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## Overview and Scrutiny Committee

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MONDAY, 26TH JANUARY, 2015 at 18:00 HRS – CIVIC CENTRE, HIGH ROAD, WOOD GREEN, LONDON N22 8LE

MEMBERS: Councillors Bull (Chair), Adje, B Blake, Connor (Vice-Chair) and Hearn

Co-Optees: Mr L Collier, Ms Y. Denny, Mr C Ekeowa and Mr K Taye.

**Treasury Management Training will be held at 5pm in the Council Chamber**

### **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 item 12 below).

#### **4. DECLARATIONS OF INTEREST**

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

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

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

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

#### **5. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS**

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

#### **6. TREASURY MANAGEMENT STRATEGY STATEMENT (TMSS) (PAGES 1 - 36)**

To consider the Treasury Management Strategy Statement.

#### **7. CORPORATE PLAN AND BUDGET SCRUTINY RECOMMENDATIONS**

##### **a. Corporate Plan**

To consider the Council's Corporate Plan 2015-18, previously published as part of the Overview & Scrutiny Committee agenda pack on 18 December 2014 (and emailed to Members) and available using the following link to the Council's website:

<http://www.haringey.gov.uk/council-and-democracy/policies-and-strategies/building-stronger-haringey-together>

##### **b. Budget Scrutiny Recommendations**

To approve the final Budget recommendations of the Overview and Scrutiny Committee and Panels.

#### **TO FOLLOW**

#### **8. CABINET MEMBER QUESTIONS - CABINET MEMBER FOR RESOURCES AND CULTURE**

An opportunity to question the Cabinet Member for Resources and Culture, Councillor Jason Arthur, on his portfolio.

**9. PERFORMANCE (PAGES 37 - 60)**

To receive a presentation on Corporate Performance.

**10. DRAFT MENTAL HEALTH AND WELLBEING FRAMEWORK (PAGES 61 - 62)**

To receive and note the outline and the proposed process for development of the Mental Health and Wellbeing Framework.

**11. FEEDBACK FROM CHAIRS OF AREA COMMITTEES**

**12. NEW ITEMS OF URGENT BUSINESS**

**13. SCRUTINY PANEL MINUTES (PAGES 63 - 108)**

To note the minutes of the following Scrutiny Panel meetings:

- a. Housing and Regeneration Scrutiny Panel – 3 November 2014
- b. Children and Young People’s Scrutiny Panel – 3 November 2014
- c. Environment and Community Safety Scrutiny Panel – 6 November 2014
- d. Housing and Regeneration Budget Scrutiny Panel – 10 December 2014
- e. Environment and Community Safety Budget Scrutiny Panel – 10 December 2014
- f. Adults and Health Budget Scrutiny Panel – 11 December 2014
- g. Children and Young People’s Budget Scrutiny Panel – 15 December 2014

**14. MINUTES (PAGES 109 - 120)**

To approve the minutes of the Budget Overview & Scrutiny Committee meeting held on 18 December 2014.

**15. FUTURE MEETINGS**

The next meeting will be held on 26 March 2015

Bernie Ryan  
Assistant Director – Corporate Governance  
and Monitoring Officer  
River Park House  
225 High Road  
Wood Green  
London N22 8HQ

Natalie Layton  
Principal Committee Co-Ordinator  
Tel: 020-8489 2919  
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Friday 16 January 2015

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**Haringey Council**

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|--------------------|--|--------------------|---|
| <b>Report for:</b> | Overview & Scrutiny Committee<br>26 <sup>th</sup> January 2015 | <b>Item number</b> | 6 |
|--------------------|--|--------------------|---|

|               |  |
|---------------|--|
| <b>Title:</b> | Treasury Management Strategy Statement 2015/16 – 2017/18 |
|---------------|--|

|                               |  |
|-------------------------------|--|
| <b>Report authorised by :</b> | Assistant Director – Finance (Chief Financial Officer) |
|-------------------------------|--|

|                      |  |
|----------------------|--|
| <b>Lead Officer:</b> | George Bruce, Head of Finance – Treasury & Pensions<br>George.bruce@haringey.gov.uk<br>020 8489 3726 |
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| <b>Ward(s) affected:</b> N/A | <b>Report for</b> Non Key Decision |
|------------------------------|------------------------------------|

### 1. Describe the issue under consideration

- 1.1 To present the Treasury Management Strategy Statement and Prudential Indicators for 2015/16 to 2017/18 to this Committee for scrutiny before it is presented to Corporate Committee and then Full Council for final approval.

### 2. Cabinet Member Introduction

- 2.1 Not applicable.

### 3. Recommendations

- 3.1 That the proposed Treasury Management Strategy Statement for 2015/16 to 2017/18 is scrutinised and comments made prior to its presentation to Corporate Committee and Council for approval.

### 4. Other options considered

- 4.1 None.



**Haringey Council**

## **5. Background information**

- 5.1 The CIPFA Treasury Management Code of Practice requires all local authorities to agree a Treasury Management Strategy Statement including an Investment Strategy annually in advance of the financial year. The strategy should incorporate the setting of the Council's prudential indicators for the three forthcoming financial years.
- 5.2 The CIPFA Treasury Management Code of Practice requires that the Treasury Management Strategy Statement is formulated by the Committee responsible for the monitoring of treasury management, is then subject to scrutiny before being approved by full Council. Corporate Committee is responsible for formulating the Treasury Management Strategy Statement for recommendation to full Council through Overview and Scrutiny Committee and in consultation with the Cabinet Member for Resources & Culture.
- 5.3 Following scrutiny the report will be considered by Corporate Committee and submitted to Full Council for Approval. Any comments by Overview and Scrutiny will be verbally reported to Corporate Committee. Training will be provided in advance of the meeting by Arlingclose, the Council's Treasury advisor.
- 5.4 The summary set out in Appendix 1 is to bring to members' attention the key elements of the proposed strategy being considered.

## **6. Comments of the Chief Financial Officer and Financial Implications**

- 6.1 The approval of a Treasury Management Strategy Statement and prudential indicators are requirements of the CIPFA Treasury Management Code of Practice and CIPFA Prudential Code. The proposed strategy of minimising borrowing and continuing to make use of internal balances not only minimises costs, but also reduces the credit risk associated with investments, as the amount being invested is low.
- 6.2 New borrowing will still be required during 2015/16 due to planned maturities and capital expenditure and it is proposed that the cost of refinancing be minimised by borrowing short term from local authorities to maintain liquidity and taking opportunities to fix borrowing rates should favourable opportunities arise.

## **7. Head of Legal Services and Legal Implications**



**Haringey Council**

- 7.1 The Council must make arrangements for the proper administration of its financial affairs and its power of borrowing is set out in legislations. In addition further changes were introduced to the way the Housing Revenue Account is dealt with as a result of the Localism Act 2011. The level of HRA Capital Financing Requirement must remain within the debt cap set by the Department of Communities and Local Government.
- 7.2 The Council is required to determine and keep under review its borrowing and in complying with this requirement it must have regard to the code of practice entitled the “Prudential Code for Capital Finance in Local Authorities” as published by CIPFA from time to time. In addition, the Council adopted the CIPFA Treasury Management Code of Practice in May 2002.
- 7.3 As mentioned in this report the Code of Practice requires the Council to agree a Treasury Management Strategy Statement (TMSS) (including an Investment Strategy). In considering the report Members must take into account the expert financial advice available within it and any further oral advice given at the meeting of the Committee. In particular, members should note the need for short term borrowing.

**8. Equalities and Community Cohesion Comments**

- 8.1 There are no equalities issues arising from this report.

**9. Head of Procurement Comments**

- 9.1 Not applicable.

**10. Policy Implications**

- 10.1 None applicable.

**11. Use of Appendices**

- 11.1 Appendix 1: Summary of Treasury Management Strategy Statement
- 11.2 Appendix 2: Draft Treasury Management Strategy Statement  
2015/16 – 2017/18.

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

- 12.1 Not applicable.



**Haringey Council**

### **13. Proposed Treasury Management Strategy Statement**

- 13.1 In 2015/16 a continuation of very low short term interest rates compared to medium and long term rates is expected throughout the year. This means that there will be an on-going “cost of carry” if funds are borrowed in advance of capital expenditure being incurred. Therefore the Council plans to continue to run a strategy of keeping cash balances low and invested short term using local authority borrowing to cover temporary liquidity requirements.
- 13.2 There are £8 million of loans due to mature during 2015/16 and projected debt financed capital expenditure of £24 million. As the Council has already maximised its internal borrowing position, new borrowing will be required. Short term borrowing rates remain extraordinary low starting at 0.5% making funding via short term debt attractive. Longer rates are close to all time lows but expected to increase gradually over the next three suggesting that locking in longer term debt may have a short term carry cost but overall benefit.
- 13.3 Discussions with Arlingclose, the Council’s treasury management advisers, have indicated that it may be possible to continue to utilise short term debt for the next three years but lock in today’s longer term rates by forward dealing thereby protecting against rate increases.
- 13.4 The Local Government Association has established the Municipal Bonds Agency in collaboration with local authorities. The MBA, which aims to offer debt at costs below the PWLB, has been included as a borrowing counterparty.
- 13.5 For the investment strategy, the main consideration has been the continued weakness of banks credit ratings. The ability of governments to require non protected deposit holders, such as local authorities, to convert deposits into capital, has increased the anticipated loss should a default occur.
- 13.6 The appropriate response is to minimise the use of deposit facilities with weaker rated clients and rely on more secure investments e.g. covered deposits, tradable instruments and high quality overseas banks and to increase diversification within the portfolio.
- 13.7 The counterparty list (annex 5) includes three highly rated overseas banks that are active in accepting sterling deposits. RBS / NatWest has been excluded as its credit rating has dropped below A-, but Santander UK and Coventry Building Society are re-instated. Arlingclose advises on the maximum maturity of banks deposits. Banks rated AA- or better have seen their maximum maturities reduced from 13 to 6 months. For banks with single A, the reduction



**Haringey Council**

has been from 6 months to 100 days. The Council has followed this guidance.

- 13.8 Although the minimum criterion for the Council's lending list is set with reference to credit ratings, the Council will review a range of information in addition to credit ratings when determining credit worthiness. Within the strategy statement, the proposed limits for time and amounts are maximum limits, and the list of counterparties is the broadest range which can be used. However, operationally the limits applied and counterparties used are reviewed regularly and where necessary restricted in response to any concerns about creditworthiness to ensure security of investments remains the priority for the Council. In particular, maximum maturities recommended by Arlingclose will be followed.
  
- 13.9 The policy to minimise debt by fully using internal balances means that investment balances will also be minimised and therefore will be kept short term (it is unlikely that new deposit maturities will exceed three months) and dominated by money market funds and the DMO. Balances with individual counterparties will be much lower than the limits contained within the strategy.



### Summary of Treasury Management Strategy Statement

The CIPFA Treasury Management Code of Practice requires all local authorities to agree a Treasury Management Strategy Statement and Prudential Indicators annually in advance of the financial year. The key areas of the strategy are how much borrowing the Council needs to do, where should temporary surplus cash be invested and the Prudential Indicators.

### Borrowing

The Council borrows to fund capital expenditure. As part of the financial planning process, it is determined how much capital expenditure should be funded through borrowing. The Council has an existing borrowing portfolio and the amount it is proposed to borrow is calculated by reference to capital expenditure to be funded through borrowing and the loans maturing in the year. The expected amount of borrowing is set out in tables 1a & 1b for General Fund and HRA respectively. The strategy also sets out the sources of borrowing the Council could use.

### Investments

The Council invests temporary cash surpluses on a daily basis. When considering where to invest, the Council considers security first – will the money be returned, then liquidity – how quickly will it be returned and then finally yield – what rate of interest will be earned.

The Council is required to agree a framework within which officers can make investments. This consists of a lending list of institutions with monetary and time limits (set out in Annexes 4 & 5 of the strategy) and officers cannot lend the Council's monies to any institution not on this list. The second part of the framework is the setting of a minimum credit rating - this means that if any institution on the lending list falls below the minimum, then investments would cease and if possible monies would be withdrawn immediately.

### Prudential Indicators

The Council is required to approve prudential indicators on an annual basis. There are two types – capital indicators and treasury management limits. They are shown throughout the report and summarised in Annex 2. The capital indicators are designed to indicate to members the impact of borrowing to fund capital and are set as best estimates. The treasury management limits are different – they are limits which cannot be breached and are designed to put in a level of control over treasury management activities. Corporate Committee receive quarterly monitoring reports on the indicators and limits and Council receive a mid year and year end report on them.

**DRAFT**

**Treasury Management Strategy Statement  
and Investment Strategy 2015/16 to 2017/18**

Contents

1. Background
2. CIPFA Treasury Management Code of Practice
3. Balance Sheet and Treasury Position
4. Borrowing Strategy
5. Investment Policy and Strategy
6. Use of Financial Instruments for the Management of Risks
7. Housing Revenue Account Self financing
8. Outlook for Interest Rates
9. Balanced Budget Requirement
10. MRP Statement
11. Capital expenditure
12. Other Options Considered
13. Other Issues

Annexes

1. Detail of Treasury Position
  - A: General Fund Pool
  - B: HRA Pool
  - C: Security Measure
2. Summary of Prudential Indicators
3. Arlingclose's Economic and Interest Rate Forecast
4. Specified and Non – Specified Investments
5. Lending List of counterparties for investments

## 1. Background

- 1.1 The Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public Services (the "CIPFA TM Code") and the Prudential Code require local authorities to determine the Treasury Management Strategy Statement (TMSS) and Prudential Indicators on an annual basis. The TMSS also incorporates the Investment Strategy as required under the Communities and Local Government (CLG) Department's Investment Guidance and the Authority's legal obligation under the *Local Government Act 2003* to have regard to both the CIPFA Code and the CLG Guidance.
- 1.2 CIPFA has defined Treasury Management as:  
*"the management of the organisation's investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."*
- 1.3 The Council is responsible for its treasury decisions and activity. No treasury management activity is without risk. The successful identification, monitoring and control of risk are integral elements of treasury management activities and include Credit and Counterparty Risk, Liquidity Risk, Market or Interest Rate Risk, Refinancing Risk and Legal and Regulatory Risk.
- 1.4 The strategy takes into account the impact of the Council's proposed Revenue Budget and Capital Programme on the Balance Sheet position, the current and projected Treasury position, the Prudential Indicators and the outlook for interest rates. Subsequent changes to the revenue budget and capital programme will require adjustments to the TMSS and Prudential Indicators.
- 1.5 The purpose of this report is to propose:
- Treasury Management Strategy - Borrowing in Section 4, Investments in Section 5
  - Prudential Indicators – these are detailed throughout the report and summarised in Annex 2
  - MRP Statement – Section 10
- 1.6 The strategy has been developed in consideration of economic and interest rate forecasts detailed in annex 3.

## 2. CIPFA Treasury Management Code of Practice

- 2.1 Adoption of the CIPFA Treasury Management Code of Practice is one of the Prudential Indicators. The Council originally adopted the Code of Practice in May 2002. Revisions to the Code in 2009 and 2011 have been reflected in updated versions of all policies and procedures.

## 3. Balance Sheet and Treasury Position

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

*Table 1a: Treasury Position – General Fund*

|   | 31/03/2014<br>Actual<br>£'000 | 31/03/2015<br>Estimate<br>£'000 | 31/03/2016<br>Estimate<br>£'000 | 31/03/2017<br>Estimate<br>£'000 | 31/03/2018<br>Estimate<br>£'000 |
|---|-------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| General Fund CFR  | 272,753                       | 282,158                         | 282,235                         | 274,451                         | 278,378                         |
| Less: Share of existing External Debt & Other Long Term Liabilities | 154,927                       | 147,684                         | 139,960                         | 130,990                         | 121,925                         |
| Internal Borrowing  | 117,826                       | 134,474                         | 134,474                         | 134,474                         | 134,474                         |
| Cumulative Net Borrowing Requirement                                | 0                             | 0                               | 7,801                           | 8,987                           | 21,979                          |

*Table 1b: Treasury Position – HRA*

|   | 31/03/2014<br>Actual<br>£'000 | 31/03/2015<br>Estimate<br>£'000 | 31/03/2016<br>Estimate<br>£'000 | 31/03/2017<br>Estimate<br>£'000 | 31/03/2018<br>Estimate<br>£'000 |
|---|-------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| HRA CFR   | 271,096                       | 271,096                         | 283,303                         | 313,656                         | 305,348                         |
| Less: Share of Existing External Debt & Other Long Term Liabilities | 206,646                       | 207,981                         | 191,453                         | 182,483                         | 173,705                         |
| Internal Borrowing  | 64,450                        | 73,115                          | 73,115                          | 73,115                          | 73,115                          |
| Cumulative Net Borrowing Requirement                                | 0                             | 0                               | 28,735                          | 58,058                          | 58,528                          |

- 3.2 The tables above show how the Council's capital requirement is funded currently and how it is expected to be funded in the coming years. Due to

the differential between short and long term interest rates (discussed in more detail in section 4), the Council has maximised the amount of internal borrowing that can be done. As short term interest rates are forecast to remain below 2% for the next three years, it is anticipated that a significant level of internal borrowing will continue, with the only reduction expected reflecting the planned movement in reserves.

- 3.3 Ensuring that gross external debt does not exceed the CFR over the medium term is a key indicator of prudence. There has been no difficulty meeting this requirement in 2014-15 to date, nor are there any difficulties envisaged for future years, as the levels of internal borrowing in tables 1a and 1b above demonstrate.
- 3.4 It is a requirement for the HRA CFR to remain within the limit of indebtedness or “debt cap” set by the DCLG at the time of the implementation of self-financing. The table below shows the current expected level of the HRA CFR and the debt cap. Any decision by the Council to undertake new borrowing for housing will cause the future years’ debt predictions for the HRA debt pool to increase.

*Table 2: HRA Debt Cap*

|              | 31/03/2014<br>Actual<br>£'000 | 31/03/2015<br>Estimate<br>£'000 | 31/03/2016<br>Estimate<br>£'000 | 31/03/2017<br>Estimate<br>£'000 | 31/03/2018<br>Estimate<br>£'000 |
|--------------|-------------------------------|---------------------------------|---------------------------------|---------------------------------|---------------------------------|
| HRA CFR      | 271,096                       | 271,096                         | 283,303                         | 313,656                         | 305,348                         |
| HRA Debt cap | 327,538                       | 327,538                         | 327,538                         | 327,538                         | 327,538                         |
| Headroom     | 56,442                        | 56,442                          | 44,235                          | 13,882                          | 22,190                          |

- 3.5 Table 3 below shows proposed capital expenditure over the coming three financial years. It is a requirement of the Prudential Code to ensure that capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax and housing rent levels.

*Table 3: Capital Expenditure*

|         | 2013/14<br>Actual<br>£'000 | 2014/15<br>Approved<br>£'000 | 2014/15<br>Projected<br>Out-turn<br>£'000 | 2015/16<br>Estimate<br>£'000 | 2016/17<br>Estimate<br>£'000 | 2017/18<br>Estimate<br>£'000 |
|---------|----------------------------|------------------------------|---|------------------------------|------------------------------|------------------------------|
| General | 41,510                     | 46,563                       | 78,489                                    | 25,143                       | 32,500                       | 27,955                       |
| HRA     | 32,074                     | 63,310                       | 48,851                                    | 68,504                       | 82,847                       | 55,668                       |
| Total   | 73,584                     | 109,873                      | 127,340                                   | 93,647                       | 115,347                      | 83,623                       |

3.6 Capital expenditure is expected to be financed or funded as follows:

*Table 4: Capital Financing*

|                                  | 2013/14<br>Actual | 2014/15<br>Approved | 2014/15<br>Projected<br>Out-turn | 2015/16<br>Estimate | 2016/17<br>Estimate | 2017/18<br>Estimate |
|----------------------------------|-------------------|---------------------|----------------------------------|---------------------|---------------------|---------------------|
|                                  | £'000             | £'000               | £'000                            | £'000               | £'000               | £'000               |
| Capital receipts                 | 1,009             | 9,269               | 15,341                           | 12,769              | 27,026              | 23,271              |
| Other grants & contributions     | 18,534            | 9,896               | 11,165                           | 16,180              | 4,470               | 5,975               |
| Government Grants                | 12,566            | 32,307              | 31,393                           | 15                  | 4,000               | 3,000               |
| Reserves / Revenue contributions | 28,981            | 40,044              | 36,625                           | 40,675              | 45,853              | 44,180              |
| Total Financing                  | 61,090            | 91,516              | 94,524                           | 69,639              | 81,349              | 76,426              |
| Borrowing                        | 12,494            | 18,357              | 32,816                           | 24,008              | 33,998              | 7,197               |
| Total                            | 73,584            | 109,873             | 127,340                          | 93,647              | 115,347             | 83,623              |

3.7 As an indicator of affordability the table below shows the incremental impact of capital investment decisions on Council Tax and Housing Rent levels. The incremental impact is calculated by comparing the total revenue budget requirement of the current approved capital programme (based on the interest cost of capital receipts and borrowing applied to capital expenditure) with the number of homes paying council tax (GF) and the number of rented properties (HRA). The General Fund ratio peaks in the current year as the allocation of capital receipts and borrowing to capital expenditure of £48 million is twice that included in the pre-year projection (£26 million).

*Table 5: Incremental Impact of Capital Investment Decisions*

|  | 2013/14<br>Actual | 2014/15<br>Approved | 2014/15<br>Projected<br>Out-turn | 2015/16<br>Estimate | 2016/17<br>Estimate | 2017/18<br>Estimate |
|--|-------------------|---------------------|----------------------------------|---------------------|---------------------|---------------------|
|  | £'000             | £'000               | £'000                            | £'000               | £'000               | £'000               |
| Increase in Band D Council Tax           | 11.59             | 17.19               | 43.66                            | 16.42               | 9.85                | 24.22               |
| Increase in Average Weekly Housing Rents | 0.09              | 0.17                | 0.09                             | 1.45                | 3.54                | 0.38                |

3.8 The ratio of financing costs to the Council's net revenue stream is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the

revenue budget required to meet borrowing costs. The ratio is based on debt costs less investment income.

- 3.9 For the General Fund, interest costs are expected to fall as old 'expensive' debt matures with the finance cost ratio to revenue remaining below 2013/14 levels despite decreasing revenues. There is a similar impact for HRA were the impact of retiring debt exceeds the cost of additional new debt.

*Table 6: Ratio of Financing Costs to Net Revenue Stream*

|              | 2013/14<br>Actual | 2014/15<br>Approved | 2014/15<br>Projected<br>Out-turn | 2015/16<br>Estimate | 2016/17<br>Estimate | 2017/18<br>Estimate |
|--------------|-------------------|---------------------|----------------------------------|---------------------|---------------------|---------------------|
|              | %                 | %                   | %                                | %                   | %                   | %                   |
| General Fund | 2.38              | 2.16                | 1.93                             | 1.93                | 1.94                | 1.98                |
| HRA          | 11.89             | 11.13               | 9.91                             | 9.28                | 9.92                | 10.12               |

#### **4. Borrowing Strategy**

- 4.1 A breakdown of the Council's current and expected external borrowing plus other long-term liabilities is shown in Annex 1. This is measured in a manner consistent for comparison with the Operational Boundary and Authorised Limit. Debt (excluding leases) is projected at £294 million at the year end, a decrease of £13 million during the year. No new borrowing, including temporary borrowing, has been required. It is anticipated that new borrowing of £20 million, including £11 million of maturities will be required next year. Borrowing to pre-fund future year requirements will be considered when this will result in interest savings.
- 4.2 The Authorised Limit sets the maximum level of external borrowing on a gross basis (i.e. not net of investments) and is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit). The Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. The Authorised Limit has been set on the estimate of the most likely, prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.

Table 7: Authorised Limit for External Debt

|                                   | 2013/14<br>Actual<br>Debt<br>£'000 | 2014/15<br>Approved<br>£'000 | 2014/15<br>Projected<br>Out-turn<br>£'000 | 2015/16<br>Authorised<br>Boundary<br>£'000 | 2016/17<br>Authorised<br>Boundary<br>£'000 | 2017/18<br>Authorised<br>Boundary<br>£'000 |
|-----------------------------------|------------------------------------|------------------------------|---|--|--|--|
| Borrowing                         | 307,159                            | 489,334                      | 294,065                                   | 428,325                                    | 475,280                                    | 495,477                                    |
| Other<br>Long-term<br>Liabilities | 54,414                             | 71,745                       | 51,600                                    | 67,919                                     | 66,177                                     | 61,347                                     |
| Total                             | 361,573                            | 561,079                      | 345,665                                   | 496,244                                    | 541,457                                    | 556,824                                    |

- 4.3 The Operational Boundary links directly to the Council's estimates of the CFR and estimates of other cashflow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely, prudent but not worst case scenario but without the additional headroom included within the Authorised Limit. The Operational Boundary and Authorised Limit apply at the total level. The limits compare with existing gross debt of £346 million and projected three year debt financed capital expenditure of £59 million and provides scope for variations in capital expenditure, funding sources and reserves.

Table 8: Operational Boundary for External Debt

|                                    | 2013/14<br>Actual<br>Debt<br>£'000 | 2014/15<br>Approved<br>£'000 | 2014/15<br>Projected<br>Out-turn<br>£'000 | 2015/16<br>Authorised<br>Boundary<br>£'000 | 2016/17<br>Authorised<br>Boundary<br>£'000 | 2017/18<br>Authorised<br>Boundary<br>£'000 |
|------------------------------------|------------------------------------|------------------------------|---|--|--|--|
| Borrowing                          | 307,159                            | 359,099                      | 294,065                                   | 378,325                                    | 425,280                                    | 445,477                                    |
| Other Long-<br>term<br>Liabilities | 54,414                             | 66,745                       | 51,600                                    | 61,745                                     | 57,545                                     | 53,345                                     |
| Total                              | 361,573                            | 425,844                      | 345,665                                   | 440,070                                    | 482,825                                    | 498,822                                    |

- 4.4 The Chief Financial Officer has delegated authority, within the total limit for any individual year, to effect movement between the separately agreed limits for borrowing and other long-term liabilities. Decisions will be based on the outcome of financial option appraisals and best value considerations. Any movement between these separate limits will be reported to the next meeting of the Corporate Committee.
- 4.5 Treasury management and borrowing strategies in particular continue to be influenced not only by the absolute level of borrowing rates but also the relationship between short and long term interest rates. The interest rate forecast provided in Annex 3 indicates that an acute difference between short and longer term interest rates is expected to continue into 2017. This difference creates a "cost of carry" for any new longer term borrowing where the proceeds are temporarily held as investments because of the

difference between what is paid on the borrowing and what is earned on the investment.

- 4.6 This “cost of carry” has been a feature of money markets since 2009-10 and by essentially lending its own surplus funds to itself (i.e. internal borrowing) the Council has minimised borrowing costs and reduced overall treasury risk by reducing the level of its external investment balances. As this position is expected to continue throughout 2015-17, there are no plans to replace this internal borrowing with external borrowing. When the 2014-15 strategy was prepared it was projected that new external borrowing of approximately £34 million was required in the year to refinance maturing debt and a reduced level of internal borrowing. Currently, no new debt in the current financial year is anticipated.
- 4.7 The Council will adopt a flexible approach to this borrowing in consultation with its treasury management advisers, Arlingclose Ltd. The following issues will be considered prior to undertaking any external borrowing:
- Affordability;
  - Maturity profile of existing debt;
  - Interest rate and refinancing risk;
  - Borrowing source.
- 4.8 In conjunction with advice from Arlingclose Ltd, its treasury management adviser, the Council will keep under review the following borrowing options:
- PWLB loans
  - Municipal Bond Agency
  - Borrowing from other local authorities
  - Borrowing from institutions such as the European Investment Bank and directly from Commercial Banks
  - Borrowing from the Money Markets
  - Capital markets (stock issues, commercial paper and bills)
  - Structured finance
  - Leasing
- 4.9 One new borrowing route may become available next year, the Municipal Bond Agency (“MBA”). This is a vehicle initiated by the Local Government Association and supported by Council’s to collectively raise debt at rates below the PWLB. The dilemma in considering the MBA is that initially its rates and flexibility may be inferior to the PWLB and require joint and several guarantees covering borrowing by other councils but if successfully launched will be in a good position to save on the PWLB margin of 80b.p. charged above the Government’s cost of borrowing. Borrowing from the MBA will require pre-approval from Legal and the Corporate Committee.
- 4.10 Looking forward, the Council’s capital plans currently remain uncertain as to the value and timing of expenditure. However, based on debt maturities

and project bids there is an aggregate borrowing requirement of £77 million in the next three years. With long term rates anticipated to increase by 100-130 bps in the next 36 months, it may be economic to lock in longer term borrowing when greater capital expenditure visibility is available, even if this does entail a short term cost. In particular, longer term rates have demonstrated volatility and interest costs can be mitigated by timing the acquisition of new debt.

- 4.11 Discussions are currently being held with Arlingclose on forward starting debt that enable new borrowing commencing in up to three years to be agreed at current interest rates thus allowing low cost short term debt to be used for the next three years without missing the opportunity to lock into low cost long term borrowing. If the loan structure is suitable this is an attractive opportunity to minimise interest costs.
- 4.12 The “cost of carry” discussed above has resulted in recent preference for shorter dated and variable rate borrowing. These types of borrowing inject volatility into the debt portfolio in terms of interest rate risk, however this is counterbalanced by its affordability and alignment of borrowing costs with investment returns. In practice relatively little new borrowing has been required in recent years. At present short term (weekly) local authority rates of 0.5% compare with 10-50 year PWLB rates of 2.4% to 3.1%.
- 4.13 The intention for 2015-16 is that any new borrowing will be short term debt. Thereafter there will be a switch to longer dated maturities. The Council’s exposure to shorter dated and variable rate borrowing is kept under regular review by reference to the difference between variable rate and longer term borrowing costs. A narrowing in the spread between 3 month and 20 year rates to under 2% will result in a review of the borrowing strategy in conjunction with the Council’s treasury management advisers to determine whether the exposure to shorter dated and variable rates is maintained or altered.
- 4.14 The Council has £125m of loans which are LOBO loans (Lender’s Options Borrower’s Option) and all of them are in their call periods. A LOBO is called when the Lender exercises its right to amend the interest rate on the loan at which point the Borrower can accept the revised terms or reject them and repay the loan. LOBO loans present a potential refinancing risk to the Council since the decision to call a LOBO is entirely at the lender’s discretion. As LOBOs currently make up 42% of the total external debt portfolio, this is a significant risk. However, at the present time the interest rates on LOBO loans of 4.7% to 4.75% are above PWLB rates making any opportunities to repay both unlikely and financially beneficial. Any LOBO called will be discussed with the Council’s treasury advisers prior to the acceptance of any revised terms. The default position will be the repayment of the LOBO without penalty i.e. the revised terms will not be accepted. One lender has offered premature repayment but at a 60% premium, which is considered excessive and has been declined.

4.15 The Council's debt portfolio can be restructured by prematurely repaying loans and refinancing them on similar or different terms to achieve a reduction in risk and/or savings in interest costs. The lower interest rate environment and changes in the rules regarding the premature repayment of PWLB loans has adversely affected the scope to undertake meaningful debt restructuring, although occasional opportunities arise. The rationale for undertaking any debt rescheduling would be one or more of the following:

- Savings in risk adjusted interest costs
- Rebalancing the interest rate structure of the debt portfolio
- Align long term cash flow projections and debt levels
- Changing the maturity profile of the debt portfolio.

In the short term gains would accrue from replacing long term debt with shorter maturities, but from a longer term perspective this would not add value. Borrowing and rescheduling activity will be reported to Corporate Committee as part of the quarterly monitor reports.

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

4.17 The Council's existing level of fixed interest rate exposure is 98% and variable rate exposure is 2%, however it is recommended that the limits in place for 2014/15 are maintained in future to retain flexibility. At present variable rates from the PWLB compare unfavourably with short term loans from local authorities due to the additional margin charged over gilts. If LOBO loans are treated as variable, the current variable allocation is 44%.

*Table 9: Fixed and Variable Interest Rate Exposure*

|   | 2014/15<br>Approved<br>% | 2014/15<br>Actual<br>% | 2015/16<br>Upper<br>Limit<br>% | 2016/17<br>Upper<br>Limit<br>% | 2017/18<br>Upper<br>Limit<br>% |
|---|--------------------------|------------------------|--------------------------------|--------------------------------|--------------------------------|
| Upper Limit for<br>Fixed Interest Rate<br>Exposure    | 100                      | 98                     | 100                            | 100                            | 100                            |
| Upper Limit for<br>Variable Interest<br>Rate Exposure | 40                       | 2                      | 40                             | 40                             | 40                             |

4.18 The Council is required to set limits on the percentage of the portfolio maturing in each of the periods set out in the table below. Limits in the following table are intended to control excessive exposures to volatility in interest rates when refinancing maturing debt. The limits have been set to reflect the current debt portfolio, and to allow enough flexibility to enable

new borrowing to be taken for the optimum period. The limits apply to the combined General Fund and HRA debt pools.

- 4.19 The maturity range has been applied to LOBO loans (see 4.12 above) based on their contractual maturity date. The column on the right hand side represents the maturity structure based on the next date that the lender is able to reset interest rates.

|                              | Lower Limit | Upper Limit | 31-Mar-15 | 31-Mar-15          |
|------------------------------|-------------|-------------|-----------|--------------------|
|                              | %           | %           | %         | LOBO adjusted<br>% |
| under 12 months              | 0%          | 40%         | 4%        | 46%                |
| 12 months & within 24 months | 0%          | 35%         | 4%        | 4%                 |
| 24 months & within 5 years   | 0%          | 35%         | 11%       | 11%                |
| 5 years & within 10 years    | 0%          | 35%         | 13%       | 13%                |
| 10 years & within 20 years   | 0%          | 35%         | 0%        | 0%                 |
| 20 years & within 30 years   | 0%          | 35%         | 8%        | 4%                 |
| 30 years & within 40 years   | 0%          | 35%         | 22%       | 9%                 |
| 40 years & within 50 years   | 0%          | 50%         | 13%       | 13%                |
| 50 years & above             | 0%          | 50%         | 25%       | 0%                 |

- 4.20 The average interest rate on debt will decline in 2015-16 from 5.39% to 5.12%, with annual interest costs falling by £1.0 million to £15.3 million.

## 5. Investment Policy and Strategy

- 5.1 Guidance from the Communities and Local Government Department (CLG) on Local Government Investments in England requires that an Annual Investment Strategy be set.
- 5.2 The Council investments represent income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Authority's investment balance has ranged between £10 and £86 million. Cash balances will continue to vary depending on the timing of cashflows, although peak balances should be lower next year as borrowing is postponed.
- 5.3 The Council's investment priorities are, in this order:
- security of the invested capital;
  - liquidity of the invested capital; and
  - an optimum yield that is commensurate with security and liquidity.

- 5.4 Arlingclose, the Council's treasury management advisers, has a way of scoring the level of credit risk the Council is taking. This measure scores credit risk on a scale of 0 to 10 on both a value weighted and a time weighted basis and the table below demonstrates how to interpret the scores:

|              |            |              |
|--------------|------------|--------------|
| Above target | AAA to AA+ | Score 0 - 2  |
| Target score | AA to A+   | Score 3 - 5  |
| Below target | Below A+   | Score over 5 |

The quarterly scores during 2014-15 have been within the range 3.7 to 4.9, which is within the target score. For the next three years the target will remain 3 to 5.

- 5.5 Investments are categorised as 'Specified' or 'Non Specified' investments based on the criteria in the CLG Guidance. Instruments proposed for the Council's use within its investment strategy are contained in Annex 4 and the list of proposed counterparties is shown in Annex 5. In keeping with the strategy of maintaining low investment balances while internally borrowing, it is proposed that all investments will have a maturity of less than one year during 2014/15. The Chief Financial Officer, under delegated powers, will undertake the most appropriate form of investments in keeping with the investment objectives, income and risk management requirements and Prudential Indicators. Investment activity will be reported to Corporate Committee as part of the quarterly reports.
- 5.6 Although the UK economy has reported strong GDP growth in recent quarters this has had a mixed impact on the UK banking sector. Bank credit ratings have continued to weaken with RBS / NatWest dropping below the minimum rating of A-. UK Banks have suffered losses due to compensation payments and regulatory fines with the Government's determination to share the cost of future rescues with unprotected creditors (bail in risk) also pushing down on credit ratings. Banking share prices have declined in the year (RBS is the exception) but the cost of incurring against banking defaults (CDS spreads) has fallen, in the case of RBS by 50%. The combination of weaker rated banks and Government's requiring creditors to contribute towards the cost of supporting banks pose considerable investment challenges. Constructing an investment portfolio in these circumstances will consider the following approaches to risk mitigation:
- a) Continuing to minimise investment balances through delaying new borrowing.
  - b) Investing with the UK Government backed DMO and other UK local authorities.
  - c) Maintaining a diversified investment portfolio to spread risk, including money market & enhanced cash funds.
  - d) Including high quality overseas banks in the counterparty list.
  - e) Investing in 'covered deposits' which offer an additional layer of protection in the form of backing assets.

- f) Buying tradable instruments such as commercial paper that offer access to non financial counterparties and can improve liquidity.
- 5.7 Reference was made in 5.6 to bail in risk. The UK (and other) Governments have legislated that when a bank's capital ratio falls below minimum levels and the bank is not able to raise fresh capital that part of the non protected customer deposits will be converted into share capital. Protected deposits include retail and non financial business customers. Local authorities deposits are not protected and will therefore suffer a greater loss than if the bail in was spread across all deposits. Bail in increases the risk to the Council from bank deposits. An appropriate response is to reduce reliance on bank deposits, lower exposures to the weaker banks and increase diversification of bank deposits. For this reason three overseas banks have been included within the counterparty list (appendix 5)
- 5.8 The Counterparty policy (appendix 4) incorporates the above options. Consideration was given to reducing the minimum credit quality below A- to facilitate access to a wider range of UK banks and building societies, but this was rejected as increasing the default risk. No investments will have duration of more than 12 months and in practice durations of more than 3 months are unlikely, unless borrowing to support capital expenditure is taken early to capture favourable rates.
- 5.9 With all investments the Council makes there is a risk of default, so the proposed list of investments is prepared to minimise this risk by being selective about the counterparties to be used. It is proposed to continue to apply a minimum long term credit rating of A-, which is described as "high credit quality" by the rating agencies.
- 5.10 The Council treasury advisor recommends maximum maturities for individual counterparties and although these are only advisory, they are being followed.
- 5.11 All counterparties on the list are subjected to continual monitoring, in conjunction with the Council's treasury management advisers, to ensure that they continue to meet the high standard set. The range of information used to determine creditworthiness is:
- Credit ratings (long and short term and credit rating watches)
  - Credit Default Swaps (where quoted)
  - Sovereign support mechanisms/potential support from a well-resourced parent institution
  - Share prices
  - Macro-economic indicators
  - Corporate developments, news and articles, market sentiment.
- 5.12 If the monitoring reveals any concern about an institution's creditworthiness, it will be removed from the lending list with immediate effect. In normal circumstances a credit rating downgrade below the minimum criteria will not result in existing term deposits being recalled

prior to contractual maturity. In any period of significant stress in the markets, the default position is for investments to be made with the Debt Management Office or UK Treasury Bills. (The rates of interest from the DMADF are below equivalent money market rates, but the returns are an acceptable trade-off for the guarantee that the Council's capital is secure). Current conditions are not considered to be "significant stress".

- 5.13 In order to diversify the investment portfolio, investments will be placed with a range of approved investment counterparties. Maximum investment levels with each counterparty are set out in Annex 5 will ensure prudent diversification is achieved.
- 5.14 Money Market Funds (MMFs) and Enhanced Cash Funds (ECFs) provide good diversification of underlying counterparty but may themselves be subject to withdrawal restriction. The Council will therefore seek to diversify any exposure by utilising more than one MMF or ECF unless there are significant instant access funds from other sources. The Council will also restrict its exposure to MMFs and ECFs with lower levels of funds under management and will not exceed 2% of the net asset value of the MMF or ECFs.
- 5.15 The Council is required to set an upper limit for principal sums invested for over 364 days, as required by the Prudential Code. This limit is to contain exposure to the possibility of loss that may arise as a result of the Council having to seek early repayment of the sums invested. Given the current interest rate environment, the Council will not make investments for more than 364 days (see comments in 5.6 above).
- 5.16 The average rate of interest earned on investments during 2014-15 is projected at 0.35%. For 2015-16 the average rate is expected to increase to 0.5% reflecting forecast changes in base rates and a continuity emphasis on security and liquidity. Interest earned in 2014-15 is projected at £130,000, with similar levels in 2015-16.

## **6. Use of Financial Instruments for the Management of Risks**

- 6.1 The CIPFA Treasury Management Code of Practice requires the Council to state if and how it will use financial instruments, such as derivatives. Currently, local authorities' legal power to use derivative instruments remains unclear. The General Power of Competence enshrined in the Localism Bill is not sufficiently explicit. Consequently, the Council does not intend to use derivatives. Should this position change, the Council may develop a detailed and robust risk management framework governing the use of derivatives, but such a change in strategy would require full Council approval.

## **7. Housing Revenue Account Self-financing**

- 7.1 Local authorities are required to recharge interest expenditure and income attributable to the HRA in accordance with Determinations issued by the Department for Communities and Local Government.
- 7.2 The Determinations do not set out a methodology for calculating the interest rate to use in each instance. The Council is therefore required to adopt a policy that will set out how interest charges attributable to the HRA will be determined. The CIPFA Treasury Management Code of Practice recommends that authorities present this policy in the annual Treasury Management Strategy Statement.
- 7.3 On 1<sup>st</sup> April 2012, the Council notionally split each of its existing long-term loans into General Fund and HRA pools. In the future, new long term loans borrowed will be assigned in to one pool or the other taking into consideration projected capital expenditure and reserves. Interest payable and other costs/income arising from long term loans (e.g. premiums and discounts on early redemption) will be charged/credited to the respective revenue account.
- 7.4 Differences between the value of the HRA loan pool and the HRA's underlying need to borrow (adjusted for HRA balance sheet resources available for investment) will result in a notional cash balance which may be positive or negative. This balance will be measured periodically and interest transferred between the General Fund and HRA at the net average rate earned by the Council on its portfolios of treasury investments and short term borrowing.

### **8. Outlook for Interest Rates**

- 8.1 The interest rate forecast provided by the Council's treasury management adviser, Arlingclose Ltd, is attached at Annex 3. The Council will reappraise its strategy from time to time and, if needs be, realign it with evolving market conditions and expectations for future interest rates.
- 8.2 This interest rate forecast shows that UK base rate is forecast to remain at 0.5% until quarter 3, 2015, rising slowly in 0.25% instalments thereafter. This will mean that short term rates remain significantly lower than long term rates throughout 2014/15 and beyond. As discussed in section 4, for this reason it is anticipated that cash balances will kept at a minimum throughout the financial year as the "cost of carry" will be significant for any borrowing taken before capital expenditure is incurred.

### **9. Balanced Budget Requirement**

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

### **10. MRP Statement**

- 10.1 The Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 (SI 2008/414) place a duty on local authorities to make a prudent provision for debt redemption. Guidance on Minimum Revenue Provision has been issued by the Secretary of State and local authorities are required to “have regard” to such Guidance under section 21(1A) of the Local Government Act 2003.
- 10.2 The four MRP options available are:  
Option 1: Regulatory Method  
Option 2: CFR Method  
Option 3: Asset Life Method  
Option 4: Depreciation Method
- 10.3 MRP in 2014/15: The guidance states Options 1 and 2 may be used only for capital expenditure originally incurred when government support was available. Methods of making prudent provision for self financed expenditure include Options 3 and 4. There is no requirement to charge MRP in respect of HRA capital expenditure funded from borrowing.
- 10.4 It is a requirement for Council to approve the MRP statement before the start of the financial year. If it is ever proposed to vary the terms of the original MRP Statement during the year, a revised statement will be put to Council at that time.
- 10.5 It is proposed the Council will continue to apply Option 1 (charge 4% per annum over 25 years) in respect of capital expenditure originally incurred when government support was available and Option 3 (charge over the life of the asset) in respect of all other capital expenditure funded through borrowing. MRP in respect of leases and PFI (Private Finance Initiative) schemes brought onto the Balance Sheet under the IFRS (International Financial Reporting Standards) based Accounting Code of Practice will match the annual principal repayment for the associated deferred liability.

## **11. Capital Expenditure**

- 11.1 The evaluation of capital expenditure projects incorporates the cost of financing. This comprises two elements (a) the recovery of purchase costs through MRP and (b) interest. Where capital expenditure is low and no specific borrowing is required the interest cost allocated to the project will be the average cost of the Council’s debt portfolio. This method will be used even if no borrowing takes place in the year as capital expenditure reduces the ability to repay debt.
- 11.2 For projects incurring a high initial cost for which specific debt financing is arranged, then the interest cost used will be the average rate on the specific debt.

## **12. Other Options Considered**

- 12.1 The CLG Guidance and the CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The Chief Financial Officer believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

| <b>Alternative</b>  | <b>Impact on income and expenditure</b>  | <b>Impact on risk management</b>   |
|---|--|--|
| Invest in a narrower range of counterparties and/or for shorter times | Interest income will be lower  | Lower chance of losses from credit related defaults, but any such losses will be greater   |
| Invest in a wider range of counterparties and/or for longer times     | Interest income will be higher   | Increased risk of losses from credit related defaults, but any such losses will be smaller   |
| Borrow additional sums at long-term fixed interest rates              | Debt interest costs will rise; this is unlikely to be offset by higher investment income | Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs will be more certain            |
| Borrow short-term or variable loans instead of long-term fixed rates  | Debt interest costs will initially be lower  | Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long term costs will be less certain |
| Reduce level of borrowing   | Saving on debt interest is likely to exceed lost investment income                       | Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs will be less certain            |

### 13. Other Issues

#### **Monitoring & Reporting**

- 13.1 Corporate Committee will receive quarterly reports on treasury management activity and performance. This will include monitoring of the prudential indicators.
- 13.2 It is a requirement of the Treasury Management Code of Practice that an outturn report on treasury activity is produced after the financial year end, no later than 30<sup>th</sup> September. This will be reported to Corporate Committee, shared with the Cabinet member for Resource & Culture and then reported to full Council. Overview and Scrutiny Committee will be responsible for the scrutiny of treasury management activity and practices.
- 13.3 Officers monitor counterparties on a daily basis with advice from the Council's treasury management advisers to ensure that any creditworthiness concerns are addressed as soon as they arise. Senior

management hold monthly meetings with the officers undertaking treasury management to monitor activity and to ensure all policies and procedures are being followed.

**Training**

- 13.4 CIPFA's Treasury Management Code of Practice requires the Chief Financial Officer to ensure that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities.
- 13.5 Given the significant amounts of money involved, it is crucial members have the necessary knowledge to take treasury management decisions. Regular training sessions are arranged for members to keep their knowledge up to date.

**Treasury Advisor**

- 13.6 The CLG's Guidance on local government investments recommends that the Investment Strategy should state:
- “Whether and, if so, how the authority uses external contractors offering information, advice or assistance relating to investment and how the quality of any such service is controlled.”
- 13.7 The Council has appointed Arlingclose Limited as their treasury advisor, to provide information and advice about the types of investment and borrowing the Council should undertake and the counterparties that should be used. Quarterly service review meetings take place to monitor the service and the appointment is formally reviewed in accordance with the Council's Contract Standing Orders.

**Detail of Treasury Position****A: General Fund Pool**

|  | 31-Mar-15<br>Projected<br>£'000 | 31-Mar-16<br>Estimate<br>£'000 | 31-Mar-17<br>Estimate<br>£'000 | 31-Mar-18<br>Estimate<br>£'000 |
|--|---------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Existing External Borrowing commitments: |                                 |                                |                                |                                |
| PWLB                                     | 53,803                          | 50,467                         | 45,882                         | 41,395                         |
| Market loans                             | 42,281                          | 42,281                         | 42,281                         | 42,281                         |
| Local Authorities                        | 0                               |                                |                                |                                |
| Total External Borrowing                 | 96,084                          | 92,748                         | 88,163                         | 83,676                         |
| Long Term Liabilities                    | 51,600                          | 47,213                         | 42,827                         | 38,249                         |
| Total Gross External Debt                | 147,684                         | 139,961                        | 130,990                        | 121,925                        |
| CFR                                      | 282,158                         | 282,235                        | 274,451                        | 278,378                        |
| Internal Borrowing                       | 134,474                         | 134,474                        | 134,474                        | 134,474                        |
| Cumulative Borrowing requirement         | 0                               | 7,800                          | 8,987                          | 21,979                         |

**B: HRA Pool**

|  | 31-Mar-15<br>Projected<br>£'000 | 31-Mar-16<br>Estimate<br>£'000 | 31-Mar-17<br>Estimate<br>£'000 | 31-Mar-18<br>Estimate<br>£'000 |
|--|---------------------------------|--------------------------------|--------------------------------|--------------------------------|
| Existing External Borrowing commitments: |                                 |                                |                                |                                |
| PWLB                                     | 115,262                         | 108,734                        | 99,764                         | 90,989                         |
| Market loans                             | 82,719                          | 82,719                         | 82,719                         | 82,716                         |
| Local Authorities                        |                                 |                                |                                |                                |
| Total External Borrowing                 | 197,981                         | 191,453                        | 182,483                        | 173,705                        |
| CFR                                      | 271,096                         | 283,303                        | 313,656                        | 305,348                        |
| Internal Borrowing                       | 73,115                          | 73,115                         | 73,115                         | 73,115                         |
| Cumulative Borrowing requirement         | 0                               | 18,735                         | 58,058                         | 58,528                         |

**C: Security Measure**

|              |               | <b>2015-16</b> | <b>2015-16</b>  | <b>2015-16</b>  |
|--------------|---------------|----------------|-----------------|-----------------|
| Above target | AAA to<br>AA+ | Score 0 - 2    | Score 0 - 2     | Score 0 - 2     |
| Target score | AA to<br>A+   | Score 3 - 5    | Score 3 - 5     | Score 3 - 5     |
| Below target | Below<br>A+   | Score over 5   | Score over<br>5 | Score over<br>5 |

**Summary of Prudential Indicators**

| No.                       | Prudential Indicator                               | 2015/16 | 2016/17 | 2017/18 |
|---------------------------|--|---------|---------|---------|
| <b>CAPITAL INDICATORS</b> |  |         |         |         |
| 1                         | Capital Expenditure                                | £'000   | £'000   | £'000   |
|                           | General Fund                                       | 25,143  | 32,500  | 27,955  |
|                           | HRA  | 68,504  | 82,847  | 55,668  |
|                           | TOTAL  | 93,647  | 115,347 | 83,623  |
| 2                         | Ratio of financing costs to net revenue stream     | %       | %       | %       |
|                           | General Fund                                       | 1.93    | 1.94    | 1.98    |
|                           | HRA  | 9.28    | 9.92    | 10.12   |
| 3                         | Capital Financing Requirement                      | £'000   | £'000   | £'000   |
|                           | General Fund                                       | 282,235 | 274,451 | 278,378 |
|                           | HRA  | 283,303 | 313,656 | 305,348 |
|                           | TOTAL  | 565,538 | 588,107 | 583,726 |
| 4                         | Incremental impact of capital investment decisions | £       | £       | £       |
|                           | Band D Council Tax                                 | 16.42   | 9.85    | 24.22   |
|                           | Weekly Housing rents                               | 1.45    | 3.54    | 0.38    |

| No.                               | Prudential Indicator                                    | 2015/16 | 2016/17 | 2017/18 |     |    |     |
|-----------------------------------|---|---------|---------|---------|-----|----|-----|
| <b>TREASURY MANAGEMENT LIMITS</b> |   |         |         |         |     |    |     |
| 5                                 | Borrowing limits  | £'000   | £'000   | £'000   |     |    |     |
|                                   | Authorised Limit  | 496,244 | 541,457 | 556,824 |     |    |     |
|                                   | Operational Boundary                                    | 440,070 | 482,825 | 498.822 |     |    |     |
| 6                                 | HRA Debt Cap  | £'000   | £'000   | £'000   |     |    |     |
|                                   | Headroom  | 44,235  | 13,882  | 22,190  |     |    |     |
| 7                                 | Upper limit – fixed rate exposure                       | 100%    | 100%    | 100%    |     |    |     |
|                                   | Upper limit – variable rate exposure                    | 40%     | 40%     | 40%     |     |    |     |
| 8                                 | Maturity structure of borrowing<br>(U: upper, L: lower) | L       | U       | L       | U   | L  | U   |
|                                   | under 12 months   | 0%      | 40%     | 0%      | 40% | 0% | 40% |
|                                   | 12 months & within 2 yrs                                | 0%      | 35%     | 0%      | 35% | 0% | 35% |
|                                   | 2yrs & within 5 yrs                                     | 0%      | 35%     | 0%      | 35% | 0% | 35% |
|                                   | 5 yrs & within 10 yrs                                   | 0%      | 35%     | 0%      | 35% | 0% | 35% |
|                                   | 10 yrs & within 20 yrs                                  | 0%      | 35%     | 0%      | 35% | 0% | 35% |
|                                   | 20 yrs & within 30 yrs                                  | 0%      | 35%     | 0%      | 35% | 0% | 35% |
|                                   | 30 yrs & within 40 yrs                                  | 0%      | 35%     | 0%      | 35% | 0% | 35% |
|                                   | 40 yrs & within 50 yrs                                  | 0%      | 50%     | 0%      | 50% | 0% | 50% |
|                                   | 50 yrs & above  | 0%      | 50%     | 0%      | 50% | 0% | 50% |
| 9                                 | Sums invested for more than 364 days                    | 0       | 0       | 0       |     |    |     |
| 10                                | Adoption of CIPFA Treasury Management Code of Practice  | √       | √       | √       |     |    |     |

## ANNEX 3

### Arlingclose's Economic and Interest Rate Forecast

|               | Jun 15 | Sep 15 | Dec 15 | Mar 16 | Jun 16 | Sep 16 | Dec 16 | Mar 17 | Jun 17 | Sep 17 | Dec 17 | Mar 18 |
|---------------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| Base Rate     | 0.50   | 0.75   | 0.75   | 1.00   | 1.00   | 1.25   | 1.25   | 1.50   | 1.50   | 1.75   | 1.75   | 1.75   |
| 3 month LIBID | 0.75   | 0.90   | 1.05   | 1.20   | 1.35   | 1.50   | 1.60   | 1.70   | 1.80   | 1.90   | 2.00   | 2.10   |
| 1 year LIBID  | 1.05   | 1.20   | 1.35   | 1.50   | 1.65   | 1.80   | 1.95   | 2.10   | 2.20   | 2.30   | 2.40   | 2.50   |
| 5 yr gilt     | 1.60   | 1.75   | 1.90   | 2.00   | 2.15   | 2.25   | 2.35   | 2.45   | 2.50   | 2.55   | 2.60   | 2.60   |
| 10 yr gilt    | 2.10   | 2.20   | 2.30   | 2.40   | 2.50   | 2.60   | 2.70   | 2.75   | 2.80   | 2.85   | 2.90   | 2.95   |
| 20 yr gilt    | 2.65   | 2.75   | 2.85   | 2.95   | 3.00   | 3.05   | 3.10   | 3.15   | 3.20   | 3.25   | 3.30   | 3.30   |
| 50 yr gilt    | 2.70   | 2.80   | 2.90   | 3.00   | 3.05   | 3.10   | 3.15   | 3.20   | 3.25   | 3.30   | 3.55   | 3.60   |

#### Underlying assumptions:

- The UK economic recovery has continued. Household consumption remains a significant driver, but there are signs that growth is becoming more balanced. The greater contribution from business investment should support continued, albeit slower, expansion of GDP in 2015.
- We expect consumption growth to slow, given softening housing market activity, the muted outlook for wage growth and slower employment growth. The subdued global environment suggests there is little prospect of significant contribution from external demand.
- Inflationary pressure is currently low (annual CPI is currently 0.5%) and is likely to remain so in the short-term. Despite a correction in the appreciation of sterling against the US dollar, imported inflation remains limited. We expect commodity prices will remain subdued given the weak outlook for global growth.
- The MPC's focus is on both the degree of spare capacity in the economy and the rate at which this will be used up, factors prompting some debate on the Committee.
- Nominal earnings growth remains weak, despite large falls in unemployment, which poses a dilemma for the MPC. Our view is that spare capacity remains extensive. The levels of part-time, self-employment and underemployment are significant and

indicate capacity within the employed workforce, in addition to the still large unemployed pool. Productivity growth can therefore remain weak in the short term without creating undue inflationary pressure.

- However, we also expect employment growth to slow as economic growth decelerates. This is likely to boost productivity, which will bear down on unit labour costs and inflationary pressure.
- In addition to the lack of wage and inflationary pressures, policymakers are evidently concerned about the bleak prospects for the Eurozone. These factors will maintain the dovish stance of the MPC in the medium term.
- The continuing repair of public and private sector balance sheets leave them sensitive to higher interest rates. The MPC clearly believes the appropriate level for Bank Rate for the post-crisis UK economy is significantly lower than the previous norm. We would suggest this is between 2.5 and 3.5%.
- While the ECB is likely to introduce outright QE, fears for the Eurozone are likely to maintain a safe haven bid for UK government debt, keeping gilt yields artificially low in the short term.
- The probability of potential upside risks crystallising have waned a little over the past two months. The primary upside risk is a swifter recovery in the Eurozone.
- We continue to forecast the first rise in official interest rates in Q3 2015; general market sentiment is now close to this forecast. There is momentum in the economy, but inflationary pressure is benign and external risks have increased, reducing the likelihood of immediate monetary tightening.
- We project a slow rise in Bank Rate. The pace of interest rate rises will be gradual and the extent of rises limited; we believe the normalised level of Bank Rate post-crisis to range between 2.5% and 3.5%.
- Market sentiment (derived from forward curves) has shifted significantly lower in the past three months; market expectations are now for a later increase in interest rates and a more muted increase in gilt yields.
- The short run path for gilt yields is flatter due to the deteriorating Eurozone situation. We project gilt yields on an upward path in the medium term.

**Counterparty Policy**

The investment instruments identified for use in 2015-16 are listed below under the 'Specified' and 'Non – Specified' investment categories. Specified investments are considered low risk and relate to funds invested for up to one year. Non-specified investments normally offer the prospect of higher returns but carry higher risk and may have a maturity beyond one year. All investments are sterling denominated.

As discussed in sections 4 & 5 above the plan during 2015-16 is to rely on short term debt and minimise cash balances. This will lead to short duration DMO and money market denominated cash portfolio to cover liquidity needs.

**Specified Investments**

| <b>Instrument</b>  | <b>Country/ Domicile</b>        | <b>Counterparty</b>  | <b>Maximum Counterparty Limits £m</b> | <b>Maximum period of investment</b> |
|--|---------------------------------|--|---------------------------------------|-------------------------------------|
| Term Deposits  | UK                              | Debt Management Account Deposit Facility (DMADF), Debt Management Office (DMO) | No limit                              | 364 days                            |
| Gilts  | UK                              | Debt Management Office (DMO)   | No limit                              | 364 days                            |
| Treasury Bills   | UK                              | Debt Management Office (DMO)   | No limit                              | 364 days                            |
| Term Deposits/ Call Accounts   | UK                              | Other UK Local Authorities   | £30m per local authority              | 364 days                            |
| Term Deposits/ Call Accounts/ Certificates of Deposit/covered deposits | UK or AAA                       | Counterparties rated at least AA- Long Term (or equivalent)                    | £20m per bank or banking group        | 364 days                            |
| Constant Net Asset Value Money Market Funds (MMFs)                     | UK/Ireland/Luxembourg domiciled | AAA rated Money Market Funds   | £20m per MMF*; Group limit £100m      | Instant Access                      |

Investments do not include capital expenditure as defined under section 25(1) (d) in SI 2003 No 3146 (i.e. the investment is not loan capital or share capital in a body corporate). Investment in gilts would only be undertaken on advice from the Council's treasury management adviser.

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

*Long-term minimum: A- (Fitch); A3 (Moody's); A- (S&P)*

The Council will also take into account the range of information on investment counterparties detailed in section 5.9.

The limits stated will apply across the total portfolio operated by the Council and so incorporate both Council and Pension Fund specific investments.

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

\* Limit per MMF to be no more than 2.0% of the Money Market Fund's total assets.

The use of non-UK banks has previously been suspended. Six countries retain AAA ratings from all three rating agencies – Australia, Canada, Germany, Singapore, Sweden and Switzerland. Within these countries ten banks meet the AA- or better criteria mentioned above. Only three of these are active in the UK deposits market and these have been included as eligible counterparties (annex 5). Using the highest quality overseas banks will both improve the overall security of the investment portfolio and enable greater diversification.

#### Non- Specified Investments

| <b>Instrument</b>  | <b>Country/ Domicile</b>        | <b>Counterparty</b>   | <b>Maximum Counterparty Limits £m</b> | <b>Maximum period of investment</b> |
|--|---------------------------------|---|---------------------------------------|-------------------------------------|
| Gilts  | UK                              | Debt Management Office (DMO)                                | £10 million                           | 36 Months                           |
| Term Deposits/ Call Accounts   | UK                              | Other UK Local Authorities                                  | £30m per local authority              | 36 Months                           |
| Term Deposits/ Call Accounts/ Certificates of Deposit/covered deposits | UK                              | Counterparties rated at least A- Long Term (or equivalent). | £20m per bank or banking group        | 364 days                            |
| Variable NAV Enhanced Cash Funds                                       | UK/Ireland/Luxembourg domiciled | AAA - rated Funds   | £5m per ECF*; Group limit £15m        | Minimum Weekly Redemption           |

Non specified investments generally have either longer maturities than one year or weaker credit ratings than AA-, but not both. Maturities in excess of

12 months will only be used after discussion with the Corporate Committee but have been included to remove the need for mid year strategy amendments.

#### Enhanced Cash Funds

Last year enhanced cash funds (also known as short dated bond funds) were included in the counterparty policy for the first time. To date, no investment has been made in these funds, which share many of the characteristics of money market funds. ECF's target a higher return than money market funds by extending the average maturity.

The use of such funds has been discussed with the Council's treasury advisor who are supportive provided the exposure is limited to 20-25% of the total deposits and we invest with higher security / lower volatility funds. A maximum of £5 million invested with a single fund is proposed. The Corporate Committee will be notified before the first investment with any such fund. The ECF's and money market funds used will only invest in cash and bonds, not equities or property due to the latter's greater volatility.

## ANNEX 5

**Lending List of counterparties for investments**

This is the proposed list of counterparties which the Council can lend to, providing the counterparties meet the requirements set out in Annex 4 at the time of investment. The list will be kept under constant review and counterparties removed if the process described in 5.7 and 5.8 raises any concerns about their credit worthiness.

| <b>Instrument</b>   | <b>Country/<br/>Domicile</b> | <b>Counterparty</b>  | <b>Maximum<br/>Counterparty<br/>Limit £m</b> | <b>Arlingclose<br/>Suggested<br/>max maturity</b> |
|---|------------------------------|--|--|---|
| Gilts, Treasury Bills,<br>Term Deposits                     | UK                           | Debt Management<br>Office (Term deposits &<br>Deposit Facility)      | No limit                                     | N/A   |
| Term Deposits   | UK                           | Other Local Authorities  | £30m per<br>local authority                  | N/A   |
| Term Deposits/ Call<br>Accounts/ Certificates<br>of Deposit | UK                           | Barclays Bank Plc  | 20   | 100 days  |
| Term Deposits/ Call<br>Accounts/ CDs                        | UK                           | HSBC Bank Plc  | 20   | 6 months  |
| Term Deposits/ Call<br>Accounts/ CDs                        | UK                           | Lloyds Banking Group<br>including Lloyds TSB<br>and Bank of Scotland | 20   | 6 months  |
| Term Deposits/ Call<br>Accounts/ CDs                        | UK                           | Santander UK   | 20   | 6 months  |
| Term Deposits/ Call<br>Accounts/ CDs                        | UK                           | Nationwide Building<br>Society                                       | 20   | 6 months  |
| Term Deposits/ Call<br>Accounts/ CDs                        | UK                           | Standard Chartered<br>Bank   | 20   | 6 months  |
| Term Deposits/ Call<br>Accounts/ Certificates<br>of Deposit | UK                           | Coventry Building<br>Society   | 20   | 100 days  |
| Term Deposits/ Call<br>Accounts/ CDs                        | Sweden                       | Svenska<br>Handelsbanken   | 20   | 6 months  |
| Term Deposits/ Call<br>Accounts/ CDs                        | Australia                    | National Australian<br>Bank  | 20   | 6 months  |
| Term Deposits/ Call<br>Accounts/ CDs                        | Australia                    | Australia & New<br>Zealand Banking Group                             | 20   | 6 months  |

Compared with last year, RBS has been removed from list and Santander UK, Coventry Building Society and the three non UK banks added. Arlingclose recommend maximum maturities of 6 months for the above with the exception

of Barclays and Coventry Building Society (100 days). Coventry is one of the best capitalised banks or building societies in the UK and once the credit ratings of UK banks are adjusted to reflect reduced government support, its credit ratings will also be among the highest.

The counterparty list excludes MMF and ECF's as the name of the fund reflects the fund manager not the quality of the underlying holdings. Selection of MMFs and ECFs will be based on the criteria set of in Annex 4. The limit for any single MMF is £20 million and each ECF is £5 million.

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Jan 2015

# QUARTER 2 CORPORATE PERFORMANCE TRENDS

Performance and Business Intelligence  
Haringey Council

# Purpose

2

To consider progress against the agreed basket of indicators for the Corporate Plan 2013-15

To highlight areas of good performance and areas for focus

To look at key performance trends up to September 2014 (and more recent where available)

# Background

3

The key outcomes for the borough for 2013-15 are:

- **Outstanding for all:** Enabling all Haringey children to thrive
- **Safety and wellbeing for all:** A place where everyone feels safe and has a good quality of life
- **Opportunities for all:** A successful place for everyone
- **A better council:** Delivering responsive, high quality services and encouraging residents who are able to help themselves to do so.

The Council is currently consulting on proposals for a three year medium term financial strategy and the new Corporate Plan.

# Overview of performance @ Q2 2014/15

4

| Outcome   | No. KPIs  | Red       | Amber     | Green     | No status |
|---|-----------|-----------|-----------|-----------|-----------|
| Outstanding for all: enabling all Haringey children to thrive   | 20        | 6         | 4         | 3         | 6         |
| Safety and wellbeing for all: a place where everyone feels safe and has a good quality of life                        | 27        | 5         | 2         | 13        | 7         |
| Opportunities for all: a successful place for everyone  | 9         | 3         | 1         | 3         | 2         |
| A better Council: delivering responsive, high quality services; encouraging residents who are able to help themselves | 14        | 3         | 3         | 6         | 3         |
| <b>Total</b>  | <b>70</b> | <b>17</b> | <b>10</b> | <b>25</b> | <b>18</b> |

Meeting or close to target on 50% of indicators

Main pressures are in the demand-led areas of children's and adults social care

5

## Outstanding for all

# Areas performing well

6

- Haringey highlighted as example of best practice for educational attainment
  - Haringey schools have made the best improvement in GCSE results of all local authorities
  - Continued improvement also evident at Key Stage 1 & 2
  - 3<sup>rd</sup> in country for GCSE attainment of White British pupils eligible for free school meals (51.9%)
  - Attainment for disadvantaged children lags behind those from less deprived backgrounds but at GCSE Haringey has narrowed the gap with the national level to 8 percentage points. In some authorities the gap is more than 30 percentage points.
- 100% of pupils attending good or outstanding secondary school, a 2% increase on 2013 compared with 70% nationally
  - Nationally improvements in secondary schools have stalled
- 86% of pupils attending good or outstanding primary school, and improving
- 488 (57%) of families receiving support through Families First Programme achieved improvement in one or more outcome area

# Progress in educational attainment

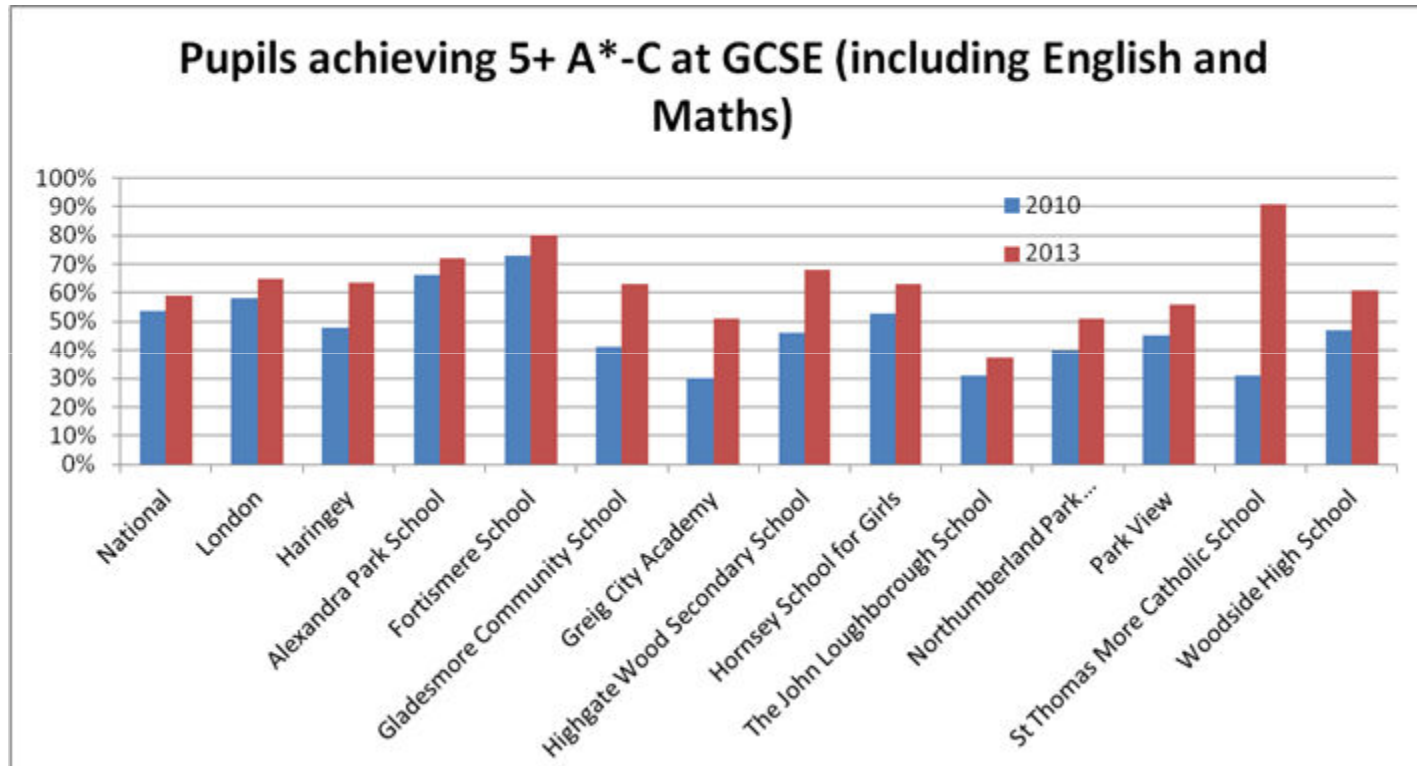
7

| Summary Table  | Haringey<br>2012 | Haringey<br>2014 | England<br>2014 |
|--|------------------|------------------|-----------------|
| Pupils achieving a Good Level of Development at Early Years Foundation Stage | 50%<br>(2013)    | <b>61%</b>       | 60%             |
| Pupils achieving level 2B+ at Key Stage 1 - Reading                          | 72%              | <b>81%</b>       | 81%             |
| Pupils achieving level 2B+ at Key Stage 1 - Writing                          | 59%              | <b>71%</b>       | 70%             |
| Pupils achieving level 2B+ at Key Stage 1 - Maths                            | 71%              | <b>80%</b>       | 80%             |
| Pupils achieving level 3 at Key Stage 1 - Reading                            | 22%              | <b>29%</b>       | 31%             |
| Pupils achieving level 3 at Key Stage 1 - Writing                            | 11%              | <b>17%</b>       | 16%             |
| Pupils achieving level 3 at Key Stage 1 - Maths                              | 19%              | <b>25%</b>       | 24%             |
| Pupils achieving level 4+ at Key Stage 2 - Reading, Writing and Maths        | 74%              | <b>77%*</b>      | 79%             |
| Pupils achieving level 5 at Key Stage 2 - Reading, Writing and Maths         | 21%              | <b>25%</b>       | 24%             |
| Pupils achieving 5+ A*-C (incl English and Maths) at GCSE                    | 63.5%<br>(2013)  | <b>57.8%*</b>    | 52.6%*          |
| Average point score per student**  |                  | <b>672.5</b>     | 698.5           |
| Average point score per entry**  |                  | <b>214.2</b>     | 213.4           |
| % of students achieving at least 2 substantial level 3 qualifications**      |                  | <b>92.8</b>      | 88.6            |
| % of students achieving grades AAB or better**                               |                  | <b>17.7</b>      | 19.0            |



# Pupils achieving 5 or more GCSEs at A\*-C (including English and maths)<sup>+</sup>

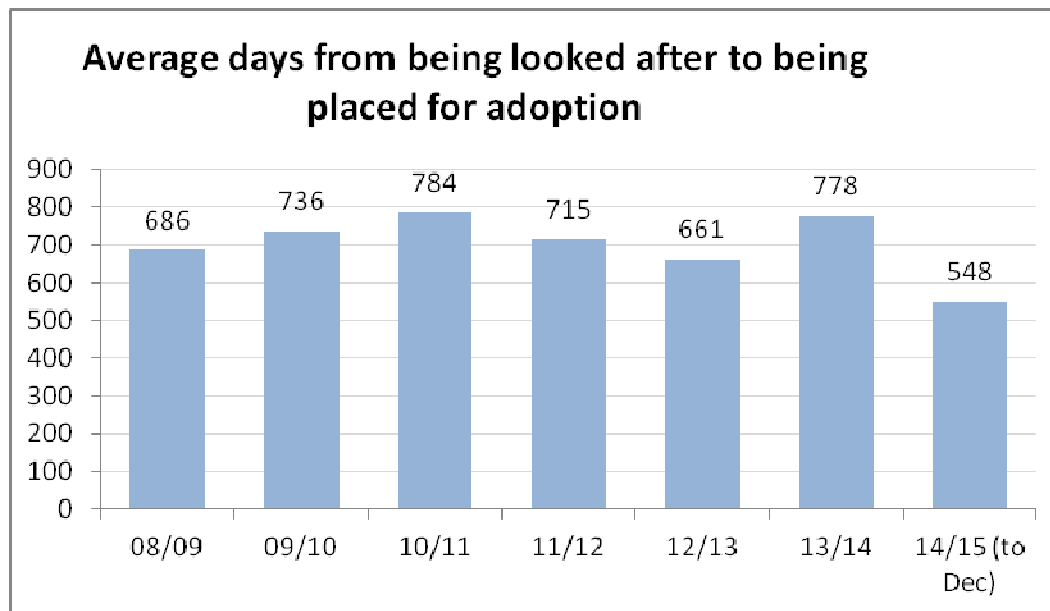
8



# Areas performing well

9

- Children adopted this year waited an average of 548 days from becoming looked after to being placed for adoption, an improvement from 778 days in 2013/14 and just above the national threshold of 487 days (2012/15)
- For children who go on to be adopted by their foster carer the average days reduced to 306 days this year and compares favourably with England average of 525 days

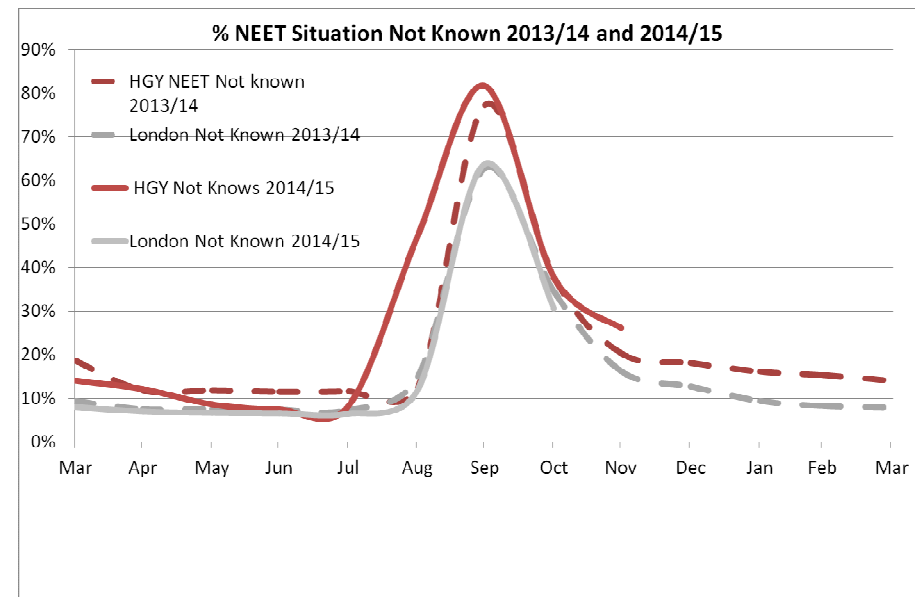
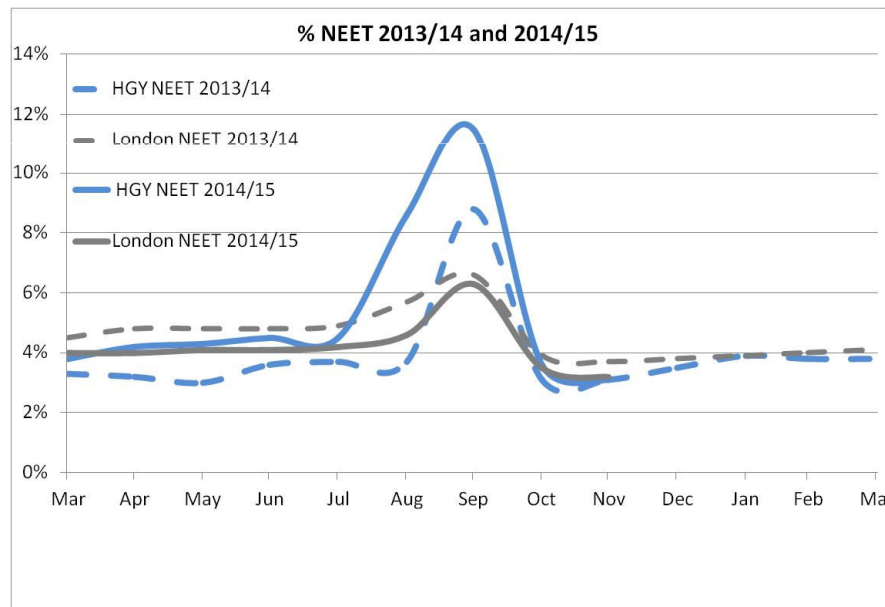


# Areas requiring further focus

10

NEETS experienced a higher seasonal spike than London but has since been brought back in line with 2013/14 performance

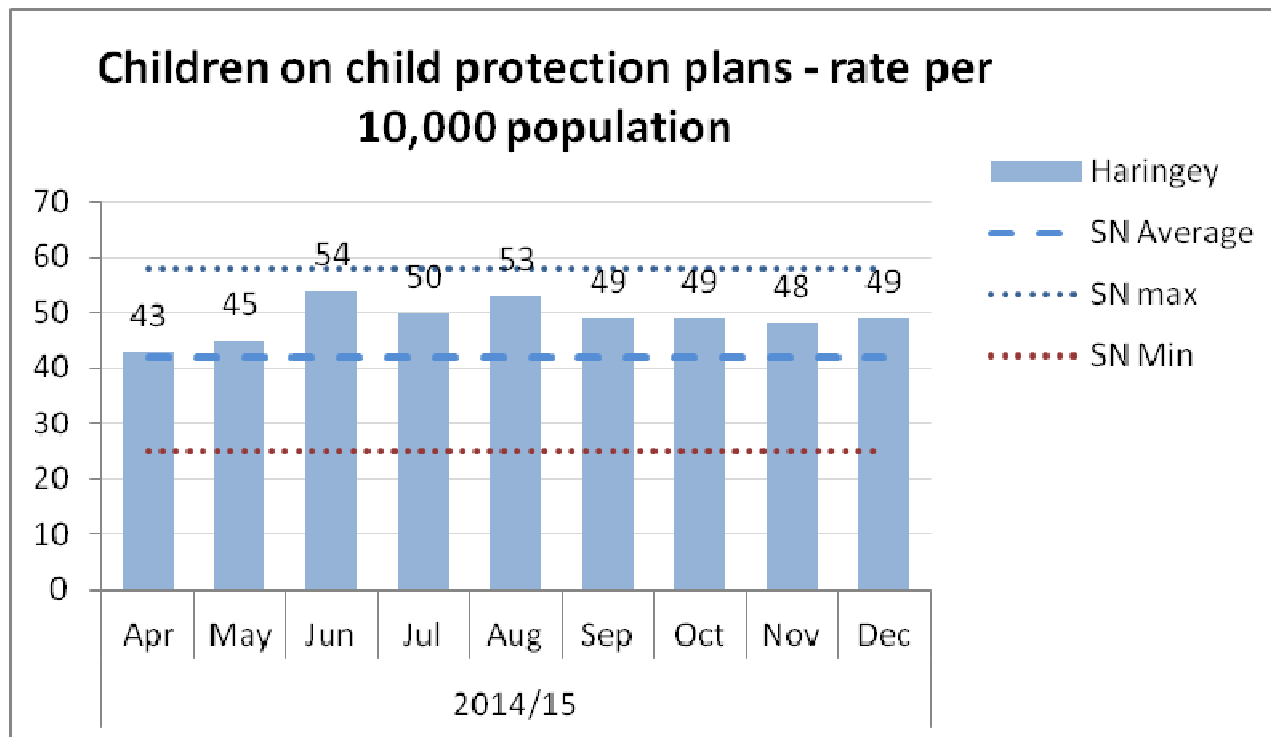
NEETS Not Knowns are significantly above the average for London and for November last year



# Areas requiring further focus

11

The rate of children on a child protection plan increased in the year to August 2014 and have since reduced. Although above the average for statistical neighbours they have remained within the range (between min and max) for that group.



12

## Safety and wellbeing for all

# Areas performing well

13

- Youth re-offending has reduced for the fifth successive quarter. Although it remains higher than the 40% target.
- Q3 data shows 41.5% re-offending but continuous improvement and down from all time high of 49.5% 1 year ago, narrowing the gap with London
- The rise in overweight and obese 4-5 year olds and 10-11 year olds has halted in Haringey. Nationally a third of 10-11 year olds and over a fifth of 4-5 year olds were overweight or obese 2013/14.
- 21% of reception age Haringey children are overweight or obese and 38% of 10-11 year olds but direction of travel is positive in Haringey

# Areas performing well

14

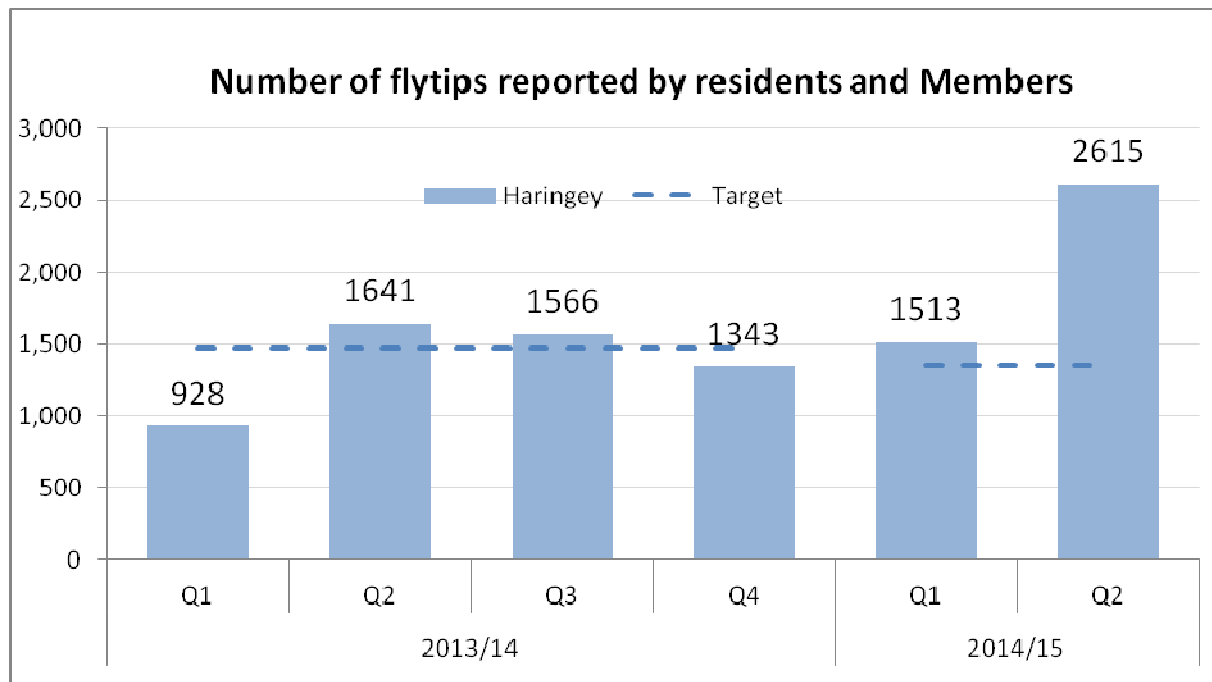
- The proportion of social care clients and carers receiving long term support services in receipt of self-directed support remains comfortably above the target of 70%
- Haringey promotes personalisation with 89% of service users in receipt of direct payments enabling them to make choices which are important to them, putting them in control of their own care and support
- Street cleanliness surveys from across the borough indicate that levels of litter and detritus are consistently better than target.
- Survey results over 2 tranches show that on average 4.5% of land had unacceptable levels of litter, the most recent survey was 3% compared with 6% across London

# Areas requiring further focus

15

Hike in the number of fly-tips reported by residents and Members in Q2, particularly in the Wood Green, Tottenham Hale and Seven Sisters areas.

- Fly tip action plan with a focus of inspection, door knocking and enforcement at 60 fly tipping hot spot locations
- 34 fly tipping hot spots addressed since Feb 2014, 25 sites resolved



16

## Opportunities for all

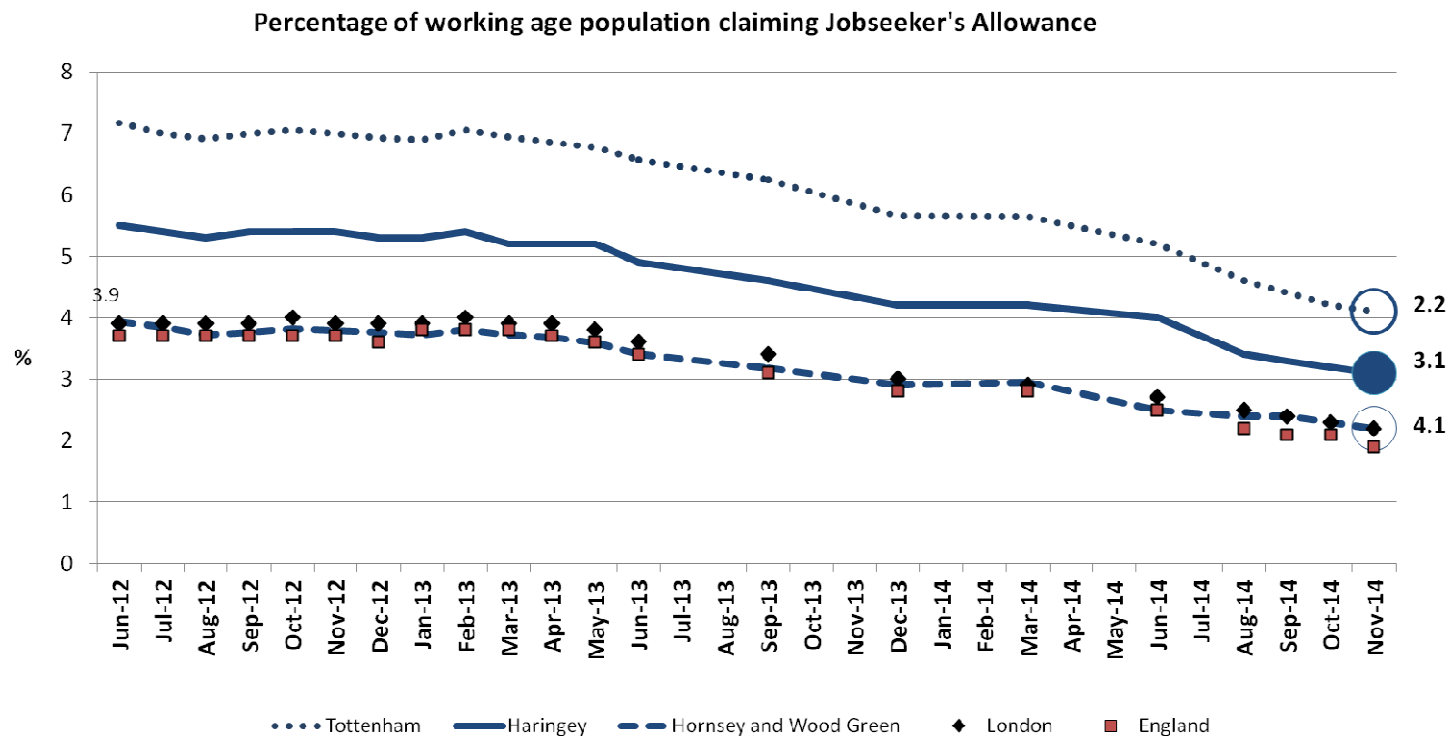
# Areas performing well

17

Sustained decreased in the percentage of the working age population claiming Jobseeker Allowance (JSA).

Haringey (3.1%) remain consistently above London (2.2%) and England (1.9%).

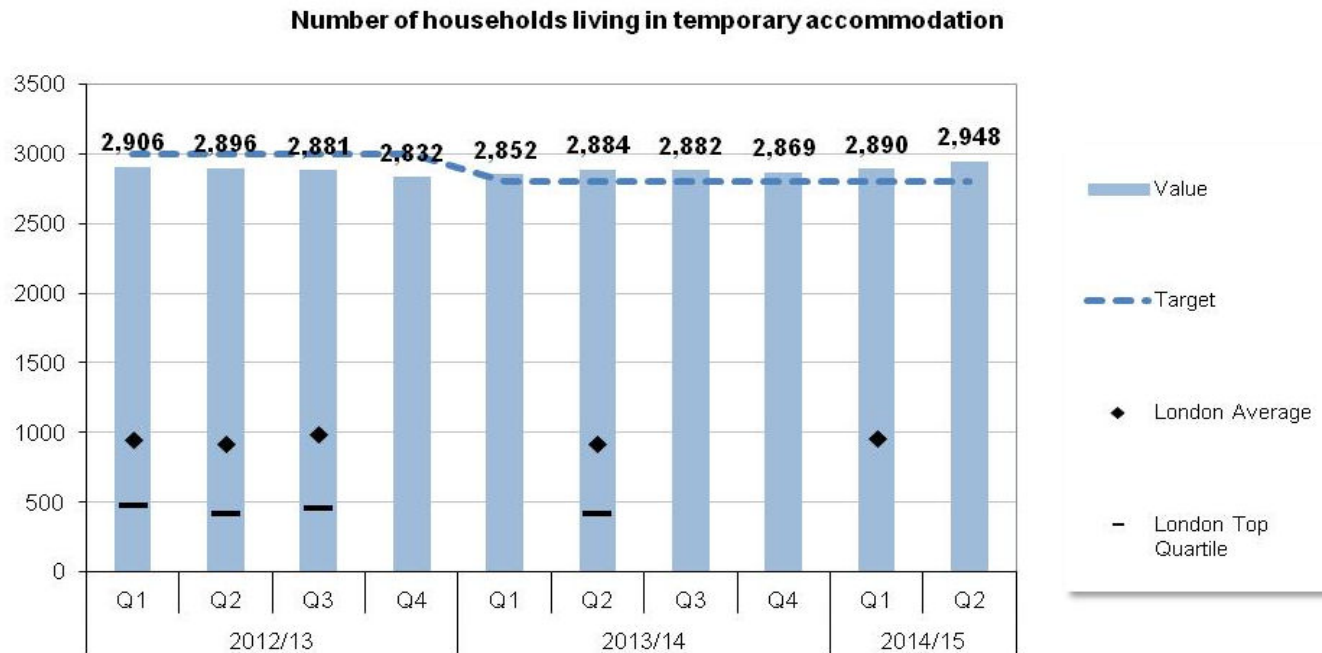
Tottenham is narrowing the gap with Haringey.



# Areas requiring further focus

18

- Homelessness acceptances remains higher than target despite a decrease in Quarter 2
- Steady increase in the number of households living in temporary accommodation since the start of the year. There has been an increase of 79 households.



19

## A better Council

# Areas performing well

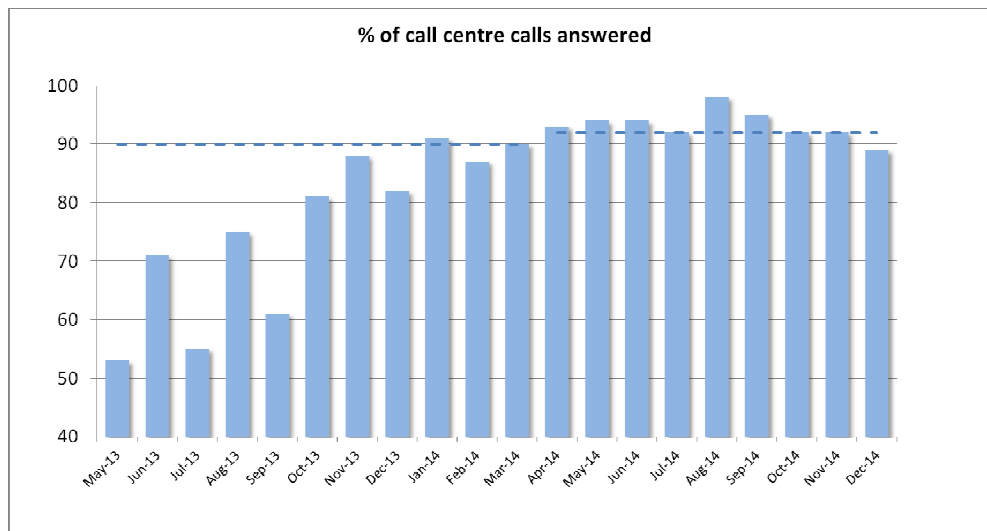
20

- Targets for planning applications processed within timescale have consistently been met across major, minor and other applications.
- The end of year target of recycling 37% of household waste is on course to be achieved despite a dip in the amount of mixed recycling in August.
- Haringey's household recycling rate is better than average for London (35%)

# Areas requiring further focus

21

- Performance for the customer service indicators are close to but below target for call centre answering and customer service centre waiting times.

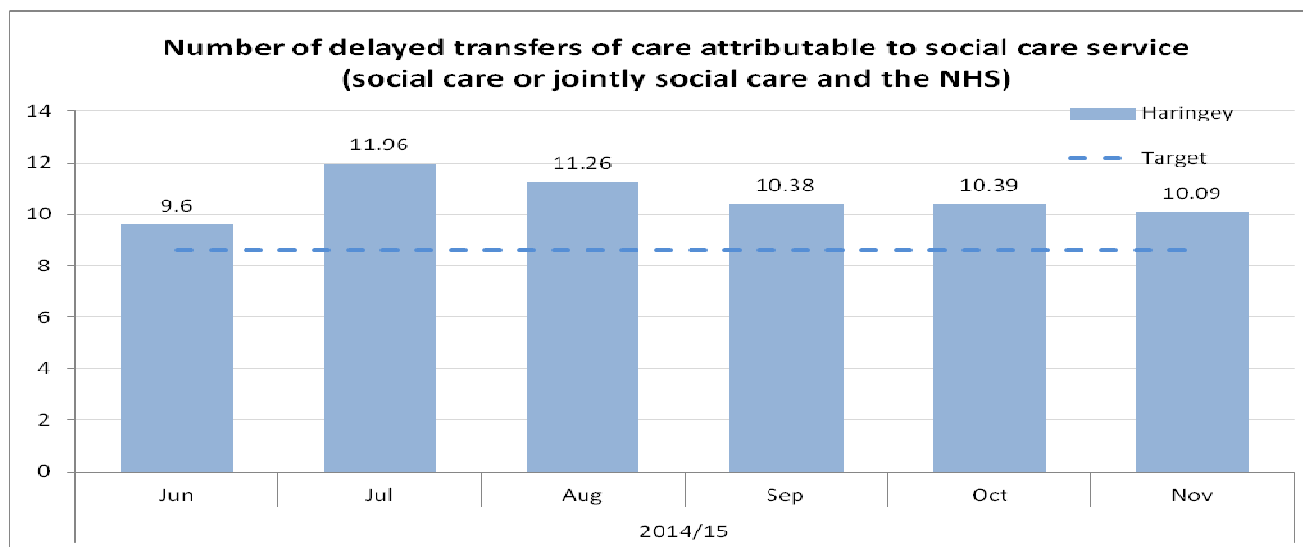


- A new performance management approach is being introduced which will enable the service to actively manage performance in these key areas.

# Areas requiring further focus

22

- Delayed transfers of care from hospital increased up to July 2014 to 12 delays per 100,000 adult population.
- Performance has been steadily improving since August reducing to 10 delays by November, performance remains higher than target



23

## Next steps

# 2015/16 Performance Reporting

24

A new basket of strategic indicators is being developed to monitor performance against the Corporate Plan 2015-18

The indicators will align to the Plan's five priorities

Quarterly reporting will take place against these indicators from April 2015

|                    |  |                     |           |
|--------------------|--|---------------------|-----------|
| <b>Report for:</b> | <b>Overview and Scrutiny Committee, 26<sup>th</sup> January 2015</b> | <b>Item Number:</b> | <b>10</b> |
|--------------------|--|---------------------|-----------|

|               |  |
|---------------|--|
| <b>Title:</b> | <b>Mental Health and Wellbeing Framework – outline</b> |
|---------------|--|

|                      |   |
|----------------------|---|
| <b>Lead Officer:</b> | <b>Tamara Djuretic, Assistant Director of Public Health</b> |
|----------------------|---|

|                              |                                     |
|------------------------------|-------------------------------------|
| <b>Ward(s) affected: ALL</b> | <b>Report for Non Key Decisions</b> |
|------------------------------|-------------------------------------|

### **1 Describe the issue under consideration**

1.1 Haringey's Overview & Scrutiny function has commissioned a series of reviews on mental health over the last eighteen months. Recommendations from completed reviews are being incorporated into the Haringey CCG and Haringey Council Joint Mental Health and Wellbeing Framework due for publication by the end of March 2015.

1.2 This paper outlines the Framework briefly, details the process for development of the Framework and proposes further engagement with the Adults and Health Scrutiny Panel and the Children and Young People's Scrutiny Panel in order to shape the Framework prior to its publication.

### **2 Cabinet Member introduction**

2.1 Haringey has a high level of mental illness and that can impact on any sphere of life: family, employment, education, social interactions. Tackling this issue is a priority for the Council and therefore I welcome joint partnership approach to developing the Framework.

2.2 Recent years have seen some significant improvements in supporting people to have good mental health, in particular, our investment in a range of public mental health interventions. However, we do need to be more ambitious and aspire to commission and deliver the best mental health services for our communities in partnership with the NHS, voluntary and community sector and service users.

### **3 Recommendations**

3.1 To note an outline and proposed process for development of the Framework.

### **4 Alternative options considered**

None

### **5 Background information**

5.1 The proposed Framework is being developed with a range of stakeholders and experts across the local health and social care economy (Mental Health Expert Reference Group) and it sets out high level vision for mental health and wellbeing in Haringey, defines a set of outcomes, principles and specific priorities that would underpin implementation of the vision. The Framework will have a delivery plan with a set of outcomes that will be regularly monitored.

5.2 The reference group had three workshops so far and suggested the following vision and outcomes:

**All residents in Haringey are able to fulfil their mental health and wellbeing potential.**

This vision articulates the need to focus on prevention and mental health promotion. It also recognises that there is a wide range of mental health and wellbeing experiences within Haringey's communities, and encompasses principles of services being flexible and tailored for a range of individual needs.

In achieving the proposed vision, we commit to improve mental health and wellbeing outcomes for all residents and, in particular, those with mental ill-health. Below is a set of locally defined outcomes aligned to the national mental health strategy.

#### **Haringey's Mental Health and Wellbeing Outcomes**

- More people will have good mental health
- More people with mental health problems will recover
- More people with mental health problems will have good physical health
- More people will have a positive experience of care and support, including carers
- Fewer people will suffer avoidable harm or die by suicide
- Fewer people will experience stigma and discrimination

5.3 The Framework will be available for wider engagement from 23<sup>rd</sup> January to 20<sup>th</sup> February 2015 on the following website [www.haringey.gov.uk/social-care-and-health/health/public-health/mental-wellbeing](http://www.haringey.gov.uk/social-care-and-health/health/public-health/mental-wellbeing). It is proposed to have a discussion on the draft Joint Mental Health and Wellbeing Framework at a joint scrutiny meeting, involving the Adults and Health Panel and Children and Young People's Panel in March prior to the publication of the Framework at the Health and Wellbeing Board on 24<sup>th</sup> March 2015.

#### **6 Comments of the Chief Finance Officer and financial implications**

N/A

#### **7 Head of Legal Services and legal implications**

N/A

#### **8 Equalities and Community Cohesion Comments**

N/A

#### **9 Head of Procurement Comments**

N/A

#### **10 Use of Appendices**

N/A

#### **11 Local Government (Access to Information) Act 1985**

None

**MINUTES OF THE CHILDREN AND YOUNG PEOPLE'S SCRUTINY PANEL  
MONDAY, 3 NOVEMBER 2014**

Councillors: Berryman, Hearn (Chair), Ibrahim and Morris

Co-opted Members: Ms. Y. Denny (Church of England Representative), Mr. L. Collier (Parent Governor representative) and Mr. K. Taye (Parent Governor representative)

**CYPS9. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Mark Blake and Hare.

**CYPS10. DECLARATIONS OF INTEREST**

None.

**CYPS11. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS**

None.

**CYPS12. MINUTES**

**AGREED:**

That the minutes of the meeting of 29 September 2014 be approved.

**CYPS13. SAFEGUARDING UPDATE**

Sir Paul Ennals, the Chair of Haringey Local Safeguarding Children's Board (LSCB), outlined its role within child protection and gave the Panel an update on current safeguarding issues.

He reported that he had begun his work as Chair in May. He did not currently live in Haringey but have previously done so and had held senior roles in a number of organisations concerned with children's welfare. The inspection of the LSCB by OFSTED had taken place shortly after his arrival.

The LSCB brought together all of the key agencies involved in child protection and had two distinct roles:

- To co-ordinate child protection work across agencies; and
- To encourage all agencies to hold each other to account.

Agencies involved included the Police, NHS bodies, the Children and Family Court Advisory and Support Service (CAFCASS), schools and probation organisations. In addition, the voluntary sector was involved and there was both a designated GP and a nurse representative. There also had to be at least one lay member and an independent Chair. Representatives from agencies were expected to be of a senior level and in a position to speak on behalf of their organisation. Work was currently being undertaken to develop the means by which the Board received the views of children and particularly those in care.

The Chair of the LSCB was appointed by the Council but was accountable to the LSCB's board and the Chief Executive. Although the Council was the largest

**MINUTES OF THE CHILDREN AND YOUNG PEOPLE'S SCRUTINY PANEL  
MONDAY, 3 NOVEMBER 2014**

single organisation involved in the LSCB as well as the principal funder, this did not confer any special status on it and it was regarded as one of the many partner agencies on the Board. The LSCB had a small number of staff but all its substantive work was undertaken by individual agencies.

The formal role of the LSCB was outlined in "Working Together". There was a particular role in scrutinising and understanding thresholds of care. In addition, the LSCB co-ordinated multi agency training, undertook audits and was responsible for serious case reviews. They also analysed trends and themes. The Cabinet Member for Children and the Assistant Director for Children were both active members of the Board.

The Board had recently submitted its action plan to Ofsted in response to its recent inspection of the LSCB. Only four areas had been identified by OFSTED as requiring improvement. Amongst other areas, the LSCB's membership, processes and arrangements for serious case reviews had been found to be satisfactory.

Improvements were nevertheless required in some areas including the involvement of schools, arrangements for addressing issues regarding the possible sexual exploitation of girls on the fringes of gangs and data on children missing from home and from care. A task and finish group had been set up by the Deputy Chief Executive to address all of these issues. The Action Plan had been approved by the Board but still required endorsement by OFSTED.

The Board had set a number of long term priorities as part of its business planning process. These included:

- Consideration of arrangements for addressing child sexual exploitation and, in particular, identifying where accountability lay. A task and finish group had been set up to look at this and would be reporting back in January; and
- Addressing historical sexual abuse. This related to recent allegations dating back to the 1980s. The perpetrator had since been charged and convicted. The case had generated a lot of learning and the Board was wishing to capture this with a view to guidance being updated. It was possible that other cases from the same period would come to light in due course.

The focus of the Board was on learning, with agencies being encouraged to share.

The Panel noted that local authorities across London were all looking at the issue of child sexual exploitation and an audit tool had been developed to assist with this. It was a pan London issue and Haringey was working with Enfield and Hackney in developing its approach.

In terms of historical abuse in schools, it was conceivable that disclosure could take place at any school within the borough. Schools had a pivotal role to play in encouraging disclosure. It was possible that whistle blowing policies might need further development so that they were more sensitive to the needs of children and young people. The Police were considering how they could intervene at an earlier stage and measures were being taken to put all relevant data on the appropriate IT system.

**MINUTES OF THE CHILDREN AND YOUNG PEOPLE'S SCRUTINY PANEL  
MONDAY, 3 NOVEMBER 2014**

In answer to a question, Sir Paul stated that OFSTED wanted the learning from recent cases of historical abuse that had come to light to be shared. A meeting of LSCB Chairs across London and the Children's Minister had been arranged as part of this.

The Panel noted that the voluntary sector had an important role to play in child protection and development work had been undertaken with HAVCO. However, more was required as the local infrastructure was not as strong as in many other London boroughs. This would include an on-line training package.

In respect of early help, it was the role of the LSCB to ensure that the move to earlier intervention did not inadvertently place children at risk in situations, such as where the level of involvement was stepped down. The Board needed to be satisfied that children were safe.

Panel Members felt that it was essential that representatives from schools regularly attended Board meetings and that attendance should be a top priority. Sir Paul commented that lack of attendance should not be equated with lack of interest. There was a high level of commitment from schools but Headteachers could often find it difficult to be away from their schools.

The Panel thanked Sir Paul for attending and looked forward to receiving further reports from him in the future. He stated that there might be opportunities for the Panel and the Board to align their work on issues of mutual concern and would be happy to explore this further.

**CYPS14. CONTRACTS IN CHILDREN'S SERVICES**

Charlotte Pomery, the Assistant Director for Commissioning reported that contracts were part of a larger process of procurement and commissioning. Expertise in both of these areas within the Council had now been centralised. There were a large range of contracts that the Council had in respect of services for children and young people and these varied considerably in size. Commissioning was now more focussed on impacts and outcomes. There had been a tightening up of contract management so that there was now greater clarity on outcomes expected. The Council commissioned from a wide range of providers and these included in-house providers, NHS organisations and voluntary sector bodies.

In answer to a question, Ms Pomery stated that the decisions on commissioning tended to be based on where the necessary expertise and resources lay, with no preference towards a particular type of provider. Sometimes there could be a mix between external and internal providers. She reported that the Council's contract with Impower was a partnership with CYPS and success would be judged based on delivery and outputs. Some contracting processes were very open in nature and allowed potential providers to come back with suggestions regarding how the desired outcomes would be met. In some areas, there was a lack of significant competition and it was important the market was sufficiently strong. There was accountability through contract monitoring. There was nevertheless a need to invest further in it.

**MINUTES OF THE CHILDREN AND YOUNG PEOPLE'S SCRUTINY PANEL  
MONDAY, 3 NOVEMBER 2014**

Ms Pomery reported that work was undertaken to develop capacity amongst providers and that this was done in liaison with officers responsible for economic development. Support was given to help providers improve but this needed to be balanced against the need for services to be of good quality. An example of this was work undertaken to develop capacity for the two year old early entitlement offer which was focussed on attracting more providers and helping them to expand to meet demand.

The Panel noted that the work of Impower would contribute to the achievement of savings required as part of the Mid Term Financial Strategy. Impower's work on the Haringey 54000 project was of particular significance. It is aimed at rebalancing services towards early help and enhanced working with local parents and families. The Cabinet Member stated that the decision to appoint external providers to recruit foster carers had been taken as they had been shown to be more efficient. Putting children in care was expensive and savings needed to be made. Long term plans were being put in place to ensure sustainability.

**AGREED:**

1. That a report be submitted to a future meeting of the Panel on the further development of the Haringey 54,000 programme; and
2. The further details of the 17 stand alone Children and Education contracts held by the Council be circulated to Panel Members.

**CYPS15. PROGRESS ON THE RECRUITMENT OF NEW IN HOUSE FOSTER CARERS AND ACTIONS BEING TAKEN TO ADDRESS OFSTED'S RECOMMENDATIONS FOR IMPROVEMENT OF THE FOSTERING SERVICE**

Neelam Bhardwaja, Assistant Director for Children's Services - Safeguarding and Support, reported on progress with increasing the number of in-house foster carers. It was aimed to increase the numbers by 45 by the end of March 2015. In order to help achieve this, cross borough promotional activity had been undertaken, including leafleting, posters and information and advice sessions.

The contract for recruiting was held by NRS. Their appointment had released fostering staff from responsibility for this and enabled them to concentrate instead on supporting, developing and training foster carers. In particular, there is now more frequent contact with supervising social workers and enhanced engagement processes. Arrangements had also been put in place to celebrate the achievements of foster carers.

Panel Members reported that children who were fostered were provided with mobile phones and bus and leisure passes. Not all families who fostered children could afford this for their other children and this could cause tensions. Ms Bhardwaja reported that bus and leisure passes were issued to all children in care as part of the Council's commitment to them as a corporate parent. In addition, mobile phones had become essential items for contact with them. She could nevertheless appreciate how this could lead to issues within some families. She agreed to take the issue back and raise it with support workers so that they were vigilant towards the matter.

**MINUTES OF THE CHILDREN AND YOUNG PEOPLE'S SCRUTINY PANEL  
MONDAY, 3 NOVEMBER 2014**

Panel Members were of the view that fostering involved all family members including the foster siblings. They noted that provision for leisure passes had only been introduced within the last two years. One possibility would be for the pass to be extended to whole family.

Panel Members also raised the issue of engagement with foster carers. They were of the view that it was important that foster carers did not feel inhibited by officers when providing feedback so a true picture could be given. Ms Bhardwaja reported that engagement had been improved and representatives from Haringey Foster Care Association met regularly with officers to pass on the views of their members.

The Panel noted that information was being collected on the effectiveness of marketing. In particular, respondents were being asked for details of how they heard about fostering. Children had asked for an event to celebrate fostering. The cost of arranging this had been relatively modest. Engagement was undertaken with a range of local communities to encourage them to consider fostering.

Ms Bhardwaja agreed to circulate details of the cost of the NRS contract. A key reason for this was that the Council had not been recruiting enough foster carers of its own. The improvements would increase the numbers of permanent placements and reduce the need for residential placements, which could be very expensive.

**AGREED:**

1. That the Children and Young People's Service be recommended to give further consideration as to how any tensions arising within families arising from items provided to foster children might be avoided or mitigated;
2. That details of the size of the contract between the Council and NRS to provide assistance with the recruitment of foster carers be shared with Panel Members; and
3. That a further report on progress, including information of retention rates, be submitted to the Panel in due course.

**CYPS16. WORKPLAN**

**AGREED:**

That the report be noted.

**Cllr Kirsten Hearn  
Chair**

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**Minutes of the Housing & Regeneration Scrutiny Panel  
3<sup>rd</sup> November 2014**

**Present:** Cllr Adje, Cllr Bevan, Cllr Diakides, Cllr Elliot and Cllr Engert.

**In attendance:** Cllr Bull, Cllr Strickland, Andrew Billany (HfH), Dan Hawthorn (LBH), Mustafa Ibrahim (LBH), Michael Kelleher (LBH), Liz Smale (LBH), Dan Kendall (public), Martin Harley (public).

**1. Webcasting**

1.1 A technical fault prevented the meeting from being webcast.

**2. Apologies for absence**

2.1 Apologies were received from Cllr Carroll and Cllr Marshall

**3. Declarations of interest**

3.1 None received.

**4. Deputations**

4.1 None received.

**5. Urgent Business**

5.1 None received.

**6. Minutes**

6.1 A correction was highlighted in paragraph 7.11 from the previous meeting: in line 2 of the removal of TFL and should therefore read: 'Members of the panel indicated that that transportation responses were often not accurate or in sufficient detail when included in planning reports'.

6.2 Further to the above amendment, the minutes of the previous meeting were approved

**7. Cabinet Q & A**

7.1 The Cabinet member for Housing and Regeneration attended and outlined key developments within this portfolio.

7.2 In respect of regeneration the Cabinet member noted that:

- The next regeneration ambition after Tottenham is the Wood Green area and its surrounds. This programme would be led by the AD for Regeneration and would entail:
  - 1,000 new homes would be delivered at Haringey Heartlands;
  - The local High Street Offer would be assessed;
  - Buildings around Station Road had been acquired to centralise the Council estate.
- In respect of the Tottenham Regeneration it was noted that:
  - The final master-plan had been assessed;
  - A people programme was now in operation to support physical development and The Grange was the focus for some of these activities. A bid had been

lodged with central government for £1m to support the community engagement approach to support the Tottenham redevelopment;

- In respect of the Spurs Stadium, a Compulsory Purchase Order (CPO) challenge had been lodged in the court though was due to be considered in January 2015;
- A community engagement exercise had commenced in the Northumberland Park Area to obtain key community principles to guide and inform development in the area.
- For Tottenham Hale regeneration plans it was noted that:
  - The Housing Zone bid had been lodged with the Greater London Assembly;
  - A public consultation is being undertaken in the area which would contribute to the development of the local area plan;
  - The new bus station would be complete on the 9<sup>th</sup> November;
  - Cabinet agreed to dispose of APEX house and redevelopment would commence in 2015/16.

7.3 The Cabinet member also highlighted recent key housing developments for the borough:

- Principles for a new Housing Strategy had been agreed by Cabinet and were not being put out for public consultation;
- The Council was changing the way that it engages with local Registered Housing Providers, in that 6 local providers would acquire a preferred 'partner status'
- The Council had commenced a new house building programme with the first plans agreed by Planning Committee in October;
- The unification of the Community Housing Service with Homes for Haringey had commenced and most staff and functions had transferred successfully at the end of September 2014
- It is expected that unification will help to remove service duplication and deliver tangible savings for the housing service;
- A cross-party panel was being set up to consider the future management of the council housing stock post 2016 when the current management agreement with Homes for Haringey would expire – this would consist of 5 members (4 Lab, 1 Lib Dem) and would be chaired by an independent expert.

7.4 The Cabinet Member for Housing and Regeneration responded to questions from the panel on this portfolio. The following highlights the key areas of discussion.

7.5 Further to housing unification, the panel noted that Tracie Evans (Chief Operating Officer) is the strategic lead for all housing issues whilst Dan Hawthorn (AD Regeneration) leads on Housing Strategy and Andrew Billany (Managing Director, HfH) oversees housing operations and delivery.

**Agreed:** That an up to date chart of the new structure of housing services in Haringey is circulated to the panel.

7.6 The panel noted that in the plans to decamp staff from APEX House, there were no plans for the use of porta-cabins to house staff or conduct council business. Plans are under way to move staff from APEX House to four likely locations: Marcus Garvey Library in Tottenham, Broadwater Farm (where there is already a housing

management service), 48 Station Road in Wood Green and Alexandra House in Wood Green. The panel noted that other libraries in the borough have similar multi-purpose uses and that the accommodation of housing staff would not diminish the library offer on this site.

- 7.7 The panel noted that the Customer Service Transformation Programme would assess and remodel the way that the council engages with local service users and residents. Although plans are in a very stage of development, it is likely that this will impact on the provision of customer services for housing and that these arrangements likely to be interim in short to medium term.
- 7.8 The panel noted that the Council new house building programme would comprise of approximately 96 units which would be offered for mixed tenure. Of these 96 units, 59 would be for social rent, 36 for shared ownership and one for private sale (the latter to help fund development for the site). Further planning applications would be submitted in the New Year for additional council build.

**Agreed:** The tenure breakdown (social rent, shared ownership, private sale) of the Council new build programme for 2014/15 to be distributed to the panel.

- 7.9 The panel noted that Right to Buy (RTB) receipts could be used to fund housing developments in a number of ways including the Council building houses directly itself or given to a third party such as a Registered Housing Provider (RHP) to build homes. The panel noted that a priority for the Council was to build new homes for its residents and that it had explicit yearly targets for this, therefore in some circumstances it may be appropriate to use RTB receipts to support RHP new build to contribute to this aim.
- 7.10 The panel noted that there were restrictions however on the use of receipts from properties sold through the RTB programme. Firstly, there were time limits in which the funds could be used which meant that these had to be used for committed projects (and not held on account). Secondly, RTB receipts could only be used to fund 1/3 of the cost of each housing unit, thus to fund the £150k unit cost of each new home, the Council would be required to provide an additional £100k from other sources for each unit with £50k of RTB receipts.

**Agreed:** The panel requested further information on the total capital receipts from Right to Buy for the past 5 years and how this has been used, with particular reference to receipts from the sale of the Waltham Cross housing estate.

- 7.11 The panel noted that the decision to follow the Compulsory Purchase Order (CPO) route to bring empty properties back in to use was costly and only used as a last resort once negotiations with property owners had failed. In total, the panel noted that 59 empty houses were brought back in to use during 2013/14.
- 7.12 In respect of empty Council properties being brought back in to use, the panel noted that there was no set financial cut-off (i.e. the level of investment needed to bring it back in to use). However, each property would undergo an individual economic assessment to assess the costs to bring it back into use against the opportunities that sale of the property on the open market might offer. The panel noted that in

some circumstances, the sale of a property may yield sufficient capital to provide for two new council homes.

7.13 The panel highlighted that other neighbouring London boroughs had reviewed the Council Tax liabilities of empty properties, to help provide further incentives to bring these back in to use. The panel were keen to understand what the position was in Haringey.

**Agreed:** Further information on the Council Tax liabilities for empty properties in Haringey would be provided to the panel.

7.14 The panel noted that Haringey, along with other London boroughs, was under extreme pressure in trying to meet the totality of local housing needs. The introduction of a welfare reform programme and the lack of affordability of the private rented and home ownership sectors had heightened demand for housing in the social rented housing. This was exemplified by the number of people on the local Housing Register (approximately 15,000).

7.15 Whilst such demand highlighted the need to prioritise the building of new homes for local people, it also necessitated that a more realistic and open conversation take place with local residents as to the ability of the Council in meeting local housing needs. In this context, the panel noted that plans had been put forward to amend the Allocations Policy to effectively remove those in bands D and E on the Housing Register, who in reality have little prospect of being housed given the comparative needs and numbers of those in higher priority bands ( A, B and C).

7.16 The Panel was keen to understand, in the context of such extreme housing demand, what action the council was taking in relation to council home building and ensure that it was utilising any opportunities to do this. It was noted that as the Council now manages rental income through the Housing Revenue Account (HRA) and can use this to plan and build new homes. There were however borrowing limits (Borrowing Cap) set by Department of Communities and Local Government to allow councils to build new homes. In Haringey, the Borrowing Cap was £44-45million over the 30 year HRA plan. This limited the Councils ability to directly fund house building from this particular reserve.

7.17 The panel also noted that the Council was looking at establishing other Special Purpose Vehicles to improve opportunities for lending and to increase house building. Such SPVs may also limit eligibility to Right to Buy and the future loss of local housing stock. The panel would look at this further within its agreed project.

7.18 The panel noted that to date, much of the improvement and maintenance of local council housing stock has been provided through dedicated grants, most notably the Decent Homes Programme. It was noted that whilst this funding stream would cease in 2016, improvements would still be funded through the Housing Revenue Account. Although the loss of funding through the DHP would be challenging, it would also provide more local freedom to set and prioritise local maintenance works (and help remove local anomalies).

7.19 The Chair thanked the Cabinet member and officers for attending to discuss housing and regeneration issues.

## **8.0 Housing Unification and Improvement Programme**

8.1 The panel noted that the transfer of the Community Housing Service to Homes for Haringey was agreed by Cabinet in March 2014 and would involve approximately 200 staff. There were five waves to the Housing Unification and Improvement Programme (HUIP), the first being the transfer of staff which was successfully completed on 29<sup>th</sup> September 2014. The second phase was the creation of a new local Housing Strategy which would provide the overall strategic framework and direction for the newly unified housing service.

8.2 The panel noted that Homes for Haringey management structure was getting to know and understand those teams that had moved over, and that improved working /operational relationships had already been recorded as a result. It was envisaged that unification would result in some significant cost savings in the region of £2.97m to the General Fund (GF) and £3.8m to the HRA by March 2017.

8.3 The final phase of the HUIP would assess the best model for the management of the Council housing stock. The current agreement with HfH will run until 2016, and that a cross party panel will be established to explore future options for the Council beyond this date. The panel would consist of local councillors, tenant's representatives and chaired by an independent expert. The panel would consider all the possible options available: retention of the ALMO, winding down HfH, development of an ALMO Plus model, transfer of stock to a RHP, formation of a housing cooperative (etc.). The established panel would also consult with other local authorities and expert opinion in making its recommendation.

8.4 The panel sought clarification as to the position of the Council in respect of the placement of families outside the borough (and more specifically out of London). The panel noted that temporary accommodation figures for the council were still high and costly and would continue to be challenging as there were limited short term solutions to the high level of demand for housing and the council's obligations to house those in need. It was noted that the availability of temporary accommodation to the council had reduced as private landlords can obtain greater yields on the open market, and the cost of what was available (nightly rate) had increased. Funding this was costing the Council approximately £2.5m per annum.

8.5 In the context of the above, the panel noted that it was becoming increasingly difficult to find accommodation for people in Haringey. It was noted that a Placement Protocol setting out the temporary accommodation options for local people, using options outside of the Borough, was currently in development, and would be considered by Cabinet for approval in January 2015.

8.6 The Chair thanked officers for the report and for attending to respond to member questions.

## **9.0 Homes for Haringey – Monitoring and Scrutiny Arrangements**

- 9.1 The panel noted that monitoring of the contract with Homes for Haringey is undertaken in a number of ways including regular meetings to assess key performance indicators as well as specific meetings for collaborative projects.
- 9.2 The panel praised the contribution of Homes for Haringey staff in the consultation arrangements for the Tottenham regeneration and development programme, though expressed a concern that this was not undertaken at a cost to front line housing services.
- 9.3 The panel sought clarification as to whether HfH would seek alternative sources of income which could be invested in housing services, such as the payment for parking services and permits. It was reported that HfH would adopt a common sense approach to this and would identify income streams where these were practical and appropriate. It was suggested that additional income from reviewing fees and charges for garages and parking could realistically contribute £0.5m to revenue to the service, and this is part of the planning for future budgets.
- 9.4 The Chair thanked officers for the preparation of this report and for responding to member questions.

## **10.0 Haringey Housing Strategy**

- 10.1 The panel received a presentation on the principles and process for agreeing a new housing strategy for Haringey.
- 10.2 Whilst the panel acknowledged that the housing strategy contained the overall strategic framework for the development of housing services it sought clarification of when more detailed sub-strategies and action plans would be published following agreement of the overarching housing strategy (e.g. policy regarding selective licensing of private landlords, older peoples housing strategy, design guides etc).  
  
**Agreed:** The panel requested a list of those sub strategies/ delivery plans that 'fall' from the overarching Housing Strategy with their approximate dates for completion/ publication
- 10.3 The panel were concerned that given the level of housing needs in the borough, there was no explicit priority in the strategy at present given to increasing the provision of housing in the social rented sector. It was noted that this is a draft of the strategy and could yet be included in a final strategy depending on the consultation feedback received. It was noted that there was a manifesto commitment to increase social housing no intention of reducing the level of such stock. Similarly, given the ambition to create mixed and diverse communities, the council would support the delivery of all tenures of stock where appropriately planned.
- 10.4 The panel discussed the Estate Renewal Programme and the number of affordable shared ownership properties available in these schemes. There was some discussion as to what constitutes affordable housing and in reality, how affordable these were to local residents, particularly as this may require an income of £60-80k. The Panel noted that in respect of Love Lane Estate Regeneration all those residents that would be moved would be re-provided within the new build programme at the same site.

10.5 In respect of the planned consultation for the Housing Strategy, it was suggested that given the importance of this strategy and its implications for all households (irrespective of tenure) this should include all residents. In addition, the consultation framework should include Homezone, those on the Housing Register email and should maximise the contacts and networks of local councillors.

**Agreed:** The panel recommended that the consultation framework should be extended so as to reach a wider audience, in particular residents from wider range of tenures, as well as those with specific housing needs and should incorporate the use of: Home Zone, Housing Register email and Haringey People. The panel also recommended that the networks and contacts of local Councillors should be utilised within the consultation process.

10.6 The panel sought clarification as to whether the Council had applied for £60m of funding that was available through the Greater London Assembly for the Care and Support. It was noted that whilst the Council had not applied directly, it had supported the bid of a local RHP.

**Agreed:** The panel will collate its responses to the Haringey Housing Strategy and formally submit these to the consultation and Cabinet member.

**Agreed:** A report would be provided back to scrutiny as to the outcome of the Housing Strategy consultation and completion of the actual strategy.

### **11.0 Preferred Partnership Status**

11.1 The panel noted that there were in excess of 50 RHPs providing housing services to over 13,000 local households. RHPs have been and continue to be key partners in the provision of new affordable housing, specialist housing support and other tenures to local residents. The number of providers however was however challenging for local engagement. As such, the Council was preparing for a more strategic working relationship with six key providers.

11.2 An initial invite was circulated to all RHPs and from resulting expressions of interest, a short list of nine was agreed. Following interview, six preferred partners were agreed which were:

- Family Mosaic
- Newlon
- Notting Hill
- Sanctuary
- Circle
- London and Quadrant

11.3 Members were keen to understand what criteria had been used to select RHP preferred partners. It was understood that those selected were already active in development and the council would seek to build on this. A number of those selected also had a local presence in Haringey, one had its head office in Tottenham Hale and another had its South Eastern head office in Wood Green.

11.4 The panel noted that as there was no legal obligation for RHPs to work with the Council, a memorandum of understanding (MoU) was being developed to create a framework for the council and preferred partners to work together. There will be one MoU for all 6 partners. A dedicated web page would be provided on the council website detailing local arrangements with RHPs and a performance report would be compiled. It was agreed that this performance report would come to Overview & Scrutiny at a future date once in operation:

**Agreed:** Once the Memorandum of Understanding has been agreed between the Council and preferred partners and in operation, a performance report for the RP sector will come to scrutiny.

11.5 The panel noted that there were a number of ongoing issues with a few local RHPs which needed to be resolved, which included:

- Failing to provide local walkabouts with councillors to identify housing management issues;
- Failure of RHPs to work cooperatively on multi-landlord estates
- A reluctance to provide houses at social rent despite being funded by central government to do so;
- A local provider which did not meet CQC standards for some of its supported housing;
- A provider which had implemented security structures which made residents feel like they were living in a prison.

**Agreed:** Further details of issues with Register Providers highlighted by the panel would be passed to the lead officer for further enquiry (and report back).

11.6 The panel were reassured that although the Preferred Partnership Status had been agreed with large RHPs, the Council would continue to work with smaller organisations. The panel noted that the Council would also encourage larger preferred partners to work in partnership with smaller RHPs to further support the provision of housing services in the borough. It was noted that HfH already works closely with a number of local RHPs in the provision of housing services and in driving common housing management standards.

11.7 The panel sought clarification as to whether two liaison forums between the councils and RHPs were still in operation (i.e. the Development Forum and Provider Forum) and whether attendances had improved. It was recorded that these were still in operation and that although attendance remained challenging, the new Preferred Partnership Status may help to reinvigorate these groups.

11.8 In response to specific questioning as to the eligibility of local Councillors to join the board of RHPs, it was noted that there was no specific bar to this, but that this was a decision for individual RHP boards.

11.9 The panel also sought to clarify how both parties would benefit from the Preferred Partnership Status. It was noted that from the RHP perspective, the council would support bids for regional funding (e.g. GLA), will support new build in Haringey and may be given funding to build (as mentioned earlier from receipts from RTB). The Council will benefit from a more strategic relationship with providers who are keen to

develop interests in Haringey and who already have a track record of new build in the borough. The panel noted that Council still retains 100% nomination rights on new build.

11.10 The Chair thanked officers for the report and for attending to respond to member questions.

## **12.0 Employment and Land Supply**

12.1 The panel discussed the briefing that was requested at the last meeting. The panel noted that the Council was in an evidence gathering stage that would ultimately inform the Economic Development Strategy that will be finalised and considered by Cabinet in the New Year (January 2015).

12.2 The panel noted that the GLA had placed clear expectations and targets with the council in the delivery of local jobs and housing. Given the limitations on local land availability it was suggested that both these objectives were over ambitious and would be challenging for the Council to deliver. The limitations on local land supply also inevitably created tensions between the two strategic objectives of delivering jobs and homes.

12.3 It was apparent that a market led approach would not provide a balanced approach to these issues, as the economic viability of development would currently favour housing because of the returns for this type of development (reflecting current housing demand). As a result, the council would adopt a site-by-site approach to ensure more balanced range of employment and housing development is attained (informed by Local Plan etc).

12.4 The panel noted that the Council does not want to become a dormitory suburb, where local residents predominantly commute to employment outside the borough, but to create genuinely mixed communities. To this aim, it was noted that there are certain sectors within the borough which are established which the council may wish to support and encourage further (e.g. clothing manufacturing, food manufacturing).

12.5 The panel were keen to understand how class B1 planning categories (e.g. garage spaces, railway arches etc) could be retained and supported further in the borough, particularly as these provided a platform for growing small businesses and were increasingly the 'backbone' of local high streets and shopping centres. It was noted that the council would use local planning policies to support such local areas create such opportunities for local businesses.

12.6 It was also noted that the promotion and support of local employment opportunities would complement the councils green agenda in that it would help to create sustainable communities where people could work, shop and enjoy recreational activities locally. It was underlined to the panel that it was an ambition of the council to create such integrated communities and to avoid the creation of artificial housing and employment only zones in the borough.

12.7 The panel highlighted that with the development and regeneration plans for the borough there were many opportunities to bring additional employment as well as housing to local residents, in particular the provision of local apprenticeships. It was

suggested that in some cases (e.g. Tottenham Hale) regeneration had delivered more jobs than were previously available on the previous industrial / manufacturing site.

12.8 The Chair thanked officers for the preparation of this report and for attending to answer panel questions.

**13. Industrial living.**

13.1 The panel noted the briefing that was provided by the Planning Service on work that was being undertaken in respect of Industrial Living sites in the borough.

**14.1 Work Programme Update**

14.1 The panel noted the work programme update and the forward plan of work. The next meeting would be on the 8<sup>th</sup> December and dedicated to scrutinising budget proposals set out in the forthcoming Medium Term Financial Plan. Included in the agenda for the 22<sup>nd</sup> January 2015 were the Asset Management Plan and Community Buildings Review.

14.2 The panel discussed progress on its project to look at the role of the council in the delivery of affordable housing, in particular the legal and financial structures available to support such delivery. A date for the 'scrutiny in a day' was still being considered and options would be circulated to the panel.

14.3 There were a number of relevant conferences that would be of interest to panel members to support this project work taking place in November and December and the details of these would be circulated to the panel.

14.4 A full background report would be circulated to the panel detailing the results of a desk review would also be circulated to the panel ahead of the planned meeting.

**15. Dates of future meetings**

15.1 These were noted by the panel.

**The chair closed the meeting at 9.30pm**

**MINUTES OF THE ENVIRONMENT AND COMMUNITY SAFETY SCRUTINY PANEL  
THURSDAY, 6 NOVEMBER 2014**

Councillors Blake (Chair), Gallagher, Gunes, Hare and Jogee

Also Councillor Wright  
present:

**CSP10. APOLOGIES FOR ABSENCE**

An apology for absence was received from Councillor Newton. Councillor Wright was welcomed to the Panel. It was noted that he would formally be replacing Councillor Doron once approval for change had been given by the Overview and Scrutiny Committee.

**CSP11. DECLARATIONS OF INTEREST**

None.

**CSP12. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS**

None.

**CSP13. MINUTES**

**AGREED:**

That the minutes of the meeting of 30 September be approved.

**CSP14. CABINET MEMBER QUESTIONS; CABINET MEMBER FOR COMMUNITIES**

Councillor Vanier, the Cabinet Member for Communities, reported on the key areas and developments within her portfolio as follows:

- Increasing confidence amongst the public was one of the key priorities of community safety partners, especially amongst young people. Other priorities included preventing gender violence, the further development of the integrated offender management scheme, addressing property crime and violence extremism;
- There had been an increase in levels of confidence from 50% to 68%. The borough had previously been one of the lowest performing boroughs in London but was now around the middle. The improvement had been achieved through effective partnership working. One initiative that had contributed to this was the "Summer Night Lights" scheme that the borough had participated in. This had been set up to reduce violence, crime and anti-social behaviour during the summer months, when levels of offending tended to be higher. Seven boroughs had been chosen for the pilot of this scheme, including a number of significant neighbours. The scheme had operated in Haringey on the Love Lane Estate in Tottenham. It had involved a number of activities, including basketball, social events and workshops and had been very successful. It was planned to run it again;
- A responsible retailer scheme had been launched to support efforts to make the borough safer. Amongst other things, retailers were being encouraged not to sell single cans of beer or beers with very high levels of alcohol. This was aimed at

**MINUTES OF THE ENVIRONMENT AND COMMUNITY SAFETY SCRUTINY PANEL  
THURSDAY, 6 NOVEMBER 2014**

preventing their sale to those involved in street drinking. It was part of Operation Equinox, which was a partnership initiative aimed at addressing violence;

- A ten year gang and serious youth violence strategy was being developed. This focussed on prevention and early intervention, community engagement and enforcement;
- The borough's Safer Neighbourhood Board had now been established. Haringey had been one of the first London boroughs to put its arrangements in place, which had earned it praise from the Mayors Office for Policing and Crime (MOPAC).

In answer to a question, the Panel noted that action had been taken to address violent extremism. This had included a number of workshops internally and externally and, more recently, with schools. Haringey was one of a number of boroughs involved in the Prevent initiative to address violent extremism, which was funded by the Home Office.

In terms of improving confidence, community safety partners had worked closely with the local community to address the issue. In addition, they had also sought to tackle anti social behaviour. This had included weeks of action where the Police and Council officers had sought to provide a highly visible presence. This had included, where necessary, the use of anti social behaviour orders. Engagement had also been undertaken with young people, including work with Haringey Youth Council. In addition, there were now young people representatives on the Safer Neighbourhood Board.

In answer to questions, the Panel noted that London wide comparative crime data could be found on the Metropolitan Police's website. The Love Lane had been chosen for the Summer Light Nights initiative due to issues that had arisen with drugs, alcohol and youths hanging around. In reference to the responsible retailer scheme, work had been undertaken last year to encourage retailers to act responsibly in order to address health issues but it had not been possible to get many to respond. The hope was that retailers who participated in the current scheme would encourage others to follow suit.

The Panel also noted that there had been an increase in the reporting of hate crime. This was a positive development as previously crimes were often not reported as people could feel that they would not be taken seriously. It was agreed that a breakdown of statistics relating to hate crime would be provided to Panel Members.

In respect of Operation Equinox, it was noted that Ipswich had managed to successfully reduce levels of street drinking due to effective engagement with retailers. Panel Members suggested that specific incentives could be provided to encourage retailers to participate. In particular, the feasibility of offering reduced business rates could be examined. The Cabinet Member felt that this would not be possible.

In answer to a question, the Cabinet Member reported that there was so far only one known instance of a borough resident travelling abroad with the intention of joining a radical Islamic group. In terms of violence against women and girls, there were no budgetary reductions that were planned in the near future and the issue remained a very high priority for the borough. There was a need to reach different communities

**MINUTES OF THE ENVIRONMENT AND COMMUNITY SAFETY SCRUTINY PANEL  
THURSDAY, 6 NOVEMBER 2014**

that there were within the borough regarding it and efforts were being made to address this.

Hazel Simmonds, the Interim Head of Community Safety reported that the budget for community safety support was around £400k. In addition, there were additional funds that had been obtained externally such as £2 million that had been obtained for the Mac-UK project to address mental health issues amongst young people and funding from MOPAC to deliver a range of projects. There was also funding from Homes for Haringey for the ASBAT team.

**AGREED:**

1. That a statistical breakdown of hate crimes committed in borough in the last year be provided to Members of the Panel;
2. That further information be provided to Panel Members concerning the responsible retailer scheme; and
3. That a progress report be provided to a future meeting of the Panel on the Prevent initiative.

**CSP15. HARINGEY COMMUNITY SAFETY PARTNERSHIP**

The Panel welcomed Victor Olisa, the Police Borough Commander for Haringey. He reported on the development of the local policing model. The main driver for this had been financial. The Metropolitan Police Service had been required to save £600 million by 2015 as part of the government's first spending review. It was likely that the next spending review would see an additional reduction of approximately £700 million and it would be a massive challenge to achieve this. At the same time, the Mayors Office for Policing and Crime (MOPAC) was seeking to make London the safest city in the world.

The Metropolitan Police had been one of the lowest performing police services nationally so it had been necessary for it to improve. The MOPAC had introduced a greater focus on neighbourhoods as well as new targets. These included cutting 7 priority crimes by 20% (the MOPAC 7), increasing public confidence by 20% and cutting costs by 20%. These were to be achieved by 2016.

As part of this, there had been a need identified to improve public access. It was necessary to reduce the number of buildings that the service was responsible for at the same time. There was now only one police station that was open for 24 hours per day and for 7 days per week within the borough. There had previously been three police stations within Haringey that were open for extended hours and, with the exception of Westminster, Haringey had been the only London borough where there was more than one. Accessibility had been improved by enabling people to report crime on-line, developing new contact points and visiting people where necessary.

Additional resources had been directed towards the front line. In particular, wards had been amalgamated to develop neighbourhoods. There were three of these in Haringey. However, neighbourhood Police Officers were now required to investigate low risk crimes which meant that they spent less time on the street due to the processes involved in doing this. In answer to a question, Mr Olisa reported that the

**MINUTES OF THE ENVIRONMENT AND COMMUNITY SAFETY SCRUTINY PANEL  
THURSDAY, 6 NOVEMBER 2014**

changes had not impacted on confidence levels. He felt that this was because there was more purposeful contact and improved engagement in following up issues.

Mr Olisa stated that residents had been promised that there would be at least one dedicated Police Constable and Police Community Support Officer (PCSO) in each ward. This promise still stood but there was now local decision making regarding joint patrols between officers from adjacent wards. Consideration was nevertheless being given to increasing the level of visibility. It had been the case that PCSOs would not be replaced if they left but recruitment had resumed and numbers were now increasing. Most vacancies within the service locally had now been filled.

Mr Olisa reported on performance in respect of the MOPAC 7 priority crimes. Burglary had increased and the Police were working with the Council to address the issue, especially in problem areas. They were also focussing on offenders. Many prolific offenders had been jailed in the aftermath of the riots in 2011. They were now being released and returning to committing offences. The Integrated Offender Management scheme had been developed in order to respond to these issues. In terms of criminal damage, there had been a high number of offences reported by residents in the Alexandra ward in the vicinity of Alexandra Palace. Many of these had involved graffiti and one prolific offender had recently been arrested.

He acknowledged that the current priority crime targets would be a challenge to achieve. Of particular note was the increase in violence with injury, which was a concern across London. It was not clear why this had happened but there had been a change in the definition for recording of offences that may have been a factor. It was not necessarily the case that more violence was taking place.

Mr Sygrave complimented that Borough Commander on performance achieved despite the reductions in funding. However, he reported that there were still concerns about the new model of neighbourhood policing, especially in relation to visibility. In addition, there were also concerns about the high turnover of staff. In particular, all three neighbourhood inspectors were changing. When staff were promoted, they normally left the borough.

Mr Olisa stated that he understood concerns regarding visibility. It would be better if there were more dedicated officers within wards but they would have to come from somewhere else. In particular, it was crucial that there were enough officers to provide an emergency response. In addition, neighbourhood officers were required to follow up low level offences and this required a lot of paperwork. This was necessary in order to ensure accountability but consideration was being given to the use of technology to speed processes up. There had been investment in new technology and this included the trialling of the use of iPads. The issue of turnover was difficult to address. Chief inspectors were moved across the borough to enable them to develop experience. In addition, it would be difficult to stand in the way of officers who wished to progress and develop their careers further. In answer to a question, Mr Olisa reported that a site for a contact point in Muswell Hill was still to be identified.

Mr Olisa reported that performance figures in respect of confidence were nevertheless encouraging, particularly in respect of people who felt that they were given fair treatment by the Police. Despite overall performance figures being good 18 months ago, levels in confidence were only 50%. Comparative data showed the borough was

**MINUTES OF THE ENVIRONMENT AND COMMUNITY SAFETY SCRUTINY PANEL  
THURSDAY, 6 NOVEMBER 2014**

performing well in respect of this which, bearing in mind historical issues, was very welcome.

In respect of Special Constables, they were required to work 16 hours per month. However, it had been found that a significant percentage had not worked for over a year and this had now been addressed. Although there were now fewer of them, they were required to attend regularly and the vast majority were doing so. In answer to a question, he reported that the vacancy rate would soon be down to 1%.

The Chair thanked Mr Olisa. She noted that there was still concerns regarding the neighbourhood policing model and felt that there should be further discussion of the issues in due course. She welcomed the reduced number of vacancies.

The Panel commented that the improvement in the figures for confidence was a significant achievement. They felt that the increases in levels of reported crime were not necessarily all indicative of there being more offences but might be linked to there being an increased likelihood of people reporting crime.

**AGREED:**

1. That a report on the outcome of Operation Equinox in Haringey be submitted to a future meeting of the Panel; and
2. That a further report be made to a future meeting of the Panel on progress of the Neighbourhood Policing Model.

**Clr Barbara Blake**  
**Chair**

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**Appendix A – Draft Minutes of Budget scrutiny meetings December 2014.**

**DRAFT MINUTES OF CHILDREN AND YOUNG PEOPLE’S SCRUTINY PANEL  
15 DECEMBER 2014**

Councillors M Blake, Hearn (Chair), Ibrahim and Morris

Also present: Councillors Adje, Arthur, Barbara Blake, Bull, Connor and Ejiofor

**CYPS17. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors Akwasi-Ayisi, Berryman and Hare and Mr Taye.

**CYPS18. URGENT BUSINESS**

The papers in relation to agenda item 6 (Scrutiny of the Medium Term Financial Strategy) were admitted as a late item of urgent business as they needed to include information regarding proposals for consideration by the Cabinet which were not available for release until after the agenda for the Panel had been circulated.

**CYPS19. DECLARATIONS OF INTEREST**

None.

**CYPS20. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS**

None.

**CYPS21. SCRUTINY OF THE DRAFT MEDIUM TERM FINANCIAL STRATEGY**

The Panel considered the budget proposals contained within the Medium Term Financial Strategy (MTFS) relating to the terms of reference for the Panel as follows:

Corporate Priority 1

Reference 1; Early Years:

Panel Members expressed concern at the possibility that current in-house provision might be subject to externalisation. They were also of the view that more detail needed to be provided as to how the savings would be achieved.

The Assistant Director for Commissioning reported that no decision or view had been taken regarding externalisation and it was not specifically being looked at. Provision was currently undertaken by the in-house service and external providers. A review was being undertaken on future provision and this would include engagement and consultation with a range of stakeholders and the local community. The Interim Director of Children’s Services stated that there would be challenge in making specific proposals regarding where the savings would be achieved. In such

circumstances, there might be particular difficulties in maintaining the current number of Children's Centres.

AGREED:

1. That the reassurances received regarding the potential for externalisation of in-house provision be noted; and
2. That the Panel recommend that no final decisions be taken on this proposal until after the review of provision and full consultation has been completed.

Reference 2; Services for Young People including Young Offenders

Panel Members were of the view that it was important that the risks associated with the proposals were evaluated fully. In particular, it needed to be ensured that they would not lead to additional cost pressures on other services in the longer term. They also requested clarity on the specific parts of the services that the savings were intended to come from as well as details of which service areas were statutory. The Panel were of the view that youth services could positively support young people in making a good start in life, becoming good citizens and fulfilling their aspirations. Concern was expressed that the removal of part of the non YOS budget would mean that services would necessarily be focussed around the prevention of offending.

AGREED:

1. That a risk assessment of the proposals to be undertaken to ensure mitigation of any potential unintended impact on spend elsewhere in the system;
2. That reassurance on the balance between targeted and universal provision be reviewed;
3. That further input be obtained from young people on the proposals; and
4. That clarity be provided on the breakdown of where the savings are intended to be made between the YOS and Youth Services, including detail on the specific functions which are statutory, and that concern be expressed at the proposal to reduce the budget by £1.7 million in the first year of the MTFS in the absence of this information.

Reference 3; Public Health – 5-19

Members of the Panel expressed concern at the potential use of pupil premium funding by schools to fund public health initiatives. In particular, the borough had serious health inequalities that needed to be addressed. It was noted that the intention was to work with Headteachers and suggest to them that funding might be utilised to address public health related issues that might impact positively on the academic performance of pupils. It would not be possible to insist on the areas where they spent the funding though. The use of the pupil premium was monitored by OFSTED.

The Cabinet Member for Resources and Culture commented that the Council had been setting three year budgets for the last decade and it facilitated better long term planning. He was nevertheless happy to report back to the Overview and Scrutiny Committee on the approach followed by other London boroughs. There would be opportunities to review progress with the implementation of decisions that had been taken and the role of Overview and Scrutiny within this would be vital. The strategy was long term but also flexible.

AGREED:

1. That the concerns of Panel Members at the potential use of the pupil premium to address public health issues be noted; and
2. That the Assistant Director for Finance be requested to circulate information to the Committee regarding the approach followed by other London boroughs in their budget planning processes and specifically the length of time covered within it.

Reference 4; Impact of Early Help on Demand

Panel Members expressed concern at the risk of the savings outlined not being achieved. Careful monitoring of progress would be required in order to provide reassurance that children remained safe. It was noted that the successful implementation of the Early Help offer was anticipated to lead to a lower number of children entering the social care system and would therefore reduce costs.

AGREED:

That concern be expressed regarding the achievability of the savings included in the proposals.

Reference 5; New Delivery Model for Social Care

The Panel noted that there were currently 154 established social worker posts within the Children and Young People's Service. There were currently 32 vacancies and 42 agency staff. There was particular challenge in recruiting and retaining permanent staff. The savings would be achieved by reducing agency staff and vacant posts.

AGREED:

That concern be expressed regarding the potential risk of the savings arising from this proposal not being achieved.

Reference 6; LAC and Sufficiency

The Panel noted that the savings arising from this proposal would come from reducing the use of external fostering provision and residential placements

AGREED:

That the report be noted.

Reference 7; Special Educational Needs and Disabilities

Panel Members expressed concern that the proposal might impact on the level of respite that families received. The Assistant Director of Commissioning reported that the proposals were not about cutting services but using facilities to their best effect. It was noted that the savings would arise from a number of different areas. It was possible that Haslemere Respite Centre would be affected as a number of options would be considered.

AGREED:

1. That the proposal be noted with concern; and
2. That additional information on the proposal be provided to the Overview and Scrutiny Committee including a breakdown of where the savings are planned to be achieved.

Reference 8; Enablers

The Panel noted that it was intended that this saving would be achieved through a review of systems and processes and greater rigour in their implementation and interpretation.

AGREED:

That the proposal be noted.

Reference 9; Services to Schools

The Panel noted that the intention was to safeguard services by making them more attractive to schools. Panel Members emphasised the importance of school improvement services in delivering positive outcomes for young people.

AGREED:

That the proposal be noted

Reference 10; Pendarren

The Panel noted that this saving proposal concerned the delivery of services and was not based on the sale of the site. A range of options would be considered and this would include in-house provision. The facility was well liked by schools and the intention was to safeguard its future. However, more commercial ways of operating needed to be considered.

The Interim Director of Children's Services reported that a report outlining the range of options would be available shortly.

AGREED:

That the report outlining potential future options for the development of Pendarren be submitted to the next meeting of the Children and Young People's Scrutiny Panel.

Cllr Kirsten Hearn  
Chair

**Draft Minutes of the Adults and Health Scrutiny Panel Thursday 11<sup>th</sup> December 2014**

**Present: Cllr Connor (Chair), Cllr Adamou Cllr Beacham, Cllr Bull, Cllr Mann, Cllr Patterson, Cllr Stennett**

**Also attending: Cllr Hearn**

**1. Apologies**

Apologies were received from Helen Kania

**2. Urgent Business**

None received.

**3. Declarations of interest**

None received.

**4. Deputations**

None received.

**5. Scrutiny of the Draft medium Term Financial Plan**

The Cabinet Member for Health and Wellbeing attended the meeting to discuss the budget proposals with the panel. The Cabinet member made the following points:

- Budget proposals are drawn up in the context of a reducing Revenue Support Grant and increased demand for services;
- In addition, the implementation of the Care Act in April 2015 will place new duties and responsibilities on the Council;
- Overall, the budget reflects the priorities and commitments of the manifesto published in may 2014.

The panel raised a number of general issues ahead of the budget scrutiny process these are summarised below:

1) Cost of implementing the Care Act: The panel noted that the costs of implementing new duties were difficult to quantify given a) the volume of assessments required and b) the number of self-funders (who were not in contact with the authority). It is estimated that a £240k grant will be provided to support additional costs incurred through assessments.

**2) Current Overspend in Adults**

The Panel noted that there was a projected over-spend of £3.6m in Adults in current financial year. Within panel discussions it was noted that:

- There was a management action plan in place to reduce the budget deficit;
- There were signs of improvement where a £600,000 reduction in deficit forecast was recorded from period 6 to period 7;
- There were a number of cost pressures which had precipitated this overspend:
  - People living longer healthier lives
  - Demographic pressures
  - More young people transitioning from child to adult care;

- There was less scope and capacity to manage overspends as the service was already leaner from previous reconfigurations;
- The overspend relates to this financial year and is independent of proposals within the MTF5.

The panel scrutinised savings and investment proposals as set out in the Medium Term Financial Plan that fell within its remit. These were:

Priority 2 Empower all adults to live healthy, long and fulfilling lives items 11-24.

### **Priority 2 – Item 11: New pathways for older people (£4,020,000 saving)**

In panel discussions it was noted that:

- The Neighbourhood Connect pilot project was undertaken with older people and aimed to provide supported discharge from hospital and contribute to reduced social isolation;
- There was positive feedback from those who participated in the pilot and it was planned to use the Neighbourhood Connect model to support other care groups;
- If plans proceeded to replace the Haven, Neighbourhood Connect would work with existing clients to befriend them and assist in transition to the community settings;
- There were concerns that if the Haven were to close, the therapeutic benefit of those attending the centre (personal and group interaction with a stable cohort of service users) would be lost;
- There were strong reservations about replacing a day care service (The Haven) which works well and is valued by the community with a service (Neighbourhood Connects) for which there was insufficient information (e.g. how many carers needed to support this) and which has not been fully tested;
- Similarly, there were inherent risks (e.g. continuity of care, availability of volunteers) in using a volunteer centred model (Neighbourhood Connects) to provide for care in the community;
- Funding for the Haven is approximately £320k and there are approximately 55 service users which equates to £120-170 per service user per week. Other providers of day care on average cost £80 per week. The cost of residential care for elderly people is approximately £650 per week;
- If the Council wished to develop the preventative agenda and to reduce future costs, there may be a real case for not only maintaining day care provision at the Haven but developing this service further, to prevent more costly admissions to residential day care in the future (where weekly costs are threefold that of day care);
- Osborne Grove is currently underutilised (it's being partly used as a furniture store) but has significant resource potential for other care services or to generate other income streams for the council;
- If the service at Osborne House was re-provided, care packages would be commissioned for existing service users in alternative intermediate care;
- The Haynes and the Grange are both currently used to provide care for people with dementia, and it is proposed that these services be reassessed. The latter centre is a listed building and there may be little capacity or scope to extend the service offer from this site.
- Members of the panel had visited the Haynes centre and found this to be a high quality service catering for a relatively small number of service users (18).

Whilst there is scope for increased capacity at this service, there is an existing waiting list and staff were wary that this may lead to a diminution in the quality of services provided.

**Agreed:**

- (i) that the proposal for the closure of the Haven and the re-provision of the Haynes and the Grange Service be reconsidered pending a detailed review by Adults Services, including;
  - further financial data;
  - alternative options for the Haven Day Centre;
  - the idea of expanding day care if it can be shown to reduce the need for more expensive residential care in the future (e.g. as step down care);
  - further evidence from the evaluation of the Neighbourhood Connects project previously piloted in Haringey;
  - further evidence as to how Neighbourhood Connects service model would be appropriate for those currently using day care;
  - evidence as to the viability of the Neighbourhood Connects as a *volunteer centred* model to support day care services for older people;
  - how those with *high level* dementia care needs will be provided for in the community;
- (ii) that the proposal for the re-provision of the Haynes and the Grange Service be reconsidered pending a detailed review by Adults Services, including;
  - further clarification on what is being proposed, particularly in relation to the future support provided to:
    - those clients with *high level* dementia care needs
    - support to carers
  - Further details of the consultation process, who will be consulted and when;
- (iii) that details of the above-mentioned review be referred to Overview & Scrutiny in early January;
- (iv) in respect of Osborne Grove, it is recommended that further negotiations are undertaken with the CCG to increase NHS contributions to support the maintenance and further development of this intermediate care centre.

**Priority 2 – Item 12: New pathways for people with learning disability - Accommodation (£5,171,000 saving)**

In panel discussions it was noted that:

- Proposals would involve the closure of Linden, though service users will be rehomed in supported community housing;
- A number of community houses had been identified and were in the process of being developed as supported homes in the community for people with learning disabilities (e.g. Dukes Avenue);
- Adults and Housing Services were working together to identify other housing sites (voids etc) which potentially could be used for supported accommodation;
- There was a concern as to whether new services would be in place to replace decommissioned services, given that a majority of the savings proposals were in year 1.

**Agreed:**

- (i) that the proposals be noted.

**Priority 2 – Item 13:** New pathways for people with learning disability – Day Opportunities (£2,280,000 saving)

In panel discussions it was noted that:

- Since the introduction of personal budgets, where service users have more control over the day care opportunities they need, no service users have been placed within in-house day care services;
- Three of the four day care centres will close, with day care services re-provided through a social investment/voluntary sector;
- Ermine Road Day Care centre will be retained within these proposals as this is for services users with particularly challenging behaviour and for whom it may be difficult to accommodate within mainstream day care opportunities.

**Agreed:**

(i) That concern be expressed at:

- how these closures will impact on the current users of these day care services;
- how these closures will impact on carers, and if there are any other alternative sources of community based support?;
- the potential for long-term additional costs to the Council should customers be less able to access community based activities;
- that further information be submitted to the Panel confirming that these issues is being addressed.

**Priority 2 – Item 14** New pathways for people with disabilities (£526,000 saving)

**Item 15** New pathways for people with mental health needs (£1,670,000 saving)

In panel discussions it was noted that:

- A new range of services will be provided which rely less on traditional institutions, indeed, placement in residential care will be a last resort;
- The new model of service provision focuses on the re-ablement of service users and which seeks to promote social inclusion and independent living within the community;
- The prospect of service change was undoubtedly causing anxiety amongst service users, and that the council must ensure to be open and transparent about prospective change;
- The Independent Living Fund will be transferred to the Council, and members sought clarification as to how these funds will be used locally;
- Although there would be some similarity in the new pathways of care that might be developed for those with a physical disability or with mental health needs, the cyclical pattern of service use typified by mental health service users would be acknowledged in such plans;
- Adults service will work closely with housing services to identify supported living facilities, 10 units had already been identified by housing (one bedroom/studios).

**Agreed:**

- (i) Further clarification of how Independent Living Funds will be used once these have been received;

- (i) That concern be expressed at the potential detrimental effects on recruitment of staff to care for clients should levels of pay be offered by providers that fall below London Living Wage levels and that further information be provided regarding pay rates offered.
- (ii) That concern be expressed at the achievability of savings to be generated by the development of the Shared Lives services as a social enterprise.

**Priority 2 – Item 16** New model of Social Work and Care Management (£970,000 saving)

In panel discussions it was noted that:

- As a result of the Better Care Fund and Care Act, it is anticipated that management and administration savings will be achieved through closer integration of health and social care;
- The introduction of new models of social work and care management which include greater use of supported self assessment and on-line self assessment and the use of voluntary sector brokerage and support planning will also achieve savings;
- It was noted that the Council will have new responsibilities under the Care Act particularly in relation to self funders (those who fund residential, day care or home care from their own funds) who may require assessments and onward referral to local services. The number of self funders is unknown and will only become apparent in 2017/18;
- A report on the councils preparation for the Care Act will go to Cabinet in March 2015.

**Agreed:**

- (i) That concern be expressed at the achievability of the savings proposed and that further evidence be provided that the proposed levels are realistic.

**Priority 2 – Item 17** Care Purchasing Residential Care (£4,000,000 saving)

In panel discussions it was noted that:

- Benchmarking of the cost of care purchasing packages with other authorities places Haringey in the median range, however, there is a potential to further reduce these costs through:
  - renegotiation of existing contracts;
  - greater use of block contracts;
  - commissioning alliances with other authorities (in particular with Barnet, Enfield and Hackney);
- There were over 270 individual spot contracts currently in operation and there would be efforts to consolidate these (block contracts) to achieve savings;
- The panel had a number of service quality and service monitoring issues in relation to the greater use of block contracts, for example the provision of the London Living Wage within contracts. Whilst there were safeguards in place for monitoring service quality, it was estimated that incorporating the London Living Wage within contracts would increase residential care costs by £8m. Regional alliances in commissioning may also support stronger quality assurance processes.

**Agreed:**

- (i) that further feedback on the approach to Care Purchasing would be provided to a future meeting of Overview & Scrutiny;
- (ii) that further information be submitted to the Panel to confirm that quality, effectiveness and good user experience can be maintained at reduced levels of cost for contracts;
- (iii) that the proposals be noted.

**Priority 2 – Item 18** Care Purchasing Packages (£5,700,000 saving)

In panel discussions it was noted that:

- This will involve a reassessment of existing packages in the context of promoting a re-ablement approach to enable people to live independently in their own homes in the community;
- In the context of the above, service users will be encouraged make more use of personal, family, community and voluntary sector resources;
- This proposal will represent a significant cultural shift, whereby assessments will be undertaken in the context of identifying existing resources available to meet needs rather than an assessment for services.

**Agreed:**

(i) that concern be expressed regarding the achievability of the necessary increases in the use of the personal, community, family and voluntary sector resources required by the proposal and that it therefore be reconsidered.

**Priority 2 – Item 19** Voluntary Sector Savings (£1,400,000 saving)

In panel discussions it was noted that:

- It is estimated that approximately £18m of voluntary sector support services are purchased by the Council (e.g. CAB, HAVCO, Ageconcern). There is also a £3m budget to provide grants to local voluntary sector services. The proposal is to reduce this latter budget to £1.6m, achieving a saving of £1.4m over 3 years;
- All current contracts with the voluntary sector are due to end in 2015/16 which will present an opportunity to reassess and evaluate services provided;
- It will be important to re-commission services in the context of obtaining appropriate local care infrastructure ahead of the Care Act and generally support strategic capacity of the voluntary sector locally;
- There was a concern that a reduction of the total grant paid to voluntary sector services may lead to a loss of capacity in this sector locally, which may contradict other Adult Services objectives e.g. use of voluntary sector to provide for day care opportunities, re-provision through social investment etc;
- The Council commission HAVCO and Healthwatch

**Agreed:**

(i) That confirmation be provided of how fairness and transparency will be addressed in the re-tendering of services.

**Priority 2 – Item 20** Healthy Life Expectancy (£977,000 saving)

In panel discussions it was noted that:

- There are 4 elements to a locally commissioned public health programme (40+ health checks, exercise referral, stop smoking and health champions) and these will be integrated in to one commissioned service;

- There was concern that any loss of preventative service provision is counter intuitive, especially as the Council seeks to obtain further savings in the years ahead;
- That all services appeared to be working in delivering health benefits, but in the context of financial constraint, decisions must be reached on those services that deliver greater health benefit locally;
- Re-commissioning is at an early stage and the service will assess evidence of effectiveness to inform commissioning intentions, hence savings will be achieved in year 2;

**Agreed:**

- (i) There were concerns as this proposal, as indicated outcomes would be lower uptake of preventative services (e.g. smoking) which may lead to increased risk of health problems at a later date and more costly health care interventions by health or social care services;
- (ii) that the proposals be noted.

**Priority 2 – Item 21 Substance misuse (drugs and alcohol) (£591,000 saving)**

In panel discussions it was noted that:

- The Councils commissions support for drug and alcohol users from a wide range of specialist support services and re-commissioning and partnership working and opportunities will present opportunities to achieve and savings;
- There are a number of specialist contracts with providers which may be provided through mainstream providers which will also achieve savings (e.g. CAB);
- There was a concern that the planned proposals would impact negatively on those requiring support, which may have future cost implications for the panel;
- Although savings will be achieved in all service areas (prevention, treatment and recovery) the recovery/reintegration model would remain central to the service;
- There were concerns that the service reductions outlined would represent a 'cost shunt' to local partners, in particular the mental health trust;

**Agreed:**

- (i) that the number of service users covered by the drugs and alcohol team be provided;
- (ii) that the proposals be noted.

**Priority 2 – Item 22 Sexual Health (£1,684,000 saving)**

In panel discussions it was noted that:

- A range of services are currently commissioned to provide sexual health services including NHS community services, GPs, pharmacists and the voluntary sector;
- It is expected that savings will be achieved through directing more people to local sexual health services (rather than other GUMs);
- There was a concern regarding the use of home testing kits for sexual health and whether there is appropriate support for their use;
- By law, residents can access any GUM service, for which local services are cross-charged. Through working with other boroughs and the increased commissioning power that this may bring, this may help to reduce the sexual health service tariffs (payable to other boroughs when local residents use their services);

- There was a concern as to why Commissioning of Sexual Health Service was being considered under member signing on 16<sup>th</sup> December when it was included within MTFs proposals as this would seem to pre-empt Cabinet and scrutiny decisions. It was noted that the Cabinet member signing is a service tender, the process which commenced in June 2014 and which must be completed by April 2015.

**Agreed:**

- (i) that further information is required in respect of the efficacy and support is available for the introduction of home testing kits for sexual health;
- (ii) that the proposals be noted.

**Priority 2 – Item 23** Other public health services (£498,000 saving)

In panel discussions it was noted that:

- A number of services will be reduced as a result of this saving which include: health intelligence (e.g. needs assessments), health protection (e.g. screening), prescribing (e.g. smoking) and dental health;
- Locally funded health protection services compliment national provision (e.g. breast screening), thus there may be some loss in specialist local input (e.g. targeting local groups) mainstream service provision would remain unaffected;
- It was not clear what population risks there were should proposals lead to reduction in immunisation rates, particularly in relation to communicable diseases e.g. TB;
- There were concerns as to how hard to reach groups would be affected by service restrictions.

**Agreed:**

- (i) that further information and reassurance is provided in relation to planned service reductions and possible implications for health protection, in particular the impact that such service reduction may have on client groups (e.g. screening);
- (ii) that the proposals be noted.

**Priority 2 – Item 24** Public Health Workforce (£686,000 saving)

In panel discussions it was noted that:

- There are approximately 38 staff in the Public Health Department and this proposal will see this total reduced by 10;
- Plans for reconfiguring the service are at an early stage and it is not clear what type of posts will be lost, however, there are a number of skill sets in public health (e.g. commissioning, intelligence) which may present rationalisation opportunities with other councils services

**Agreed:**

- (i) that the proposals be noted.

**DRAFT MINUTES OF THE ENVIRONMENT AND COMMUNITY SAFETY  
SCRUTINY PANEL  
WEDNESDAY, 10 DECEMBER 2014**

Councillors B Blake (Chair), Gunes, Hare, Newton and Wright

**CSP21. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Cllr Gallagher and Jogee and Mr Sygrave (co-opted Member)

**CSP22. URGENT BUSINESS**

The papers in relation to agenda item 5 (Scrutiny of the Medium Term Financial Strategy) were admitted as a late item of urgent business as they needed to include information regarding proposals for consideration by the Cabinet which were not available for release until after the agenda for the Panel had been circulated.

**CSP23. DECLARATIONS OF INTEREST**

None.

**CSP24. DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS**

None.

**CSP25. SCRUTINY OF THE DRAFT MEDIUM TERM FINANCIAL STRATEGY**

The Panel considered the budget proposals contained within the Medium Term Financial Strategy (MTFS) covered within the terms of reference for the Panel as follows:

*Reference 31: Residential Street Cleaning*

Panel Members expressed concern that the reduction in the level of street sweeping might impact on levels of cleanliness. It was noted that the service had comprehensive information available regarding cleanliness levels in the borough and there were clear differences between areas. Consideration was therefore being given to where savings could safely be made without adversely affecting levels of cleanliness. The proposal was to introduce a litter picking service which could cover a far larger area in a day than sweeping. Streets would nevertheless get both litter picking and sweeping. It was anticipated that the changes would lead to a more consistent level of cleanliness.

Panel Members felt that money should be invested in publicising the cost of littering and other measures to prevent it occurring. It was important that civic pride be developed as part of this. Residents soon became aware of any deterioration in cleanliness. The arguments in favour of introducing litter picking appeared persuasive but Panel Members would want to see evidence that it was effective in practice.

The Assistant Director stated that the service would look at what others boroughs did and adopt of more pro-active approach. The vast majority of people viewed littering as unacceptable though.

The Panel noted that the proposals were being developed in consultation with Veolia. The Assistant Director reported that incorporating feedback from local residents and ward Councillors into plans could potentially be the next stage of development.

**AGREED:**

That information regarding comparative level of cleanliness of different parts of the borough be shared with Panel Members.

*32: Borough wide sweeping reductions*

Panel Members were concerned that this proposal might impact negatively on the level of cleanliness of town centres and that this might adversely affect local businesses. The Assistant Director reported that there were no plans to change the cleaning of town centres at the moment other than the introduction of litter picking.

*33: Removal of Recycling Bring Sites*

The Panel noted that sites for charitable collections of shoes and clothing would not be affected by the proposals.

*35; Reorganisation of the Community Safety and Anti-Social Behaviour Team (ASBAT)*

The Panel stated that the service was very important to residents and were concerned that the budget reductions might impact adversely on the service that they received.

The Cabinet Member for Communities reported that the aim was to make the service more efficient by bringing together a number of teams that had responsibility for enforcement. The Assistant Director for Environmental Services and Community Safety reported that the reductions in staff would be at managerial level. The intention was to offer a broader anti social behaviour function that also included noise and street enforcement and other activities. Staff would have a range of enforcement capabilities. No front line staff would be affected by the proposals and the impact of the changes would be monitored.

Panel Members asked what action was being taken to encourage people to improve behaviour. The Assistant Director reported that this could be addressed by developing a greater level of pride amongst residents for their area. However, this was not necessarily easy to achieve across the borough. Communication was important and, in particular, promoting the message that people would be prosecuted if necessary if they committed anti social behaviour. Some excellent results had already been achieved by the ASBAT and publicising successes acted as a deterrent to others through increasing the perception of risk.

The Panel noted that Estate Managers already addressed issues regarding behaviour with tenants and intervened, where appropriate, at an early stage. The

thresholds for the ASBAT were quite high and a softer approach to addressing issues was used in the first instance.

*36; Reorganisation of part of the Neighbourhood Action Team*

The Assistant Director reported that it was proposed to pool all street enforcement functions as part of a new delivery model. A new role would be designed for staff that would involve them concentrating solely on issuing fixed penalty notices. Research had been undertaken with other local authorities on how they provided similar services. Based on this, it was anticipated that the issuing of fixed penalty notices would increase and that they would help cover the cost of the team.

The Panel noted that the service currently issued 1200 notices per year. Other boroughs that had teams that were focussed solely on enforcement issued up to 5000 per year. Increasing the number of notices issued would increase the perception of risk amongst people who might be tempted to commit offences.

Panel Members commented that it was possible that the swift removal of dumped items might encourage people to fly tip. It was noted that various methods could be used to try and encourage behavioural change and that appropriate options would be explored by the service.

**AGREED:**

That statistics regarding the number of reports of fly tipping that had been received would be shared with the Panel.

*37; Restructure of the Emergency Planning Team*

The Cabinet Member for Communities reported that the Emergency Planning Team were responsible for a number of functions, including the setting up of Community Assistance Centres when necessary. Pan London discussions were taking place regarding the way that emergency planning was undertaken and it was possible that it would have changed by the time that the savings were required to be implemented. The Assistant Director reported that the team was small but there were a large number of other officers who provided assistance when required.

*38; Improved Street Lighting – LED Investment*

The Panel noted that the investment would cover the remainder of street lighting i.e. that which not already LED. The Panel also suggested that old lamp standards may have re-sale value that the Council could exploit.

*39: Future of Wolves Lane Nursery Site*

The Cabinet Member reported that the provision of alternative facilities was being considered as well as staffing issues. In addition, alternative options for the people with learning disabilities who used the site were also being looked at.

The Panel noted that funding came from a range of sources. The intention was to continue the service from another site. There were no staff reductions involved in the proposal.

Panel Members felt that the service was of social value to the community and were concerned that this might potentially be diminished.

**AGREED:**

That a report back on progress with the implementation of the proposal be made to the Panel in due course and that a visit for Panel Members be arranged to the site.

*40: Closure of Park View Road Re-use and Recycling Centre*

The Panel noted that most boroughs only had one centre. Park View was comparatively small. Users of the site would be notified of alternative options when it was closed, including those in other boroughs.

*41: Increased Income from Parks Events, 28: Efficiency Savings and Delivery Review of Parks*

Panel Members stated that Parks Forums had expressed concerns regarding the reduced staffing levels in parks. The Panel noted that the proposals entailed reductions in the back office for allotments through a parks management reduction in year 1 and a back office reduction in year 3. The future of allotments was likely to be based on self management.

The Cabinet Member stated that the increased income from events was helping to maintain the service. The Finsbury Park Stakeholder Group had proven to be successful and there were areas where there was consensus. He wanted the Stakeholder Group to improve and include the neighbouring boroughs of Hackney and Islington so that a joint approach could be agreed. Concert promoters were required to observe licensing conditions and any breaches would be acted upon.

The Panel noted the proposals were within the existing policy and only two large events had taken place in the current year. Four would be required to achieve the savings. Officers considered that it would be possible to reduce the amount of time allowed to promoters for set up and take down.

*42: Increased Income from Licensing and Enforcement Action*

The Panel noted that services such as pest control operated in a commercial environment and therefore had to be mindful of what others charged. This had been taken into account in the proposals.

*43: Increase in Parking Charges, 44: Increased Enforcement of Moving Traffic Offences, 45: Delivery of Parking Plan Including Expansion of CPZs*

Panel Members expressed concern at the possible implications for town centres of increasing parking charges as this might deter visitors. In addition, they felt that any additional use of bailiffs should be handled sensitively.

The Cabinet Member for Environment stated that the service had difficult choices to make. The rates of parking charges that were being proposed were not above that of statistical neighbours and the changes would bring them into line with them. Some of the Council's car parks were very busy whilst others were under used. He would be happy to undertake a joint piece of work on the issue with the Panel on the issue.

The Panel noted that there had been no increases since 2011 and the proposed increase was merely to keep up with inflation. There was a particular issue with the lack of availability of parking spaces. In respect of bailiffs, they were only employed as a last resort. The intention was to improve recovery levels by improving internal processes.

The Cabinet Member stated that the issue of parking charges was controversial. Some Councils had provided a limited amount of free time but had found that there had been no evidence of greater footfall. London Councils had undertaken work on the issue and had found that the attractiveness of shops was more of an issue for visitors than the price of parking. Additional evidence would nevertheless be welcome.

**AGREED:**

That the Panel consider the issue of parking charges as a potential future in-depth project.

*General*

The Panel felt that the MTFS proposals had been presented in an interesting and thoughtful way. The proposals were also clear within the documentation.

**CSP26. WORK PLAN**

**AGREED:**

That the future work plan for the Panel be noted.

**Cllr Barbara Blake**  
Chair

**DRAFT MINUTES OF THE HOUSING AND REGENERATION SCRUTINY PANEL  
WEDNESDAY, 10 DECEMBER 2014**

Councillors Adje (Chair), Bevan, Diakides, Elliott and Engert

Apologies Councillors Marshall and Councillor Carroll

### **LC1. APOLOGIES**

Apologies were received from Cllr Carroll and Cllr Marshall.

### **LC2. DECLARATIONS OF INTEREST**

None.

### **LC3. URGENT BUSINESS**

None.

### **LC4. DEPUTATIONS/ PRESENTATIONS**

None received.

### **LC5. MEDIUM TERM FINANCIAL STRATEGY**

The panel scrutinised savings and investment proposals as set out in the Medium Term Financial Plan that fell within its remit. These were:

- Priority 4 - Drive growth and employment from which everyone can benefit – proposals 46-48 (planning) and 53 (regeneration);
- Priority 5 - Create homes and communities where people chose to live and are able to thrive – proposals 56-66 (housing);
- Housing Revenue Account Capital Programme.

#### **Priority 4 (Planning) - Item 46: Increased income through new advice and review of existing charges (£75,000 saving)**

- The planning service currently provides a verbal, free pre-application planning advice service to local residents;
- From 2015/16, a new written and chargeable service will be introduced to improve transparency and accountability of planning advice provided;
- The panel noted that a similar charge will also be introduced for Design Panel at a later stage;
- Exact details of charges for pre-application advice service will be agreed by Cabinet.

**Agreed:** that the proposal be noted.

#### **Priority 4 (Planning) – Item 47: Changes to policy and practice to remove non statutory consultation (£50,000 saving)**

- Planning service currently sends out 175,000 planning notification letters each year which exceeds the statutory minimum (e.g. 4,000 letters sent out for Hornsey Depot Consultation though only 280 were statutorily required);
- From 2016/17 the volume of letters sent will be reduced (subject to confirmation within the revision of the Statement of Community Involvement);
- There will be greater use of web based consultation methods as new systems will be developed (with Northgate);
- A new My Haringey account will be developed for residents where they will be able to receive planning notifications in a particular area.

**Agreed:** that the proposal be noted.

**Priority 4 (Planning) – Item 48: Wider restructure reducing core service (£75,000 saving)**

- There is currently a team of officers preparing local plans many of which are temporary and agency staff;
- Workforce demands will be reduced once area plans have been produced and adopted (in year 3).

**Agreed:** that the proposal be noted.

**Priority 4 (Regeneration) – Item 53: Tottenham team increased staffing resource (£250,000 investment)**

- This proposal will increase capacity within the Tottenham regeneration team, in particular to project officer support to Area Managers and a GIS officer.
- It is expected that this investment will pay for itself provided that it speeds up regeneration plans (e.g. earlier benefits of new development and regeneration).

**Agreed:** that the proposal be noted.

**Priority 5 (Housing, General Fund) – Item 56: Implement selective licensing across the borough (investment £100,000 year 1 and year 2, increased income £950,000 year 3)**

- A investment of £200,000 to set up a selective licensing scheme for all rental properties required for years 1 and 2 will be offset by income from landlord registration of £950,00 in year 3;
- This will be a cost neutral position as income will be used to support enforcement activities (e.g. health and safety inspections);
- Learning from other boroughs (Newham, Enfield and Hackney) which have developed similar schemes will support the development of this initiative;
- Investment is needed to collate evidence to support the application process and to consult with relevant stakeholders (e.g. landlords, tenants).

**Agreed:**

- (i) that further information on selective licensing scheme is distributed to the panel;
- (ii) that the panel is provided with further information of the impact of £400,000 investment in enforcement activity in respect of residential units in commercial designated areas;
- (iii) that the proposal be noted.

**Priority 5 (Housing, General Fund) – Item 57: Private sector supply and management (£500,000 savings years 2 and 3, £250,000 investment over years 1 and 2)**

- The Council will set up its own letting agency within Homes for Haringey (which is currently working up options);
- Other local authorities have developed similar agencies, and any learning or evolutions of these services will inform local plans;
- There will be initial start up costs of £250k, though this proposal is expected to generate a surplus once up and running and will also help to save money from the Temporary Accommodation budget.

**Agreed:** that the proposal be noted.

**Priority 5 (Housing, General Fund) – Item 58: Early intervention/Prevention & Temporary Accommodation Management (£500,000 savings years 2 and 3, £250,000 investment over years 1 and 2)**

- There are over 1,000 placements in TA in the private sector each year. This places a strain on TA budget as rents in this sector are increasing;
- The six individual proposals will together help to reduce the cost of the TA budget;
- Provision of early housing advice will better support people in meeting their housing needs and in preventing homelessness;
- More efficient processing of homelessness decisions (staff investment);
- A placement protocol will go to Cabinet for approval to provide options for out of borough placement for those needing TA;
- Decanted stock (e.g. from Love Lane) will be used for TA;
- The Panel noted that Children's Services are still procuring housing though there may be plans to unify procurement processes (to prevent competing bids).

**Agreed:**

- (i) that further documentation is provided to the panel in respect of councils duty to re-home people who may have a property abroad;
- (ii) that the proposal be noted.

**Priority 5 (Housing, General Fund) – Item 59: Early intervention / Prevention (Housing Commissioning) (£1,320,000 savings)**

- It is expected that significant savings will be achieved in Housing Related Support through new contracting and market testing of agreements which are due to expire over the three year period;
- There has been over achievement of savings in this area in the current year and there is confidence that the projected savings for 2015/16-2017/18 can be achieved;
- The panel noted that in some housing related support schemes, all the furniture is rented, which can then be passed back to Housing Benefit. This may represent an opportunity for further savings

**Agreed:**

- (i) Head of Housing Commissioning Manager would investigate further the provision of rented furniture within housing support contracts and if this presented an opportunity to reduce costs;
- (ii) Plans for the Supported Housing Review would come to Overview & Scrutiny (Housing & Regeneration Scrutiny Panel) the timing of which will be at a juncture where scrutiny can add most value and agreed with officers;
- (iii) that the proposal be noted.

**Priority 5 (Housing, General Fund and HRA) – Item 60 and 62 Housing Unification synergies (£700,000 savings)**

- The Community Housing Service was merged with Homes for Haringey in September 2014, and it is expected that there will be savings arising from this unification, in particular income Collection, Housing Management and Asset Management Teams;
- There was some concern among the panel as to the quality of back office facilities available to Homes for Haringey, and whether the ALMO was tied-in to using these services. It was noted that the Business Improvement Programme would help to develop and expand the back office offer.

**Agreed:**

- (i) That a further update of the unification process is provided to the Housing and Regeneration Scrutiny Panel at its March meeting;
- (ii) that the proposal be noted.

**Priority 5 (Housing, General Fund and HRA) – Item 61 and 66 Management (£1,400,000 savings, £450,000 investment)**

- Savings will be achieved through new technology, streamlined working and self serving customers;
- The housing management IT system (OHMS) will be upgraded and redeveloped and whilst this will require an initial investment, it is anticipated that this will deliver savings through more efficient and streamlined work processing;
- The panel noted that front line housing staff could still not access email through their phones, which was not conducive to officer accessibility or efficient working;
- Savings will also be accrued through the restructuring of staff: it is anticipated that 30 posts will be lost from a base of 800.

**Agreed:**

- (i) that the proposal be noted.

**Priority 5 (Housing, HRA) – Item 63 Repairs (£1,300,000 savings)**

- A number of actions would take place to reduce the cost of repairs to the council housing stock these would include: making better use of assets and selling those which are uneconomic to repair; reviewing lettable and void standards;
- The Panel were concerned at any proposal that may potentially lead to a loss of Council owned stock. The panel noted that any disposal would be subject to a rigorous economic assessment and other possible options for use (e.g. supported housing if it is a sizeable property);
- The Panel were concerned that the current age threshold at which tenants were not responsible for minor repairs was too low, and that this should be reassessed in line with current retirement age;
- The Panel indicated that lettable standards were at a minimum and were concerned that there should be any reduction of these as set out in the proposals. It was noted that there were plans to introduce decoration vouchers which may further help to reduce costs;
- The Panel noted that Homes for Haringey would review the penalties and sanctions imposed on those tenants (and leaseholders) who had wilfully damaged their property.

**Agreed:**

- (i) that further consideration is given to disposal of council owned stock, particularly the option to demolish and rebuild where the present condition is uneconomic to repair;
- (ii) Homes for Haringey would reassess the age at which tenant responsibility for minor repairs is relinquished;
- (iii) that there should be no reduction in the minimum lettable standard;
- (iv) that Homes for Haringey would review the penalties and sanctions imposed on those tenants (and leaseholders) who wilfully damage their property;
- (v) that the proposal be noted.

**Priority 5 (Housing, HRA) – Item 64 Garage Fee Review (£500,000 savings)**

- The Panel noted that garage fees have not been reviewed since 1989;
- Proposal to review fees would be considered at Cabinet in February which would result in an increase of between £4-10 per week;
- The Panel felt that this opportunity should also be taken to review parking fees for Homes for Haringey estates (where there is currently no charge);

**Agreed:**

- (i) that Homes for Haringey review parking fees on its housing estates, particularly where these occur within and existing an Controlled Parking Zone;
- (ii) that the proposal be noted.

**Priority 5 (Housing, HRA) – Item 65 Management (£300,000 savings)**

- This savings proposal will result from the Housing Unification and Improvement Programme and will remove duplication in quality assurance and contract monitoring;

**Agreed:**

- (i) that the proposal be noted.

**Housing Revenue Account -Proposed Capital Programme 2015/16 to 2017/18**

The panel noted that:

- Capital spend proposals were similar to previous years;
- A bid of £6m is currently with the GLA for further capital improvements to local housing stock;
- Decent Homes money would cease beyond 206/17 and that plans for a successor programme are being put in place, including a reassessment of Decent Homes standards;
- In relation to borrowing headroom within the HRA and use of Right to Buy Receipts for new development, it was reported that:
  - o There was a £56m borrowing cap within the HRA and that approximately £21.78m was left in the headroom after planned council new build of 94 new homes;
  - o The preferred order in which RTB receipts would be used was 1) use to acquire ex council owned stock 2) use to support new council development 3) pass to Registered providers for new development;
- It was noted that residents in supported housing were not full charged for services and this would be applied with no impact to residents as this would be covered within Housing Benefit framework (page 122, section 14.2 of the MTFS);
- The panel noted that there would be significant level of redundancies within Housing Management in the three year period and wanted further clarification as to whether these would be financed through the HRA or Council.

**Agreed:**

- (i) Whilst accepting that the introduction of service charges for those in supported housing would be covered by commensurate rise in Housing benefit, further reassurance was sought on the affordability of such a charge (e.g. will all those affected be fully compensated);
- (ii) That further clarification would be provided as to capital provision for redundancy costs would be met through the HRA or Council;
- (iii) that the proposals be noted.

**Draft Capital Programme 2015/16 and Indicative Spending Plans 2016/17 and 2017/18 (page 223)**

The panel noted that:

- Public Space – the £5m agreed Tottenham Programme for new community space adjacent to the stadium was of course dependent on completion of the stadium.

Cllr Charles Adje  
Chair

**MINUTES OF THE OVERVIEW AND SCRUTINY COMMITTEE  
THURSDAY, 18 DECEMBER 2014**

Councillors Councillors Bull (Chair), Adje, B Blake, Connor (Vice-Chair) and Hearn

**Also Present:** **Co-Optees:** Mrs Y. Denny, Mr C. Ekeowa  
**Councillors:** Cllr Arthur, Cllr Goldberg, Cllr Bevan (Observing)  
**Officers:** Kevin Bartle (Assistant Director of Finance), Martin Bradford (Policy Officer), Tracie Evans (Chief Operating Officer), Dan Hawthorn (Assistant Director of Regeneration), Stephen Lawrence-Orumwense (Assistant Head of Legal – Social Care), Beverley Tarka (Interim Director of Adult Social Services), Natalie Layton (Clerk)  
**and:** 12 members of the press and public

**MINUTE  
NO.**

**SUBJECT/DECISION**

|         |  |
|---------|--|
| OSCO01. | <p><b>WEBCASTING</b></p> <p>Noted that the meeting was webcast.</p>  |
| OSCO02. | <p><b>APOLOGIES FOR ABSENCE</b></p> <p>None.</p>   |
| OSCO03. | <p><b>URGENT BUSINESS</b></p> <p>None.</p>   |
| OSCO04. | <p><b>DECLARATIONS OF INTEREST</b></p> <p>The Chair declared a personal interest as a Homes for Haringey leaseholder.</p>  |
| OSCO05. | <p><b>DEPUTATIONS/PETITIONS/PRESENTATIONS/QUESTIONS</b></p> <p>a. <u>Deputation</u></p> <p>Received a deputation from Mary Langan (parent of a person with autism and severe learning disabilities) on behalf of the Haringey Learning Disabilities Partnership Board (LDPB) and the Haringey Autism Working Group (AWG), on the proposals for people with learning disabilities within the Corporate Priority (pages 149-150, reference 12 -13).</p> <p>Noted, from Ms Langan's deputation:</p> <ol style="list-style-type: none"> <li>i. The proposed cuts in services included reduced spending on care packages, the closure of the only residential facility in the borough and three out of four day centres, including the only one dedicated to people with ASDs for people with autism and learning disabilities.</li> <li>ii. The suggestion that the proposed cuts in services in Haringey should be rejected for the following reasons: <ul style="list-style-type: none"> <li>• The cuts would heavily affect the most vulnerable people in the community and impose an increased burden of care on families and other carers – despite earlier commitments to protect</li> </ul> </li> </ol> |

**MINUTES OF THE OVERVIEW AND SCRUTINY COMMITTEE  
THURSDAY, 18 DECEMBER 2014**

vulnerable groups from austerity measures. Not only was there no evidence to support this policy, it defied the results of the Bubb Report in the journal *Learning Disability Today* in November, which confirmed the value service users attached to day services and their concerns about services being withdrawn.

- The cuts were likely to prove a false economy, as the increased burden on home carers would lead to the collapse of existing arrangements precipitating urgent hospital admissions to Winterbourne View-type institutions. Which the Bubb Report, aimed to prevent.
- The cuts had been proposed in the absence of proper consultation with those likely to be affected, including service users, families and other carers. After the end of year holiday period, with just a few weeks before the budget was set.

iii. The LDPB and AWG had submitted the following proposals to the Council:

- A. Rescind all proposed cuts in services pending an inquiry into alternative means of meeting budget constraints;
- B. Commitment to making no changes to care packages without comprehensive assessment of needs;
- C. Extend consultation period.

iv. Beverley Tarka, the Interim Director of Adult Social Services, welcomed feedback from services users and their parents and carers. In response to comments about consultation:

- Ms Tarka explained that formal consultation could not have commenced prior to the publication of the budget proposals and that the Council was committed to a clear consultation process.
- Ms Tarka had presented the proposals to the Learning and Disabilities Partnership Board on 10 December.
- Letters to service users (available in accessible formats) would be dispatched and published on the website the following week and made available through day service and transport provisions.
- Ms Tarka would also be attending service user and carers forums through out January in addition to the Council arranged forums on 6 and 9 January 2015.

**RESOLVED** that the Committee's budget scrutiny recommendations would reflect some of the concerns expressed above.

b. Question

Mr Lauritz Hansen-Bay questioned why people over 74 would be excluded from the mandatory Health Checks proposed in Priority 2, reference 20, page 157 of the agenda pack.

**MINUTES OF THE OVERVIEW AND SCRUTINY COMMITTEE  
THURSDAY, 18 DECEMBER 2014**

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|                       | <p><b>RESOLVED</b> that the Director of Public Health, Jeanelle De Gruchy, be requested to provide a formal response to Mr Hansen-Bay after the meeting.<br/><b>Action: Jeanelle De Gruchy</b></p>  |
| <p><b>OSCO06.</b></p> | <p><b>BUDGET SCRUTINY PROCESS AND TIMETABLE</b></p> <p>Noted the briefing on the Overview and Scrutiny Committee budget scrutiny process (pages 1-6 of the agenda pack).</p>  |
| <p><b>OSCO07.</b></p> | <p><b>BUDGET 2014/15</b></p> <p>Received the Corporate Planning covering report (pages 7-18 of the agenda pack) cover report and Corporate Plan 2015-16 (pages 19 – 266).</p> <p>Councillor Arthur, Cabinet Member for Resources and Culture, introduced the areas of the budget proposal within his portfolio, including that it was necessary to remodel the delivery of Council services and relationships with residents, businesses, voluntary sector and community groups, and, that a 3-year budget plan was the right approach to ensure clear outcomes in order to stimulate growth and manage the rising cost in social care.</p> <p>Consideration of the areas of concern within the Committee’s responsibility are noted below.</p> <p><b>a. <u>Corporate Priority 4 – Drive growth and employment from which everyone can benefit (summary page 187)</u></b></p> <p>i. <u>Item 49 – Economic Development – Film Office</u></p> <p>The Committee requested a briefing note on the proposal to outsource the Film Service.</p> <p style="text-align: right;"><b>Action: Dan Hawthorn</b><br/><i>(Post meeting note: briefing circulated to OSC on 7/1/15)</i></p> <p>ii. <u>Item 51 – Reduce funding for Alexandra Palace and Park Trust (p.195)</u></p> <p>A member expressed concern that cuts to Alexandra Palace and Park funding would impact a well used community facility and risk losing the current Heritage Lottery Fund project bid. Cllr Arthur recognised the importance of Alexandra Palace for Haringey and that support would continue to assist the Palace to achieve a more sustainable position.</p> <p>The Committee was concerned that the Council would continue to subsidise the Palace at the expense of other Council priorities. Councillor Arthur sympathised with this view and highlighted the Council’s statutory responsibility regarding continued support for the Palace and Park.</p> <p>iii. <u>Item 52 – Heritage Lottery Fund (HLF) bid for Bruce Castle</u></p> |

**MINUTES OF THE OVERVIEW AND SCRUTINY COMMITTEE  
THURSDAY, 18 DECEMBER 2014**

Museum (p.196)

The Committee questioned the impact of cutting £218k funding from Bruce Castle, a much needed facility in a very deprived area, in the third year and the consequence of the HLF bid being unsuccessful.

Cllr Arthur acknowledged that Bruce Castle was important to the community and ran good events but also that the building required repairs. The HLF bid was part of the regeneration project for Tottenham and included options for a sustainable future for the facility. In the unlikely event that the bid was unsuccessful there was scope for other options including the use of capital funds. In response to concerns about any decisions on the transfer of any assets or leases being open and transparent the Cabinet Member assured the Committee that any options and implications would be open to consultation and presented to Cabinet.

iv. Item 54 – Cultural Strategy (investment proposal, p.198)

The Cabinet Member explained, in response to a question, that the figures for Year 2 were in brackets to demonstrate that this money would be removed from Year 2 funding.

The Committee raised concerns about how participation in culture would be delivered with reduced funding and that areas of the Borough were often ‘forgotten’. Cllr Arthur emphasised that rather than provide direct funding, the Cultural Strategy would focus on providing active support (such as granting necessary licences, assisting in bids for funding) to communities and organisations which were aligned to the Corporate Plan. The partnership and whole-borough approach of the Cultural Strategy would target growth and skills to: attract creative industries to the Borough, equip residents in the required areas and work with organisations to make use of existing buildings.

v. Item 55 – Jacksons Lane (page 199)

Noted the Committee’s uneasiness about the proposal not to invest in Jackson’s Lane beyond Year 1 and the Council’s commitment to continue to work in partnership with the management team.

**b. Corporate Priority – Enabling**

i. Item 70 – Customer Service Transformation programme (page 217)

The Committee highlighted the need for customer services to be inclusive, content of the website and literature to be in plain English, for residents to be listened to and not feel rushed when seeking customer advice and support.

**MINUTES OF THE OVERVIEW AND SCRUTINY COMMITTEE  
THURSDAY, 18 DECEMBER 2014**

The Cabinet Member and officers explained that the standard of customer service required improvement as issues were not consistently dealt with at first contact, residents felt that frontline staff were unsupportive and unhelpful and the proposals allowed more flexibility in staffing. The proposals included extending the Council's online services to reduce the number of residents requiring assistance from customer agents and enable faster access to face to face support for those residents who did not use the online system. The savings would be made by moving all customer agents into one building.

It was noted that the Council's vision was to build a caring and supportive culture and that this was maintained and consistent resident engagement was key at this time of necessary change.

The Chair suggested a possible future Scrutiny Review of the Council Telephone System.

**Action: Clerk**

ii. Item 71 – Muswell Hill Library relocation (p.218)

The Committee expressed that the Council needed to listen to residents who wanted the library to remain where it was.

Cllr Arthur acknowledged the anxiety in the Muswell Hill community about the possible move of the library from its existing site. He assured the Committee that all 9 libraries in the Borough would be protected and invested in. Proper consultation would take place about the future of the library including whether to improve existing facilities onsite or move to another location.

iii. Item 72 Libraries staff restructure (p.219)

Cllr Arthur agreed with the Committee's comments that the libraries self-service IT system required improvement.

iv. Item 73 – BIP: Business Infrastructure Programme (p.220) and Item 74 – BIP: Commercial Unit & Organisation Wide Supplier Savings (p.221)

The Committee noted that savings would be achieved through:

- More efficient processes
- ICT enablement (e.g. online payslips)
- People Savings

Members expressed that outsourcing did not always achieve efficiency.

Cllr Arthur accepted the general consensus of the Committee against the outsourcing of services but reminded the Committee that the Council already currently commissioned successful

**MINUTES OF THE OVERVIEW AND SCRUTINY COMMITTEE  
THURSDAY, 18 DECEMBER 2014**

services but proposals were focused on delivering the best services for residents and value for money. In response to concerns it was explained that the Council would not move away from its existing framework but would include a more commercial approach.

**c. Draft Capital Programme 2015/16 and Indicative Spending Plans 2016/17 and 2017.18 (p.223)**

In response to the Committee's request for wider consultation on capital proposals it was stated that engagement would take place with residents and councillors about the capital programme proposals for 2015/16.

i. 1 – Technopark – to achieve vacant possession disposal

The Committee requested a briefing on the background of the Technopark project and what the proposals entailed.

**Action: Cabinet Member for Culture and Resources/ Cabinet Member for Housing and Regeneration**

ii. 4 - Ashley Road Depot relocation (short term costs) – Feasibility costs for depot relocation options

Noted that as part of the Technopark deal Ashley Road depot would be required to move and this proposal related to a feasibility study including the possibility of moving the Ashley Road depot to Marsh Lane.

iii. 17 – Marcus Garvey CSC Remodel of Library to accommodate customer service centre

The Committee highlighted the anxiety in the community about the possibility of a reduced library service from this site and expressed uneasiness about the potential move of Apex House customer services into the building. The Committee did not agree with placing too many services, some dealing with sensitive matters, into the public building which was not particularly accessible and would not provide additional parking for the proposed additional staff coming to the building. Cllr Arthur understood the concerns and assured the Committee that proposals would not be taken forward if there was clear evidence that they would not achieve the desired outcomes.

It was noted that a report on the Apex House proposals and Library proposals would be presented to Cabinet in January and March 2015 respectively. The move of quality customer services in to Marcus Garvey could increase the footfall and improve use of the library. There was evidence that libraries which also provided other services worked well at other sites (e.g. Wood Green).

*Clerk's note: Vice-Chair, Cllr Connor, took the chair during consideration of this item as the Chair left the room briefly (20:01hrs – 20:04hrs)*

**MINUTES OF THE OVERVIEW AND SCRUTINY COMMITTEE  
THURSDAY, 18 DECEMBER 2014**

- iv. 19 – Hornsey Town Hall Delivery option appraisals for Town Hall refurbishment project

Noted that the options would be developed and may require capital funding.

- v. 21- Compulsory Purchase – empty properties

The Committee requested a written briefing about compulsory purchases, particularly in relation to its concern that the market values of properties may not be paid.

**Action: Tracie Evans**

**d. Proposed Schemes for approval (to be funded from grants and receipts (p.223))**

- i. 23 – Keston vacant possession – To allow vacant possession disposal of site

It was explained that the proposal to allow vacant possession disposal of the Keston site had come directly from the service area in order to obtain a significant capital receipt. The site had formally been used as an adult assessment centre.

*Clerk's note: Cllr Blake left the room briefly (20:04hrs – 20:07hrs) during consideration of this item.*

- ii. 27 – Business Infrastructure Programme – ICT investments to secure Business Improvement Programme

A total of £9 million was proposed for ICT investments over the three year period but this figure is likely to be reduced depending on the model chosen. An options report would be presented to Cabinet.

- iii. 28 – Customer Services – New customer services platform – design and implementation costs

It was noted that a report would be presented to Cabinet in the new year around the contract for the new platform and that costs may be lower than proposed.

- iv. 29 – Bruce Castle Project to restore Bruce Castle via HLF bid

More detail on the match funding would be available once options were established.

- v. 30 – Outdoor Gyms

The Committee requested a written briefing on how the provision of outdoor gyms would be funded.

**MINUTES OF THE OVERVIEW AND SCRUTINY COMMITTEE  
THURSDAY, 18 DECEMBER 2014**

|         |   |
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|         | <p style="text-align: right;"><b>Action: Cabinet Member for Culture and Resources</b></p> <p>vi. <u>33 – Bruce Grove Station match funding for Network Rail project to support improved commercial offer at Bruce Grove station</u></p> <p>The Chair emphasised the need to encourage Network Rail to clean the station.</p> <p>Cllr Arthur was thanked for attending.</p> <p>Cllr Goldberg, Cabinet Member for Economic Development, Social Inclusion and Sustainability, answered questions and provided information on the proposals of concern.</p> <p><b>e. <u>Corporate Priority – Economic Growth</u></b></p> <p>i. <u>Item 49 – Economic Development (p.194)</u></p> <p>Concerns were raised about outsourcing services which were already performing well. In response, it was emphasised that proposals would not only seek to run services more efficiently, with more expert resources, but would attract investment in the Borough and could reduce demands on management time and also produce a revenue stream.</p> <p>ii. <u>Item 50 – Environmental Resources</u></p> <p>The Committee emphasised the importance of maintaining efforts to achieve carbon reduction. Cllr Goldberg recognised that cuts could affect services but the Council was still committed to a reduction in 40% carbon emissions and more partnership working would be required to achieve this but also had to balance the management of climate change with providing essential services such as adult’s and social care.</p> <p>The Cabinet Member congratulated, Ben Brown, LBH Procurement Manager, on the tax savings made so far through successful savings in energy and carbon reductions though not using so many buildings.</p> <p>Cllr Goldberg was thanked for attending.</p> |
| OSCO08. | <p><b>DRAFT PANEL RECOMMENDATIONS</b></p> <p style="text-align: center;"><i>Vice-Chair, Councillor Connor, took the chair during this item</i></p> <p>Received tabled copies of the draft minutes of the Adults and Health Scrutiny Panel, Children and Young People’s Scrutiny Panel, Housing and Regeneration Scrutiny Panel and the Environment and Community Safety Scrutiny Panel meetings which each considered their individual areas of the Medium Term Financial Plan.</p>   |

**MINUTES OF THE OVERVIEW AND SCRUTINY COMMITTEE  
THURSDAY, 18 DECEMBER 2014**

a. **Recommendations of the Adults and Health Scrutiny Panel – 11 December 2014**

i. Priority 2, Item 11 – New Pathways for Older People (p.148)

(A) The Haven

The Committee listened to a member of the public express their frustration at the amount of IT expenditure proposed in comparison to the proposed closure of the Haven Day Centre, which provided much needed support to the elderly and their carers.

Committee members expressed their support for the Haven and were concerned about the removal of professional services and leaving these services to be delivered by volunteers.

(B) The Haynes

The Vice-Chair reported that prior to the meeting she had received a response to the budget proposals from The Haynes Relatives Support Group. The Group's response was provided in writing, including the following points:

- People with dementia were fully dependent on others for all their needs 24/7, could not be left alone, had a progressive disease with their needs increasing over time, were very vulnerable, need stability, familiarity, minimal change, stimulation and protection and for their carers to be well and healthy.
- The Haynes Day Care Centre was a **Centre of Excellence**, providing care for people with dementia at an advanced stage. Proposals would mean that this would be difficult to sustain.
- Day care centres provided stimulation, social contact, emotional, physical support, range of activities and specialist expert care by experienced skilled staff – these helped people with dementia, and their carers, to stay healthier and independent longer.
- Day care was a **preventative service** both for the cared for, and their carers, helped to extend staying at home and in the community. In the absence of such services, carers suffered serious ill-health over extended periods often needing hospital stays.
- Day Care made **financial sense**. Carers wanted to delay the need for more costly residential and nursing care for loved ones or hospital admissions and to stay healthier themselves, day care was necessary to achieve these aims. Day care costs also much less than care at home. The Group had submitted estimates of increased costs to the Council in 2011, and we felt they were still valid.
- The planned consultation was inadequate.

The Committee noted that the concerns raised by The Haynes

**MINUTES OF THE OVERVIEW AND SCRUTINY COMMITTEE  
THURSDAY, 18 DECEMBER 2014**

Relatives Support Group were not reflected in the proposals.

**RESOLVED** to recommend that, before moving forward with the proposals, Adult Services clarify the proposals, including more detail about consultation, how respite services would be provided if closures went ahead and how specialist dementia services would be provided.

ii. Priority 2, Item 13 – New Pathways for People with Learning Disabilities – Day Opportunities (p.150)

The Committee heard from a Member of the Autism Working Group including that:

- Staff had built relationships with service users and an increase in challenging behaviour from people with autism dealing with change could be expected.
- Mental health issues were likely to arise in people with complex needs as a result of changing these services and the service users will be more socially isolated.
- The Autism Group felt it had not been consulted properly.

Committee members echoed the concerns expressed above and added that the LA would be liable if vulnerable people were managed by inadequately trained staff.

*Clerk's note: The Chair, Cllr Bull, left the meeting briefly and returned (20:52-20:55hrs)*

iii. Priority 2 – Public Health – Health Improvement

Ms Denny emphasised the need for Children's Health Services to act on the increase of the spread of head lice in schools.

**RESOLVED** that the recommendations and comments of the Adults and Health Scrutiny Panel be amended and agreed as discussed by the Committee, and listed in the table attached to these minutes.

*Clerk's note: Cllr Adje, left the meeting between 20:52-20:55hrs*

b. Recommendations of the Children and Young People's Scrutiny Panel – 15 December 2014

i. Priority 1, Reference 2 – Services for Young People including Young Offenders

The Committee heard from a local resident who expressed that the cuts to youth services would cost more in the long run, the consultation document on the Council's website was inaccurate in stating that the youth service was not utilised and that this should be amended. It was also recommended that further engagement, particularly with young people, was required including more appropriate information to be provided.

**MINUTES OF THE OVERVIEW AND SCRUTINY COMMITTEE  
THURSDAY, 18 DECEMBER 2014**

**RESOLVED** to recommend to the Cabinet that the proposal in Priority 1, reference 2, be reassessed as high risk.

ii. Priority 1, Reference 3 – Public Health, Children and Young People

The Vice-Chair expressed concern that pupil premium funding, provided to schools, was being used to address health inequalities rather than to support vulnerable children.

iii. Priority 1, Reference 4 – Impact of Early Help

In response to questions it was confirmed that the anticipated reduction in the number of families requiring intervention had not occurred. A report on troubled families would be circulated to the Committee.

**Action: Interim Director of Children's Services**

**RESOLVED** that the recommendations and comments of the Children and Young People's Scrutiny Panel be agreed as discussed by the Committee, and listed in the table attached to these minutes.

c. **Recommendations of the Environment and Community Safety Scrutiny Panel – 10 December 2014**

Priority 3, Item 39 – Direct Services

The Chair, Cllr Bull, requested to be included on the site visit to Wolves Lane Nursery Site.

**Action: Rob Mack**

Noted that the Vice Chair expressed that she did not agree with this proposal.

**RESOLVED** to agree the recommendations of the Environment and Community Safety Scrutiny Panel.

*21:58hrs The Committee **RESOLVED** to suspend standing orders (Part 4, Section B, Committee Procedure Rules 18) to continue the meeting beyond 10pm to enable the business in hand to be concluded.*

d. **Recommendations of the Housing and Regeneration Scrutiny Panel – 10 December 2014**

i. Priority 5 – Item 63 – Homes for Haringey (HfH) Repairs

In response to questioning the Committee was informed that this proposal meant that HfH would not spend large amounts of money repairing homes of very elderly residents as their properties were often vacated soon after.

ii. Priority 5 – Item 66 – Homes for Haringey (HfH) Repairs

**MINUTES OF THE OVERVIEW AND SCRUTINY COMMITTEE  
THURSDAY, 18 DECEMBER 2014**

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|                       | <p><b>RESOLVED</b> to recommend that the proposals for the Right to Buy should be extended to empty street properties.</p> <p><b>RESOLVED</b> to agree the comments and recommendations of the Housing and Regeneration Scrutiny Panel, subject to the amendments and comments above.</p> |
| <p><b>OSCO09.</b></p> | <p><b>NEW ITEMS OF URGENT BUSINESS</b></p> <p>None.</p>   |
| <p><b>OSCO10.</b></p> | <p><b>FUTURE MEETINGS</b></p> <p>Noted the dates for future meetings:<br/>Monday 26 January 2015 and Thursday 26 March 2015.</p>  |

Chair, Cllr Bull

The meeting ended at 22:30hrs

Chair

**SIGNED AT MEETING.....DAY**

**OF.....**

**CHAIR.....**