance will depend on improvements in process and systems.	The team would be reorganised prior to being integrated with Procurement.	A	Achievement depends on cultural and process change in Children's social care.
2 Delete 1 FTE screening post in C&F Admin		26		26 Haringey 54k will deliver the Early Help offer which will ensure more families get help earlier from universal services rather than Children's social care.	None.	G	Depends on implementation of H54k, resource for realignment of workforce and the need for a partnership approach to delivering the Early Help Service for families.
3 Income generation - Attendance & Welfare; Education Psychology following academy conversions		50		50 None.	Academies will be required to buy the non-statutory elements of these services.	G	Academies may buy these services elsewhere.
4 Delete 3 Education & Safeguarding posts		100		100 None.	None.	G	Posts currently vacant.
5 Reorganise 3rd tier - delete a further 2 Heads posts		170		170 Any capacity issues will need to be carefully managed whilst there will be a benefit from more integrated services.	Will need to be managed.	A	Potential on capacity to deliver 2014-15 savings and Haringey 54k
6 Delete 7 admin scale 5 posts		210		210 Will be managed by the service.	None.	A	Depends on implementation of smart working, otherwise risk that key administrative tasks pass to social workers, increasing their time spent processing / reducing time for client facing activities.
7 Delete vacant 4 YP Nurse post		64		64 None.	None.	G	Post currently vacant.
8 Delete balance of an additional Contact post (reduction of 3 posts in 2013/14 & 2014/15)		10		10 None subject to achievement of planned LAC number reductions	None.	G	LAC place number reductions
9 Delete 2 placement officer posts as LAC numbers reduce		78		78 None subject to achievement of planned LAC number reductions.	None.	G	LAC place number reductions
10 Fostering review (balance of £155k saving after £125k pre-agreed)		30		30 Will be managed by the service.	Will be managed within the Directorate	A	Dependant on outcome and implementation of current review.
11 Delete remaining Trainee social worker capacity		42		42 Minimal impact.	None.	G	Posts will be vacant by then.
12 Delete 2 Independent Reviewing Officer posts as numbers of Looked After Children reduce		130		130 Opportunity cost of developing an effective service, otherwise none subject to achievement of planned LAC number reductions.	None.	A	LAC place number reductions
13 General reduction in supplies and services across department		112		112 Minimal impact.	Link to accommodation savings.	G	
TOTAL NEW SAVINGS PROPOSALS		1,232	1,232				

Prepared by: Kevin Bartle						Appendix B	
DIRECTORATE: Corporate Resources	Proposed Efficiency Saving	2014-15	Full year Saving	Impact on Performance (Service Delivery)	Impact on other Services	RAG Risk Rating	Dependencies/Risks that could affect delivery
Item		£'000	£'000				
New Revenue Savings Proposals:							
1	Insurance Premiums - Reduction in revenue contributions required to internally funded insurance reserve - largely through reducing current expenditure on legal fees via use of new Government Portal. The savings would be in Directorate insurance budgets,	150	150	None expected	None expected - although services will need to respond quickly to requests for claim information as delays would impact on legal costs. In mitigation of this, training / liaison with services has already begun.	G	See 'impact on other Services'
2	Corporate Finance - this further sum will be added to the existing pre-agreed staffing savings (£550k).	154	154	At this stage it is assumed that reduced staff numbers will be mitigated by improved efficiency, enhanced staff training / capability & revised approach to risk management.	Plan to avoid	G	Further reductions to Corporate Finance will require budget holders to maintain and in some areas improve their financial skills.
3	Procurement - secure further funding / income from leading on sub-regional work. Further work required to properly quantify value and achievability.	50	50	None expected	None expected	A	Detailed proposals / market testing yet to be undertaken. These could highlight lack of appetite for the service & lack of sustainable funding.
4	Procurement - reduction in headcount over and above existing pre-agreed saving.	44	44	Not yet quantified	Not yet quantified	G	Not yet quantified
5	Audit & Risk Management - savings likely to come from a reduction in the audit hours purchased through the existing contract.	32	32	Not yet quantified	Not yet quantified	G	Will need to ensure that any reduction does not lead to increased external audit costs.
TOTAL NEW SAVINGS PROPOSALS							430

DIRECTORATE: Legal Services

Prepared by: Bernie Ryan

Appendix B

Item	Proposed Efficiency Saving	2014-15 £'000	Full year Saving £'000	Impact on Performance (Service Delivery)	Impact on other Services	RAG Risk Rating	Dependencies/Risks that could affect delivery
New Revenue Savings Proposals:							
1	External income in relation to S106, disposals commercial leases and notices.	180	180	None	No impact	A	This is dependant on the level of commercial work continuing to stay at the current level and the legal Property and Planning team does not reduce further.
2	Increase income target for Registrars	58	58	None	Fees and charges would stay the same for the public.	A	This is only possible if there are no legislative changes which adversely affect income.
3	Increase in legal charges to Homes for Haringey.	40	40	None	Homes for Haringey will have to pay increased legal charges. Charges to Homes for Haringey have not increased since April 2010.	G	This is dependant on the level of work from external sources continuing to stay at the current level and the legal teams supporting the work team do not reduce further.
4	Increase in external commercial charges	20	20	None	Increase to businesses looking to rent commercial properties, developers seeking planning permission and purchasers of property.	A	May result in difficulty in interested parties and therefore not benefit the council as a whole.
TOTAL NEW SAVINGS PROPOSALS							
						298	298

Item	Proposed Efficiency Saving	2014-15	Full year Saving	Impact on Performance (Service Delivery)	Impact on other Services	RAG Risk Rating	Dependencies/Risks that could affect delivery
------	----------------------------	---------	------------------	--	--------------------------	-----------------	---

New Revenue Savings Proposals:

Staffing Related

1	Libraries - Staffing budget reductions achieved through vacancy factor and reduced use of agency staff.	50	50	Level of saving is equivalent to a 5% reduction in staff across the Directorate. As far as possible this will be achieved by not filling vacancies/ reducing the use of agency staff. However, there is a risk that there could be a drop in performance levels or delivery of projects will be compromised depending on where vacancies fall/ level of sickness.	n/a	A	Reduced ability to cover for vacancies or sickness. Saving may not be achieved if turnover remains low and vacancies do not occur or if vacancies are concentrated in one area meaning agency need to be employed to ensure service is provided
2	Parks - Staffing budget reductions achieved through vacancy factor and reduced use of agency staff.	94	94		n/a	A	
3	Property - Staffing budget reductions achieved through vacancy factor and reduced use of agency staff.	50	50		Advice and support to other services above business as usual activity could reduce (currently high demand)	A	
4	Single Frontline - Staffing budget reductions achieved through vacancy factor and reduced use of agency staff.	219	219		n/a	A	
5	Planning, Regeneration and Economy - Staffing budget reductions achieved through vacancy factor and reduced use of agency staff.	135	135		n/a	A	
6	Staff Reductions within Parking	220	220	Savings comprise efficiencies gained through the implementation of new technology and further layering. There should be no overall impact on performance.	n/a	A	The delayering element is subject to consultation and will require HR support.
7	Wood Green library staff	34	34	This will reduce the amount of dedicated space available to teenagers (and children). A smaller Youth area will be created in the children's library. As the Youth library has been subject to ad hoc closures, relocation will result in a more stable service. Integration of Youth Library with the Children's Library will reduce the need for cover.	n/a	G	
8	Merge Play / Handyman	41	41	This will have an impact on quantity and response time to maintenance items in playgrounds and general parks infrastructure and will negatively impact staff morale	n/a	G	
9	Remove Remaining Recruitment and Retainment Allowances in Planning, Regeneration and Economy	12	12	Reduce staff morale	n/a	A	
10	Phase 2 Restructure of Single Frontline	100	100	None expected	n/a	G	
11	Reduce IT Budgets - Libraries	50	50	Some risk that IT systems may fail and impact on stock issue	IT to review existing library systems	A	
12	Running Cost Savings Libraries	35	35	None	n/a	A	
13	Car Allowance Reduction - Leisure/ Libraries	10	10	None	n/a	G	

Item	Proposed Efficiency Saving	2014-15	Full year Saving	Impact on Performance (Service Delivery)	Impact on other Services	RAG Risk Rating	Dependencies/Risks that could affect delivery
		£'000	£'000				
14	Remove Funding for North London Business	28	28	This would remove last funding for supporting businesses	n/a	A	
15	Supplies and Services reductions in Planning, Regeneration and Economy	25	25	Lack of existing funding for Local Development Framework	n/a	G	
16	Further Saving from Centralising Budgets in Services / Total Facilities Management	100	100	To Be Determined - original saving based on efficiency. Further savings likely to require service reduction.	All hard and soft facilities management budgets in services to be centralised. Some site management staff and salary costs to transfer to central team.	A	Proposal needs further scoping exact level of saving possible is unclear - existing pre-agreed saving of £100k in this area
17	Contract Savings / Car Parks	20	20			A	Subject to agreement with contractor
18	Efficiencies in Veolia Contract and reduction of ad-hoc contractual spend	250	250	Less flexibility for one-off 'extras' to be delivered	n/a	A	
	Income Related						
19	Inflation on Service Level Agreement for Grounds Maintenance with Homes for Haringey	25	25	None	Small increase in charge to HRA	G	
20	Increase Differential Between Planning Income and Staffing Costs	100	100	Possible impact on planning performance if income does not increase	n/a	A	Assumes continued growth in planning income can be achieved without equivalent increase in staff resources
21	Further increase Street Works Income (under New Road and Street Works Act)	175	175	None	n/a	G	Based on existing income levels, assumes steady growth in income
22	Further increase Scaffolding Hoarding Income	150	150	None	n/a	G	Based on existing income levels, assumes steady growth in income
23	Income from new Controlled Parking Zones	200	200	None	n/a	A	Risk that no additional income generated if Controlled Parking Zones not agreed
	Changes in Funding Related						
24	Public Health Funding of Healthy Living Commissioning Activity moves to Public Health	75	75	None	Could potentially displace other activities from being funded from Public Health grant	A	
25	HRA Funding of Fuel Poverty post	45	45	None	Small increase in cost to HRA	G	
26	Increased Enforcement Income	75	75	None	N/A	G	Based on the assumption that existing income/enforcement levels will be exceeded
27	Fund General Fund salaries in Transport from increased Fee Income	330	330	None	Includes making income from Land Charges permanent (£80k)	A	Dependant on level of capital spend staying at predicted levels for 13-14 and 14/15
28	Less Overlap with Pre-Agreed Savings / Departmental Restructure	-400	-400		There is a degree of overlap in the proposals above both with existing pre-agreed savings or with the funding solutions for the planned Place and Sustainability restructure.	A	

DIRECTORATE: Public Health

Prepared by: Tamara Djuretic

Appendix B

Item	Proposed Efficiency Saving	2014-15 £'000	Full year Saving £'000	Impact on Performance (Service Delivery)	Impact on other Services	RAG Risk Rating	Dependencies/ Risks that could affect delivery
New Revenue Savings Proposals:							
1	Public Health overheads charge	488	488	None identified	Minimal impact on procurement, finance and HR function mainly due to absorbing support for 20 WTE and administration of Public Health Grant within existing resources.	G	Limitations due to ring-fenced budget restrictions
2	Increase in 2014/15 Public Health Grant	89	89	Forgone opportunity for investing in prevention and early intervention that would result in reducing inequalities and long-term efficiency savings	Forgone opportunity for investing in prevention and early intervention that would result in reducing inequalities and long-term efficiency savings	A	Limitations due to ring-fenced budget restrictions
TOTAL NEW SAVINGS PROPOSALS		577	577				

DIRECTORATE: Strategy & Performance

Prepared by: Eve Pelakanos

Appendix B

Item	Proposed Efficiency Saving	2014-15	Full year Saving	Impact on Performance (Service Delivery)	Impact on other Services	RAG Risk Rating	Dependencies/Risks that could affect delivery
		£'000	£'000				
New Revenue Savings Proposals:							
Strategy & Business Intelligence							
1	Reduction in supplies & services budget	50	50	None	None	G	Demands for support from within own Directorate and from others continues at current levels
2	Delete project manager post	50	50	Reduced capacity within the Strategic Support team to offer project management and inspection support to Directorates. Post is currently vacant.	Reduced capacity within the Strategic Support team to offer project management and inspection support to Directorates.	G	
3	Review Feedback & Information function as part of the Residents Strategy	100	100	Dependent on Resident Strategy	Dependent on Resident Strategy	A	Residents Strategy Outcomes delayed/not achieved
Communications							
4	Reduction in staffing level	50	50	Low	None	G	None
5	Reduction in supplies & services budget	50	50	None	None	G	None
Organisational Development & Change							
6	Reduction in training costs by increasing e-learning and more efficient commissioning	130	130	None planned	Reduced face to face training	G	To be agreed with directorates
Local Democracy & Member Services							
7	Reduction in overtime spend and supplies and services. In addition, renegotiation of the webcasting contract (due in September 2013).	50	50	Low	None	G	None
TOTAL NEW SAVINGS PROPOSALS		480	480				

DIRECTORATE: Other

Prepared by: Kevin Bartle

Appendix B

Item	Proposed Efficiency Saving	2014-15 £'000	Full year Saving £'000	Impact on Service Delivery and Performance	Whole Council Impact	RAG Risk Rating	Dependencies/Risks that could affect delivery
New Revenue Savings Proposals:							
1 Reduction in External Audit Fees		200	200	None expected	None expected	G	None expected
2 Reduction in Levies / Corporate Subscriptions		410	410	None expected	None expected	G	None expected
3 Other - Agency contract margins		500	500	None expected	None expected	A	Delivery is dependent on the outcome of the re-tendering of the Agency contract
4 Revision of External Charges / HRA - Operations		277	277		None	G	None - charge already allowed for in HRA
5 Roundings		-49	(49)				
TOTAL NEW SAVINGS PROPOSALS		1,338	1,338				

Appendix A

SUMMARY

Proposed Efficiency Saving	Pre Agreed Savings	New Savings	Total Savings
	£'000	£'000	£'000

New Revenue Savings Proposals:

Adults and Housing	1,200	3,058	4,258
Chief Executive	415	839	1,254
Children and Young People	3,785	1,232	5,017
Corporate Resources	785	430	1,215
Legal	395	298	693
Place and Sustainability	2,712	2,248	4,960
Public Health	n/a	577	577
Strategy and Performance	129	480	609
Inflation	n/a	3,500	3,500
Other	35	1,338	1,373

SUB TOTAL NEW SAVINGS PROPOSALS	9,456	14,000	23,456
--	--------------	---------------	---------------

Treasury Management	2,000	2,000
Review of Unit Costs and other detailed savings to be identified during the year	4,000	4,000

TOTAL NEW SAVINGS PROPOSALS	9,456	20,000	29,456
------------------------------------	--------------	---------------	---------------

DIRECTORATE: Adults and Housing

Prepared by: Lisa Redfern

Item	Proposed Efficiency Saving	2014-15	Full Year Saving	Impact on Performance (Service Delivery)	Impact on other Services	RAG Risk Rating	Dependencies/Risks that could affect delivery
		£'000	£'000				
New Revenue Savings Proposals:							
1	Rationalisation of support functions	378	378	Adult & Housing Services has already rationalised much of its management and back office staff so this is a further budget reduction. 26 None identified		A	Dependent on moves to RPH / Alex House
2	Cumberland Road security guard and other Directorate buildings and central management costs	26				A	Dependent on moves to RPH / Alex House
3	Adults Services Staffing Efficiencies	200	200	This proposal is about further business process re-engineering to ensure the highest level of productivity and expectation from all staff.		A	Dependent on moves to RPH / Alex House
4	Shared Lives Service (Adult Fostering for people with Learning Disabilities)	70	70	No negative service impact; based on achieving increased productivity		G	
5	Reablement Team Efficiency improvements/reduction in management, admin and non contact time etc.	120	120	The aim is to minimise impact through further management and back office efficiencies.		A	
6	Framework 1 systems team rationalisation	45	45	This team services the children and adults client database and the proposal is a further cut to this team which could reduce its overall responsiveness to social care staff.	The Systems team supports both Adults and Children's Social Care. Reduction may mean greater support is required from IT for upgrades etc	G	
7	Finance teams (financial assessments and adults payments team) - streamline and centralise in Corporate Resources/Customer Services	180	180	These are back office services but are crucial for effective operations. Reducing the team without impact on performance will depend on improvements in process and systems	The teams will be integrated with Procurement or Customer Services - with opportunities to explore further joined up working. This may result in some reorganisation in those services	A	This assumes that these teams can be integrated into central support functions
8	Care and Placements Budget	1,420	1,420	Achieving this saving will require a range of approaches including deployment of very strict controls and adherence to the Fair Access to Care Criteria; reviewing and reducing care packages where possible; tight system of authorisation; potentially longer waiting times for non-urgent services; ensuring value for money commissioning and contracting using the standardised tools such as the Care Funding Calculator and robust market management; good application of market benchmarking data.		A	The Care and Placements budget is a demand led budget, as such there is a risk that external factors such as demography could act against the cost control measures outlined.
9	Supplies and services savings on Housing and Adults	106	106	No impact		G	
10	Housing Management Rationalisation	186	186	This saving includes a reduction in senior and middle management. As such it has the potential to weaken management capacity to deliver later transformational savings and preventative work	Likely to involve new ways of working more closely with Homes for Haringey to streamline services across organisational boundaries	A	

DIRECTORATE: Adults and Housing

Prepared by: Lisa Redfern

Item	Proposed Efficiency Saving	2014-15 £'000	Full Year Saving £'000	Impact on Performance (Service Delivery)	Impact on other Services	RAG Risk Rating	Dependencies/Risks that could affect delivery
11 Community Housing Staffing Efficiencies		77	77	This deletes two posts and will have some impact on performance		A	
12 Housing Related Support		250	250	This is a procurement saving. Contract efficiencies will be achieved through renegotiation with providers.	HRS has a high preventative impact. Any drop in performance would lead to pressures elsewhere.	A	Dependent on successful renegotiation with providers
TOTAL NEW SAVINGS PROPOSALS		3,058	3,058				

DIRECTORATE: Chief Executives

Prepared by: Paul Ellcott

Item	Proposed Efficiency Saving	2014-15 £'000	Full year Saving £'000	Impact on Performance (Service Delivery)	Impact on other Services	RAG Risk Rating	Dependencies/Risks that could affect delivery
New Revenue Savings Proposals:							
1	Review of internal operations in CE and electoral registration	56	56	Consolidation of activities and No impact funding	No impact	G	Dependant on final award and contractual evaluation
2	Re-procurement of SAP contract	325	325	No impact	No impact	A	Variations in increased demand
3	Reduction of staff in Revenues, Benefits and Customer Services	155	155	155 Depends on demand - 136 hours per week reduction overall.	Reduction of staff handling customer enquiries could have a negative impact on back office.	A	Poorer people mgt delivery/ increased employee claims
4	Reduction of support staff in HR	47	47	Will likely impact on level of HR advice given to service mgrs and directorate mgt	Mgrs will have to do more for themselves without HR advice/ support	A	
5	Savings in existing IT contracts	100	100	No impact	No impact	G	
6	Reduction of staff in ITS	156	156	Reduction in responsiveness to IT requests raised by services	Reduced speed of resolving IT issues and IT developments.	A	Levels of acceptable risk
TOTAL NEW SAVINGS PROPOSALS		839	839				

Item	Proposed Efficiency Saving	2014-15 £'000	Full year Saving £'000	Impact on Performance (Service Delivery)	Impact on other Services	RAG Risk Rating	Dependencies/Risks that could affect delivery
New Revenue Savings Proposals:							
1 Children & Families Finance Team - cut staffing budget by 50%		210		210 This is a back office service but critical to the business. Reducing the team without impact on performance will depend on improvements in process and systems.	The team would be reorganised prior to being integrated with Procurement.	A	Achievement depends on cultural and process change in Children's social care.
2 Delete 1 FTE screening post in C&F Admin		26		26 Haringey 54k will deliver the Early Help offer which will ensure more families get help earlier from universal services rather than Children's social care.	None.	G	Depends on implementation of H54k, resource for realignment of workforce and the need for a partnership approach to delivering the Early Help Service for families.
3 Income generation - Attendance & Welfare; Education Psychology following academy conversions		50		50 None.	Academies will be required to buy the non-statutory elements of these services.	G	Academies may buy these services elsewhere.
4 Delete 3 Education & Safeguarding posts		100		100 None.	None.	G	Posts currently vacant.
5 Reorganise 3rd tier - delete a further 2 Heads posts		170		170 Any capacity issues will need to be carefully managed whilst there will be a benefit from more integrated services.	Will need to be managed.	A	Potential on capacity to deliver 2014-15 savings and Haringey 54k
6 Delete 7 admin scale 5 posts		210		210 Will be managed by the service.	None.	A	Depends on implementation of smart working, otherwise risk that key administrative tasks pass to social workers, increasing their time spent processing / reducing time for client facing activities.
7 Delete vacant 4 YP Nurse post		64		64 None.	None.	G	Post currently vacant.
8 Delete balance of an additional Contact post (reduction of 3 posts in 2013/14 & 2014/15)		10		10 None subject to achievement of planned LAC number reductions	None.	G	LAC place number reductions
9 Delete 2 placement officer posts as LAC numbers reduce		78		78 None subject to achievement of planned LAC number reductions.	None.	G	LAC place number reductions
10 Fostering review (balance of £155k saving after £125k pre-agreed)		30		30 Will be managed by the service.	Will be managed within the Directorate	A	Dependant on outcome and implementation of current review.
11 Delete remaining Trainee social worker capacity		42		42 Minimal impact.	None.	G	Posts will be vacant by then.
12 Delete 2 Independent Reviewing Officer posts as numbers of Looked After Children reduce		130		130 Opportunity cost of developing an effective service, otherwise none subject to achievement of planned LAC number reductions.	None.	A	LAC place number reductions
13 General reduction in supplies and services across department		112		112 Minimal impact.	Link to accommodation savings.	G	
TOTAL NEW SAVINGS PROPOSALS		1,232	1,232				

DIRECTORATE: Corporate Resources

Prepared by: Kevin Bartle

Appendix B

Item	Proposed Efficiency Saving	2014-15 £'000	Full year Saving £'000	Impact on Performance (Service Delivery)	Impact on other Services	RAG Risk Rating	Dependencies/Risks that could affect delivery
<p>New Revenue Savings Proposals:</p>							
1	<p>Insurance Premiums - Reduction in revenue contributions required to internally funded insurance reserve - largely through reducing current expenditure on legal fees via use of new Government Portal. The savings would be in Directorate insurance budgets,</p>	150	150	None expected	None expected - although services will need to respond quickly to requests for claim information as delays would impact on legal costs. In mitigation of this, training / liaison with services has already begun.	G	See 'impact on other Services'
2	<p>Corporate Finance - this further sum will be added to the existing pre-agreed staffing savings (£550k).</p>	154	154	At this stage it is assumed that reduced staff numbers will be mitigated by improved efficiency, enhanced staff training / capability & revised approach to risk management.	Plan to avoid	G	Further reductions to Corporate Finance will require budget holders to maintain and in some areas improve their financial skills.
3	<p>Procurement - secure further funding / income from leading on sub-regional work. Further work required to properly quantify value and achievability.</p>	50	50	None expected	None expected	A	Detailed proposals / market testing yet to be undertaken. These could highlight lack of appetite for the service & lack of sustainable funding.
4	<p>Procurement - reduction in headcount over and above existing pre-agreed saving.</p>	44	44	Not yet quantified	Not yet quantified	G	Not yet quantified
5	<p>Audit & Risk Management - savings likely to come from a reduction in the audit hours purchased through the existing contract.</p>	32	32	Not yet quantified	Not yet quantified	G	Will need to ensure that any reduction does not lead to increased external audit costs.
TOTAL NEW SAVINGS PROPOSALS		430	430				

DIRECTORATE: Legal Services

Prepared by: Bernie Ryan

Appendix B

Item	Proposed Efficiency Saving	2014-15 £'000	Full year Saving £'000	Impact on Performance (Service Delivery)	Impact on other Services	RAG Risk Rating	Dependencies/Risks that could affect delivery
New Revenue Savings Proposals:							
1	External income in relation to S106, disposals commercial leases and notices.	180	180	None	No impact	A	This is dependant on the level of commercial work continuing to stay at the current level and the legal Property and Planning team does not reduce further.
2	Increase income target for Registrars	58	58	None	Fees and charges would stay the same for the public.	A	This is only possible if there are no legislative changes which adversely affect income.
3	Increase in legal charges to Homes for Haringey.	40	40	None	Homes for Haringey will have to pay increased legal charges. Charges to Homes for Haringey have not increased since April 2010.	G	This is dependant on the level of work from external sources continuing to stay at the current level and the legal teams supporting the work team do not reduce further.
4	Increase in external commercial charges	20	20	None	Increase to businesses looking to rent commercial properties, developers seeking planning permission and purchasers of property.	A	May result in difficulty in interested parties and therefore not benefit the council as a whole.
TOTAL NEW SAVINGS PROPOSALS		298	298				

Item	Proposed Efficiency Saving	2014-15	Full year Saving	Impact on Performance (Service Delivery)	Impact on other Services	RAG Risk Rating	Dependencies/Risks that could affect delivery
------	----------------------------	---------	------------------	--	--------------------------	-----------------	---

New Revenue Savings Proposals:

Staffing Related

1	Libraries - Staffing budget reductions achieved through vacancy factor and reduced use of agency staff.	50	50	Level of saving is equivalent to a 5% reduction in staff across the Directorate. As far as possible this will be achieved by not filling vacancies/ reducing the use of agency staff. However, there is a risk that there could be a drop in performance levels or delivery of projects will be compromised depending on where vacancies fall/ level of sickness.	n/a	A	Reduced ability to cover for vacancies or sickness. Saving may not be achieved if turnover remains low and vacancies do not occur or if vacancies are concentrated in one area meaning agency need to be employed to ensure service is provided
2	Parks - Staffing budget reductions achieved through vacancy factor and reduced use of agency staff.	94	94	n/a	n/a	A	
3	Property - Staffing budget reductions achieved through vacancy factor and reduced use of agency staff.	50	50	Advice and support to other services above business as usual activity could reduce (currently high demand)		A	
4	Single Frontline - Staffing budget reductions achieved through vacancy factor and reduced use of agency staff.	219	219	n/a	n/a	A	
5	Planning, Regeneration and Economy - Staffing budget reductions achieved through vacancy factor and reduced use of agency staff.	135	135	n/a	n/a	A	
6	Staff Reductions within Parking	220	220	Savings comprise efficiencies gained through the implementation of new technology and further layering. There should be no overall impact on performance.	n/a	A	The delayering element is subject to consultation and will require HR support.
7	Wood Green library staff	34	34	This will reduce the amount of dedicated space available to teenagers (and children). A smaller Youth area will be created in the children's library. As the Youth library has been subject to ad hoc closures, relocation will result in a more stable service. Integration of Youth Library with the Children's Library will reduce the need for cover.	n/a	G	
8	Merge Play / Handyman	41	41	This will have an impact on quantity and response time to maintenance items in playgrounds and general parks infrastructure and will negatively impact staff morale	n/a	G	
9	Remove Remaining Recruitment and Retainment Allowances in Planning, Regeneration and Economy	12	12	Reduce staff morale	n/a	A	
10	Phase 2 Restructure of Single Frontline	100	100	None expected	n/a	G	
11	Running Costs / Contractual Related Reduce IT Budgets - Libraries	50	50	Some risk that IT systems may fail and impact on stock issue	IT to review existing library systems	A	
12	Running Cost Savings Libraries	35	35	None	n/a	A	
13	Car Allowance Reduction - Leisure/ Libraries	10	10	None	n/a	G	

Item	Proposed Efficiency Saving	2014-15	Full year Saving	Impact on Performance (Service Delivery)	Impact on other Services	RAG Risk Rating	Dependencies/Risks that could affect delivery
		£'000	£'000				
14	Remove Funding for North London Business	28	28	This would remove last funding for supporting businesses	n/a	A	
15	Supplies and Services reductions in Planning, Regeneration and Economy	25	25	Lack of existing funding for Local Development Framework	n/a	G	
16	Further Saving from Centralising Budgets in Services / Total Facilities Management	100	100	To Be Determined - original saving based on efficiency. Further savings likely to require service reduction.	All hard and soft facilities management budgets in services to be centralised. Some site management staff and salary costs to transfer to central team.	A	Proposal needs further scoping exact level of saving possible is unclear - existing pre-agreed saving of £100k in this area
17	Contract Savings / Car Parks	20	20			A	Subject to agreement with contractor
18	Efficiencies in Veolia Contract and reduction of ad-hoc contractual spend	250	250	Less flexibility for one-off 'extras' to be delivered	n/a	A	
	Income Related						
19	Inflation on Service Level Agreement for Grounds Maintenance with Homes for Haringey	25	25	None	Small increase in charge to HRA	G	
20	Increase Differential Between Planning Income and Staffing Costs	100	100	Possible impact on planning performance if income does not increase	n/a	A	Assumes continued growth in planning income can be achieved without equivalent increase in staff resources
21	Further increase Street Works Income (under New Road and Street Works Act)	175	175	None	n/a	G	Based on existing income levels, assumes steady growth in income
22	Further increase Scaffolding Hoarding Income	150	150	None	n/a	G	Based on existing income levels, assumes steady growth in income
23	Income from new Controlled Parking Zones	200	200	None	n/a	A	Risk that no additional income generated if Controlled Parking Zones not agreed
	Changes in Funding Related						
24	Public Health Funding of Healthy Living Commissioning Activity moves to Public Health	75	75	None	Could potentially displace other activities from being funded from Public Health grant	A	
25	HRA Funding of Fuel Poverty post	45	45	None	Small increase in cost to HRA	G	
26	Increased Enforcement Income	75	75	None	N/A	G	Based on the assumption that existing income/enforcement levels will be exceeded
27	Fund General Fund salaries in Transport from increased Fee Income	330	330	None	Includes making income from Land Charges permanent (£80k)	A	Dependant on level of capital spend staying at predicted levels for 13-14 and 14/15
28	Less Overlap with Pre-Agreed Savings / Departmental Restructure	-400	-400	There is a degree of overlap in the proposals above both with existing pre-agreed savings or with the funding solutions for the planned Place and Sustainability restructure.			

DIRECTORATE: Public Health

Prepared by: Tamara Djuretic

Appendix B

Item	Proposed Efficiency Saving	2014-15 £'000	Full year Saving £'000	Impact on Performance (Service Delivery)	Impact on other Services	RAG Risk Rating	Dependencies/ Risks that could affect delivery
New Revenue Savings Proposals:							
1	Public Health overheads charge	488	488	None identified	Minimal impact on procurement, finance and HR function mainly due to absorbing support for 20 WTE and administration of Public Health Grant within existing resources.	G	Limitations due to ring-fenced budget restrictions
2	Increase in 2014/15 Public Health Grant	89	89	Forgone opportunity for investing in prevention and early intervention that would result in reducing inequalities and long-term efficiency savings	Forgone opportunity for investing in prevention and early intervention that would result in reducing inequalities and long-term efficiency savings	A	Limitations due to ring-fenced budget restrictions
TOTAL NEW SAVINGS PROPOSALS		577	577				

DIRECTORATE: Strategy & Performance

Prepared by: Eve Pelakanos

Appendix B

Item	Proposed Efficiency Saving	2014-15	Full year Saving	Impact on Performance (Service Delivery)	Impact on other Services	RAG Risk Rating	Dependencies/Risks that could affect delivery
		£'000	£'000				
New Revenue Savings Proposals:							
Strategy & Business Intelligence							
1	Reduction in supplies & services budget	50	50	None	None	G	Demands for support from within own Directorate and from others continues at current levels
2	Delete project manager post	50	50	Reduced capacity within the Strategic Support team to offer project management and inspection support to Directorates. Post is currently vacant.	Reduced capacity within the Strategic Support team to offer project management and inspection support to Directorates.	G	
3	Review Feedback & Information function as part of the Residents Strategy	100	100	Dependent on Resident Strategy	Dependent on Resident Strategy	A	Residents Strategy Outcomes delayed/not achieved
Communications							
4	Reduction in staffing level	50	50	Low	None	G	None
5	Reduction in supplies & services budget	50	50	None	None	G	None
Organisational Development & Change							
6	Reduction in training costs by increasing e-learning and more efficient commissioning	130	130	None planned	Reduced face to face training	G	To be agreed with directorates
Local Democracy & Member Services							
7	Reduction in overtime spend and supplies and services. In addition, renegotiation of the webcasting contract (due in September 2013).	50	50	Low	None	G	None
TOTAL NEW SAVINGS PROPOSALS		480	480				

DIRECTORATE: Other

Prepared by: Kevin Bartle

Appendix B

Item	Proposed Efficiency Saving	2014-15	Full year Saving	Impact on Service Delivery and Performance	Whole Council Impact	RAG Risk Rating	Dependencies/Risks that could affect delivery
	£'000	£'000	£'000				
New Revenue Savings Proposals:							
1 Reduction in External Audit Fees		200	200	None expected	None expected	G	None expected
2 Reduction in Levies / Corporate Subscriptions		410	410	None expected	None expected	G	None expected
3 Other - Agency contract margins		500	500	None expected	None expected	A	Delivery is dependent on the outcome of the re-tendering of the Agency contract
4 Revision of External Charges / HRA - Operations		277	277		None	G	None - charge already allowed for in HRA
5 Roundings		-49	(49)				
TOTAL NEW SAVINGS PROPOSALS		1,338	1,338				



DRAFT

Report for:	Cabinet	Item Number:	
Title:	Financial Planning 2014/15 to 2016/17		
Report Authorised by:	Kevin Bartle, Assistant Director – Finance		
Lead Officers:	Barry Scarr, Interim Head of Corporate Finance Neville Murton, Head of Finance		
Ward(s) affected: All		Report for Key decisions	



DRAFT

1 Describe the issue under consideration

- 1.1 To set out the strategic financial issues for the three year planning period to 2016/17, and to update on the process for setting the Council's 2014/15 Budget and Medium Term Financial Plan (MTFP) to 2016/17.

2 Introduction by Cabinet Member for Cabinet Member for Finance, Employment and Carbon Reduction – Councillor Joe Goldberg

Comments to be inserted into final version

3 Recommendations

- 3.1 Cabinet is recommended to:

- a) Note the budget proposals and financial planning assumptions set out in this report and that they will be refined after the provisional Local Government Finance Settlement is published in mid to late December;
- b) Approve draft revenue proposals, to be recommended to the Council at its meeting in February 2014 for the Council's MTFP 2014/15 – 2016/17 (Appendices 1-3);
- c) Approve draft capital proposals, to be recommended to the Council at its meeting in February 2014 for the Council's Capital Programme (corporate resources) for the period 2014/15 – 2016/17 (paragraph 7 and Appendix 4);
- d) Note the Housing Revenue Account (HRA) Capital Programme 2014/15 – 2016/17 as set out in Appendix 5 and the HRA MTFP 2014-17 as set out in Appendix 6;
- e) Note the proposed housing rent increases set out in paragraph 9 which will be subject to consultation;
- f) Approve the changes to the 2014/15 North London Waste Authority levy apportionment arrangements as set out at Paragraph 6.13 and at Appendix 7 to this report;
- g) Delegate Authority to the Cabinet Member for Environment, in consultation with the Chief Financial Officer, to agree minor changes to the proposed NLWA levy arrangements set out in Appendix 7 arising as a result of other Boroughs' consideration of the arrangements; and,
- h) Note the changes to the Dedicated Schools Budget set out in paragraph 12.

4 Other options considered

- 4.1 This report proposes that the Cabinet should consider proposals to deliver a balanced and sustainable MTFP at its final budget meeting in February 2014.
- 4.2 This approach has been pursued in order to respond to on-going central government funding cuts that are unprecedented in scale.
- 4.3 Cabinet have no other option than to make savings to the Council's budget given the



DRAFT

on-going funding cuts.

5 Background information

- 5.1 The Coalition Government's Spending Review (SR10) was designed to reduce the national deficit, with an emphasis on reducing public expenditure as a percentage of Gross Domestic Product.
- 5.2 SR 10 contained proposals to reduce local government funding by 28% over the four years of the review. The economy has not grown as fast as the government expected, therefore further cuts have been factored into the latest spending review, SR13.
- 5.3 SR 10 identified the need to reduce planned spending by £84m. Previous versions of the Medium Term Financial Plan have addressed that challenge, and the Council reported a balanced budget position for 2012/13, having successfully implemented a package of £62m spending reductions.
- 5.4 The Council's plans for spending reductions have been framed by a need to ensure that priority services and outcomes for Haringey citizens were protected as far as possible. This has been at the core of the Council's strategic response to austerity and deficit reduction, encapsulated by the MTFP. The key element of this response is the clear vision for the Borough defined in the Council Plan.
- 5.5 The strategic direction adopted allowed the Council to set budgets from 2011/12 to 2013/14, delivering significant savings. At the time of setting the 2013/14 budget in February 2013, the MTFP identified further gaps of £20.3m for 2014/15 and £22.5m for 2015/16.
- 5.6 The Council at its February 2013 budget meeting agreed that Council Tax would be frozen at its 2012/13 level, and the level of financial reserves was considered to be adequate to cover future risks. However it was noted that the delivery of a further £42.8m of savings over the next two years would be very challenging.
- 5.7 The Government's deficit reduction plans will continue to reduce the Council's available funding, and many new initiatives will add further strain – for example the full impact of the Welfare Reform Act, the Care Cap and the integration of adult social care with the NHS.
- 5.8 The current MTFP 2013-16 reflected and modelled those risks that could be realistically assessed in February 2013. As with the previous year, it is essential that the robustness of the planning assumptions are reviewed by the Council with a view to updating the MTFP where necessary.
- 5.9 This report presents the outcomes of a number of assumptions, and presents the latest position on the implementation of current year revenue budget plans.
- 5.10 The Council also approved its Capital Programme in February 2013. As well as reductions in government funding, the fall in property market values and the reduced scope for revenue to cover borrowing costs means that a review of capital spending plans is essential over the coming months.
- 5.11 The major assumptions that overlay the financial planning framework are analysed below.



DRAFT

6 2014/15

- 6.1 The MTFP approved by Council in February 2013 identified a gap of £20.3m for 2014/15. This was based on figures supplied by DCLG in December 2012 that were part of a 2 year funding settlement (2013/14 and 2014/15). The figures contained spending cuts that had already been planned in SR10, and an additional 2% cut to non protected Government departments announced in the 2012 Autumn statement.
- 6.2 The March 2013 Budget then announced additional cuts on top of the 2012 Autumn Statement. As a result, Local Government will face an additional 1% reduction on 2014/15.
- 6.3 The net effect of the 1% cut in funding has been an extra circa £1.7m pressure in 2014/15. Recognising the risk of additional spending cuts during the 2013 Spending Round (SR13), the Cabinet approved a package of £20m savings for 2014/15 in June 2013, allowing time to develop savings and transformation plans for 2015/16 onwards. After removing a £2m allowance for growth, and taking into account the £1.7m extra cut in support and other minor technical changes, 2014/15 was broadly in balance as at June 2013.
- 6.4 The budget process for 2014/15 has requested updates on the savings delivery for 2014/15, and any extra pressures that have arisen since June 2013. The following paragraphs set out an analysis of those changes.
- 6.5 Following the June Cabinet report there have been a small number of changes to the funding assumptions underpinning the 2014/15 budget including clarification of the Council Tax and Housing Benefit administration grant and confirmation of the on-going element of the Council Tax freeze grant.
- 6.6 The budget monitoring report included in this Cabinet's agenda highlights the current year's spend to date above budget for the Tottenham regeneration programme. Further consideration of the level of additional resources to be applied to the programme, and the optimum funding route, is on-going and planned to be reported in the February 2014 financial planning report to Cabinet.
- 6.7 A number of changes were introduced by the Welfare reform Act 2012 that have had an impact on the Temporary Accommodation budget. Although the most significant of these was the introduction of the Benefit Cap in April 2013, the lowering of the Local Housing Allowance (LHA) to the 30th percentile, together with limitations placed on the up-rating of LHA rates have also reduced the financial support for housing costs. The gap between LHA rates and market rents is widening and the buoyancy of the private rented sector in London has reduced the supply of affordable housing; this has resulted in increased homelessness and a sharp rise in the prices charged for Temporary Accommodation. An investment proposal has, therefore, been included in this report.
- 6.8 A specific investment proposal has also been submitted in support of the Customer Services programme; which is a key council priority.
- 6.9 **Appendix 2** summarises the revenue investment proposals submitted for Cabinet's consideration.



DRAFT

- 6.10 Directorates have also been progressing implementation plans against the £20m saving proposals identified in June, and previous years' agreed savings, which have identified some slippage of proposals from 2014/15 into later years and some additional alternative proposals. The budget package assumes support of some slippage elements from reserves as a temporary measure since directorates are currently confident that these savings can still be delivered, albeit later than originally planned.
- 6.11 **Appendix 3** summarises the current savings proposals position for Cabinet's consideration.
- 6.12 Taking all of these issues into account the 2014/15 budget remains balanced, although as in previous years, this is subject to any further government announcements as part of the autumn statement, the provisional local government statement (both of which are expected for early December) and any announcement relating to levies.
- 6.13 In addition to changes in the overall cost of the North London Waste Authority (NLWA) levy, any amendments to the levy arrangements themselves need to be agreed unanimously by all 7 Boroughs. The current levy arrangements date back to the 2012/13 levy period and need to be updated for 2 issues:
- An adjustment to reflect the London Borough of Barnet consigning commingled recyclates from 9th October 2013. The proposed change is of financial benefit to Haringey as it will place Barnet in the same position as other Boroughs that are increasing their recycling tonnages, if the change were not agreed then the other Boroughs would pick up a greater share of the cost of processing the additional waste from Barnet, as there is a lag in the tonnage feeding into the levy calculation mechanism.
 - A change in the location of the Household Waste Recycling Centre in Haringey to Western Road (from Cranford Way); this ensures that the costs of the new site are met and apportioned as below in line with the previously agreed proposals for the Cranford Way site:

Barnet	0.613%
Camden	0.038%
Enfield	0.383%
Hackney	0.191%
Haringey	97.894%
Islington	0.804%
Waltham Forest	0.077%

- 6.14 **Appendix 7** sets out the proposed wording for the revised NLWA agreement which all authorities are being asked to agree; Cabinet are also being asked to delegate authority to the Cabinet Member for Environment, in consultation with the Chief Financial Officer, to agree any subsequent minor changes raised through the other boroughs' approval process.

7 General Fund Capital Programme



DRAFT

- 7.1 Capital expenditure bids which are to be funded from General Fund resources (i.e. capital receipts and other capital resources) have been identified and these have been reviewed by Directors Group; a package of proposals which broadly matches the available resources has been identified.
- 7.2 The proposed projects to be included in the General Fund capital programme are shown at **Appendix 4**. Externally funded schemes are not currently included as government funding announcements on these grants have yet to be made, but will be added as part of the February 2014 Cabinet report such that a complete programme is approved.
- 7.3 At this stage in the financial planning process the Council usually avoids any additional prudential borrowing given the revenue impact. However, as consideration is given to the inclusion of potentially significant capital programmes, in addition to supporting invest-to-save initiatives, Cabinet should be aware that any additional financing costs of prudential borrowing would increase the projected revenue funding gap in the Medium Term Financial Plan for 2014/15 to 2016/17.
- 7.4 On that basis the value of the new capital programme will initially be limited to the projected value of existing capital resources, or those which can be generated from future asset disposals. Over the planning period the estimated capital funding available is **£41.6m**; this broadly matches the proposed programme as set out in **Appendix 4**.
- 7.5 There are however, some risks associated with the disposal programme which is the primary funding source for the programme and the figures include assumptions regarding a relatively small number of high value disposal receipts that between them represent a significant proportion of the programme funding. An adjustment to the forecasts to cover an element of this risk has therefore been made.
- 7.6 The Council also has a long term commitment over and above resources already included in the current capital programme to regenerating the Tottenham area. As part of this, receipts and/or revenue resources for prudential borrowing totalling £5m will need to be generated and reserved to honour existing commitments which are currently anticipated to fall outside of the capital programme planning horizon (i.e. programmed spending post 2017).
- 7.7 The following table summarises the total value of recommended bids compared to the estimated available resources.



DRAFT

Summary of resources and recommended programme

	14/15 £000	15/16 £000	16/17 £000	Total £000
Estimated Capital Receipts	10,341	17,140	3,000	30,481
Risk adjustment – non achievement of receipts	0	(9,000)	9,000	0
Brought forward resources	0	4,800	0	4,800
Other Resources	5,191	4,802	(3,706)	6,287
Total Estimated Resources	15,532	17,742	8,294	41,568
Total recommended programme	12,581	15,642	13,301	41,524
Shortfall/(surplus)	(2,951)	(2,100)	5,007	(44)

8 HRA Capital Programme 2014-2017

- 8.1 Housing Revenue Account capital bids will be considered alongside the HRA Medium term Financial Plan (MTFP). The draft Housing programme 2014 – 2017 of **£183m** is based on projections for asset management and stock condition post Decent Homes, and relies on utilising £43m borrowing within the overall HRA cap of £58m. The position may change as further factors such as the level of Housing rents are decided during the budget process, but the current draft, including proposed funding sources, is included at **Appendix 5**.
- 8.2 The proposed Housing capital programme for 2014-15 is £63.3m of which £14.6m is for a planned programme of works to maintain the stock condition and £38m is earmarked for Decent Homes; this element is funded from £25m Decent Homes Backlog Grant from the GLA and the balance from the HRA revenue surplus. Another £5.35m has been identified to fund a range of improvement programmes including fire safety and estate environmental improvements and development of new Supported Living schemes. There is also £5.4m planned for the small sites infill programme.
- 8.3 The Housing Investment and Estate Renewal Strategy is due to be presented to Cabinet at the November Cabinet meeting. At this stage the strategy is fairly high level and further work is required to finalise the details. The 2015-16 and 2016-17 Capital Programme should therefore be considered as indicative until this work is finalised.
- 8.4 The current indicative programme continues the increased level of investment in the housing stock and provides funding for a successor programme to the Decent Homes programme. This will be informed by the refreshed stock condition survey and consultation with tenants. Due to the high level of investment needs it is likely that internal resources will not solely be sufficient and the Council will have to consider increasing its HRA borrowing.

9 Housing Rent increases

- 9.1 Under the self-financing regime rents are the main source of income for the HRA and the Council is required to make decisions annually on the level of increases. At its February meeting, Cabinet will be asked to approve the rent increase for 2014/15.



DRAFT

- 9.2 In November, the Cabinet approved the Housing Investment and Estate Renewal Strategy which sets out the Council's intention to increase investment in its housing stock and to explore opportunities for small scale infill developments and estate renewal. This will support the achievement of the Council priorities of delivering regeneration in priority locations and ensuring everyone has a decent place to live.
- 9.3 Under the self financing regime introduced by the 2011 Localism Act, investment funding for housing comes largely from the Council's own resources with very little central government grant funding being available. The Council therefore has developed its financial strategy for the HRA in line with its investment aims. This strategy is to maximise revenue income from rents and other charges and reduce costs through finding efficiencies. The revenue surpluses generated are then available for direct capital investment in the housing stock.
- 9.4 Given this principle it is proposed that the Council should increase rents in real terms following the principles of the government rent restructuring policy. The rent restructuring framework was introduced by the previous government and works to gradually increase council housing rents in real terms (i.e. above inflation) while reflecting differences between different areas and types of dwelling and without increasing rents excessively in any single year.
- 9.5 Haringey has been following this framework for several years. Last year the Council approved a variation for new tenancies on void properties. For these properties the limits on the rent increase in any single year will not apply and the rent is increased in one step to the target level indicated by the rent restructuring policy.
- 9.6 Although Councils are not required to follow rent restructuring the government calculations underpinning the self financing model assume that they will. Setting a rent below the level indicated by the rent restructuring framework will restrict the income to the HRA and is likely to make it difficult to fund the investment needs of the stock.
- 9.7 Cabinet is, therefore, asked to continue to follow their established policy for rent increases in 2014/15, except for re-let void properties, reflecting the September 2013 RPI announcement and to use the additional revenue generated to help fund the increased capital programme outlined above.
- 9.8 If the Council continues to follow rent restructuring then the average weekly dwelling rent will increase by **£4.90 or 4.98%**. The average weekly rent will increase from **£98.23 to £103.13**. The additional income to the HRA from applying this increase is £4m a year; were the Council not to implement the full increase the loss of rent would be £810k per annum for each 1% reduction applied.
- 9.9 Because rent restructuring takes into account individual factors for each property such as the existing rent and the capital value, there is considerable variation in the size of the increase for each dwelling. The following tables illustrate this range.



DRAFT

Table One: Potential weekly dwelling rents for 2014/15 with caps and limits applied

Number of Bedrooms	Number of Properties	Minimum Rent	Maximum Rent	Average Rent
		£	£	£
Bedsit	157	67.84	114.89	83.23
1	5,624	57.68	136.38	88.24
2	5,392	80.44	148.83	103.24
3	3,984	76.34	155.57	118.48
4	616	88.47	167.14	134.04
5	102	104.64	169.69	154.52
6	10	134.79	177.79	161.79
7	2	137.05	174.44	155.75
8	1	176.32	176.32	176.32
All dwellings	15,888	57.68	177.79	103.13

Table Two: Percentage increase in weekly dwelling rents for 2014/15

Number of Bedrooms	Minimum Increase	Maximum Increase	Average Increase
Bedsit	1.88%	6.85%	5.14%
1	1.57%	7.43%	4.96%
2	1.63%	6.35%	5.03%
3	2.61%	6.49%	4.94%
3+	0.61%	6.10%	4.86%
All dwellings	0.61%	7.43%	4.98%

Table Three: Range of changes

Potential Rent Increase	Number of Properties	% of Total
Less than £4.00	3,492	21%
Between £4.00 and £5.00	5,364	34%
Between £5.00 and £6.00	5,077	32%
Between £6.00 and £7.00	1,675	11%
Between £7.00 and £9.00	280	2%
Total	15,888	100%



DRAFT

10 Service charges

10.1 In addition to rents, tenants pay separate charges for specific services that they receive. Charges are currently made for the following services:

- Concierge services;
- Caretaking;
- Grounds maintenance;
- Street sweeping;
- Light and power;
- District heating; and,
- Water.

10.2 Homes for Haringey are still in the preparation stages of setting their budgets therefore it is not yet possible to provide the proposed services charges for 2014/15. These will be presented to Cabinet for approval in February 2014.

11 HRA Revenue Budget and MTFP 2014-17

11.1 As part of the Council's budget strategy to generate efficiency savings, Homes for Haringey have been asked to reduce that element of the Company Budget within their full control by **£3.2m**; this will include charges made by the Council for corporate and support services which will rise by inflation. Further reductions of 5% are planned for 2015-16 and 2016-17.

11.2 Homes for Haringey are still working on proposals for achieving the savings and these will be reported to Cabinet in February 2014.

11.3 In order to make the necessary staffing reductions, Homes for Haringey will incur transition costs, including redundancy and early retirement costs. Provision has been made in the MTFP for these costs to be met from the HRA reserve. An estimate of £3m has been made which is shown as falling in 2013-14 but the exact timing will depend on the timetable for making savings. The estimate will be updated for the February Cabinet.

11.4 Homes for Haringey are an admitted body in the Local Government Pension Scheme. Following the recent actuarial valuation of the risks and liabilities on their part of the fund, the actuary recommends that the employer contribution should rise. The exact amount of the increase is still the subject of discussion with the actuary. The finalised increase will be taken account of in the HRA MTFP as an unavoidable growth pressure.

11.5 There is also an additional £1m new growth for activity to support the HRA Investment and Estate Renewal Strategy reported to Cabinet in November.

11.6 Within the managed accounts there is a need to make an increased provision for bad debts. The level of bad debt has been increasing over recent years and this is expected to continue to worsen following Welfare Reform Act changes including the benefits cap, the under occupation penalty and the payment of housing support to the tenant rather than the landlord under Universal Credit.

11.7 There is also £2.4m of funding that has been transferred from the capital programme



DRAFT

to revenue within the managed account. This is not new spending but is a change in classification following a review of capitalisation.

- 11.8 The net result of these changes is a revenue surplus of **£10.3m**. This together with £4m of the brought forward balance on the HRA reserve will be invested into the expanded HRA programme. It is **recommended** that Cabinet agree the Housing MTFP as set out in **Appendix 6** to this report.

12 Dedicated Schools Budget (DSB)

- 12.1 The DSB encompasses the Dedicated Schools Grant, post 16 funding provided by the Education Funding Agency (EFA) and the Pupil Premium. A report on the proposed DSB strategy will be presented to Schools Forum on 2 December with further reports to Forum on 16 January and 26 February 2014.
- 12.2 The Pupil Premium will increase in 2014-15 to £1,300 per eligible pupil (confirmed for primary schools but not yet for secondary schools) and £1,900 for Looked After Children. The estimated sum for maintained school pupils and Looked After Children for 2014-15 is therefore £14.7m

Dedicated Schools Grant (DSG)

- 12.3 The Dedicated Schools Grant is a ring-fenced government grant that can only be used in support of the Schools Budget as defined in the School and Early Years Finance Regulations. The Schools Budget consists of delegated budgets allocated to individual schools, Pupil Referral Units (PRUs) and Early Years Provision in Private, Voluntary and Independent (PVIs) providers, and a budget for other provision for pupils which local authorities fund centrally, which now includes the bulk of high needs provision, including post-school provision up to age 25.
- 12.4 The DSG covers all pupils in maintained schools and academies, funding for the latter being 'recouped' from the Council's allocation.
- 12.5 There were significant changes to the DSG in 2013-14, most notably:
- a. The splitting of the grant into three notional blocks, the Schools Block (SB), Early Years Block (EYB) and High Needs Block (HNB);
 - b. The simplification of the schools funding formula in preparation for a national formula planned for April 2015;
 - c. Changes in the way special schools, special units and alternative providers are funded, replacing comprehensive planned place funding with a 'Place Plus' approach. This provides a fixed amount of delegated funding per place plus a 'top-up' paid by a commissioner when placing pupils;
 - d. Delegation of some central services to schools with the possibility of de-delegation from maintained schools only. This replaces the former Schools Budget element of the Local Authority Central Spend Equivalent Grant (LACSEG); and,
 - e. Increased power for the Schools Forum over what budgets a Local Authority (LA) can retain from the School and Early Years Blocks.

- 12.6 The indicative DSG settlement will be announced on 18 December.

Schools Block (SB)



DRAFT

12.7 Schools Forum on 24 October endorsed the Council's proposal for the 2014-15 Schools Funding Formula. This proposes a re-balancing of budgets between the Basic Entitlement (the per-pupil allocation received regardless of the individual characteristics of the pupil) and funding for deprivation and Additional Educational Needs (AEN). The final approval of the formula will be made in a separate report to Cabinet on this agenda.

12.8 The SB is calculated using pupil numbers recorded in the Schools Census on 3 October 2013 and following a data cleansing exercise by the Department for Education (DfE); the numbers to be used will be published on 10 December 2013. This number is multiplied by the Guaranteed Unit of Funding of £5,878.44, which is the same as in 2013-14.

High Needs Block (HNB)

12.9 The HNB is allocated as a cash sum and covers all funding for pupils with Special Educational Needs (SEN) other than that included in delegated mainstream school budgets. It includes funding for special schools, special units and alternative providers using the place-plus approach set out above; funding for pupils placed in other local authority or private provision and centrally provided services. It also incorporates funding for the extended duty of providing for students in FE establishments with Special Educational Needs (SEN) up to the age of 25.

12.10 A working party of the Schools Forum have been reviewing the budgets in this area and will report back to the Schools Forum. A significant concern is the uncertainty around the costs of the new responsibilities for students up to the age of 25 with SEN which began in September 2013.

Early Years Block

12.11 The main element of this block is calculated using the January early years census prior to the start of the financial year and modified by the census during the year. The indicative allocation will therefore use the January 2014 count. This is multiplied by the Guaranteed Unit of Funding of £5,345 (as in 2013-14). Based on summer term numbers we expect January 2014 numbers to be higher than January 2013 numbers by approximately 90 FTE generating an additional £0.48m. Offset against this will be the loss of £0.9m transitional funding following the removal of the former 90% funding guarantee for three year olds.

12.12 In preparing for the loss of the guarantee and the requirement to increase part-time take-up Cabinet agreed to the reduction in the number of full-time places provided in nursery schools and classes starting in September 2012. Full-time numbers will be reduced further in September 2014.

12.13 Based on current take-up of three and four year old places the reduction in full-time places will not fully cover the loss of the three year old guarantee. The gap in 2014-15 with the current take-up will be £0.256m and in 2015-16 £0.156m. An increase in take-up of part-time places will reduce this shortfall. The EYB has a one-off contingency of £0.545m as a result of claw-backs relating to 2012-13 that can be rolled forward to meet this shortfall in 2014-15. The EYB also has a contingency of £0.36m for in-year pupil growth of which an estimated £0.25m will be drawn down in 2013-14 and which can be reduced in the longer term if increases in part-time take-



DRAFT

up is insufficient to cover the funding gap.

- 12.14 An additional funding element is for the new responsibility to provide places for two year olds from deprived backgrounds introduced in September 2013. Funding for 2014-15 is provided through the DSG based on planned numbers at a rate of £5.28 per hour and will not be subject to claw-back if actual numbers are lower. Funding will be based on actual numbers for 2015-16 onwards. Providers are funded through a formula agreed by Cabinet.

Free School Meals for Infant Age Pupils.

- 12.15 The Government plans to provide a free school meal for all pupils in Reception to Year 2 classes. It is expected that the Chancellor's Autumn Statement will set out the planned funding arrangements.

13 2015/16 onwards

- 13.1 The MTFP approved by Council in February 2013 estimated that the funding gap for 2015/16 would be £20.3m. This was based on the trajectory of spending cuts that had been implemented in SR10. An estimated gap of £21m for 2016/17 was also calculated and reported to Cabinet in December 2012, based on the same set of assumptions.
- 13.2 The Government announced the results of the 2013 spending review, SR13, on the 26 June 2013. The spending review proposed a 10% reduction in Local Government funding for 2015/16, together with a wide range of additional funding streams to 'balance' this core funding reduction. Additionally, it was announced that £3.8bn funding was to be made available nationally to enable Local Government and the NHS to pool budgets for Adult Social Care.
- 13.3 Modelling the 10% decrease, the impact on the Council was a £3.4m reduction in funding, including a £600k estimated reduction in Education Services Grant by the Department for Education.
- 13.4 In July 2013, DCLG published the technical consultation for the 2015/16 funding settlement, and it was immediately apparent that the headline 10% reduction in funding was misleading, and understated the true extent of the reductions.
- 13.5 Analysis showed that the national funding total was £1bn less than expected, and the additional funding streams announced in SR13 to 'balance' the reduction were in fact being top-sliced from core funding. Although the Government has not been able to provide an exact breakdown of the constituent parts of the 'missing' £1bn, in the main they consist of:
- Collaboration and efficiency fund - £100m
 - Social Care Cap implementation (Dilnot) - £335m
 - Independent living fund - £188m
 - New Homes Bonus top slice (safety net) - £45m
 - New Homes Bonus top slice - £300m.



DRAFT

- 13.6 The effect of these adjustments has been an average reduction in funding for local authorities of 13.1% across the country. After taking into account forecast inflation of 1.8%, this equates to a real terms reduction of 14.9%.
- 13.7 Also, in line with previous year's funding reductions since the 2010 emergency budget, Haringey, along with all other Councils with high levels of deprivation, is to receive a higher reduction in RSG than the national average.

Growth and investment

- 13.8 A number of legislative and environmental changes have introduced cost pressures into both 2015/16 and 2016/17, including:

Actuarial valuation – the Haringey pension scheme, like most others in the country, is subject to pressure from extended life expectancy. £1m in 2014/15 had already been provided for increased employer's contributions, but a further £500k has been built in for both 2015/16 and 2016/17 to allow for actuarial increases. This is subject to change once the finalised valuation results are known.

Flat rate pension scheme – the government will be legislating to introduce a single national flat rate pension scheme, and it is estimated that this will cost the Council £1.8m in increased national insurance contributions as it will lose existing opt-out rebates. This sum has been built in to 2016/17 in the MTFP.

New Homes Bonus - In line with 2014/15, New Homes Bonus has been introduced and ring fenced in the MTFP. However, in 2015/16, the government will apply a top-slice to NHB in order to fund economic growth, and the money will be transferred to the Greater London Authority. The MTFP assumes that this £722k reduction in NHB will be met by the General Fund.

- 13.9 Taking all this analysis into account, and updating the Council's MTFP financial model for planned changes to levies and indicative allocations for growth, the funding gap for 2015/16 is now estimated to be **£34m**.
- 13.10 Initial projections based on Treasury figures have also been developed for 2016/17, based on a similar trajectory of spending cuts. This has resulted in an estimated gap of **£29m**. This figure also includes projected pay awards, inflation and levies.
- 13.11 The definitive impact at individual council level will not be known until the Local Government Finance settlement planned to be released in mid December 2013. This will provide details on the 2014/15 settlement and provisional details for 2015/16. Based on current estimates, savings of circa **£63m** are required to bring the 2014-2017 MTFP into balance.

14 Local Context

- 14.1 Allocation of resources to deliver outcomes while at the same time managing the pressure of centrally dictated funding cuts will be driven by local priorities and specific opportunities and initiatives.
- 14.2 The Council's Corporate programmes and priorities: Haringey 54k; Tottenham Regeneration, Customer Services Transformation, Zero Based Budgeting, and Corporate Infrastructure projects will need to respond and flex in line with the funding challenges the Council continues to face.



DRAFT

15 Comments of the Chief Finance Officer and financial implications

15.1 As the report is primarily financial in its nature, comments of the Chief Financial Officer are contained throughout the report.

16 Head of Legal Services and legal implications

16.1 *To be included in the final version of the report.*

17 Equalities and Community Cohesion Comments

17.1 Equalities issues are a core part of the Council's financial and business planning process.

18 Head of Procurement Comments

18.1 Not applicable

19 Policy Implication

19.1 The Medium Term Financial Plan represents the resource framework for delivery of Council Policy and objectives.

20 Use of Appendices

20.1 Appendix 1 – MTFP updated version November 2013

20.2 Appendix 2 – Revenue Investment proposals

20.3 Appendix 3 – Savings proposals

20.4 Appendix 4 – General Fund Capital Programme (corporate resources)

20.5 Appendix 5 – HRA Capital Programme

20.6 Appendix 6 – HRA Medium Term Financial Plan 2014-2017

20.7 Appendix 7 – Proposed Amendments to apportionment of NLWA levies

21 Local Government (Access to Information) Act 1985

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

- Financial Planning 2013-14 to 2015-16 – Cabinet 12 February 2013
- Financial Outturn 2012-13 and Budget 2014-15 – Cabinet 18 June 2013

21.2 For access to the background papers or any further information please contact Neville Murton, Head of Finance (BAS) on 0208 489 3176 or Barry Scarr, Interim Head of Corporate Finance, on 0208 489 3743.

This page is intentionally left blank

HARINGEY COUNCIL MEDIUM TERM FINANCIAL PLAN TO MARCH 2017

Appendix 1

	2013/14 Revised Base Budget £'000	Pre-Agreed Growth £'000	New Growth £'000	Pre-Agreed Savings £'000	New Savings £'000	Funding Adjustments £'000	Slippage £'000	2014/15 Revised Base Budget £'000	Pre-Agreed Growth £'000	New Growth £'000	Pre-Agreed Savings £'000	Funding Adjustments £'000	Slippage £'000	2015/16 Revised Base Budget £'000	New Growth £'000	Funding Adjustments £'000	Slippage £'000	2016/17 Revised Base Budget £'000
Service Areas (excluding Corporate Recharges and Capital Financing Costs)																		
Total Strategy and Performance	5,213	0	0	(609)	(156)	0	0	4,448	(130)	0	(190)	0	0	4,128	0	0	0	4,128
Total Adults and Housing	92,055	650	995	(4,258)	0	0	710	90,152	950	910	(365)	0	(710)	90,937	1,720	0	0	92,657
Total Place & Sustainability	44,209	500	400	(3,998)	(680)	0	108	40,539	0	(200)	(400)	0	(130)	39,809	0	0	(940)	38,869
Total Public Health	17,815	592	0	(577)	(243)	0	0	17,588	0	0	0	0	0	17,588	0	0	0	17,588
Total Children & Young People's Services	59,833	0	0	(5,017)	(175)	0	480	55,121	0	1,122	0	0	(480)	55,763	(1,122)	0	0	54,641
Sub-Total	219,125	1,742	1,395	(14,459)	(1,254)	0	1,298	207,848	820	1,832	(955)	0	(1,320)	208,225	598	0	(940)	207,883
Corporate Services																		
Total Corporate Resources	7,479	(330)	0	(885)	(350)	0	0	5,914	0	0	0	0	0	5,914	0	0	0	5,914
Total Chief Executive	22,046	310	150	(1,982)	(689)	0	91	19,926	(410)	250	(160)	0	(91)	19,515	0	0	0	19,515
Total Non Service Revenue	27,189	3,350	0	(5,338)	0	(59)	0	25,142	1,023	0	0	0	0	26,165	2,800	0	0	28,965
Total Contingencies and Provisions	12,237	6,000	0	(3,500)	0	1,069	0	15,806	5,000	500	0	0	0	21,306	5,500	1,084	0	27,890
Sub-Total	68,951	9,330	150	(11,705)	(1,039)	1,010	91	66,788	5,613	750	(160)	0	(91)	72,900	8,300	1,084	0	82,284
Total Funding Requirement	288,076	11,072	1,545	(26,164)	(2,293)	1,010	1,389	274,636	6,433	2,582	(1,115)	0	(1,411)	281,125	8,898	1,084	(940)	290,167
Funding Sources																		
Core Grants	29,992	0	0	0	0	975	196	31,163	0	0	0	(2,018)	0	29,145	0	(2,572)	0	26,573
New Homes Bonus	3,095	0	0	0	0	1,069	0	4,164	0	0	0	(722)	0	3,442	0	1,084	0	4,526
Revenue Support Grant	107,662	0	0	0	0	(21,480)	0	86,182	0	0	0	(24,921)	0	61,261	0	(20,850)	0	40,411
Returned Top Slice/ Capitalisation	800	0	0	0	0	179	0	979	0	0	0	372	0	1,350	0	372	0	1,722
Council Tax	75,240	0	0	0	0	0	0	75,240	0	0	0	0	0	75,240	0	0	0	75,240
Retained Business Rates	18,577	0	0	0	0	1,165	0	19,742	0	0	0	554	0	20,296	0	629	0	20,925
Top Up	52,710	0	0	0	0	1,719	0	54,429	0	0	0	1,527	0	55,956	0	1,735	0	57,690
Surplus/(Deficit) on Collection Fund	(3,570)	3,570	0	0	0	2,000	0	2,000	0	0	0	(2,000)	0	0	0	0	0	0
Contribution from/(to) Reserves	3,570	(3,570)	0	0	0	0	737	737	0	0	0	0	(737)	0	0	0	0	0
Total Available Funding	288,076	0	0	0	0	(14,373)	933	274,636	0	0	0	(27,208)	(737)	246,690	0	(19,603)	0	227,087
Budget Gap	0							0						34,435				63,079

Note: Pre-agreed savings also includes June 2013 Cabinet agreed savings

This page is intentionally left blank

Growth Proposals for consideration				
	2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000
Adults & Housing	995	910	1,720	3,625
Public Health	0	0	0	0
Children's Services	0	1,122	(1,122)	0
Place & Sustainability	400	(200)	0	200
Chief Executive's Service incl. Legal	150	250	0	400
Strategy & Performance	0	0	0	0
Corporate Resources	0	0	0	0
Base Budget Growth Total	1,545	2,082	598	4,225

Growth Proposals - Adults & Housing

	Directorate/Service Area	Ref	Proposed Use of Investment & Justification (KPIs etc)	2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000	Why is this needed? / What outcomes will be achieved? (e.g. impact on P.I.)
	Adults & Housing							
	Business Unit							
1	Adults Services	AH - 1	Care Purchasing budget growth to meet new demand from the increasing population (Older People with Physical Difficulties) .		545	550	1,095	Haringey population is increasing and there are high demand pressures. This option does not address current budget gap but the service is taking action to manage this down. These figures assume population growth of 1.5% to 2% per year
2	Adults Services	AH - 2	Care Purchasing budget growth to meet new demand from the increasing population and clients transferring from NHS funding (Mental Health needs)		130	120	250	Further clients are expected to transfer from Continuing Health Care to Local Authority provision. Haringey is an area of high Mental Health need and this is expected to grow in line with population
3	Adults Services	AH - 3	To fund Young People in Transition - revised estimates	0	235	1,050	1,285	This is needed to meet the needs of Young people with disabilities in transition from Children's Services
4	Community Housing Services	AH-4	To meet cost pressures and impact of welfare reform	995	0	0	995	This is used to provide temporary accommodation for homeless families. Growth is needed to meet additional need, rising housing costs and address income shortfalls resulting from Welfare Reforms such as the overall benefits cap.
	Total Adults & Housing			995	910	1,720	3,625	

Growth Proposals - Children's Services								
	Directorate/Service Area	Ref	Proposed Use of Investment & Justification (KPIs etc)	2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000	Why is this needed? / What outcomes will be achieved? (e.g. impact on P.I.)
	Children and Young People							
	Business Unit							
1	Children's Services		Haringey 54,000		1,122	(1,122)	0	Haringey 54,000 is designed to deliver transformational change and long term budget savings to support delivery of the MTFP.
	Total Children's Services			0	1,122	(1,122)	0	

Growth Proposals - Place & Sustainability								
	Directorate/Service Area	Ref	Proposed Use of Investment & Justification (KPIs etc)	2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000	Why is this needed? / What outcomes will be achieved? (e.g. impact on P.I.)
	Place & Sustainability							
	Business Unit							
1	Planning and Housing	PS-1	Enforcement - Industrial Units	400	(200)		200	There is a need to increase the resources allocated to HMO licensing and enforcement, due to a dramatic rise in private renting in the Borough, with a consequent increase in the sharing of accommodation and conversion of industrial units. The additional resources identified will ensure that safety standards are met and landlords take more responsibility for Anti-Social Behaviour issues
	Total Place & Sustainability			400	(200)	0	200	

Growth Proposals - Chief Executive								
	Directorate/Service Area	Ref	Proposed Use of Investment & Justification (KPIs etc)	2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000	Why is this needed? / What outcomes will be achieved? (e.g. impact on P.I.)
	Place & Sustainability							
	Business Unit							
1	Chief Executive	CE-1	Customer Services training & communications	150	(150)	0	0	This will fund one-off training, change and communications activity required to effectively deliver and embed the Customer Services Transformation activities
2	Chief Executive	CE-2	Customer Services systems & processes	0	400	0	400	This will be required to fund the annual IT system maintenance / support costs for the proposed new system to be purchased to enable the benefits of the Customer Services Transformation programme to be delivered.
	Total Chief Executive			150	250	0	400	

This page is intentionally left blank

Additional savings				
	2014/15	2015/16	2016/17	Totals
	£'000	£'000	£'000	£'000
Public Health	243	0	0	243
Corporate Resources	350	0	0	350
Children and Young People	175	0	0	175
Place & Sustainability	680	0	0	680
Strategy & Performance	156	0	0	156
Chief Executive (incl. Legal)	689	0	0	689
TOTAL	2,293	0	0	2,293

Additional Savings - Public Health										
Item	Directorate	Detailed Efficiency & Saving proposal	2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000	Impact on Performance (Service Delivery)	No. of Staff Affected	No. of Posts Deleted (FTE)	Equality Impact Assessment Required
1	Public Health	Health Intelligence	50	0	0	50	No immediate impact on front line services but in the long term ability to plan and commission effectively could be reduced.	0		tbc
2	Public Health	Family Nurse Partnership	24	0	0	24	This contract provides support to first time parents under 19. The reduction in funding will be managed to ensure impact on front line services is minimal but there is a small risk to performance.	0		tbc
3	Public Health	School Curriculum Development	30	0	0	30	This will reduce support to schools to educate Children about healthy living.	0		tbc
4	Public Health	Offer the increase in PH grant as a saving rather than commission new services.	25	0	0	25	There will be no changes to existing services but new opportunities for investing to save will be foregone.	0		tbc
5	Public Health	Savings achieved via substance misuse retender	20	0	0	20	No impact on services as savings will be achieved through competitive tendering	0		tbc
6	Public Health	Social isolation project	30	0	0	30	Social isolation is a risk factor for ill health. Reducing services to combat it may have an impact on health and social care use, especially in relation to mental health	0		tbc
7	Public Health	Health promotion for adults and prevention of obesity	24	0	0	24	Obesity is a risk factor for ill health and there is a high prevalence in Haringey. Reducing services to combat it may have an effect on health and social care use.	0		tbc
8	Public Health	Evaluation of Prevention Services	40	0	0	40	No immediate impact on front line services but over time will reduce the evidence base for effective commissioning and policy.	0		tbc
Total Public Health			243	0	0	243		0	0	

Additional Savings - Corporate Resources										
Item	Service	Detailed Efficiency & Saving proposal	New saving 2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000	Impact on Performance (Service Delivery)	No. of Staff Affected	No. of Posts Deleted (FTE)	Equality Impact Assessment Required
1	Corporate Finance	Newly identified savings from new banking contract	80	0	0	80	None expected	0		No
2	Corporate Finance	Reduced debt refinancing costs (through reduced Minimum Revenue Provision contribution due to a draw down from Debt Redemption Reserve)	200	0	0	200	None expected	0		No
3	Audit & Risk Management	Insurance payback (one-off)	70	0	0	70	None expected	0		No
	Total Corporate Resources		350	0	0	350				

Additional Savings - CYPs										
Item	Service	Detailed Efficiency & Saving proposal	New saving 2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000	Impact on Performance (Service Delivery)	No. of Staff Affected	No. of Posts Deleted (FTE)	Equality Impact Assessment Required
1	Children and Families	It is proposed to raise income by utilising adoption assessments where there are no Haringey children to match and charging other LA's for out of borough matches.	100	0	0	100	No impact on service delivery and improved use of resources.	None		Not required
2	Prevention and Early Intervention	Staffing reduction and Income generation by offering support services to schools and Academies from alternative providers.	75	0	0	75	Minimal impact on performance.	1		Not required
Total Children's Services			175	0	0	175				

Additional Savings - Place and Sustainability										
Item	Service	Detailed Efficiency & Saving proposal	New saving 2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000	Impact on Performance (Service Delivery)	No. of Staff Affected	No. of Posts Deleted (FTE)	Equality Impact Assessment Required
1	Property	Increase in disposal fee income generated by increased level of disposals as an outcome of the Accommodation Strategy	100	0	0	100	None	0	0	n
2	PRE	Reduction in grant support to North London Strategic Alliance in line with proposals to reduce size of the body.	15	0	0	15	None	0	0	n
3	SFL	Increased income from planned traffic management infrastructure improvements.	100	0	0	100	None	0	0	y
4	SFL	Increased Parking income from extended hours of late night CCTV enforcement in Town Centres following succesful trial in Muswell Hill	50	0	0	50	None	0	0	y
5	Leisure	Additional Dignity contract income arising from contractual conditions	35	0	0	35	None	0	0	n
6	SFL	Increased income due to increased level of enforcement of HGV weight restrictions on residential roads by mobile cameras.	280	0	0	280	None	0	0	y
7	SFL	HRA funding of disposal costs of waste removed from void properties / Council dwellings	100	0	0	100	None	0	0	n
Total Place & Sustainability			680	0	0	680				

Additional Savings - Strategy and Performance										
Item	Service	Detailed Efficiency & Saving proposal	New saving 2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000	Impact on Performance (Service Delivery)	No. of Staff Affected	No. of Posts Deleted (FTE)	Equality Impact Assessment Required
1	Strategy & Business Intelligence	Delete posts and reduce non-salary budgets to achieve £80k additional saving	80	0	0	80	S&BI is under review as part of the recent Council restructure. This review will need to identify this additional saving. This will be split as £60k salary reduction and £20k non-salary budgets.	tbc		tbc
2	Communications	Reductions in supplies and services budgets	70	0	0	70	Unplanned pressures will be harder to manage within reduced resources. This will inevitably lead to a reduction in the marketing and information material produced to promote council services	0		tbc
3	LDMS (Committee Services)	Governance review changes which would have a reduction in cost to overtime and administrative costs.	6	0	0	6	None expected	0		No
Total Strategy & Performance			156	0	0	156				

Additional Savings - Chief Executive										
Item	Service	Detailed Efficiency & Saving proposal	New saving 2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000	Impact on Performance (Service Delivery)	No. of Staff Affected	No. of Posts Deleted (FTE)	Equality Impact Assessment Required
1	RBCS	Savings from transformation programme in RBCS	300	0	0	300	Some impact on performance but primarily delivered through efficiency measures.	tbc	tbc	yes
2	ITS	Subject to Cabinet agreeing renewal of Corelogic Frameworki (Social Care system) – contract	80	0	0	80	No impact on performance as the current annual contract has been reduced by £80k via negotiation with provider	0		no
3	ITS	Contract cost management reductions	50	0	0	50	There is a risk of inflationary increases against contracts not being covered by budget. Inflationary increases have been minimised over the last couple of years due to robust negotiation with suppliers. It is unlikely they will be able to hold these for another year (contractual obligation).	0		no
4	HR/OD	Reduction of 2 FTE's. Average FTE saving is £53,600	110	0	0	110	Restructure required to operate through a priority filter process of a) statutory and legal requirements 2) corporate plan activities 3) discretionary elements. Risk that discretionary elements may not be delivered.	tbc		yes
5	Corporate Legal	Reduce the disbursement budget further over and above pre-agreed savings	149	0	0	149	This further reduction is based on the 13/14 YE projection at P6 which indicates this furthe sum can be saved. This relies on work levels not significantly increasing, particularly in the area of child care proceedings.	0		tbc
	Total Chief Executive		689	0	0	689				

This page is intentionally left blank

Capital Programme 2014/15 to 2016/17 - Proposed programme							
Ref.	Directorate	Business Unit	Capital Project Title	2014-15	2015-16	2016-17	Total
1	Place & Sustainability	Tottenham Regeneration	Tottenham Regeneration	500	4,800	0	5,300
2	Place & Sustainability	OS&CS Single Front Line	Street lighting investment programme	400	400	400	1,200
3	Place & Sustainability	OS&CS Single Front Line	Planned carriageway and footway works	2,000	500	500	3,000
4	Place & Sustainability	OS&CS Single Front Line	Road safety and structures	150	150	150	450
5	Place & Sustainability	OS&CS Single Front Line	Parking infrastructure	300	300	300	900
6	Place & Sustainability	OS&CS Single Front Line	Tree planting programme	65	70	75	210
7	Place & Sustainability	OS&CS Leisure	Bruce Castle		141	849	990
8	Place & Sustainability	OS&CS Asset Mgt	Council buildings condition works	750	750	750	2,250
9	Place & Sustainability	Property & Capital Projects	Capital programme delivery	50	50	50	150
10	Place & Sustainability	Strategy and Regen	Stroud Green - Finsbury Park	50	20		70
11	Place & Sustainability	Property & Capital Projects	Smart Working Project	1,075	17	0	1,092
12	Place & Sustainability	Property & Capital Projects	Reprovision of civic functions	100	1,000	1,900	3,000
13	Place & Sustainability	Property & Capital Projects	Hornsey Town Hall	1,784	2,672	1,451	5,907
14	Place & Sustainability		Dilapidations	300			300
15	Place & Sustainability		Asset disposals	100	100	100	300
16	Adults & Housing	Adult Social Care	Aids & adaptations	700	700	700	2,100
17	Adults & Housing	Housing	Compulsory purchase - empty properties	500	500	500	1,500
18	Corporate Resources	Alexandra Park & Palace	Alexandra Palace annual Infrastructure programme	500	500	500	1,500
19	Corporate Resources	Alexandra Park & Palace	Alexandra Palace regeneration	250	350	350	950
20	Corporate Resources	Alexandra Park & Palace	Alexandra Palace (HLF)		1,292	3,876	5,168
21	Corporate Resources	IT	IT capital programme	250	250	250	750
22	Corporate Resources	Central Procurement Unit	ReFit energy efficiency programme	757	0	0	757
23	Assistant Chief Executive	Transformation	Customer Service Transformation	2,000	1,080	600	3,680
Total proposed programme				12,581	15,642	13,301	41,524

Proposed HRA Capital Programme

Programme	2014/15	2015/16	2016/17	TOTAL
Mechanical & Electrical	2,500	3,500	3,500	9,500
Asbestos Removal	160	160	160	480
Boiler Replacements	5,500	5,500	5,500	16,500
Lift Improvements	2,100	1,000	1,000	4,100
Structural Works	200	200	200	600
Capitalised Repairs and Minor Works	1,600	1,600	1,600	4,800
Extensive Void Works	500	500	500	1,500
Professional Fees	2,000	2,000	2,000	6,000
Decent Homes Works	37,980	32,938		70,918
Successor Programme			25,000	25,000
Disabled Adaptations	1,200	1,200	1,200	3,600
Estate Improvements	1,000	1,000	1,000	3,000
Energy Conservation	100	100	100	300
Security/CCTV	500	1,000	1,000	2,500
Stock Survey	250	-	-	250
Fire Safety	1,000	3,000	3,000	7,000
Planned Preventative Maint	-	4,000	4,000	8,000
Internal Communal Flooring	200	800	800	1,800
Supported Living	500	500	500	1,500
Extensions/Conversions	600	600	600	1,800
Infill/Small Sites	5,420	8,130	-	13,550
Planned Expenditure	63,310	67,728	51,660	182,698
Decent Homes Grant	25,480	-	-	25,480
MRA	19,338	19,319	19,319	57,976
HRA surplus	14,366	16,000	15,000	45,366
RTB Receipts	1,626	2,439		4,065
Leaseholder Contributions	2,500	2,000	2,000	6,500
Borrowing (within Cap)		27,970	15,341	43,311
Sources of Funding	63,310	67,728	51,660	182,698

HRA Summary	2013/14	2014/15		2015/16		2016/17	
	Current Budget £000s	Increase / (Decrease) £000s	Draft Budget £000s	Increase / (Decrease) £000s	Draft Budget £000s	Increase / (Decrease) £000s	Draft Budget £000s
Rental Income	(82,048)	(1,678)	(83,726)	(1,966)	(85,692)	(2,008)	(87,700)
Non Dwelling Rents	(2,396)	(29)	(2,425)	0	(2,425)	0	(2,425)
Leasehold Service Charge Income	(6,350)	0	(6,350)	0	(6,350)	0	(6,350)
Tenant Service Charge Income	(10,113)	650	(9,463)	(294)	(9,757)	(303)	(10,060)
Miscellaneous Income	(5,925)	(604)	(6,529)	(523)	(7,052)	(423)	(7,475)
Housing Management Costs	5,785	494	6,279	450	6,729	364	7,093
Repairs & Maintenance	124	2,432	2,556	0	2,556	0	2,556
Bad Debt Provision	1,524	720	2,244	250	2,494	500	2,994
Service Charge Costs	6,722	219	6,941	147	7,088	127	7,215
Total Managed Accounts	(92,677)	2,204	(90,473)	(1,936)	(92,409)	(1,743)	(94,152)
Temporary Accommodation	(1,233)	(41)	(1,274)	(41)	(1,315)	(41)	(1,356)
Community Alarm	203	38	241	(4)	237	(4)	233
Supported Housing	196	32	228	14	242	14	256
Other Property Costs	2,314	(275)	2,039	8	2,047	10	2,057
HIERS/RegenerationTeam	225	385	610	0	610	0	610
Feasibility Studies of Estate Renewal	550	150	700	0	700	0	700
Consultation and comms re Estate Renewal		500	500	0	500	0	500
Place and Sustainability Recharges	740	170	910	0	910	0	910
Housing GF Recharges	2,418	0	2,418	0	2,418	0	2,418
Bad Debt Provision - Hostels	62	2	64	2	66	0	66
Pension Contributions Increase		2,100	2,100	0	2,100	0	2,100
Corp Democratic Core	695	17	712	18	730	18	748
Capital	35,048	0	35,048	1,400	36,448	800	37,248
Homes for Haringey Management Fee	38,986	(3,087)	35,899	(1,692)	34,207	(1,662)	32,545
Total Retained Accounts	80,204	(9)	80,195	(296)	79,900	(865)	79,035
TOTAL HOUSING REVENUE ACCOUNT	(12,473)	2,195	(10,278)	(2,232)	(12,509)	(2,608)	(15,117)
Planned Opening HRA Balance	(19,002)		(17,808)		(13,720)		(10,229)
In Year Surplus	(12,473)		(10,278)		(12,509)		(15,117)
Capital Programme	10,667		14,366		16,000		15,000
Funding for Staff Redundancies (if required.)	3,000						
Planned Closing Balance	(17,808)		(13,720)		(10,229)		(10,346)

This page is intentionally left blank

APPENDIX 7

PROPOSED AMENDMENT – NLWA.**Apportionment of levies**

4.—(1) Subject to regulation 5, the amount to be levied by a joint waste disposal authority in respect of any financial year from each of its constituent councils shall be determined by apportioning the total amount to be levied by that authority in that year between those councils as follows—

- (a) in such proportions as all the constituent councils may agree; or
- (b) in the absence of such agreement, by a combination of the following proportions—
 - (i) the costs incurred by the joint waste disposal authority in the disposal or treatment of household waste delivered to it by its constituent councils shall be apportioned between the constituent councils in proportion to the tonnage of household waste delivered by each of these councils to the joint waste disposal authority within the last complete financial year for which data are available **except for when a constituent council will start to deliver to the joint waste disposal authority types of waste that the constituent council had previously retained for recycling in which case the constituent council shall provide to the joint waste disposal authority records of the tonnage of such household waste it delivered elsewhere for recycling in the last complete financial year for which data are available and the joint waste disposal authority shall apportion its levy as if the constituent councils had also delivered such household waste to the joint waste disposal authority;**
 - (ii) the costs incurred by the joint waste disposal authority in the disposal or treatment of business refuse that is deposited at places provided by the constituent councils under section 1 of the Refuse Disposal (Amenity) Act 1978(a) shall be apportioned between the constituent councils in proportion to the tonnage of business refuse deposited at such places within the area of each of these councils within the last complete financial year for which data are available;
 - (iii) The costs incurred by the joint waste disposal authority in the planning, construction, equipping and operation of sites provided under section 51(1)(b) of the Environmental Protection Act 1990 (HWRCs), including contract payments, staffing, utilities, premises, reuse, recycling, composting (costs and/or income) and relevant management costs, but excluding the cost of removing residual waste and its disposal (the authority's duty under the Refuse Disposal (Amenity) Act 1978), shall be apportioned between those constituent councils in whose area an HWRC is situated proportionate to the authority's relative costs applicable to each HWRC, such that the authority's above costs of each HWRC are paid in full by the constituent council in which it is situated.
 - (iv) The costs incurred by the joint waste disposal authority in the purchasing of **Cranford Way Western Road** HWRC shall be apportioned between the constituent councils in the following proportions:

Barnet	0.613%
Camden	0.038%
Enfield	0.383%
Hackney	0.191%
Haringey	97.894%
Islington	0.804%
Waltham Forest	0.077%

- (v) The costs incurred by the joint waste disposal authority in the purchasing of any further HWRCs shall be apportioned between the constituent councils in proportion to the number of households in each constituent council that exist within a two-mile radius of the entrance to the HWRC until a visitor survey has been undertaken by the Authority. Once a visitor survey has been undertaken by the Authority for any such HWRC the costs as at clause (iii) above shall be recovered from the constituent councils from the next financial year onwards in proportion to such visitor survey; visitors from outside the Authority's area shall be treated as visitors from the borough in which the HWRC is situated. Further visitor surveys may be undertaken by the Authority in future years, which shall be used in place of previous visitor surveys from the financial year after they are undertaken, including for the avoidance of doubt ~~Cranford Way~~ Western Road; and
- (vi) all other costs not falling within paragraphs (i)-(ii) (iii) (iv) or (v), shall be apportioned between the constituent councils by reference to the relevant proportion.

Growth Proposals - Adults & Health

	Directorate	Proposed Use of Investment & Justification (KPIs etc)	2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000	Why is this needed? / What outcomes will be achieved? (e.g. impact on P.I.)
1	Adults & Housing	Care Purchasing budget growth to meet new demand from the increasing population (Older People with Physical Difficulties) .		545	550	1,095	Haringey population is increasing and there are high demand pressures. This option does not address current budget gap but the service is taking action to manage this down. These figures assume population growth of 1.5% to 2% per year
2	Adults & Housing	Care Purchasing budget growth to meet new demand from the increasing population and clients transferring from NHS funding (Mental Health needs)		130	120	250	Further clients are expected to transfer from Continuing Health Care to Local Authority provision. Haringey is an area of high Mental Health need and this is expected to grow in line with population
3	Adults & Housing	To fund Young People in Transition - revised estimates	0	235	1,050	1,285	This is needed to meet the needs of Young people with disabilities in transition from Children's Services
Total Adults & Health			0	910	1,720	2,630	

Additional Savings - Adults & Health

Item	Directorate	Detailed Efficiency & Saving proposal	2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000	Impact on Performance (Service Delivery)	No. of Staff Affected	No. of Posts Deleted (FTE)	Equality Impact Assessment Required
1	Public Health	Health Intelligence	50	0	0	50	No immediate impact on front line services but in the long term ability to plan and commission effectively could be reduced.	0		tbc
2	Public Health	Family Nurse Partnership	24	0	0	24	This contract provides support to first time parents under 19. The reduction in funding will be managed to ensure impact on front line services is minimal but there is a small risk to performance.	0		tbc
3	Public Health	School Curriculum Development	30	0	0	30	This will reduce support to schools to educate Children about healthy living.	0		tbc
4	Public Health	Offer the increase in Public Health grant as a saving rather than commission new services.	25	0	0	25	There will be no changes to existing services but new opportunities for investing to save will be foregone.	0		tbc
5	Public Health	Savings achieved via substance misuse retender	20	0	0	20	No impact on services as savings will be achieved through competitive tendering	0		tbc
6	Public Health	Social isolation project	30	0	0	30	Social isolation is a risk factor for ill health. Reducing services to combat it may have an impact on health and social care use, especially in relation to mental health	0		tbc
7	Public Health	Health promotion for adults and prevention of obesity	24	0	0	24	Obesity is a risk factor for ill health and there is a high prevalence in Haringey. Reducing services to combat it may have an effect on health and social care use.	0		tbc
8	Public Health	Evaluation of Prevention Services	40	0	0	40	No immediate impact on front line services but over time will reduce the evidence base for effective commissioning and policy.	0		tbc
	Total Adults & Health		243	0	0	243		0	0	

Growth Proposals - Children & Young People

	Directorate	Proposed Use of Investment & Justification (KPIs etc)	2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000	Why is this needed? / What outcomes will be achieved? (e.g. impact on P.I.)
1	Children & Young People	Haringey 54,000		1,122	(1,122)	0	Haringey 54,000 is designed to deliver transformational change and long term budget savings to support delivery of the MTFP.
	Total Children and Young People		0	1,122	(1,122)	0	

Additional Savings - Children & Young People

Item	Directorate	Detailed Efficiency & Saving proposal	New saving 2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000	Impact on Performance (Service Delivery)	No. of Staff Affected	No. of Posts Deleted (FTE)	Equality Impact Assessment Required
1	Children & Young People's Service	It is proposed to raise income by utilising adoption assessments where there are no Haringey children to match and charging other LA's for out of borough matches.	100	0	0	100	No impact on service delivery and improved use of resources.	None		Not required
2	Children & Young People's Service	Staffing reduction and Income generation by offering support services to schools and Academies from alternative providers.	75	0	0	75	Minimal impact on performance.	1		Not required
	Total Children & Young People		175	0	0	175		1	0	

Growth Proposals - Environment & Housing

	Directorate	Proposed Use of Investment & Justification (KPIs etc)	2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000	Why is this needed? / What outcomes will be achieved? (e.g. impact on P.I.)
1	Place & Sustainability	Enforcement - Industrial Units	400	(200)		200	There is a need to increase the resources allocated to HMO licensing and enforcement, due to a dramatic rise in private renting in the Borough, with a consequent increase in the sharing of accommodation and conversion of industrial units. The additional resources identified will ensure that safety standards are met and landlords take responsibility for Anti-Social Behaviour issues.
2	Adults & Housing	To meet cost pressures and the impact of welfare reform	995	0	0	995	This is used to provide temporary accommodation for homeless families. Growth is needed to meet additional need, rising housing costs and address income shortfalls resulting from Welfare Reforms such as the overall benefits cap.
Total Environment & Housing			1,395	(200)	0	1,195	

Additional Savings - Environment & Housing

Item	Directorate	Detailed Efficiency & Saving proposal	New saving 2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000	Impact on Performance (Service Delivery)	No. of Staff Affected	No. of Posts Deleted (FTE)	Equality Impact Assessment Required
1	Place and Sustainability	Property: Increase in disposal fee income generated by increased level of disposals as an outcome of the Accommodation Strategy	100	0	0	100	None	0	0	n
2	Place and Sustainability	Single Front Line: Increased income from planned traffic management infrastructure improvements.	100	0	0	100	None	0	0	y
3	Place and Sustainability	Single Front Line: Increased Parking income from extended hours of late night CCTV enforcement in Town Centres following successful trial in Muswell Hill	50	0	0	50	None	0	0	y
4	Place and Sustainability	Single Front Line: Increased income due to increased level of enforcement of HGV weight restrictions on residential roads by mobile cameras.	280	0	0	280	None	0	0	y
5	Place and Sustainability	Single Front Line: HRA funding of disposal costs of waste removed from void properties / Council dwellings	100	0	0	100	None	0	0	n
	Total Environment & Housing		630	0	0	630		0	0	

Additional Savings - Communities

Item	Directorate	Detailed Efficiency & Saving proposal	New saving 2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000	Impact on Performance (Service Delivery)	No. of Staff Affected	No. of Posts Deleted (FTE)	Equality Impact Assessment Required
1	Place and Sustainability	Leisure: Additional Dignity contract income arising from contractual conditions	35	0	0	35	None	0	0	n
	Total Communities		35	0	0	35		0	0	

Growth Proposals - Overview & Scrutiny Committee							
	Directorate	Proposed Use of Investment & Justification (KPIs etc)	2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000	Why is this needed? / What outcomes will be achieved? (e.g. impact on P.I.)
1	Chief Executive	Customer Services training & communications	150	(150)	0	0	This will fund one-off training, change and communications activity required to effectively deliver and embed the Customer Services Transformation activities
2	Chief Executive	Customer Services systems & processes	0	400		400	This will be required to fund the annual ITsystem maintenance / support costs for the proposed new system to be purchased to enable the benefits of the Customer Services Transformation programme to be delivered.
Total Overview & Scrutiny Committee			150	250	0	400	

Additional Savings - Overview & Scrutiny Committee

Item	Directorate	Detailed Efficiency & Saving proposal	New saving 2014/15 £'000	2015/16 £'000	2016/17 £'000	Total £'000	Impact on Performance (Service Delivery)	No. of Staff Affected	No. of Posts Deleted (FTE)	Equality Impact Assessment Required
1	Place and Sustainability	Reduction in grant support to North London Strategic Alliance in line with proposals to reduce size of the body.	15	0	0	15	None	0	0	n
2	Corporate Resources	Corporate Finance: Newly identified savings from new banking contract	80	0	0	80	None expected	0		No
3	Corporate Resources	Corporate Finance: Reduced debt refinancing costs (through reduced Minimum Revenue Provision contribution due to a draw down from Debt Redemption Reserve)	200	0	0	200	None expected	0		No
4	Corporate Resources	Audit & Risk Management: Insurance payback (one-off)	70	0	0	70	None expected	0		No
5	Strategy and Performance	Strategy & Business Intelligence: Delete posts and reduce non-salary budgets to achieve £80k additional saving	80	0	0	80	S&BI is under review as part of the recent Council restructure. This review will need to identify this additional saving. This will be split as £60k salary reduction and £20k non-salary budgets.	tbc		tbc
6	Strategy and Performance	Communications: Reductions in supplies and services budgets	70	0	0	70	Unplanned pressures will be harder to manage within reduced resources. This will inevitably lead to a reduction in the marketing and information material produced to promote council services	0		tbc
7	Strategy and Performance	Committee Services: Governance review changes which would have a reduction in cost to overtime and administrative costs.	6	0	0	6	None expected	0		No
8	Chief Executive	Revenue Benefits & Customer Services: Reduction of 4 FTE	300	0	0	300	Some impact on performance but primarily delivered through efficiency measures.			yes
9	Chief Executive	IT Services: Subject to Cabinet agreeing renewal of Corelogic Framework (Social Care system) – contract	80	0	0	80	no impact on performance as the current annual contract has been reduced by £80k via negotiation with provider	0		no
10	Chief Executive	IT Services: Contract cost management reductions	50	0	0	50	There is a risk of inflationary increases against contracts not being covered by budget. Inflationary increases have been minimised over the last couple of years due to robust negotiation with suppliers. It is unlikely they will be able to hold these for another year (contractual obligation).	0		no
11	Chief Executive	HR/OD: Reduction of 2 FTE's.	110	0	0	110	Restructure required to operate through a priority filter process of a) statutory and legal requirements 2) corporate plan activities 3) discretionary elements. Risk that discretionary elements may not be delivered.	tbc		yes
12	Chief Executive	Corporate Legal: Reduce the disbursement budget further over and above pre-agreed savings	149	0	0	149	This further reduction is based on the 13/14 YE projection at P6 which indicates this further sum can be saved. This relies on work levels not significantly increasing, particularly in the area of child care proceedings.	0		tbc
Total Overview & Scrutiny Committee			1,210	0	0	1,210		0	0	

This page is intentionally left blank