
Full Council

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To: The Mayor and Councillors of Haringey Council.

Dear Sir/Madam,

A meeting of the Council of the London Borough of Haringey will be held at the Civic Centre, High Road, Wood Green, N22 8LE on MONDAY, 27TH FEBRUARY, 2017 at 7.30 pm HRS, to transact the following business:

AGENDA

1. FILMING AT MEETINGS

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would disrupt or prejudice the proceedings, infringe the rights of any individual, or may lead to the breach of a legal obligation by the Council.

2. TO RECEIVE APOLOGIES FOR ABSENCE

3. TO ASK THE MAYOR TO CONSIDER THE ADMISSION OF ANY LATE ITEMS OF BUSINESS IN ACCORDANCE WITH SECTION 100B OF THE LOCAL GOVERNMENT ACT 1972

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. TO ASK MEMBERS WHETHER THEY NEED TO MAKE A DECLARATION IN ACCORDANCE WITH SECTION 106 OF THE LOCAL GOVERNMENT FINANCE ACT 1992 IN RELATION TO UNPAID COMMUNITY CHARGE OR COUNCIL TAX LIABILITY WHICH IS TWO MONTHS OR MORE OUTSTANDING.

6. TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE COUNCIL HELD ON 21 NOVEMBER (PAGES 1 - 12)

7. TO RECEIVE SUCH COMMUNICATIONS AS THE MAYOR MAY LAY BEFORE THE COUNCIL

8. TO RECEIVE THE REPORT OF THE CHIEF EXECUTIVE

9. TO RECEIVE THE REPORT OF THE MONITORING OFFICER (PAGES 13 - 14)

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

11. TO RECEIVE REPORTS FROM THE FOLLOWING BODIES

(1) Report from Staffing and Remuneration Committee: Interim Head of Paid Service (Pages 15 - 16)

(2) Report from Corporate Committee: External Audit Appointment Process (Pages 17 - 24)

(3) Report from Corporate Committee: Mid Year report - Treasury Management Update (Pages 25 - 42)

(4) Report from Corporate Committee: Treasury Management Strategy Statement 2017-18 to 2019-20 (Pages 43 - 50)

12. MEDIUM TERM FINANCE STRATEGY 2017-18 TO 2021-22 AND 2017-18 BUDGET (PAGES 51 - 322)

Nick Walkley
Chief Executive
River Park House
225 High Road
Wood Green
London N22 8HQ

Friday, 17 February 2017

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**MINUTES OF THE MEETING OF THE FULL COUNCIL HELD ON
MONDAY, 21ST NOVEMBER, 2016, 7.30 - 9.35 pm**

PRESENT:

Councillors: Ali Gul Ozbek (Mayor), Gina Adamou, Charles Adje, Peray Ahmet, Kaushika Amin, Jason Arthur, Dhiren Basu, David Beacham, Patrick Berryman, John Bevan, Barbara Blake, Mark Blake, Zena Brabazon, Clare Bull, Gideon Bull, Clive Carter, Pippa Connor, Ali Demirci, Isidoros Diakides, Natan Doron, Joseph Ejiofor, Sarah Elliott, Gail Engert, Tim Gallagher, Joe Goldberg, Eddie Griffith, Makbule Gunes, Bob Hare, Emine Ibrahim, Adam Jogee, Claire Kober, Toni Mallett, Jennifer Mann, Stephen Mann, Liz McShane, Peter Mitchell, Liz Morris, Martin Newton, Felicia Opoku, James Patterson, Sheila Peacock, Lorna Reith, Viv Ross, Raj Sahota, Anne Stennett, Alan Strickland, Tucker, Bernice Vanier, Ann Waters, Elin Weston and Charles Wright

31. FILMING AT MEETINGS

The Mayor drew attendees' attention to the notice on the Summons regarding filming at meetings.

32. TO RECEIVE APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Carroll, Christophides, Hearn, Rice and Ayisi.

Apologies for lateness were received from Councillors Adje, Bevan, Tucker and Mark Blake.

33. TO ASK THE MAYOR TO CONSIDER THE ADMISSION OF ANY LATE ITEMS OF BUSINESS IN ACCORDANCE WITH SECTION 100B OF THE LOCAL GOVERNMENT ACT 1972

The Chief Executive asked that responses to written questions be admitted at item 12 as tabled, explaining they were unavailable earlier given the time required to research and prepare answers.

34. DECLARATIONS OF INTEREST

None.

35. TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE COUNCIL HELD ON 18 JULY 2016

The minutes of the meeting of the Full Council held on 21 July were agreed.

36. TO RECEIVE SUCH COMMUNICATIONS AS THE MAYOR MAY LAY BEFORE THE COUNCIL

The Mayor drew Members' attention to a tabled note of his recent engagements tabled, and set out four particular matters – first, a careers event for young people he recently attended, second, the extremely well-attended commemoration in the borough of Remembrance Sunday. The Mayor invited the Council to thank Tanya Kennedy-Parker for her nearly-forty years of service to old and vulnerable people in the Borough.

Finally, the Mayor noted the passing recently of former Councillor Leonard Cohen, who had been among the first councillors elected to the Borough. He invited Councillor Peacock to make some remarks on her close friend, and then led the Council in a moment of silence in the memory of former Councillor Leonard Cohen.

37. TO RECEIVE THE REPORT OF THE CHIEF EXECUTIVE

The Chief Executive had no matters to report.

38. TO RECEIVE THE REPORT OF THE MONITORING OFFICER AND ASSISTANT DIRECTOR OF CORPORATE GOVERNANCE

The Monitoring Officer and Assistant Director of Corporate Governance had no matters to report.

39. CHANGES TO POLITICAL GROUPS AND APPOINTMENTS TO COMMITTEES AND OUTSIDE BODIES

The majority group Chief Whip introduced the report, which sought to make some changes to Committee Memberships following recent resignations of councillors and subsequent by-elections, and a Member's change of political groups.

RESOLVED

Full Council noted:

- a) The changes to Political Group composition detailed at 4.1 of the report
- b) The decision taken between meetings to ensure the Corporate Committee and Staffing and Remuneration Committee remained proportionate, as required by statute.

Full Council agreed:

- a) The changes in Committee membership, as detailed at 4.4 of the report
- b) The appointment of Cllr Barbara Blake to the Board of the Bridge Renewal Trust, as detailed at 4.6 of the report

40. TO RECEIVE REPORTS FROM THE FOLLOWING BODIES

The Mayor invited the Leader of the Council to introduce three reports from Cabinet.

The first report recommended that the Council accept the Department for Communities and Local Government's offer of a four-year funding settlement, as set out in the Cabinet paper tabled as background. This required an efficiency plan, and would allow the Council to access a minimum funding allocation for Revenue Support Grant to 2019-20.

The second report asked Full Council to approve the maintain the current Council Tax Reduction Scheme for 2017-18.

The third report recommended Full Council adopt a revised Housing Strategy to cover the period 2017-22.

The Mayor then asked the Chair of the Standards Committee to introduce her report on proposed changes to the Council's Contract Standing Orders, as set out in at Part 4, Section J of the Constitution.

Finally, the Mayor invited the Chair of the Overview and Scrutiny Committee to introduce the Committee's Annual Report.

RESOLVED

In relation to the first report from Cabinet, Full Council approved acceptance to the offer of a 4-year funding allocation for 2016-17 to 2019-20 and the submission of the existing MTFs with additional narrative for 2018-19 and 2019-20 as the Efficiency Plan to the Department of Communities and Local Government before 14th October 2016.

In relation to the second report from the Cabinet, Full Council:

- a) Noted that an Equalities Impact Assessment (at appendix E of the Report to Cabinet had been undertaken in relation to the Council Tax Reduction Scheme and that the findings of this EIA must be taken into account when making a decision regarding the Scheme for 2017/18.
- b) Agreed to adopt the Council Tax Reduction Scheme 2017/18 as contained in Appendix C of the Report to Cabinet and therefore retains the same Scheme agreed for 2013/14 and continued since.
- c) Accordingly, the scheme as summarised in Appendix A of the Report to Cabinet and set out in full at Appendix C of the Report to Cabinet continue to apply for 2017/18:
 - i. That pensioners will continue to receive support for the payment of Council Tax.
 - ii. That those in receipt of certain disability benefits continue to receive support for the payment of Council Tax.
 - iii. For all working age claimants, the extent of Council Tax Support available will continue to be capped at 80.2% of Council Tax liability. In other words, working age claimants will continue to receive the same level of Council Tax Support as 2013/14, this amount representing a

19.8% reduction in the level of Council Tax Support available as compared with the amount of Council Tax Benefit received in 2012/2013.

In relation to the third report from Cabinet, Full Council agreed and adopted the revised and final version of Haringey's Housing Strategy, attached as appendix 2 to the Cabinet report, having considered the feedback from and the response to the second stage consultation conducted on Haringey's Housing Strategy, set out in appendix 1 of the attached Cabinet report and the revised and final version of the Equalities Impact Assessment, attached as appendix 3 to the Cabinet report.

In relation to the report from the Standards Committee, Full Council agreed the following amendments to Contract Standing Orders, Part Four of the Constitution, Section J Contract Procedure Rules:

1. Amendments to support the new Procurement Target Operating Model:
 - 1.1. Increase the threshold of delegated powers for Directors to act in the most expedient and efficient manner from £5,000 to £10,000 (CSO 8.02);
 - 1.2. Increase the values for the procurement process requesting at least 3 competitive quotes from between £5,000 and £100,000 to between £10,000 and £160,000 (CSO 8.03);
 - 1.3. Increase the threshold of goods and services contracts requiring advertisement (tender) with an estimated value of £100,000 to a new threshold of £160,000 (CSO 9.01.1);
 - 1.4. Increase the threshold of Works contracts requiring advertisement (tender) with an estimated value of £25,000 to a new threshold of £500,000 (CSO 9.01);
 - 1.5. Introduce a threshold of £500,000 or more for contracts subject to the Light Touch Regime (social care related) requiring advertisement (tender) (CSO 9.01);
 - 1.6. Increase the threshold for the commencement of works, goods or services under a Letter of Intent from £50,000 to £100,000 or 10% of the total contract value, whichever is the higher (CSO 9.07.3); and
 - 1.7. Require approval from the Chief Operating Officer before entering into any joint procurement activity with other contracting authorities (CSO 7.04).
2. Amendments relating to the introduction of new Procurement related technology platforms:
 - 2.1. Mandate the use of Corporate Procurement related systems to include corporate sourcing and contract management systems (defined in CSO 2.02 c);
 - 2.2. Mandate contracts are stored in the Councils Contract Repository (CSO 3.02 h);
 - 2.3. The threshold requiring all contracts valued at £5,000 or more to be entered onto the corporate contracts register, is increased to a new threshold of £10,000 or more and is now required to be recorded in the Corporate Contracts repository (CSO 3.02 m); and

2.4. Amendments to include provision for sealing, award and signing of contracts by electronic means as provided within the Corporate Procurement Systems (CSO 9.02.4 and 9.08.9).

3. Amendments relating to the use of a Dynamic Procurement System:

3.1. Incorporate amendments to facilitate the use of a Dynamic Purchasing System (CSO 9.04).

4. Amendments to support the introduction of new or updated regulations:

4.1. Incorporate amendments to support statutory changes to the Public Contracts Regulations 2015 (as amended) (the "Regulations") (multiple references throughout the document have been added); and

4.2. Incorporate amendments to support introduction of the Concession Contracts Regulations 2016 (the "Regulations") (multiple references throughout the document have been added).

5. Amendments to address inconsistencies relating to thresholds and Key Decisions

5.1. Increase the threshold for waivers requiring Cabinet approval above £250,000 to a revised threshold of £500,000 or more (CSO 10.01.1 a); and

5.2. Increase the threshold for waivers requiring Director approval below £250,000 to below a revised threshold of below £500,000 (CSO 10.01.1 b).

6. Additional minor drafting amendments to the Contract Standing Orders as required to support the above changes.

7. Extension to the current Consortia drafting (CSO 7.04 d) to make provision for on-going shared services arrangements, whereby procurements may be undertaken by one of the other members of the Consortia on behalf of the Council.

In relation to the report from the Overview and Scrutiny Committee, the Council noted their Annual Report

41. TO CONSIDER REQUESTS TO RECEIVE DEPUTATIONS AND/OR PETITIONS AND, IF APPROVED, TO RECEIVE THEM

The Mayor informed Members that a petition had been received with sufficient signatures to trigger a debate at Full Council. He invited Rose Bernstein, on behalf of Refugees Welcome Haringey, to introduce the petition that called on the Council to ensure the resettlement of four Syrian refugee families by Christmas 2016 via the Vulnerable Person Resettlement Scheme.

Ms Bernstein welcomed the Council's recent announcement that it would resettle ten Syrian refugee families and set out that there had been local interest in accommodating refugee families, which she encouraged the Council to accept. She requested information on the Council's lead on resettlement and who its main partner organisation was, that the Council work to resettle four of those accepted families by

mid January, that there be a clear timescale for resettlement of the remainder and that there be a commitment to work with Refugees Welcome Haringey. Following a question from Councillor Morris, Ms Bernstein said the Council could welcome more than the three announced unaccompanied refugee children.

In the debate that followed, Councillor Engert noted the historically high levels of refugees globally and the Borough's history of accepting refugees. She supported the target of three thousand unaccompanied children being accepted into the United Kingdom, and urged the Council to accept more unaccompanied refugee children.

Councillor Hare emphasised there was cross-party support for accepting refugees, but asked why it had taken so long for the Council to take action, particularly given alternative spending decisions.

Responding to the debate, Councillor Kober noted the cross-party action she had led within London Councils, and regretted the Government's low-level commitment and lack of clarity on the support available to authorities accepting refugees under the Vulnerable Persons Resettlement Scheme. She stressed that accommodation for the accepted families was the key issue in enabling their resettlement. In relation to unaccompanied refugee children, she noted that London had already accepted a good number, and that Haringey had already accepted 46 children – which is over the recommended threshold by the Government. She responded to Ms Bernstein's questions by stating that the Deputy Chief Executive had overall responsibility for this matter, that the third sector partner was Embrace UK, that families would be resettled as soon as accommodation was provided and that she welcomed the offer of engagement with Refugees Welcome Haringey.

The Mayor then led a round of applause from the Council for the petitioners.

42. TO ANSWER QUESTIONS, IF ANY, IN ACCORDANCE WITH COUNCIL RULES OF PROCEDURE NOS. 9 & 10

The Mayor accepted this late item of urgent business, as the answers to questions had needed to be researched and prepared after the summons had been dispatched.

Nathan Lee, a member of the public asked his question, which was responded to by the Leader.

Oral questions one to six were then asked and responded to.

43. ANNUAL CARBON REPORT 2016

The Mayor invited Councillor Goldberg to introduce to introduce the Annual Carbon Report.

Councillor Goldberg noted that Haringey was unique in presenting transparently the progress of reducing carbon, and welcomed the progress made in the last year despite an increase in population. He noted that carbon reduction had been impressive in the borough, despite starting from a relatively low base, and set out

some concerns at the impact of international political developments on the carbon reduction agenda.

Following questions from Councillors Hare, Doron, J Mann and Ejiofor, Councillor Goldberg commended the report to Council.

Noted:

- That the Annual Report be made publically available, to engage residents in the Haringey 40:20 initiative.
- That Councillors engage with the initiative and lead action in their community, promoting the importance of reducing carbon emissions whilst increasing prosperity.
- That the future projects outlined on pages 46 to 50 of the report are implemented and further opportunities are identified, subject to the availability of external funding and grants.
- That Haringey continues to report annually on our progress to reduce emissions 40% by 2020, delivering growth and increasing prosperity.

44. THE HARINGEY DEBATE - HOW WOULD THE INTRODUCTION OF THE RENTERS' BILL IMPROVE PRIVATE RENTING FOR HARINGEY'S RESIDENTS?

The Mayor invited Councillor Engert to introduce the topic for the Haringey Debate.

Councillor Engert set out that there would be no external speaker, given the time expected to reach this item – and she hoped the handling of the debate would be considered as part of the governance review. She set out that the Renters' Bill had passed the Lords since tabling the motion on the same issue (the following item), and how it would improve the treatment of renters financially and in terms of their safety.

Councillor Wright set out that rented accommodation was prevalent in the borough though not preferable, and that poor treatment of renters in the private sector led to an increased demand on the social rented sector. He set out how the Housing Strategy, agreed earlier in the meeting, would help improve matters, and that the Council should press the Government to allow it to provide more homes.

Councillor J Mann welcomed the debate, which was of great importance to residents, but felt the Renters' Bill did not go far enough and hoped the Commons would strengthen the Bill. She further welcomed action taken by the Council in relation to housing.

Councillor Morris noted the rise in the number of renters, and how that increased the potential for rogue landlords. She was particularly concerned at the impact of poor housing on children and young people, particularly their health and learning. While the Renters' Bill would not solve all issues, it would be a helpful step forward.

Councillor Sahota expressed his concern at the Government's Housing Bill, and regretted that previous attempts to provide similar improvements seen in the Renters' Bill, in amendments to the Consumer Rights Bill, were not successful.

Councillor Blake set out concerns of local residents in relation to renting, and the lack of rights they have, particularly given the high costs paid. She stressed that the quality of building by the Council was as important as the quantity.

Councillor Carter believed there was cross-party support for ending letting fees, and for many of the proposals in the Bill, which should also be welcomed by reputable landlords. He was also keen on a London-wide landlord registration scheme to help ensure their quality.

Responding on behalf of the Cabinet, Councillor Strickland welcomed the debate on housing and renting in particular. He had visited very poor quality properties with the enforcement team. He also regretted that the earlier efforts to provide renters' rights were not successful, and set out where the Renters' Bill fell short of what was required. He outlined that there would be a renting policy in the near future following the agreement of the Housing Strategy, which would build on the wider agenda of providing more housing.

Responding, Councillor Engert set out the Renters' Bill would provide key improvements, and would tackle some of the worst practices, as observed by Councillors. She then proposed that the business be amended to allow the motion on the renters' bill be moved forward to allow a vote immediately. This was seconded by Councillor Morris.

On a vote, the motion to amend the order of business was not agreed, and the agenda proceeded as circulated.

45. TO CONSIDER THE FOLLOWING MOTIONS IN ACCORDANCE WITH COUNCIL RULES OF PROCEDURE NO. 13

The Mayor set out that there were two motions tabled for debate, and invited Councillor Reith to introduce the first motion.

Councillor Reith set out the background to her motion, and the broad support for London being a National Park City. It would make London be seen differently, and ensure pride in its parks, and give a greater sense of public ownership and guardianship over them. Ultimately, this would make London greener and a more healthy place to live.

Seconding the motion, Councillor McShane outlined the number parks and green spaces in the borough, and thanked the parks service for its work to maintain them. The motion would show Haringey's support for the value of its parks.

Councillor Doron echoed the sentiments made, and set out Haringey was one of the greenest boroughs in one of the greenest capital cities in the world. He encouraged all members to agree the motion.

Councillor Carter welcomed the motion, particularly as the nineteenth ward in the borough had expressed support for this motion very recently.

Councillor Berryman welcomed the improvement to Haringey's parks over many years, and believed there was a public interest in maintaining good parks with public funds, given their environmental and social benefits.

Councillor Ahmet welcomed the motion and support for the campaign across the borough, and added her thanks to the parks staff.

Responding, Councillor Reith set out this was the beginning of the campaign, which Haringey had showed clear support for.

The Mayor then put the motion to Council, when it was agreed by acclamation.

Proposing the second motion, Councillor Engert referred to her earlier remarks and recommended it be moved without discussion. Councillor Morris seconded the motion.

Responding, Councillor Kober said that the matter was of great importance to residents and beyond party politics, and that her group would support it.

The Mayor then put the motion to Council, when it was agreed by acclamation.

RESOLVED

Motion D - Making London a National Park City

Over the last 18 months, a movement has been growing in London to make the city a greener, healthier, fairer and even more beautiful place to live. The objective of the movement is to achieve National Park City status for Greater London.

This Council notes:

- That the Greater London National Park City initiative has already gained support from more than 100 organisations, ranging from small community groups to universities and large companies. In addition, the London Assembly unanimously passed a motion to help develop the proposals and further support has been given from Parliament and local government.
- That turning London into a National Park City will help:
 - Ensure 100% of Londoners have free and easy access to high-quality green space
 - Connect 100% of London's children to nature
 - Make the majority of London physically green
 - Improve London's air and water quality, year on year
 - Improve the richness, connectivity and biodiversity of London's habitats
 - Inspire the building of affordable green homes
 - Inspire new business activities
 - Promote London as a Green World City
 - Nurture a shared National Park City identity for Londoners

This Council further notes:

- That to become a National Park in England, Natural England (the Government's adviser for the natural environment in England) must view a landscape as an 'extensive tract of country'.

- That, with its distinctive, urban natural and cultural heritage, historic landscape, and many opportunities for outdoor recreation, London meets many requirements for becoming a National Park but it isn't, however an 'extensive tract of country' in the spirit of existing legislation. As such, the intention of this initiative is to transform Greater London into a National Park City, a new kind of National Park that sits outside of current legislation.
- That London can become a National Park City once at least two-thirds (436) of London's 654 wards, the Mayor of London and the London Assembly have declared their support.
- That 85% of Londoners think that making London a National Park City is a good idea and 84% think that it is something London Councils and the Mayor of London should support
- That Labour London Mayor Sadiq Khan has already given his backing and 210 wards, including many in Haringey, across 30 boroughs have also declared their support.

This Council recognises:

- That London's landscape is central to our health and prosperity and the quality of the capital's built and natural environment – its green, blue and open spaces – is what makes it one of the world's most desirable cities in which to live, work and invest.
- That all Haringey's green spaces, including 22 parks and open spaces managed by the Council which have been awarded Green Flag status, are incredibly important and provide many health and recreation benefits for residents.

This Council resolves:

- To support the campaign to make London a National Park City
- To encourage councillors from all wards in the borough to give their support to the initiative.
- To write to both MPs in Haringey to encourage them to also give their full public backing to the initiative.

Motion E – Renters' Bill

This council notes Baroness Genders' private member bill on renters' rights, which is currently at the committee stage in the House of Lords. If passed this bill could bring significant changes to the rented housing sector in Haringey and the rest of the country.

This council notes that the Renters' Bill, which is supported by Generation Rent and the Debrief's "Make Renting Fair" campaign, proposes to:

- Ban letting fees for renters
- Give renters access to an open register of rogue landlords
- Bring in compulsory electrical safety checks in rented homes
- Prevent rogue landlords from obtaining an HMO licence

This council is concerned that letting fees and rogue landlords have a significant impact on local residents in Haringey and across the country, with almost one in five

of the population, one-third of them families with children, renting. In fact, Just under a quarter of renters in London have moved three times or more in the past five years.

This council also notes the impact of letting fees, moving costs and agencies:

- In London, the median amount that renters must pay before moving is £1,500, and in many cases the cost is several thousand pounds.
- Citizens Advice, has seen 80,000 people with a problem in the private rented sector in the last year, with an 8% increase in complaints about letting agent.

This council further notes:

- letting fees for tenants have already been banned in Scotland
- the Government have introduced legislation on rogue landlords in the Housing and Planning Act 2016, but they stopped short of giving tenants access to the list of rogue landlords

This council is committed to improving standards for renters and supports the Renters' Bill. This council calls on the Leader of the Council to write to the local MPs and urge them to support the bill when it reaches the House of Commons.

CHAIR:

Signed by Chair

Date

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Report for: Full Council

Title: Appointment of Statutory Scrutiny Officer

Report authorised by : Bernie Ryan, Monitoring Officer and Assistant Director – Corporate Governance

Lead Officer: Victoria Barman, Senior Project Lawyer (Corporate)

Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** N/A

1. Describe the issue under consideration

- 1.1 This report proposes to designate the Assistant Director for Transformation and Resources as the Council's statutory Scrutiny Officer pursuant to section 9FB of the Local Government Act 2000, and for Part 3, Section E Part 4 of the Council's Constitution to be updated accordingly.

2. Cabinet Member Introduction

N/A

3. Recommendations

- 3.1 It is recommended that the Council designate the Assistant Director for Transformation and Resources as the Council's statutory Scrutiny Officer pursuant to section 9FB of the Local Government Act 2000.

4. Reasons for decision

- 4.1 The Local Government Act 2000 requires the Council to designate one of its officers as the statutory Scrutiny Officer.

5. Alternative options considered

- 5.1 This is a legal requirement. No alternative options are proposed.

6. Background information

- 6.1 The Local Government Act 2000 requires the Council to designate one of its officers, to be known as the statutory Scrutiny Officer, to exercise the following functions—

(a) to promote the role of the authority's overview and scrutiny committee or committees,

- (b) to provide support to the authority's overview and scrutiny committee or committees and the members of that committee or those committees,
- (c) to provide support and guidance to—
 - (i) members of the authority,
 - (ii) members of the executive of the authority, and
 - (iii) officers of the authority,

in relation to the functions of the authority's overview and scrutiny committee or committees.

- 6.2 Under the above Act this post cannot be the Head of the Paid Service, Chief Finance Officer or Monitoring Officer. The Deputy Chief Executive was previously the Scrutiny Officer. However this meeting will consider a recommendation that the Deputy Chief Executive be appointed as interim Head of Paid Service. Accordingly it is recommended that the post of Assistant Director for Transformation and Resources be designated as the Scrutiny Officer with immediate effect.

7. Contribution to strategic outcomes

N/A

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance

The designation of an officer as the Statutory Scrutiny Officer will not entail any cost to the Council.

Procurement

N/A

Legal

The legal and constitutional implications are set out in the body of the report.

Equality

N/A

9. Use of Appendices

N/A

10. Local Government (Access to Information) Act 1985

N/A

REPORT OF STAFFING & REMUNERATION COMMITTEE No. 01/2016-17**COUNCIL 27 February 2017**

Chair: Councillor Raj Sahota

Vice-Chair: Liz McShane

INTRODUCTION

- 1.1 This report to Full Council arises from the report on the Senior Management Temporary Arrangements and Savings Update, considered by the Staffing and Remuneration Committee at our meeting on the 7 February 2017.

SENIOR MANAGEMENT TEMPORARY ARRANGEMENTS AND SAVINGS UPDATE

- 2.1 We considered the report on Senior Management Temporary Arrangements and Savings Update, presented by the Chief Executive. The report asked us to recommend to Full Council the proposed interim arrangements for the discharge of duties of the Head of Paid Service and Chief Executive, pending permanent recruitment to the position.

- 2.2 *Clerk's note:*

The process of appointing the interim Head of Paid Service requires the Staffing and Remuneration Committee to notify members of the Cabinet of their recommendation and allow those members the opportunity to object, prior to the final decision of the Full Council. The Full Council meeting will be notified as to the outcome of the objections process before making their decision on this recommendation.

WE RECOMMEND

That Full Council approve the appointment of Zina Etheridge, Deputy Chief Executive, as Interim Head of Paid Service with effect from 1 March 2017 until a permanent appointment to the Chief Executive post is made and the appointee takes up post.

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**REPORT OF THE CORPORATE COMMITTEE No. 3, 2016/17
COUNCIL 27 FEBRUARY 2017**

Chair:
Councillor Barbara Blake

Deputy Chair:
Councillor Eddie Griffith

INTRODUCTION

- 1.1 This report to Full Council arises from the report on the External Audit Appointment Process, considered by the Corporate Committee at its meeting on 29 November 2016. The report considered by the Committee is attached as appendix 1.

SUMMARY

External Audit Appointment Process

- 2.1 We considered the report on the External Audit Appointment Process, which set out the alternative options of the Council making its own arrangements for the appointment of its external auditor, via an Auditor Panel, or using the appointed 'sector led body' Public Sector Audit Appointments Ltd (PSAA) and the implications of each approach. We noted that we were being asked to make a recommendation on the approach to adopt, as the Committee with responsibility for oversight of external audit arrangements, but that the final decision was legally reserved for Full Council, and the deadline for this decision to be taken by is 9 March 2017. The report recommended the use of PSAA for the appointment of the Council's external auditor.
- 2.2 We asked about the arrangements for audits of local health trusts being made available to the Council's Overview and Scrutiny Committee, in response to which we were advised that the Overview and Scrutiny Committee, along with the Health and Wellbeing Board, would have a role in commenting on the health trust's qualitative account and that as part of that process the Committee should request additional external audit reports.
- 2.3 We asked about the accountability of PSAA; the Head of Audit and Risk Management advised that the PSAA was wholly owned by the Local Government Association and had a remit restricted to managing the appointment of external audit services to the local government sector. The PSAA had already stated that it intended to avoid the larger firms that tended to dominate the market and would look at mid-sized audit firms as part of its work, with arrangements in place such that contracts were not awarded solely on price terms. We noted that this would be a significant public sector procurement exercise and would therefore exceed the OJEU threshold – all elements of the process would therefore be available for public scrutiny. In addition, PSAA would be required to file accounts as a limited company.

WE RECOMMEND

That Full Council resolve that the external auditor for the Council and for the pension fund should be appointed by Public Sector Audit Appointments Ltd (PSAA), a subsidiary of the Improvement and Development Agency (IDeA) which is wholly owned by the Local Government Association.

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Report for: Corporate Committee – 29 November 2016

Item number:

Title: External Audit Appointment Process

Report authorised by: Assistant Director of Corporate Governance

Lead Officer: Anne Woods, Head of Audit and Risk Management
Tel: 020 8489 5973
Email: anne.woods@haringey.gov.uk

Ward(s) affected: N/A

**Report for Key/
Non Key Decision: Non-Key Decision**

1. Describe the issue under consideration

- 1.1 Under the Local Audit and Accountability Act 2014, the Audit Commission, which had previously managed the appointment of external auditors for local government bodies and health trusts, was abolished and new responsibilities to manage their own appointment of local auditors given to those bodies.
- 1.2 The Local Audit and Accountability Act also provides for the appointment by the secretary of state of a 'sector led body' to be an appointing person. This body would provide the option of a managed appointment process for those who wished to select it. Public Sector Audit Appointments Limited (PSAA) has now been approved by the Department for Communities and Local Government (DCLG) to be a sector led body for principal authorities – councils, police and fire bodies, including London borough councils.
- 1.3 The decision for the Council to appoint its own external auditors itself, or to join the sector led approach, must be made by Full Council and cannot be delegated.

2. Cabinet Member Introduction

- 2.1 Not applicable.

3. Recommendations

- 3.1 That Corporate Committee recommends to Full Council that the external auditor for the Council and for the pension fund should be appointed by Public Sector Audit Appointments Ltd (PSAA), a subsidiary of the Improvement and Development Agency (IDeA) which is wholly owned by the Local Government Association.

4. Reasons for decision

- 4.1 Following the abolition of the Audit Commission, local authorities will be required to make their own decisions about how and by whom their external auditors are appointed. High quality independent audit is one of the cornerstones of public accountability. It gives assurance that taxpayers' money

has been well managed and properly spent, therefore the appointment of the Council's external auditors is a significant decision for the Council.

- 4.2 The Corporate Committee's responsibilities in relation to audit include: '*Considering arrangements for the appointment of the external auditor*'. This report is provided to advise the committee of the options available to the Council following the end of the current external audit contract and recommend a preferred solution.
- 4.3 The recommendation is based on the most economically advantageous approach, which will provide an appropriately qualified and suitable external audit function for the Council; and which will achieve economies of scale by opting in to a national procurement process to provide competitive prices for local audit services.

5. **Alternative options considered**

- 5.1 The new local audit framework must be in place by 1 April 2018. In practice this means that the appointment of the next external auditor for the Council and for the pension fund must be completed by 31 December 2017.
- 5.2 There are a number of options which are available to the Council in making the appointment; the choice of which route to take must be made by Full Council and cannot be delegated. The options, which are set out in more detail in the sections below, are:

Auditor Panel Options

1. To establish a separate and individual auditor panel to advise on the external auditor appointment, with the final decision again being made by Full Council;
2. To work collaboratively with one or more authorities, sharing an auditor panel if they choose;
3. Use an existing committee or sub-committee to act as the auditor panel – provided that the committee fully complies with the provisions and regulations relating to auditor panels;
4. To ask another authority's auditor panel to carry out the functions of the authority in question;

Other options to Auditor Panels

1. To follow a 'sector led' approach by which an 'appointing person' operates a nationwide, EU compliant procurement and appoints the external auditors on the Council's behalf. PSAA was specified as an appointing person by the Secretary of State in July 2016 for this purpose.
- 5.3 The Chartered Institute of Public Finance and Accountancy (CIPFA) produced non-statutory guidance in September 2015 to advise local authorities of what they need to be aware of in relation to auditor panels. This report summarises the possible advantages and disadvantages of each option

5.4 Analysis of the Auditor Panel options

Ref	Option	Possible Advantages	Possible Disadvantages
1.	Set up own separate and individual panel to oversee separate and individual procurement	<ul style="list-style-type: none"> • Full ownership of the process • Fully bespoke contract with the auditor • Tendering process more based on local circumstances (within EU procurement rules) 	<ul style="list-style-type: none"> • May experience difficulties in appointing majority independent panel members and independent panel chair as per the regulations • Will need to ensure that panel members are suitably qualified to understand and participate in the panel's functions • Will have to cover panel expenses completely • May not be able to procure at a lower cost than other options, for example, a single authority contract may be less attractive to some providers • Will not achieve economies of scale
2.	Set up a panel jointly with other authority/ authorities as part of a procurement exercise for joint contract covering more than one authority or multiple separate contracts	<ul style="list-style-type: none"> • Less administration than a sole auditor panel • Will be able to share the administration expenses • May be easier to attract suitable independent panel members • If procuring a joint audit contract: <ul style="list-style-type: none"> ○ May still be a relatively locally tailored process ○ May be able to achieve some economies of scale • If procuring separate audit contracts: <ul style="list-style-type: none"> ○ An opportunity for fully bespoke contracts with the auditor if the group of authorities can agree 	<ul style="list-style-type: none"> • If procuring a joint audit contract: <ul style="list-style-type: none"> ○ May need to compromise on the arrangements or auditor contract ○ May not end up with first choice of auditor, compared to an individual auditor panel. If a large group of authorities work together and decide to appoint one joint audit contract across all the authorities, a joint panel may be more likely to advise appointment of an auditor it considers suitable for all authorities taken together • Need to agree appointment of members across multiple authorities and set up an appropriate joint decision-making process
3.	Use existing committee or sub-committee	<ul style="list-style-type: none"> • Existing administrative structure in place • Existing (sub)committee should already have a better basic understanding of the authority's objectives and requirements 	<ul style="list-style-type: none"> • Need to appoint new (sub) committee members to comply with independence regulations • May not be able to procure at a lower cost than other options, for example, a single authority contract may be less attractive to some providers • Will not achieve economies of

Ref	Option	Possible Advantages	Possible Disadvantages
			scale
4.	Use another authority's panel	<ul style="list-style-type: none"> • Will not have to set up an auditor panel • Arguably most independent option for the authority using the host authority's panel 	<ul style="list-style-type: none"> • The panel may not understand the specific needs of the authority • May need to enter into a formal arrangement with the other authority • May be difficult to find an authority willing to enter into such an arrangement • May be more difficult to ensure adequate liaison with authority's own audit committee

- i. The arrangements for an auditor panel must comply with the requirements of the Act and must have a majority of independent, non-elected members. The auditor panel must also be chaired by an independent non-elected member. The rules about independence are very specific and must comply with The Local Audit (Auditor Panel Independence) Regulations 2014. The panel can be an existing committee or sub-committee of an existing committee provided that the membership criteria are met.
- ii. In view of the likely value of a contract for external audit provision a full EU procurement would be required which the auditor panel would oversee. Following this, the committee would make a recommendation to Full Council which is the body that would make the final decision.
- iii. Once the external auditor is appointed, the auditor panel will continue to have roles in monitoring the auditor's performance, ensuring the auditor's independence and in the event of any relationship problems with members or officers. In the event of a breakdown of the relationship, or poor auditor performance, the Council would be faced with a re-procurement exercise.

5.5 Appointment by the Sector Led Route

- 5.5.1 Local authorities may opt into any sector-led body that may be established to fulfil the 'appointing person' role as per section 17 of the Local Audit and Accountability Act 2014. Authorities that opt into such arrangements will not need to pursue further options for establishing an auditor panel.
- 5.5.2 In July 2016, PSAA was specified as a designated person for the purposes of making external audit appointments. They are the only body to be designated as such. As part of the transitional arrangements moving from the Audit Commission, PSAA has been managing the existing novated external audit contracts.
- 5.5.3 If the Corporate Committee agrees to the recommendation and Full Council decided to opt for this route, the Council would confirm its intention to PSAA to participate in the sector led scheme. PSAA would then carry out the EU procurement on behalf of all councils and NHS trusts that have signed up with

them and would then allocate external auditors, probably on a geographic basis as has happened in the past.

- 5.5.4 PSAA would then be the body that would support the external auditor's independence and would be involved if there were relationship problems. Monitoring the work of the external auditor would continue to be undertaken by the Corporate Committee.
- 5.5.5 PSAA would be the contracting authority, so there would be no procurement by the Council. The fees paid for the audit service would include PSAA's costs. It is however a non-profit making organisation and if any surpluses were achieved these would be returned to the scheme members.
- 5.5.6 This route would be the most straightforward and least resource intensive. It would enable the achievement of more competitive prices because of the volume being procured. In the event of a breakdown of the relationship or poor auditor performance, PSAA would be able to replace the auditor with another that it has contracted with without the cost implications or interruption of service which might be experienced if the Council contracted with a single supplier.
- 5.5.7 The current PSAA proposal is to let three year contracts, with an option to extend to five years, to a relatively small number of appropriately registered firms in two or three large contract areas nationally. By having contracts with a number of firms, PSAA will be able to demonstrate independence and avoid dominance of the market by a small number of providers.
- 5.5.8 Audit fees will continue to be met by each local authority. PSAA will manage the fee levels and pool scheme costs to enable costs to be charged to authorities in accordance with an agreed scale of fees. PSAA will consult with audited bodies on the proposed scale of fees until the initial procurement has been completed and contracts have been let. It should be noted that the Council has no influence on the current scale of external audit fees charged, so will be in no worse position under the sector led approach.

6. Background information

- 6.1 Prior to its final abolition in March 2015, external auditors for local authorities were appointed by the Audit Commission. The auditor currently appointed for Haringey Council and for its pension fund is BDO LLP and they remain as the external auditors. The current audit contracts were novated from the Audit Commission to PSAA on 1 April 2015.
- 6.2 The contracts were due to expire following conclusion of the audits of 2016/17 accounts, but could be extended by PSAA, subject to DCLG amendment of the transitional provisions to extend the period in which the statutory functions are delegated to PSAA.
- 6.3 In October 2015, the Secretary of State confirmed that the transitional provisions would be amended to allow an extension of the contracts for a period of one year for audits of principal local government bodies to include the audit of 2017/18 accounts.

7. Contribution to strategic outcomes

- 7.1 External audit makes a significant contribution to ensuring the adequacy and effectiveness of internal control and use of resources throughout the Council, which covers all key Priority areas.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)**8.1 Finance and Procurement**

The External Audit plan of work in relation to the 2016/17 year is currently estimated to cost £240k and appropriate provision has been made within the budget for 2016/17 under the current contractual arrangements. The Medium Term Financial Strategy (MTFS) at this stage assumes a similar level of budget will be required in future years.

8.2 Legal

The changes to the arrangements for appointing external auditors, and the range of options available under the framework of the Local Audit and Accountability Act 2014, are set out in the main body of this report.

If an authority fails to appoint an external auditor the Secretary of State has the power to direct the authority to appoint a particular auditor, or appoint one on its behalf.

8.3 Equality

There are no direct equality implications for the Council's existing policies, priorities and strategies. However, ensuring that the Council has effective external audit arrangements in place will assist in providing assurance to residents and other stakeholders that the Council manages public money appropriately and in accordance with statutory requirements.

9. Use of Appendices

N/A

10. Local Government (Access to Information) Act 1985

Not applicable.

**REPORT OF THE CORPORATE COMMITTEE No. 2, 2016/17
COUNCIL 27 FEBRUARY 2017**

Chair:
Councillor Barbara Blake

Deputy Chair:
Councillor Eddie Griffith

INTRODUCTION

- 1.1 This report to Full Council arises from the Treasury Management Mid Year Report, considered by the Corporate Committee at its meeting on 29 November 2016. The report attached as appendix 1 incorporates the comments made by the Committee in discussion.

SUMMARY

Mid Year report – Treasury Management Update

- 2.1 We considered the mid year report on Treasury Management, and noted that it was a requirement of the CIPFA Treasury Management Code for this report to also be considered by Full Council. The report considered by the Committee is attached as appendix 1.
- 2.2 We noted the key messages from the report, namely:
- As at 31 March 2016 the Council had £312.2m of borrowing and £29.15m of investments.
 - As at 30 September 2016 the Council held £273.6m of loans (a decrease of £9.7m on 31 March 2016), that it was estimated that the Council would incur a net cost of £31m if all PWLB loans were rescheduled (full details of which were provided at appendix 4 to the report).
 - The cut in the UK Bank Rate from 0.5% to 0.25% in August 2016 had affected investment returns, the current forecast investment income for the year is estimated at £104k.
 - There had been no breaches of the Prudential Indicators for 2016/17, as set by Full Council as part of the Treasury Management Strategy Statement.
- 2.3 We asked about the outlook for the remainder of 2016/17, and it was reported that this would largely depend on developments in the UK economy relating to Brexit and that there was currently uncertainty relating to what this impact would be, although there were indications of a general downward trend in economic growth.
- 2.4 We asked some points of clarification, and noted that the table on page 14 of the report had been inadvertently duplicated from paragraph 14.4 and was not relevant to the section on borrowing activity, and that the PREM column on the table at appendix 4 referred to the premium for the respective loans.

WE RECOMMEND

That Full Council note the Treasury Management activity undertaken during the six months to 30th September 2016 and the performance achieved.

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Report for: Corporate Committee 29th November 2016

Item number:

Title: Mid Year Report - Treasury Management Update

Report authorised by: Tracie Evans, Chief Operating Officer (COO)

Lead Officer: Oladapo Shonola, Head of Finance - Treasury & Pensions
oladapo.shonola@haringey.gov.uk 02084893726

Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** Non Key decision

1. Describe the issue under consideration

- 1.1. The Chartered Institute of Public Finance and Accountancy's Treasury Management Code (CIPFA's TM Code) requires that Authorities report on the performance of the treasury management function at least twice yearly (mid-year and at year end). This report provides an additional quarterly update.
- 1.2. The Council's Treasury Management Strategy for 2016/17 was approved by Full Council on 22 February 2016.
- 1.3. This report updates the Committee on the Council's treasury management activities and performance in the six months to 30th September 2016 in accordance with the CIPFA Treasury Management Code of Practice. It is a requirement of the Code for the report also to be considered by Full Council.

2. Cabinet Member Introduction

- 2.1. Not applicable.

3. Recommendations

- 3.1. That members note the Treasury Management activity undertaken during the six months to 30th September 2016 and the performance achieved.

4. Reason for Decision

- 4.1. None.

5. Other options considered

- 5.1. None.

6. Background information

Mid Year Review

- 6.1. The Council's treasury management activity is underpinned by CIPFA's Code of Practice on Treasury Management ("the Code"), which requires local authorities to produce annually, Prudential Indicators and a Treasury Management Strategy Statement. CIPFA has defined Treasury management as: "The management of the local Council'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."
- 6.2. The Code recommends that members are informed of treasury management activities at least twice a year. Formulation of treasury policy, strategy and activity is delegated to the Corporate Committee and this Committee receives reports quarterly.
- 6.3. However, overall responsibility for treasury management remains with Full Council and the Council approved the Treasury Management Strategy Statement and set the Prudential Indicators for 2016/17 on 22nd February 2016. The Corporate Committee is responsible for monitoring treasury management activity and this is achieved through the receipt of quarterly reports. This report forms the 2nd quarterly monitoring report for 2016/17 and also the mandatory half year report required to be provided to Full Council.
- 6.4. Government guidance on local Council treasury management states that local authorities should consider the following factors in the order they are stated:
- Security - Liquidity - Yield
- 6.5. The Treasury Management Strategy reflects these factors and is explicit that the priority for the Council is the security of its funds. However, no treasury activity is without risk and the effective identification and management of risk are integral to the Council's treasury management activities.
- 6.6. The quarterly reports during 2016/17 are structured to cover borrowing first and then investments according to these factors, so that members can see how they are being addressed operationally.

7. Contribution to Strategic Outcomes

7.1. None.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance and Procurement

8.1. Interest rates earned on investments remain low and significantly less than the cost of new borrowing and therefore the strategy of minimising cash balances is continuing in 2016-17. Borrowing will be taken only when required for liquidity purposes with the preference being short term local authorities' loans at very low rates. However longer term interest rates continue to be carefully monitored. The ability to take advantage of low interest rates in this way has resulted in anticipated savings on the treasury management budget.

Legal

8.2. The contents and recommendation of this report are in accordance the Treasury Management Strategy Statement and consistent with legislation governing the financial affairs of the Council. In considering the report Members must take into account the expert financial advice available to it and any further oral advice given at the meeting of the Committee.

Equalities

8.3. There are no equalities issues arising from this report.

9. Use of Appendices

9.1. Appendix 1 – Summary of Treasury Management Activity/Performance
Appendix 2 – Prudential and Treasury Indicators
Appendix 3 – Money Markets Data & PWLB Rates
Appendix 4 – Cost of Early Repayment of PWLB Loans

10. Local Government (Access to Information) Act 1985

10.1. Not applicable.

11. External Context and Economic Commentary and Outlook

11.1. The preliminary estimate of Q2 2016 GDP showed reasonably strong growth as the economy grew 0.7% quarter-on-quarter, as compared to 0.4% in Q1 and year/year growth running at a healthy pace of 2.2%. However the UK economic outlook changed significantly on 23rd June 2016. The surprise result of the referendum on EU membership

prompted forecasters to abandon previous positive projections in favour of worst-case scenarios. Growth forecasts had already been downgraded as 2016 progressed, as the very existence of the referendum dampened business investment, but the crystallisation of the risks and the subsequent political turmoil prompted a sharp decline in household, business and investor sentiment.

- 11.2. The repercussions of this plunge in sentiment on economic growth were judged by the Bank of England to be severe, prompting the Monetary Policy Committee to initiate substantial monetary policy easing at its August meeting to mitigate the worst of the downside risks. This included a cut in Bank Rate to 0.25%, further gilt and corporate bond purchases (QE) and cheap funding for banks to maintain the supply of credit to the economy. The minutes of the August meeting also suggested that many members of the Committee supported a further cut in Bank Rate to near-zero levels (the Bank, however, does not appear keen to follow peers into negative rate territory) and more QE should the economic outlook worsen.
- 11.3. In response to the Bank of England's policy announcement, money market rates and bond yields declined to new record lows.
- 11.4. Whilst the economic growth consequences of BREXIT remain speculative, there is uniformity in expectations that uncertainty over the UK's future trade relations with the EU and the rest of the world will weigh on economic activity and business investment, dampen investment intentions and tighten credit availability, prompting lower activity levels and potentially a rise in unemployment. These effects will dampen economic growth through the second half of 2016 and in 2017.
- 11.5. Meanwhile, inflation is expected to pick up due to a rise in import prices, dampening real wage growth and real investment returns. The August Quarterly *Inflation Report* from the Bank of England forecasts a rise in CPI to 0.9% by the end of calendar 2016 and thereafter a rise closer to the Bank's 2% target over the coming year, as previous rises in commodity prices and the sharp depreciation in sterling begin to drive up imported material costs for companies.

Market Reaction

- 11.6. Following the referendum result gilt yields fell sharply across the maturity spectrum on the view that Bank Rate would remain extremely low for the foreseeable future. The yield on the 10-year gilt fell from 1.37% on 23rd June to a low of 0.52% in August, a quarter of what it was at the start of 2016. The 10-year gilt yield has since risen to 0.69% at the end of September. The yield on 2- and 3-year gilts briefly dipped into negative territory intra-day on 10th August to -0.1% as prices were driven higher by the Bank of England's bond repurchase programme. However both yields have since recovered to 0.07% and 0.08%

respectively. The fall in gilt yields was reflected in the fall in PWLB borrowing rates, as evidenced in Tables 2 and 3 in Appendix 3.

- 11.7. On the other hand, after an initial sharp drop, equity markets appeared to have shrugged off the result of the referendum and bounced back despite warnings from the IMF on the impact on growth from 'Brexit' as investors counted on quantitative easing generated liquidity to drive risk assets. The most noticeable fall in money market rates was for very short-dated periods (overnight to 1 month) where rates fell to between 0.1% and 0.2%.

12. Local Context

- 12.1. At 31/3/2016 the Council's underlying need to borrow for capital purposes as measured by the Capital Financing Requirement (CFR) was £583.7m. The Council had £312.2m of borrowing and £29.15m of investments.
- 12.2. The Council's current strategy is to maintain borrowing and investments below their underlying levels, referred to as internal borrowing.
- 12.3. The Council has an increasing CFR over the next 3 years due to the capital programme, but minimal investments and it is estimated will likely need to borrow up to £25m over the forecast period.

13. Borrowing Strategy During the Quarter

- 13.1. At 30/9/2016 the Council held £273.6m of loans, (a decrease of £9.7m on 31/3/2016), as part of its strategy for funding previous years' capital programmes.
- 13.2. The Council does not expect to borrow in 2016/17.
- 13.3. The Council's chief objective when borrowing continues to be striking an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required, with flexibility to renegotiate loans should the Council's long-term plans change being a secondary objective.
- 13.4. Affordability and the "cost of carry" remained important influences on the Council's borrowing strategy alongside the consideration that, for any borrowing undertaken ahead of need, the proceeds would have to be invested in the money markets at rates of interest significantly lower than the cost of borrowing. As short-term interest rates have remained, and are likely to remain for a significant period, lower than long-term rates, the Council determined it was more cost effective in the short-term to use internal resources / borrow short-term loans instead.

- 13.5. The benefits of internal borrowing were monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise. Arlingclose assists the Council with this 'cost of carry' and breakeven analysis.
- 13.6. **LOBOs:** The Council holds £125m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. £125m of these LOBOs had options during the quarter, none of which were exercised by the lender. The Council acknowledges there is an element of refinancing risk even though in the current interest rate environment lenders are unlikely to exercise their options.
- Debt Rescheduling
- 13.7. The premium charge for early repayment of PWLB debt remained relatively expensive for the loans in the Council's portfolio and therefore unattractive for debt rescheduling activity. If existing debt profile is maintained, it is estimated that the Council will incur a net cost of £31m if all PWLB loans were rescheduled. Consequently, no rescheduling activity has been undertaken.
- 13.8. An analysis of the cost of early repayment on all outstanding PWLB loans has been attached at Appendix 4 of this report.

14. Investment Activities

- 14.1. The Council holds invested funds, representing income received in advance of expenditure plus balances and reserves held. Cashflow forecasts indicated that during 2016/17 the Council's investment balances would range between £0 and £50 million.
- 14.2. The Guidance on Local Government Investments in England gives priority to security and liquidity and the Council's aim is to achieve a yield commensurate with these principles
- 14.3. The Council has sought to minimise its security risk by setting limits on each institution on the lending list. The Council has complied with all these limits during the financial year to date.
- 14.4. The economic environment remains uncertain, and given this background, the Council has kept cash investments to a minimum and short term. Money Market Funds continue to be used extensively as the portfolios are spread across a range of underlying investments to diversify risk. They also provide instant access enabling officers to take action quickly if there are any concerns about creditworthiness. The remainder of the Council's investments are held with the DMO (government agency).

Investment Activities

Investments	Balance at 1 Apr 2016 £'000	Investments Made £'000	Maturities £'000	Balance at 30 Sep 16 £'000	Avg Rate /Yield %
Short term Investments (call accounts, deposits)					
- Banks & Building Societies	0	0	0	0	0
UK Government:					
- Deposits at Debt Management Office	10,000	135,985	135,985	0	0.22
Money Market Funds	7,600	141,980	120,430	29,150	0.56
TOTAL INVESTMENTS	17,600	277,965	256,415	29,150	0.53
Increase/ (Decrease) in Investments £m		277,965	256,415	29,150	

Credit Risk

- 14.5. The table below shows counterparty credit quality as measured by credit ratings and the percentage of the in-house investment portfolio exposed to bail-in risk.

Date	Value Weighted Average - Credit Risk Score	Value Weighted Average - Credit Rating	Time Weighted Average - Credit Risk Score	Time Weighted Average - Credit Rating	Investments exposed to bail-in risk
					%
31/03/2016	2.61	AA-	2.33	AA-	21
30/06/2016	3.71	AA-	3.71	AA-	100
30/09/2016	3.98	AA-	3.98	AA-	100

Scoring:

- Value weighted average reflects the credit quality of investments according to the size of the deposit
- Time weighted average reflects the credit quality of investments according to the maturity of the deposit
- AAA = highest credit quality = 1
- D = lowest credit quality = 26
- Aim = A- or higher credit rating, with a score of 7 or lower, to reflect current investment approach with main focus on security

Budgeted Income and Outturn

- 14.6. The average cash balances were £16m during the quarter. The UK Bank Rate had been maintained at 0.5% since March 2009 until August 2016, when it was cut to 0.25%. It is likely to fall further towards zero but not go negative. Short-term money market rates have remained at relatively low levels. Following the reduction in Bank Rate, rates for very short-dated periods (overnight – 1 month) fell to between 0.1% and 0.2%. Debt Management Account Deposit Facility (DMADF) rates fell to 0.15% for periods up to 3 months and to 0.10% for 4 – 6 month deposits.
- 14.7. Investments in Money Market Funds (not Cash Funds) generated an average rate of 0.45%. The Council's forecast investment income for the year is estimated at £104k.

- 14.8. The Bank Rate is expected to be cut further towards zero in the coming months, which will in turn lower the rates short-dated money market investments with banks and building societies. As the Council's surplus cash continues to be invested in short-dated money market instruments, it will most likely result in a fall in investment income over the year.

15. Compliance with Prudential Indicators

- 15.1. The Council confirms compliance with its Prudential Indicators for 2016/17, which was set in February 2016 as part of the Council's Treasury Management Strategy Statement.

Treasury Management Indicator

- 15.2. The Council measures and manages its exposures to treasury management risks using the following indicators.

- 15.3. **Interest Rate Exposures:** This indicator is set to control the Council's exposure to interest rate risk. The upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of net [principal borrowed] will be:

	2016/17	2017/18	2018/19
Upper limit on fixed interest rate exposure	100%	100%	100%
Actual	99%		
Upper limit on variable interest rate exposure	40%	40%	40%
Actual	1%		

- 15.4. Fixed rate investments and borrowings are those where the rate of interest is fixed for the whole financial year. Instruments that mature during the financial year are classed as variable rate.

- 15.5. **Maturity Structure of Borrowing:** This indicator is set to control the Council's exposure to refinancing risk. The upper and lower limits on the maturity structure of fixed rate borrowing will be:

9	Maturity structure of borrowing (U: upper, L: lower)	L	U	Forecast 30 Sep 2016
	under 12 months	0%	40%	0.7%
	12 months & within 2 years	0%	35%	8.4%
	2 years & within 5 years	0%	35%	6.7%
	5 years & within 10 years	0%	35%	11.6%
	10 yrs & within 20 yrs	0%	35%	4.4%
	20 yrs & within 30 yrs	0%	35%	3.7%
	30 yrs & within 40 yrs	0%	35%	27.2%
	40 yrs & within 50 yrs	0%	50%	9.9%
	50 yrs & above	0%	50%	27.4%

15.6. Time periods start on the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment.

15.7. **Principal Sums Invested for Periods Longer than 364 days:** The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. Given the policy of spending down cash balances and use of internal borrowing the Council does not expect to invest beyond 364 days in the medium term.

16. Outlook for the remainder of 2016/17

16.1. The economic outlook for the UK has immeasurably altered following the popular vote to leave the EU. The long-term position of the UK economy will be largely dependent on the agreements the government is able to secure with the EU, particularly with regard to Single Market access.

16.2. The short to medium-term outlook has been more downbeat due to the uncertainty generated by the result and the forthcoming negotiations. Economic and political uncertainty will likely dampen or delay investment intentions, prompting lower activity levels and potentially a rise in unemployment. The downward trend in growth apparent on the run up to the referendum may continue through the second half of 2016, although some economic data has held up better than was initially expected, perhaps suggesting a less severe slowdown than feared.

16.3. Arlingclose, the Council's treasury management advisor has changed its central case for the path of Bank Rate over the next three years. Arlingclose believes any currency-driven inflationary pressure will be looked through by Bank of England policymakers. Arlingclose's central case is for Bank Rate to remain at 0.25%, but there is a 40% possibility

of a drop to close to zero, with a small chance of a reduction below zero.

- 16.4. Global interest rate expectations have been pared back considerably. There remains a possibility that the Federal Reserve will wait until after November's presidential election, and probably hike interest rates in December 2016, but most likely in January 2017 - but only if economic conditions warrant it.
- 16.5. In addition, Arlingclose believes that the Government and the Bank of England have both the tools and the willingness to use them to prevent market-wide problems leading to bank insolvencies. The cautious approach to credit advice means that the banks currently on the Council's counterparty list have sufficient equity buffers to deal with any localised problems in the short term

Appendix 1: Summary of Treasury Management Activity & Performance**Treasury Portfolio**

	Prudential Indicator	2016/17 Original Indicator	Forecast as at 30 Sep 2016
CAPITAL INDICATORS			
1	Capital Expenditure	£'000	£'000
	General Fund	50,682	78,230
	HRA	64,307	67,723
	TOTAL	114,989	145,953

2	Ratio of financing costs to net revenue stream	2016/17 Original Indicator	Forecast as at 30 Sep 2016
	General Fund	1.93%	1.93%
	HRA	8.88%	8.88%

3	Capital Financing Requirement	2016/17 Original Indicator £'000	Forecast as at 30 Sep 2016 £'000
	General Fund	290,670	290,670
	HRA	293,002	293,002
	TOTAL	583,672	583,672

4	Incremental impact of capital investment decisions	2016/17 Original Indicator £	Forecast as at 30 Sep 2016 £
	Band D Council Tax	32.04	32.04
	Weekly Housing rents	1.51	1.51

Appendix 2: Treasury & Prudential Indicators

No.	Prudential Indicator	2016/17 Original Indicator	2016/17 Position/Forecast Sep 2016
CAPITAL INDICATORS			
1	Capital Expenditure	£'000	£'000
	General Fund	50,682	78,230
	HRA	64,307	67,723
	TOTAL	114,989	145,953
2	Ratio of financing costs to net revenue stream	%	%
	General Fund	1.93	1.93
	HRA	8.88	8.88
3	Capital Financing Requirement	£'000	£'000
	General Fund	290,670	290,670
	HRA	293,002	293,002
	TOTAL	583,672	583,672
4	Incremental impact of capital investment decisions	£	£
	Band D Council Tax	32.04	32.04
	Weekly Housing rents	1.51	1.51

No.	Prudential Indicator	2016/17 Original Indicator	Forecast 30 Sep 2016	
5	Borrowing Limits	£'000	£'000	
	Authorised Limit / actual debt	528,231	320,551	
	Operational Boundary/actual debt	472,772	320,551	
6	HRA Debt Cap	£'000	£'000	
	Headroom	44,235	44,235	
7	Gross debt compared to CFR	£'000	£'000	
	Gross debt	312,233	320,551	
	CFR	583,672	583,672	
8	Upper limit – fixed rate exposure	100%	99%	
	Upper limit – variable rate	40%	1%	
9	Maturity structure of borrowing (U: upper, L: lower)	L	U	31 March 2016
	under 12 months	0%	40%	0.7%
	12 months & within 2 years	0%	35%	8.4%
	2 years & within 5 years	0%	35%	6.7%
	5 years & within 10 years	0%	35%	11.6%
	10 yrs & within 20 yrs	0%	35%	4.4%
	20 yrs & within 30 yrs	0%	35%	3.7%
	30 yrs & within 40 yrs	0%	35%	27.2%
	40 yrs & within 50 yrs	0%	50%	9.9%
50 yrs & above	0%	50%	27.4%	
10	Sums invested for > 364 days	£0	£0	
11	Adoption of CIPFA Treasury Management Code of Practice	√	√	
12	LOBO Adjusted Maturity structure of borrowing (U: upper, L: lower)	L	U	31 March 2016
	under 12 months	0%	40%	46.4%
	12 months & within 2 years	0%	35%	8.4%
	2 years & within 5 years	0%	35%	6.7%
	5 years & within 10 years	0%	35%	11.6%
	10 yrs & within 20 yrs	0%	35%	4.4%
	20 yrs & within 30 yrs	0%	35%	0.0%
	30 yrs & within 40 yrs	0%	35%	12.6%
	40 yrs & within 50 yrs	0%	50%	9.9%
50 yrs & above	0%	50%	0.0%	

Appendix 3

Money Market Data and PWLB Rates

The average, low and high rates correspond to the rates during the financial year rather than those in the tables below.

Please note that the PWLB rates below are Standard Rates. Haringey is eligible for the Certainty Rate which means it can borrow at a 0.20% reduction of Standard Rates.

Table 1: Bank Rate, Money Market Rates

Date	Bank Rate	O/N LIBID	7-day LIBID	1-month LIBID	3-month LIBID	6-month LIBID	12-month LIBID	2-yr SWAP Bid	3-yr SWAP Bid	5-yr SWAP Bid
01/4/2016	0.50	0.36	0.36	0.39	0.46	0.61	0.88	0.78	0.83	0.98
30/4/2016	0.50	0.36	0.36	0.38	0.47	0.62	0.90	0.86	0.95	1.13
31/5/2016	0.50	0.35	0.37	0.39	0.46	0.61	0.89	0.82	0.92	1.09
30/6/2016	0.50	0.35	0.36	0.39	0.43	0.55	0.80	0.49	0.49	0.60
31/7/2016	0.50	0.15	0.45	0.42	0.52	0.64	0.77	0.47	0.47	0.54
31/8/2016	0.25	0.11	0.18	0.18	0.38	0.54	0.69	0.42	0.42	0.48
30/9/2016	0.25	0.10	0.25	0.45	0.51	0.61	0.74	0.43	0.42	0.47
Minimum	0.25	0.02	0.15	0.18	0.30	0.50	0.66	0.38	0.37	0.42
Average	0.43	0.26	0.37	0.42	0.52	0.66	0.83	0.61	0.64	0.75
Maximum	0.50	0.43	0.55	0.61	0.72	0.83	1.04	0.88	0.99	1.20
Spread	0.25	0.41	0.40	0.43	0.42	0.33	0.38	0.51	0.62	0.78

Table 2: PWLB Borrowing Rates – Fixed Rate, Maturity Loans (Standard Rate)

Change Date	Notice No	1 year	4½-5 yrs	9½-10 yrs	19½-20 yrs	29½-30 yrs	39½-40 yrs	49½-50 yrs
01/4/2016	125/16	1.33	1.82	2.51	3.24	3.33	3.19	3.15
30/4/2016	165/16	1.37	1.95	2.65	3.34	3.40	3.25	3.21
31/5/2016	205/16	1.36	1.93	2.56	3.22	3.27	3.11	3.07
30/6/2016	249/16	1.17	1.48	2.09	2.79	2.82	2.61	2.57
31/7/2016	292/16	1.07	1.31	1.84	2.57	2.65	2.48	2.44
31/8/2016	336/16	1.09	1.23	1.65	2.22	2.29	2.12	2.08
30/9/2016	380/16	1.02	1.20	1.70	2.34	2.43	2.29	2.27
	Low	1.01	1.15	1.62	2.20	2.27	2.10	2.07
	Average	1.20	1.54	2.12	2.81	2.87	2.70	2.67
	High	1.40	2.00	2.71	3.40	3.46	3.31	3.28

Table 3: PWLB Borrowing Rates – Fixed Rate, Equal Instalment of Principal (EIP) Loans (Standard Rate)

Change Date	Notice No	4½-5 yrs	9½-10 yrs	19½-20 yrs	29½-30 yrs	39½-40 yrs	49½-50 yrs
01/4/2016	125/16	1.50	1.86	2.54	2.99	3.25	3.34
30/4/2016	165/16	1.59	1.99	2.68	3.11	3.34	3.42
31/5/2016	205/16	1.58	1.97	2.58	2.99	3.23	3.30
30/6/2016	249/16	1.24	1.51	2.11	2.55	2.79	2.86
31/7/2016	292/16	1.13	1.34	1.87	2.31	2.58	2.67
31/8/2016	336/16	1.12	1.25	1.67	2.02	2.23	2.31
30/9/2016	380/16	1.05	1.22	1.72	2.13	2.36	2.44
	Low	1.03	1.17	1.64	2.00	2.20	2.28
	Average	1.30	1.57	2.15	2.58	2.82	2.89
	High	1.63	2.04	2.73	3.17	3.41	3.48

Table 4: PWLB Variable Rates (standard rate)

	1-M Rate	3-M Rate	6-M Rate	1-M Rate	3-M Rate	6-M Rate
	Pre-CSR	Pre-CSR	Pre-CSR	Post-CSR	Post-CSR	Post-CSR
1/4/2016	0.61	0.65	0.67	1.51	1.55	1.57
30/4/2016	0.61	0.65	0.67	1.51	1.55	1.57
31/5/2016	0.65	0.66	0.70	1.55	1.56	1.60
30/6/2016	0.64	0.62	0.62	1.54	1.52	1.52
31/7/2016	0.55	0.48	0.45	1.45	1.38	1.35
31/8/2016	0.38	0.41	0.48	2.18	1.31	1.38
30/9/2016	0.38	0.40	0.48	1.28	1.30	1.38

Please note PWLB rates are standard rates

Cost of Early Replacement of PWLB Loans

Appendix 4

Loan No	Balance Outstanding	PREMIUM	DISC OUNT	Years to Maturity	Loan rate	New Rate to Match Profile	Interest Pymt to Maturity	Interest to Maturity New Rate	Cost of Early Repayment	Net Cost / Saving of Early Repayment
452514	10,650,715.68	1,713,644.72	0	1.641096	10.125%	1.01%	1,769,733	219,940.86	1,933,585.58	163,852.45
452731	823,210.28	247,122.46	0	3.060274	10.375%	1.15%	261,372	40,400.52	287,522.98	26,150.90
452732	6,777,728.16	2,034,630.62	0	3.060274	10.375%	1.15%	2,151,952	332,629.18	2,367,259.80	215,307.90
496953	3,872,987.52	-	0	3.430137	0.670%	1.15%	89,009	152,781.68	152,781.68	63,773.00
453310	6,777,728.16	2,576,501.29	0	4.063014	10.125%	1.26%	2,788,223	510,288.21	3,086,789.50	298,566.76
501694	5,000,000.00	392,864.84	0	5.054795	2.360%	1.37%	596,466	379,591.80	772,456.64	175,990.89
501715	5,000,000.00	375,768.51	0	5.057534	2.290%	1.37%	579,088	378,366.10	754,134.61	175,046.94
450600	2,947,470.96	1,637,329.79	0	5.967123	10.500%	1.43%	1,846,732	416,498.15	2,053,827.94	207,096.06
483960	16,702,258.68	4,549,142.78	0	7.421918	4.875%	1.62%	6,043,186	2,596,573.94	7,145,716.72	1,102,530.65
483959	2,178,555.48	643,428.72	0	8.421918	4.875%	1.73%	894,446	417,359.90	1,060,788.62	166,342.38
490024	12,103,086.00	4,467,280.60	0	18.58082	4.450%	2.46%	10,007,395	7,714,254.40	12,181,534.99	2,174,139.78
492069	2,904,740.64	1,550,041.87	0	35.85479	4.200%	2.42%	4,374,253	3,890,400.66	5,440,442.54	1,066,189.63
492208	2,904,740.64	1,442,825.36	0	35.94521	4.050%	2.42%	4,228,666	3,796,704.50	5,239,529.86	1,010,864.14
492070	2,904,740.64	1,598,995.56	0	36.85479	4.200%	2.40%	4,496,252	4,009,099.53	5,608,095.09	1,111,843.08
492209	2,904,740.64	1,489,364.68	0	36.94521	4.050%	2.40%	4,346,308	3,911,301.63	5,400,666.31	1,054,358.60
492071	2,904,740.64	1,638,092.64	0	37.85479	4.200%	2.38%	4,618,251	4,118,611.91	5,756,704.55	1,138,453.43
492210	2,420,617.20	1,271,855.69	0	37.94521	4.050%	2.38%	3,719,958	3,347,353.71	4,619,209.40	899,251.31
493430	7,261,851.60	5,302,094.20	0	38.25205	4.800%	2.37%	13,333,476	11,502,980.13	16,805,074.33	3,471,598.55
492072	2,904,740.64	1,677,119.37	0	38.85479	4.200%	2.37%	4,740,250	4,245,411.74	5,922,531.11	1,182,280.89
493431	7,261,851.60	5,421,779.36	0	39.25205	4.800%	2.36%	13,682,045	11,864,152.34	17,285,931.70	3,603,887.05
491796	14,523,703.20	9,547,064.56	0	39.71781	4.450%	2.35%	25,669,810	22,695,092.99	32,242,157.55	6,572,347.76
492073	2,904,740.64	1,716,085.73	0	39.85753	4.200%	2.35%	4,862,584	4,354,547.11	6,070,632.84	1,208,049.26
497811	9,682,468.80	5,411,345.66	0	43.88219	3.920%	2.32%	16,655,608	15,443,398.19	20,854,743.85	4,199,136.10
Totals	158,233,115.74	57,479,644.39					131,755,060.70	106,337,739.17	163,042,118.19	31,287,057.49

**REPORT OF THE CORPORATE COMMITTEE No. 4, 2016/17
COUNCIL 27 FEBRUARY 2017**

Chair:
Councillor Barbara Blake

Deputy Chair:
Councillor Eddie Griffith

INTRODUCTION

- 1.1 This report to Full Council arises from the report on the Treasury Management Strategy Statement 2017/18 – 2019/20, considered by the Corporate Committee at their meeting on the 31 January 2017.

SUMMARY

Treasury Management Strategy Statement 2017/18 – 2019/20

- 2.1 We considered the report on the Treasury Management Strategy Statement (TMSS) 2017/18, introduced by Oladapo Shonola, Head of Finance, Treasury and Pensions. We noted that the strategy covered borrowing to cover capital expenditure, investment principles and the prudential indicators. The Council's strategy complied with guidance from the CLG, the CIPFA Prudential Code and the CIPFA Treasury Management Code of Practice. We noted that there was broadly no change to the previous TMSS as economic conditions remained much the same as they had been, and we were advised that the only proposed change to the TMSS was in relation to the Minimum Revenue Provision, which had been revised in order to better reflect the rules set out in the prudential code and government guidance and which would have a positive impact on the Council's finances.
- 2.2 We asked about the borrowing expected for the coming year, what this was for, the length of term and whether such borrowing was prudent in the current financial climate. The Head of Finance - Treasury and Pensions, advised that the Council's Capital Programme, approved by Cabinet, established the borrowing required and that some borrowing may also be required for the refinancing of maturing debt. We noted that all borrowing was provided for in the Council's revenue budget, and was therefore considered prudent; in particular, the refinancing of any maturing debt would be at a much lower interest rate than the existing loans and would therefore be positive for the Council. With regards to the term of any proposed borrowing, it was confirmed to us that the maturity rate would be spread in line with the indicators set out in the strategy, in order to minimise risk to the Council.
- 2.3 We noted the section on bail-in legislation within the TMSS, which meant that depositors would carry the risk of any bank failure, and asked whether a risk assessment was undertaken to ensure that the Council was able to deal with the implications of any such event; it was confirmed that this was taken into consideration in the formulation of the limits that the Council set for itself within the TMSS. We asked about the implications of Brexit on the Council's Treasury Management Strategy, in particular where current guidance was based on EU legislation. The Head of Finance – Treasury and Pensions, advised us that it was not anticipated that Brexit would have a material impact on the areas of activity covered in the TMSS, and that a briefing would be provided for Members on the

potential implications for the Council's Treasury Management arrangements arising from the decision to leave the EU.

- 2.4 We asked whether loans taken out by the Council were secured against Council property. The Head of Finance – Treasury and Pensions advised us that this was not the case, and it was agreed that this would be confirmed outside the meeting and a briefing circulated to Members.
- 2.5 We were pleased to note that there had been no breach of the Council's prudential indicators in the previous year, but expressed concern at the significant difference in the approved reserves/revenue contributions and projected out-turn for 2016/17, as set out in Table 4 of the TMSS relating to capital financing and asked for an explanation of the discrepancy. While we noted that this was outside the scope of the TMSS report, we agreed that Members would be provided with a briefing on this, covering how the difference arose and any implications for the Council. It was noted that this would also form part of the forthcoming Budget reports to Cabinet and Full Council in February.
- 2.6 We asked for an update on the position with the Council's Lender's Option Borrower's Option (LOBO) loans and it was agreed that an update on this would be provided. We noted that the position remained largely unchanged; the Council's external auditor had been asked to review the process by which these loans had been taken out back in 2007-8 and had come to the conclusion that this was a reasonable decision to have been taken at that time. We noted that a legal ruling was awaited in respect of whether there had been a technical breach of the Council's treasury management limits at the time when the loans were taken out, which related to whether these loans should have been classified as variable or fixed borrowing, and that it was not possible for the auditors to finally sign off their opinion until a decision was made on this point. It was not felt, however, that this would make a difference as to whether the decision had been a reasonable one.
- 2.7 We discussed paragraph 4.9 of the TMSS in respect of LOBOs, and whether the wording of the final sentence should be amended to read "No further LOBO loans will be considered", removing the option of any further such loans being taken into after discussion with the Corporate Committee. The Head of Finance – Treasury and Pensions advised against removing the option of considering such products altogether, as there was the chance the Council could miss out on a favourable borrowing option in future, but suggested that the wording could be amended such that the approval of the Committee was required in order to undertake any such borrowing. We discussed the proposal to amend the wording of this section at this stage, and agreed that this was an issue that the Committee would discuss in greater detail later on during the year.
- 2.8 Cllr Wright, Chair of the Overview and Scrutiny Committee, provided us with an update on the views of the Overview and Scrutiny Committee in respect of the TMSS, which they had considered the previous day. We noted that as a result of the discussion of the Overview and Scrutiny Committee, the following actions were being taken forward:
- i) A meeting was to take place between the Chairs of the Corporate and Overview and Scrutiny Committees in order to manage the arrangements

- for the monitoring of the Council's treasury management activity and avoid duplication of effort;
- ii) Corporate Committee had been asked by the Overview and Scrutiny Committee to keep the LOBO position under review and to take action where appropriate to reduce any risk to the Council;
 - iii) Corporate Committee had been asked by the Overview and Scrutiny Committee to maintain a focus on monitoring the risks associated with Council borrowing, particularly borrowing undertaken on a joint basis, as it was felt that there was likely to be an increase in joint ventures in the coming years and it was important for the Committee to have sufficient oversight of the controls in place to manage this.

We noted the points made by the Overview and Scrutiny Committee.

- 2.9 We requested that briefings be provided for Members in respect of: the potential implications for the Council's Treasury Management arrangements arising from the decision to leave the EU, whether Council loans were secured against property, an explanation of the discrepancy between the approved reserves/revenue contributions and projected out-turn for 2016/17 and the implications of this, and an update on the Council's LOBO loans.

Post-meeting note: Draft (Revised) Treasury Management Strategy Statement (TMSS) & Minimum Revenue Provision (MRP) Policy - 2017/18 – 2019/20

- 3.0 Subsequent to the decision for the Corporate Committee to recommend that Full Council approve the Treasury Management Strategy Statement as considered at 31 January 2017, officers were advised that, although implied, approval for recommended policy changes outlined in the report should be explicit. In accordance with the provisions set out in the Council's Constitution, Part Three, Section E, part 1 – Paragraph 5.01(b), the Chair of the Committee and Chief Operating Officer considered a report setting out the explicit policy changes as appended to this report, and resolved that these changes to the Treasury Management Strategy Statement and Minimum Revenue Provision Policy 2017/18 – 2019/20 be recommended to Full Council for approval.

WE RECOMMEND

- 3.1 That Full Council approve the Treasury Management Strategy Statement for 2017/18 to 2019/20 as attached at annex four of the 2017/18 Budget report to Full Council, including the following additional clarifications in the Council's MRP policy:
- 3.2 That the proposed changes to the MRP policy are applied from 1st April 2016.
- 3.3 That full Council note and approve that financial agreements relating to capital investments that are reasonably expected to be returned in at maturity will not, at the discretion of the CFO, attract MRP where it is reasonably expected that the investment will be returned to the Council in full at maturity or over a defined period.

3.4 That full Council note changes to the capital expenditure tables.

3.5 That approvals in 3.1, 3.2, and 3.3 take effect from the date of authorisation of the changes to the appended report (16th February 2017).

Report for: Corporate Committee

Title: Draft (Revised) Treasury Management Strategy Statement (TMSS) & Minimum Revenue Provision (MRP) Policy - 2017/18 – 2019/20

Report authorised by: Tracie Evans, Chief Operating Officer (CFO)

Lead Officer: Oladapo Shonola, Head of Finance - Treasury & pensions
oladapo.shonola@haringey.gov.uk 02084893726

Ward(s) affected: N/A

**Report for Key/
Non Key Decision:** Non Key decision

1. Describe the issue under consideration

1.1 The Corporate Committee of the Council considered and agreed at its meeting of 31st January 2017 to recommend the draft TMSS, which also contains the MRP policy to Full Council for approval. Subsequent to this decision, officers have been advised that, although implied, approval for recommended policy changes outlined in the report should be explicit.

2. Cabinet Member Introduction

2.1 Not applicable.

3. Recommendations

3.1 That the following additional clarifications in the Council's MRP policy agreed by Corporate Committee are noted and approved by full Council.

3.2 That the proposed changes to the MRP policy are applied from 1st April 2016.

3.3 That full Council note and approve that financial agreements relating to capital investments that are reasonably expected to be returned in at maturity will not, at the discretion of the CFO, attract MRP where it is reasonably expected that the investment will be returned to the Council in full at maturity or over a defined period.

3.4 That full Council note changes to the capital expenditure tables.

3.5 That approvals in 3.1, 3.2, and 3.3 take effect from the date of authorisation of this report; and that these changes be reported to the next ordinary meeting of the Corporate Committee in accordance with Part 3, Section E, paragraph 5.01(b) of the Constitution.

4. Reasons for decision

- 4.1 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. Alternative Options Considered

- 5.1 None

6. Background information

- 6.1. 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. At its meeting on 31st January 2017, the Corporate Committee agreed to recommend the full Council approve the draft TMSS.
- 6.2. Following the meeting, advice has been given to provide further clarification on the TMSS and MRP policy agreed at Committee to ensure that proper and explicit approval is given by full Council when approving the TMSS and to ensure MRP policy take effect from 1st April 2016.
- 6.3. Attached at appendix 1 is the revised TMSS which contains the clarifications regarding the MRP policy which is to take effect from 1st April 2016.

7. Contributions to Strategic Outcomes

- 7.1 Not applicable.

8. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

Finance and Procurement

- 8.1 Approval of the recommendations in this report is necessary to allow implementation of some of the savings proposals that have been approved to support the reduction of current year's budget deficit and also essential to the achievement of a balanced budget as set out in the Council's Medium Term Financial Strategy.

Legal

- 8.3 The Assistant Director, Corporate Governance has been consulted in the preparation of this report, and makes the following comments.

8.4 Confirmation is given of the fact that the reasons which give rise to the need to invoke the urgency provisions under Part Three, Section E, sub paragraph 5.01(b) of the Constitution are properly made out. This is on the basis that the meeting of Full Council at which the approval of the Treasury Management Strategy and Statement is due to be considered, is scheduled to take place on 27th February 2017. Accordingly, confirmation can also be given of the fact that the Chief Operating Officer has the delegated authority to take the decision sought in consultation with the Chair of the Corporate Committee.

Equalities

8.6 There are no equalities issues arising from this report.

9. Use of Appendices

9.1 Appendix 1 – Draft (Revised) Treasury Management Strategy Statement 2017/18 – 2019/20.

10. Local Government (Access to Information) Act 1985

10.1 Not applicable.

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Report for: Full Council 27th February 2017

Item number:

Title: 2017/18 Budget

Report authorised by: Tracie Evans – Chief Operating Officer

Lead Officer: Jo Moore – Deputy Chief Finance Office

Ward(s) affected: ALL

**Report for Key/
Non Key Decision:** Key.

1. Describe the issue under consideration

- 1.1. Cabinet considered the 2017/18 budget report at their meeting held on 14th February 2017 and resolved to propose that report, unchanged, for consideration and approval of the final budget and Council tax for 2017/18 by Full Council in accordance with the Council's constitution.

2. Cabinet Member Introduction

- 2.1. My comments can be found in the Cabinet report attached as Annex 1. Although announcement of final local government settlement is expected any time, the Council is yet to receive final confirmation of central government funding for 2017/18, so government funding figures in this report are provisional until confirmed. However, I do not expect that the final settlement amounts will differ significantly from what is contained in this report. Any changes to the amounts set out in this report will be reported to full Council.

3. Recommendations

- 3.1. Council are asked:
 - (a) to note the proposed Budget package agreed by Cabinet on 14th February 2017, including the outcomes from the budget consultation processes, which is attached as Annex 1.
 - (b) to note the revised budget and MTFS (2017-2022) position based on new information that has become available since the Cabinet meeting of 14th February 2017, which is set out in more detail in section 7 and at Annex 1A of this report
 - (c) to approve the policy on flexible use of capital receipts as set out in 7.2c and Appendix C of Annex 1A to this report

- (d) to note the Budget Scrutiny recommendations made by the Overview and Scrutiny Committee and the response of the Cabinet set out in Appendix 7 to the Cabinet budget report (Annex 1)
- (e) to approve the increase in the Haringey Council tax of 3% relating to the Adult Social Care precept;
- (f) to approve the Cash Limits 2017/18 as set out in Annex 2;
- (g) to approve the General Fund budget requirement for 2017/18 of £255.762m, net of Dedicated Schools Grant, as set out in Appendix 1 to the Cabinet budget report (Annex 1);
- (h) to approve the 2017/18 General Fund capital programme set out in Appendix 3 to the Cabinet budget report (Annex 1);
- (i) to approve the Housing Revenue Account Budget 2017/18 as set out in Appendix 2 to the Cabinet budget report (Annex 1);
- (j) to approve the 2017/18 Housing Revenue Account (HRA) capital programme set out in Appendix 4 to the Cabinet budget report (Annex 1);
- (k) to note the Greater London Authority (GLA) proposed precept (para. 8.5);
- (l) to delegate authority to the Chief Finance Officer, in consultation with the Cabinet Member for Finance and Health, to reflect any final changes to the level of the GLA precept in the Council's Council tax billing information set out in Annex 5;
- (m) to approve the reserves policy including the Chief Finance Officer's (CFO) assessment of risk and her assessment of the adequacy of reserves, as set out in Annex 3 (a – c);
- (n) to approve the estimated level of un-earmarked General Fund reserves and the specific and other reserves as set out in Annex 3c;
- (o) to note the report of the Chief Finance Officer under Section 25 of the Local Government Act 2003 on the robustness of the estimates and the adequacy of proposed reserves set out in section 9;
- (p) to approve the (amended) Treasury Management Strategy Statement 2017/18 set out in Annex 4; and
- (q) to pass the budget resolution including the level of Council tax, in the specified format and to determine that the Council's relevant basic amount of Council tax for the year is not excessive as set out in Annex 5.

4. Reasons for decision

4.1. The Council approved its Corporate Plan and Medium Term Financial Strategy (MTFS) covering the period 2015-18 in February 2015. The MTFS at the time showed that as a result of reductions to the Council's funding from central government, savings of £70m would be required to mitigate the

shortfall in the MTFs and deliver a balanced budget position in each of the three years covered by the MTFs (2015-18).

- 4.2. The approved Corporate Plan set out the Council's priorities and the MTFs outline the overall financial strategy for and Workforce Plan for achieving those priorities. As part of the refresh of the MTFs, the period covered as being extended to five years (2017 – 2022).
- 4.3. As a result of significant and continuing central government funding reduction, the MTFs refresh shows that an additional £45m (net of future budget growth approvals) of savings will be required in the period covered by the MTFs (2017-2022).
- 4.4. Following the publication, on 13th December 2016, of the Provisional Local Government Finance settlement, Cabinet reviewed the impact of the settlement on the 2017/18 budget set out in the approved MTFs. A further report to the Cabinet on 14th February 2017 provided the Cabinet with the opportunity to finalise the budget proposals set out in this report taking into account the feedback from consultation and the views of the Overview and Scrutiny Committee.
- 4.5. The report and recommendations from the Cabinet meeting on 14th February 2017, which were agreed in full, are attached as Annex 1. It should be noted that these proposals have been subject to revision, as detailed at paragraph 7 and Annex 1A to this report.
- 4.6. As at the submission of this report, central government is yet to publish the final Local Government Finance Settlement; however, it is not expected that following the final local government finance settlement that Haringey's position will change materially from the information that was provided to Cabinet.
- 4.7. Taking all relevant factors into account, including in particular the outcomes from statutory consultation with business rate payers, further public consultation and the recommendations from the Overview and Scrutiny committee meeting held on 30th January 2017 this report sets out budget proposals including Cabinet's proposals for the level of Council tax for the Council, which has now been amended per annex 1A, to consider and approve.

5. Alternative options considered

- 5.1. In accordance with legislation and the Council's constitution, this report recommends that the Council should note the proposed budget package agreed by Cabinet on 14th February 2017, approve the 2017/18 budget and approve the Council tax for 2017/18. Accordingly no other options have been considered.

6. Background information

6.1. On 14th February 2017 Cabinet agreed a proposed Budget package for submission to this meeting of the Council, including a revenue budget for 2017/18 of £255.762m, with an additional indicative budget of £250.4m in respect of the Dedicated Schools Grant and approved the 2017/18 Capital Programmes for both the General Fund and Housing Revenue Account (HRA). This is subject to the final Local Government Finance Settlement and the decisions of levying and precepting authorities.

6.2. The Cabinet report of 14th February 2017 (attached as Annex 1 to this report), and the proposed budget package recommended to Full Council by Cabinet, together with subsequent amendment attached at annex 1A are the subjects of debate at this meeting.

6.3. This report addresses:

- The Final Local Government Finance Settlement 2017/18;
- The decisions of levying bodies and precepting authorities;
- Considerations in setting the Council tax;
- The robustness of the Council's budget process;
- The adequacy of the Council's reserves; and,
- The Treasury Management Strategy Statement 2017/18 as amended by the Chief Financial Officer in conjunction with the Chair of the Corporate Committee in line with urgent action procedures in set out in the Constitution.

6.4. The report concludes by presenting the budget resolution to set the Council tax for 2017/18.

7. Changes since the Cabinet meeting of 14 February 2017

7.1. In light of new information, some of the information provided in the budget report that went to Cabinet has been updated. Other than the increase in council tax income of £54k, the proposed changes are technical adjustments and do not impact on the net budget position that was presented to Cabinet for approval. Annex 1A details the changes to the Cabinet report including updates to the tables and appendices where these have changed as a result of the amendments.

7.2. In addition to the details contained in annex 1A, the following appendices have been amended or added:

- Appendix A – Medium Term Financial Strategy (2017 – 2022) amend appendix 1 of the Cabinet report;
- Appendix B – 2017/18 General Fund Revenue Budget amend appendix 6 of the Cabinet report; and

- Appendix C is a new appendix that sets out the Council's policy on the flexible use of capital receipts.

7.3. The budget position has been updated to reflect these changes and the changes can be summarised as follows:

- a. Clarification of the guidance on the application of the Adult Social Care precept has resulted in a change in the calculated average Band D Council tax to £1,244.25.
- b. Following review of the budget allocation process to priority areas, but mainly the splitting of the public health budgets between priority 1 and 2, further realignment of priority budgets is required prior to full Council's approval of cash limits. These changes are contained within paragraph 2 of annex 1A.
- c. Cabinet had agreed a 3 year savings programme at its meeting in December 2016, which included a specific savings in respect of voluntary redundancy programme of £1.5m. It was anticipated that any redundancy cost from these savings proposals would be met by the flexible use of capital receipts in line with guidance issued by the Secretary of State for Communities and Local Government in March 2016. Appendix C (annex 1A) sets out the Policy on the Flexible use of Capital Receipts.

8. Key Developments

Final Local Government Finance Settlement 2017/18 and other changes

- 8.1. Details of the final Local Government Finance settlement 2017/18 are yet to be announced and, therefore, too late to be included in the report for the Cabinet meeting of 14th February 2017. This information is expected soon, but may not be available prior to going to publishing this report in which case the final confirmation of local government finance settlement will be provided at Full Council.
- 8.2. There have been no other funding announcements or the provision of other information by the government that would change the key assumptions underpinning Cabinet's proposals to Council regarding the 2017/18 budget, the HRA, the DSB, and the Capital Programme(s).
- 8.3. Any such changes that do occur following Council's approval of the 2017/18 Budget will be reported to Cabinet as part of the normal budget monitoring and financial planning processes.

Levying bodies

8.4. The Board of the North London Waste Authority (NLWA) met on 9th February 2017 and agreed an overall levy of £47.9m for 2017/18; which is a (2.79%) increase over the 2016/17 position. Of this overall sum, £7.875m is the levy to this Council.

The Greater London Authority Precept

8.5. The Mayor's final draft budget proposals for the 2017/18 consolidated budget were scheduled to be published on Friday 10th February and will be considered by the London Assembly on Monday 20th February. The current draft proposals indicate a proposed increase of £4.02 (1.5%) to £280.02 (Band D) however, it is possible that this may change before the final budget is approved – including the possibility of a change at the meeting on the 20th February.

8.6. It is possible, therefore, that the amounts shown in respect of the GLA precept in Annex 5 – the formal Budget resolution, may change. The Council as a billing authority is required to reflect the level of any relevant precept notified to it and so it is not a decision of the Council as to whether the level of the GLA precept should be approved or not. It is however, imperative that the information produced by the Council as the Billing Authority reflects the final decision taken by the GLA.

8.7. In order to accommodate the possibility that the final GLA precept varies from that currently advised, the recommendation to the Council is that it approves the budget resolution as currently presented at Annex 5 which reflects the current position and gives delegated authority to the Council's Chief Finance Officer (CFO) in consultation with the Lead Member for Finance and Health to implement the final GLA Council tax precept in the Council's billing information.

8.8. In the very unlikely event that the GLA finally resolve a Council tax precept at a level requiring them to undertake a referendum (i.e. a greater than 2% increase which in monetary terms, based on an analysis of the benchmark Band D property, would equate to an increase in the GLA precept of £5.52 per annum) a further report considering the implications of this on the Council would need to be considered.

9. Considerations in setting the Council tax

9.1. The Localism Act 2011 gave electors the right to veto excessive Council tax rises. Councils that set 'excessive' tax increases above a ceiling approved by Parliament each year would automatically trigger a referendum in their area.

9.2. The Government has announced that those authorities with Adult Social Care functions can implement an Adult Social Care precept up to a maximum of 6% between 2017/18 and 2018/19, providing that the sums raised are

allocated entirely towards Adults Social care costs; the Chief Finance Officer must make a declaration to the Secretary of State to the effect that this has been achieved and specific information must also be made available on the face of the Council tax bill highlighting this to taxpayers.

- 9.3. It has been confirmed by the Government that for 2017/18 an increase is excessive if the authority's relevant basic amount of Council tax for 2017/18 is 5% (comprising 3% for expenditure on adult social care and 2% for other expenditure) or more than 4.99% greater than its relevant basic amount of Council tax for 2016/17.
- 9.4. In total therefore the Council could approve an increase in its relevant basic amount of Council tax of up to 4.99% without triggering a referendum.
- 9.5. Accordingly the basis of the Cabinet's budget proposals to only implement the Adult Social Care precept gives rise to an increase of 3% in the relevant basic amount of Council tax and is, in terms of the legislation, deemed as not being excessive. Council is, therefore, recommended to resolve the relevant basic amount as not excessive at paragraph 6 of the Formal Budget Resolution (Annex 5).
- 9.6. In considering the level of its Council tax for 2017/18 the Council should have regard to:
 - The level of non-Council tax funding resources that will be available;
 - The on-going demand for services;
 - The views of residents, businesses and other interested parties;
 - The level of efficiency savings and service reductions that can realistically be delivered;
 - The criteria for a Council tax referendum determined by the government;
 - The general economic climate and the additional financial burden any increase would have on Council tax payers.
- 9.7. The projected income from Council tax in 2017/18 is £93.773m based on 75,365 Band D equivalent properties (the Tax Base) a collection rate of 95.5%, and the proposed Band D Council tax rate of £1,244.25. The 2016/17 Tax Base was 72,175 Band D equivalent properties.
- 9.8. These proposals result in total available funding (the 'Budget Requirement') for 2017/18 of £255.762m, as set out in recommendation 3.1(g), above.

10. Robustness of the budget process

- 10.1. The Council's Chief Financial Officer is required by Section 25 of the Local Government Act 2003 to report on the robustness of the estimates made for the purposes of the final budget calculations.
- 10.2. The government continues its programme of public spending reductions, originally set out in its Spending Review (SR) of 2010 but continued through SR 2015 and intervening Autumn Statement and Budget Statement

announcements which have set out significant funding reductions for local authorities. In addition the government has embarked on a range of far-reaching changes across the public sector such as the transfer of Public Health responsibilities to Councils and the implementation of a range of welfare reforms.

- 10.3. The Business Rate Retention Scheme was implemented in April 2013 and this allows Councils to retain a proportion (30%) of net growth in the Business Rates in its area. As such there has also been significant risk and uncertainty transferred from central to local government.
- 10.4. To meet the unprecedented scale of this financial challenge, the Council set out a robust three year Medium term Financial Strategy in 2015 covering the period 2015 – 2018. The last year of the current MTFs has been refreshed and the period covered by the MTFs has been extended to five years (2017-2022). The Council plans to continue its approach to delivering services by prioritising front line and key service areas.
- 10.5. The budget proposals for 2017/18 include a designated £5m contingency sum.
- 10.6. The budget proposals have been subject to detailed scrutiny and the Cabinet has also undertaken consultation with residents and businesses.
- 10.7. The recommendations agreed by the Overview and Scrutiny Committee at its meeting on 30th January 2017, together with the responses of the Cabinet, are set out in Appendix 7 to the Cabinet report of 14th February 2017 (attached as Annex 1 to this report).
- 10.8. The budget process is complemented by a regular cycle of Budget Management and Performance Reviews. This involves detailed evaluation of budget, performance and workforce information at both Cabinet Member and senior officer levels. The Council's Risk Management process also underpins all of these activities.
- 10.9. The 2016/17 budget management position identifies significant budget pressures and the need to draw further on the Council's reserves in order to maintain a balanced budget; reserves can only be used once and it is important that those savings proposals, where there has been slippage, are progressed effectively in 2017/18.
- 10.10. Accordingly, the Chief Financial Officer is satisfied the arrangements set out above constitute a robust process for the budget calculations underpinning the Cabinet's proposals for the 2017/18 budget.
- 10.11. It is, however, imperative that the Cabinet and Council continue to pursue the identification, and subsequent delivery, of those savings that have not been fully delivered in 2016/17 together with the additional savings required from 2017/18 onwards as set out in this report, including consideration of

options for reducing the identified need for the additional support from the Council's reserves required to balance the three year programme.

Adequacy of Reserves

- 10.12. Section 25 of the Local Government Act 2003 also requires the Chief Finance Officer to report on the adequacy of the proposed level of financial reserves. The Council's Reserves Policy is set out at Annex 3a, which the Council should formally review each year.
- 10.13. It is projected that the Council will have an un-earmarked General Fund Reserve of c£15m as at 31st March 2018. The final position will be dependent however on the Council's financial outturn 2016/17 to be reported to Cabinet in June 2017.
- 10.14. The level of earmarked reserves will be subject to the approval of the Council and will be set at the level commensurate with their identified need.
- 10.15. The Council holds a number of reserves which are detailed in Annex 3b and can be categorised as follows:
- **Non-earmarked (general) Reserves** - These are held to cover the net impact of risks, opportunities and unforeseen emergencies;
 - **Earmarked (specific) Reserves** - These are held to cover specific known or predicted financial liabilities;
 - **Other Reserves** - These relate to ring-fenced accounts which cannot be used for General Fund purposes e.g. the Housing Revenue Account and schools' accumulated balances.
 - Annex 3c also shows the projected movement on the reserves over the financial planning period 2017-18. All reserves have been reviewed and their level judged to be adequate and the continued need for them appropriate.
 - It is imperative the un-earmarked general reserves and contingencies are adequate to meet the net financial impact of the risks facing the Council. These risks have been assessed as £21m, as set out in Annex 3c. Accordingly the proposed levels of general reserves set out above, together with the contingency provision in the Council's base budget are judged to be adequate within the meaning of the 2003 Act.
- 10.16. No change to the Council's Reserves Policy is recommended at this time.

11. Treasury Management

- 11.1. The Treasury Management Strategy Statement (TMSS) for 2017/18 set out in Annex 4 sets out the proposed strategy with regard to borrowing and investment of cash balances and the associated monitoring arrangements. It was considered by Corporate Committee on 31st January 2017 and recommended it for approval by Full Council; the report from that Committee is included elsewhere on this agenda.

- 11.2. The Council's Overview and Scrutiny Committee also considered the TMSS on 30th January 2017 as part of the budget scrutiny process and in accordance with the CIPFA Treasury Management Code of Practice.
- 11.3. The proposed prudential indicators are based on the proposed Capital Programme as reported to Cabinet on 14th February 2017. Any future decision by the Council to undertake further debt financed capital expenditure, including in particular any changes associated with the Capital Strategy will require a review of the prudential indicators and further approval by full Council.
- 11.4. The Chief Operating Officer under delegated authority and in conjunction with the Chair of Corporate Committee has taken urgent action to seek explicit approval for the application of changes to the MRP policy to take effect from 1st April 2016. This and other changes to the TMSS are detailed in annex 4.

12. Summary and Conclusions

- 12.1. This report finalises the Budget process and proposes that Council tax is increased in respect of a 3% Adult Social Care precept.
- 12.2. The level of financial reserves is also reported and those levels are considered to be adequate.
- 12.3. The Council is required to determine whether its increase in Council tax for 2017/18 is 'excessive' and, if so, would trigger a referendum.
- 12.4. The recommendations of the Cabinet are reflected in the formal Council tax Resolution in Annex 5.
- 12.5. The Medium Term Financial Strategy 2017-2022 recognises the key drivers and risks arising from the government's continued funding reductions and increases in demands for council services, but it remains essential the Cabinet and Council keep the key assumptions under close review, identify and deliver the requisite level of savings, maintain financial discipline and control, focus on their highest priorities and strive to improve further the value for money the Council secures from its diminishing resources.

13. Statutory Officers comments (Chief Finance Officer (including procurement), Assistant Director of Corporate Governance, Equalities)

- 13.1. As the report is primarily financial in its nature, comments of the Chief Finance Officer are contained throughout the report.

Assistant Director of Corporate Governance Comments and legal implications

- 13.2. In accordance with section 67 of the Local Government Finance Act 1992 (the '1992 Act'), the functions of agreeing the budget and the calculation of Council tax are to be discharged by the Full Council.
- 13.3. The Local Authorities (Standing Orders) (England) (Regulations) 2001 set out the process of approving the budget and provide that the adoption of the budget and calculation of the Council tax by Full Council is to be on the recommendation of the Cabinet. This report details changes to the budget proposals since their consideration by the Cabinet on 14th February 2017. It has been confirmed that the Leader of the Council has been notified and has considered these changes.
- 13.4. Under section 25 Local Government Act 2003, in considering decisions on the budget, and the level of Council tax, the Council must take into account this report from the Council's Chief Finance Officer, as the Section 151 Officer, who has a statutory duty to report on the robustness of the estimates and the adequacy of the proposals for reserves.
- 13.5. The Council may take decisions which are at variance with this advice provided there are reasonable grounds so to do. However Members must take into consideration their exposure to personal risk if they disregard clearly expressed advice.
- 13.6. The Council has a legal duty to set a lawfully balanced budget and adoption of the recommendations in this report would fulfil the statutory obligations in this regard.
- 13.7. In accordance with section 31A of the 1992 Act, the Council is required to calculate the Council tax chargeable by way of a Council tax requirement. The Council must calculate its expected outgoings and income for the year. Where the expected outgoings exceed the expected income the difference is the Council's Council tax requirement for the year. The relevant basic amount of Council tax for the year is calculated by dividing the Council tax requirement after the deduction of levies by the Council tax base.
- 13.8. Under section 52ZB of the 1992 Act the Council is required to determine whether its proposed relevant basic amount of Council tax is excessive on the basis of criteria set by the Secretary of State. It has been confirmed by the Referendums Relating to Council tax Increases (Principles) (England) Report 2017-18 that for 2017/18 an increase is excessive if the authority's relevant basic amount of Council tax for 2017-18 is 5% (comprising 2% for expenditure on adult social care and 3% for other expenditure), or more than 5%, greater than its relevant basic amount of Council tax for 2016-17. In such circumstances such an increase would be regarded as excessive and automatically trigger a referendum in the borough. The 'relevant basic amount' of Council tax was redefined by section 41 of the Local Audit and

Accountability Act 2014, and accordingly section 52ZX of the 1992 Act has been updated. Essentially an authority's relevant basic amount of Council tax is the authority's own level of Band D Council tax. With the current proposals of a less than 5% increase the Council is entitled to conclude in accordance with the Direction issued by the Secretary of State, that the relevant basic amount of Council tax is not excessive.

- 13.9. In accordance with section 30 of the 1992 Act, the Council is required to set the Council tax for the next financial year on or before 11 March. Under section 106 of the 1992 Act, any Member who is in arrears of two months or more Council tax must declare it at the meeting and abstain from voting upon this report.

Equalities and Community Cohesion Comments

- 13.10. Equality comments are included in the report to Cabinet dated 14th February 2017, attached as Annex 1 and there are no additional comments to make on the basis of this covering report.

14. Use of Appendices

Annex 1 – Cabinet report of 14th February 2017 including Appendices 1 – 12 (p63).

Annex 1A – Amendments to Cabinet report (p265)

Appendix A – Amendments to Medium Term Financial Strategy (2017 – 2022)
(relates to appendix 1 of annex 1)

Appendix B – Amendments to 2017/18 General Fund Revenue Budget
(relates to appendix 6 of annex 1)

Appendix C – Policy on Flexible Use of Capital Receipts

Annex 2 – Cash Limits analysed by Assistant Director (p275)

Annex 3 – Reserves (p277)

3a: Reserves Policy

3b: Reserves and their adequacy

3c: Risk evaluation

Annex 4 – The Treasury Management Strategy Statement (p287)

Annex 5 – The Formal Budget Resolution (p321)

15. Local Government (Access to Information) Act 1985

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

- Final Local Government Finance Settlement 2017/18.
- NLWA Budget Proposals report published 1st February (for 9th February meeting)
- GLA Budget proposals report published 10th February (for 20th February meeting)

For access to the background papers or any further information please contact Jo Moore –Deputy Chief Finance Officer on 0208 489 3659.

Report for: Cabinet 14th February 2017

Item number: 11

Title: Medium Term Finance Strategy 2017-18 and 2017/18 Budget

Report authorised by: Tracie Evans – Chief Operating Officer

Lead Officer: Jo Moore – Deputy Chief Finance Officer

Ward(s) affected: ALL

**Report for Key/
Non Key Decision:** Key.

1. Describe the issue under consideration

- 1.1. There are a number of Government funding changes that are making local decisions about allocation of resources difficult. In order to overcome this uncertainty it is proposed that Cabinet consider a 5-year Medium Term Financial Strategy for the General Fund which bridges the devolution of business rates in April 2020.
- 1.2. Additionally, demand for adult social care, children services and temporary accommodation has increased exponentially creating significant pressure on the Council's budgets requiring a re-allocation of our resources. The MTFS therefore looks to embed the following strategic assumptions and proposals:
- The importance of Council Tax and Business Rates to our future financial sustainability cannot be over emphasised and it is therefore crucial that, as an authority, we are clear about the proportion of our resources that are spent on creating growth opportunities. The proposal, therefore, is that over the 5-year MTFS a reasonable allocation of revenue resources will be assigned to activities that create these growth opportunities.
 - The budgets for our demand-led services need to be re-aligned to better reflect actual demand. It is proposed therefore that, particularly for adult social care, the proportion of the budget spent on these services will rise from 31% to 35% in the first year.
 - Additional budgets will also be made available for children's' services and temporary accommodation.
 - The administration has also made a manifesto commitment to continue to freeze Council Tax for 2017/18. In order to contribute to the increase in adult social care spending, the Government has allowed local

authorities to charge an adult social care precept which for 2017/18 will be set at 3%.

- 1.3. This report finalises the Council's General Fund Medium Term Financial Strategy (MTFS) for the period 2017/18 to 2021/22 and proposes approval of the following constituent elements of the strategy to Council on 27th February 2017 together with the Council's revenue and capital budgets for 2017/18:
- Proposed summary General Fund revenue Medium Term Financial Strategy (MTFS) 2017/2022 (Appendix 1);
 - Proposed HRA revenue budget for 2017/18 (Appendix 2);
 - Proposed General Fund Capital Programme 2017/22 (Appendix 3);
 - Proposed HRA Capital Programme 2017/18 (Appendix 4);
 - Proposed Dedicated Schools Budget 2017/18 (Appendix 5);
 - Proposed General Fund Budget 2017/18 (Appendix 6);
 - Overview and Scrutiny Committee Recommendations and Cabinet Responses (Appendix 7);
 - Outcome of Budget Consultation (Appendix 8);
 - Consultation and scrutiny recommendations response (Appendix 9);
 - MTFS savings proposal summary (Appendix 10);
 - Annex 1 – P1 savings
 - Annex 2 – P2 savings
 - Annex 3 – P3 savings
 - Annex 4 – P4 savings
 - Annex 5 – P5 savings
 - Equality Impact Assessments (EQIAs) for five Priority 3 savings proposals requiring Cabinet approval at this meeting (Appendix 11)
 - Calculation of 2017/18 Council Tax Base (Appendix 12)
- 1.4. There are a number of government and other initiatives which are impacting on the medium term financial planning for the HRA and therefore the HRA Medium Term Financial Strategy covering the five years to 2021/22 will be presented to Cabinet along with the HRA 30-year business plan during the next financial year.
- 1.5. In accordance with the Local Government Finance Act (LGFA) 1992, the Full Council must approve the budget for the forthcoming year and agree the Council tax for that year, by the statutory deadline of 11th March.
- 1.6. The government published the Provisional Local Government Finance Settlement in December 2016 and the final settlement will be published in February 2016.

- 1.7. The report incorporates the views of the Overview and Scrutiny Committee and the results from the Council's budget consultation with residents and, more specifically, the business community. It reflects the latest financial information available. It also reflects the detailed work undertaken by the Haringey Schools Forum who have considered and proposed the formula to be used for schools funding for 2017/18.

2. Cabinet Member Introduction

- 2.1. Like other local authorities, Haringey faces a perfect storm of challenges – significant cuts to our budget combined with high levels of demand. As a result of funding reductions across the public sector, there are also increased demands on welfare support, housing and health services. Our future funding is uncertain as Central Government grant will be withdrawn by 2020, and the mechanism by which business rates and future funding sources will be devolved is yet to be determined.
- 2.2. We are continuing to deliver the savings set out in our medium term strategy agreed in 2015, but it is very challenging to deliver those in full. This report adjusts our plans to deal with the shortfalls that are primarily as a result of rising demand, and sets out proposals for further savings to be made.
- 2.3. It is widely acknowledged that adult social care is insufficiently funded. The growth in demand for care services, particularly from people who have learning disabilities, is proving incredibly difficult to manage. Central Government has provided local authorities to raise much needed funding through the Social Care precept; and whilst the ability to raise £2.7 million (the equivalent of a 3% increase on Council Tax), is welcome, it is not much more than a sticking plaster when our social care budget is overspent by £12 million.
- 2.4. This budget report deals with a number of strategic issues: the need to have appropriate levels of funding in place for services where there is increasing demand; our continued focus on growth so that we can deliver new homes and jobs and ensure that the future funding of our public services is protected; the use of reserves; and, critically, the transformation of services and development of partnerships with other councils and statutory partners. Despite these challenges, we are not in the business of managing decline and the Council will continue to deliver manifesto commitments of the Administration and the ambitions set out in our Corporate Plan.

3. Recommendations

- 3.1. Cabinet are asked to:
 - 3.1.1 propose approval to the Council of the General Fund Medium Term Financial Strategy (MTFS) 2017-2022 as set out in Appendix 1;

- 3.1.2 propose approval to the Council of the 2017/18 General Fund revenue budget as set out in Appendix 1, including specifically a General Fund budget requirement of £255.7m but subject to the final decisions of the levying and precepting bodies and the final local government finance settlement;
- 3.1.3 note the council tax base of the London Borough of Haringey, as agreed by the Section 151 Officer, as 75,365 for the year 2017/18;
- 3.1.4 propose approval to the Council, subject to any agreed amendments, of the budget proposals for 2017/18 as set out in this report at Appendix 6, including the 3% precept on Council Tax towards funding Adult Social Care pressures;
- 3.1.5 propose approval to the Council that the overall council tax to be set by London Borough of Haringey for 2017/18 will be £1,243.54 per Band D property, which represents a freezing of the 2016/17 rate but with an additional 3% for the adult social care precept;
- 3.1.6 note that Fees and Charges in respect of executive functions will be considered under a separate agenda item but that any impact on the 17/18 budget proposals is outlined within this report;
- 3.1.7 propose to the Council that, following a review of reserves, £25.1 million is transferred from earmarked reserves to the General Fund non-earmarked reserve;
- 3.1.8 propose approval to the Council of the 2017/18 Housing Revenue Account budget as set out in Appendix 2;
- 3.1.9 propose approval to the Council of the 2017/18 General Fund capital programme detailed in Appendix 3;
- 3.1.10 propose approval to the Council of the 2017/18 Housing Revenue Account (HRA) capital programme detailed in Appendix 4;
- 3.1.11 approve the changes to the rent levels for General Needs Homes for Council tenants reflecting the regulations requiring a 1% rent reduction in 2017/18 and each of the following two years. This will reduce the average weekly rent from £104.88 to £103.76 as set out in paragraph 9.7 and Table 9.1;
- 3.1.12 approve the changes to service charges for leaseholders set out in Table 9.2;
- 3.1.13 propose to the Council the Dedicated Schools Budget (DSB) allocations for 2017/18 of £250.4m as set out in Appendix 5;
- 3.1.14 agree the funding to be distributed to Primary and Secondary schools for 2017/18 based on the figures advised to Schools Forum and submitted to the Education Funding Agency in January 2017 set out in section 8;
- 3.1.15 agree the central budgets (including the use of brought forward DSG) for the Schools Block, High Needs Block and Early Years Block as per Appendix 5;

- 3.1.16 approve the responses made to the Overview and Scrutiny Committee recommendations following their consideration of the draft budget proposals and as set out in Appendix 7;
- 3.1.17 consider the outcome of budget consultation as set out in Appendix 8;
- 3.1.18 note that this report will be considered by the Council at its meeting on 27th February 2017 to inform their decisions on the 2017/18 budget and the associated Council Tax for that year;
- 3.1.19 delegate to the S151 officer, in consultation with the Cabinet Member for Health and Finance, the power to make further changes to the 2017/18 budget proposals consequent on the publication of the final local government finance settlement or other subsequent changes up to a maximum limit of £1.0m;
- 3.1.20 approve the application of a charge for bulky waste removal as set out in Priority 3 savings proposals in Appendix 10 Annex 3;
- 3.1.21 approve the application of a charge for replacement wheeled bins as set out in Priority 3 savings proposals in Appendix 10 Annex 3;
- 3.1.22 approve the application of a charge for recycling bins and residual bins for registered social landlords (RSLs) as set out in Priority 3 savings proposals in Appendix 10 Annex 3;
- 3.1.23 approve the cessation of sacks for residual and recycling waste and replacement of them with free collection of sacks from libraries and customer service centres as set out in Priority 3 savings proposals in Appendix 10 Annex 3.

4. Reasons for decision

- 4.1. In February 2015, and following extensive consultation, the Council approved its Corporate Plan and Medium Term Financial Strategy (MTFS) covering the three-year period 2015-18.
- 4.2. Since then a number of significant national political changes have taken place all of which bring high levels of uncertainty. Although Haringey has accepted the Government's multi-year settlement offer (ending in 2019-20) there are still significant changes that are planned to the way local authorities are funded which means that we will continue to operate in an uncertain and changing environment.
- 4.3. Given the level of change over the last 18 months and in order to continue to deliver the priorities for the borough a new 5-year MTFS is proposed to cover the period from 2017/18 to 2021/22. This includes a refresh of the last year of the previous MTFS.
- 4.4. The Strategy considers the estimated revenue funding, from all sources, and estimated expenditure budgets for each of the five years to 2021/22 together

with any net funding shortfall and savings proposals that have been developed by officers taking account of the Council priorities.

- 4.5. The report also considers the Council's capital budget, bringing sources of capital funding together with prioritised projects as approved by Council in July 2016 for both the General Fund and the HRA. Given the level of complexity introduced by the regeneration aspirations of the Council, the capital budget will become an increasingly important component of the Council's overall financial position.
- 4.6. The report is based on the best available information but is still subject to significant uncertainty.
- 4.7. On 13th December 2016 Cabinet considered a revised MTFs, which demonstrated a funding shortfall of £42.8m over the five years to 2021/22, and savings proposals of £23.6m. With the gap front loaded to the 2017/18 year (£19m) it was agreed that the strategy would be to smooth the savings over the first two years of the MTFs period through the use of reserves.
- 4.8. Agreement was also given to consult with residents, businesses, partners, staff and other groups as necessary on the draft proposals. This report outlines the outcome of that consultation and sets out our responses to it.
- 4.9. The Council's Overview and Scrutiny Committee has already scrutinised the savings proposals and this report highlights the recommendations made by the Committee and the Cabinet's responses to it.
- 4.10. On 17th December the Provisional Local Government Finance settlement was announced which introduced a number of changes to the funding assumptions and these have now been incorporated in the revised MTFs and proposed budget for 2017/18.
- 4.11. The final MTFs shows a revised funding deficit of £45.6m over the five years to 2021/22 and, assuming that all savings proposals are implemented (£23.6m), a residual shortfall of £22m over the MTFs period. For 2017/18, the £8.8m deficit will be funded from the use of reserves in order to set a balanced budget. The MTFs will be refreshed during 2017/18 and options developed to fund later years' residual shortfalls.
- 4.12. The level of reserves available will be dependent on the extent to which we utilise our existing reserves to fund our deficit at year-end. The Chief Finance Officer will be seeking to consolidate the reserves position in order to be able to fund the deficit. This will be considered as part of the Chief Finance Officer's consideration of the adequacy of reserves which will be presented to Council on 27th February 2017. The Council will look to recommence building Reserves in the next financial year to provide further future resilience to the Council's financial position.
- 4.13. Taking all relevant factors into account including, in particular, the outcomes from statutory consultation with business rate payers and residents, the

recommendations from the Overview and Scrutiny Committee and any other subsequent changes, this report sets out Cabinet's final budget proposals which, if approved, will be sent for consideration at the Full Council budget setting meeting scheduled for 27th February 2017.

4.14. The final budget report to the Council on 27th February will also additionally include a number of requirements consequent on the proposals set out in this report and in particular:

- The formal Budget Resolution required in accordance with the LGFA 1992 as amended by the Localism Act 2011, which sets the Council tax for the forthcoming financial year;
- The Precept of the Greater London Authority (GLA) for 2017/18 in accordance with S40 of the LGFA 1992 which must be added to the Haringey Council element of the Council tax to give a total Council tax for each category (band) of dwelling in the Council's area;
- The formal assessment of the relevant basic amount of Council tax against the principles established by the Secretary of State for the purpose of determining whether any Council tax increase is 'excessive' and therefore is subject to referendum.
- Approval of the Cash Limits for 2017/18;
- The S151 Officers evaluation of the adequacy of the Council's reserves and the robustness of the estimates including the council's reserves policy;
- Approval of the Treasury Management Strategy Statement (TMSS) which has been formulated by the Corporate Committee and subject to the scrutiny review process.

5. Alternative options considered

5.1. This report recommends that the Cabinet should finalise its budget proposals, to be ultimately agreed at the final budget meeting at full Council on 27th February 2017; which is a statutory requirement. Clearly there are a number of options available to achieve this and proposals in this report take account of the Council's priorities together with feedback from residents and other partners.

5.2. A range of options for determining levels of both income and service provision have been considered taking into account the Council's Corporate Plan priorities, the extent of the estimated funding shortfall and the Council's overall financial position.

5.3. The proposals in this report rely on the strategic use of reserves over the five year period 2017– 2022. However, there remain significant uncertainties, particularly in the later years of the MTFS and so it is imperative that

Members acknowledge and take action to manage identified and emerging risks.

6. Background information

Local Government Finance Settlement to 2019/20

- 6.1. The report presented to Cabinet on 13th December 2016 gave detailed information in relation to the Local Government Settlement and this report provides updates where appropriate.
- 6.2. During February 2016, the 2016/17 final local government finance settlement provided revenue support grant and other grant funding allocations for 2016/17 and indicative figures up to 2019/20.
- 6.3. The 2017/18 Provisional Local Government Finance Settlement was published on 15 December 2016. The settlement provided provisional allocations for 2017/18 and indicative allocations for 2018/19 and 2019/20.
- 6.4. The main points of note were as follows:
 - No changes to overall funding provided by DCLG (from the previous allocations announced in the 2016/17 settlement)
 - The terms of the Social Care Precept changed.
 - Changes to the New Homes bonus scheme were announced.
 - A move of £241m from the New Homes Bonus scheme to Adult Social Care for 2017/18 and the introduction of a new Adult Social Care Support Grant.
 - 97% of authorities accepted the government's offer of a four-year fixed settlement.
 - The Department for Education confirmed that the £2.8m Education Services Grant would be withdrawn with effect from September 2017.

Council Tax Base

- 6.5. Setting the council tax base is a statutory requirement and a fundamental part of the revenue budget and council tax setting process. It represents a measure of the taxable capacity of the area and when multiplied by the band D council tax rate indicates the Council's tax generating potential for that year.
- 6.6. The Council as Billing Authority is required to calculate the tax base for the Borough in order for it to calculate its own council tax, but is also required to notify this figure to any major precepting authority (the Greater London Authority) as well as any levying body (Environment Agency, Lee Valley Regional Park Authority, North London Waste Authority, London Pension

Fund Authority, and Financial Reporting Council) in order for them to calculate and set their own budgets and determine the level of precept / levy to be made to Haringey.

- 6.7. The calculation of the council tax base is prescribed by regulations. Put simply, it is the aggregate of estimated number of properties in each valuation band each year, subsequently adjusted to take account of the estimated number of discounts, disregards and exemptions which are likely to apply and any estimated increase / decrease in the list in the forthcoming year.
- 6.8. The Council levies a Council Tax on the basis of properties in band D and thus the numbers for each valuation band are adjusted to the proportion which their number is to band D; these proportions are set out in statute. Finally, the council must estimate its rate of council tax collection for the year and apply this figure to arrive at the council tax base figure.
- 6.9. The calculation above sets the tax base and not the council tax rate itself which is due to be set on 27th February 2017 at Full Council.
- 6.10. The calculation of the tax base recommended in this report takes into account the agreement by Full Council on 21st November 2016 to continue with the Council Tax Reduction Scheme (CTRS), agreed in January 2013, for 2017/18.
- 6.11. The calculation is in two parts; 'A' (the Relevant Amount), which is the calculation of the estimated adjusted band D properties, and 'B', the estimated level of collection.
- 6.12. The calculation of 'A' – the relevant amounts for each band is complex and includes a number of calculations which are shown in detail in Appendix 12. The resultant relevant amount per band is summarised in the table below:

Table 6.1- Number of dwellings by Band

Band	Relevant Amount (i.e. number of dwellings)
A	2,823
B	8,946
C	21,392
D	19,733
E	10,571
F	6,816
G	7,284
H	1,352
TOTAL	78,916

- 6.13. The relevant amount has increased by 2,943 over the original 2016/17 assumptions. This is predominately due to the combined effect of an

increase in dwellings achieved during 2016/17 and a reduction in estimated numbers to be applied under the CTRS (the latter which increases the base), and an assumed further increase in dwellings in 2017/18 from planned new homes.

- 6.14. The collection rate is the council’s estimate of the proportion of the overall council tax collectable for the year that will ultimately be collected. This is expressed as a percentage.
- 6.15. In arriving at a decision on the collection rate a number of factors need to be taken into account which includes:
- Appeals against valuation
 - The mobility of the local population, particularly in the private rented sector
 - The level and timeliness of information available when properties are sold, or let *and*
 - The customers ability to pay
- 6.16. 2017/18 collection rates are forecast to be close to 95.5%. The tax base is calculated by applying the following formula:

$$A \times B = T$$

Where:

- A is the total amount of the relevant amounts for that year
- B is the authority’s estimate of its collection rate for that year.
- T is the calculated tax base for that year

- 6.17. In accordance with the requirements of the regulations, the calculation of the Council Tax Base for the London Borough of Haringey in 2017/18 is as follows:

Table 6.2 – Collection Rate

	2017/18
Total of relevant amounts (A)	78,916
x	
Collection Rate (B)	95.5%
Council Tax Base (T)	75,365

- 6.18. The relevant average council tax amount which is the equivalent of the Band D amount is £1,243.54. Once adjusted for the 3% adult social care precept increase, this represents a 3% increase on the 2016/17 average council tax amount of £1,208.01. The average Band D amount multiplied by the council tax base gives a council tax requirement of £93,719,392.10.
- 6.19. The below table sets out the council tax amount for other bands.

Table 6.3 – Council Tax (excluding Precept) by Band

	Ratio	Ratio as %	Amount £
Band A	6/9	67%	829.03
Band B	7/9	78%	967.20
Band C	8/9	89%	1,105.37
Band D	9/9	100%	1,243.54
Band E	11/9	122%	1,519.88
Band F	13/9	144%	1,796.22
Band G	15/9	167%	2,072.57
Band H	18/9	200%	2,487.08

- 6.20. The GLA is proposing a precept of £280.02 in 2017/18 – an increase of 1.5% on the amount of £276 in 2016/17. The average council tax amount including GLA precept is £1,523.56. The below table sets out the council tax amount including precept for other bands.

Table 6.4 – Council Tax (including precept) by Band

	Ratio	Ratio as %	Council Amount £	GLA Precept £	Total Council Tax
Band A	6/9	67%	829.03	186.68	1,015.71
Band B	7/9	78%	967.20	217.79	1,184.99
Band C	8/9	89%	1,105.37	248.91	1,354.28
Band D	9/9	100%	1,243.54	280.02	1,523.56
Band E	11/9	122%	1,519.88	342.25	1,862.13
Band F	13/9	144%	1,796.22	404.47	2,200.70
Band G	15/9	167%	2,072.57	466.70	2,539.27
Band H	18/9	200%	2,487.08	560.04	3,047.12

Core Spending Power

- 6.21. The impact of these changes on Haringey's core spending power is shown in the table below:

Table 6.5 – Core Spending Power

	2015- 16	2016- 17	2017-18	2018-19
	£'000's	£'000's	£'000's	£'000's
Settlement Funding Assessment	140.8	126	115.2	109.2
Council Tax	83.9	87.2	93.7	98.8
Improved Better Care Fund	-	-	0.4	3.8
New Homes Bonus	6.2	6.9	5.7	4.2
Rural Services Delivery Grant	-	-	-	-
Transition Grant	-	-	-	-
Adult Social Care Support Grant	-	-	1.2	-
Core Spending Power	230.8	220.1	216.2	216
Change %		-4.70%	-1.40%	1.40%
Cumulative change %		-4.70%	-6.00%	-4.70%

Four Year Settlement

- 6.22. Whilst the SFA allocations for 2018/19 and 2019/20 are only indicative at this stage, local authorities had the opportunity to fix these at the announced amounts by submitting an efficiency plan by 14 October 2016. Haringey submitted its efficiency plan to the Department of Communities and Local Government (DCLG) and have received confirmation that Haringey is now formally on the multi-year settlement (covering 2018/19 to 2019/20).

Social Care Precept

- 6.23. The introduction of a social care precept was originally announced at SR2015. In the 2016/17 local government finance settlement, the government confirmed that there would be a 2% social care precept and that this would be available for four years up to 2019/20.
- 6.24. The provisional 2017/18 local government finance settlement has amended the use of this additional precept. It was announced that it can be applied at 3% per annum for the next two years, up to 2018/19, but maintains a maximum additional precept of 6% for the period 2017/18 to 2019/20. Therefore if an authority chooses to use the higher 3% threshold in each of 2017/18 and 2018/19, then it would not be able to have an additional precept in 2019/20.
- 6.25. To ensure that councils are using income from the precept for adult social care, councils will be required to publish a description of their plans, including changing levels of spend on adult social care and other services. This must be signed off by the Chief Finance Officer (Section 151 Officer). Councils wishing to use the extra freedom to raise their precept by 3% instead of 2% in 2017/18 must also show how they plan to use this extra

money to improve social care. The government intend to provide further guidance to adult social care authorities on the conditions of the scheme in the near future. Section 7 below contains the Council's outline approach to the use of the additional precept.

New Homes Bonus

- 6.26. The government has made the following changes to the Scheme:
- Funding is reduced by £241m in 2017/18 (funding remains at pre-announced levels for 2018/19 and 2019/20);
 - Funding will be reduced from 6 years to 5 years' worth of payments in 2017/18;
 - Funding will then reduce to 4 years' worth for 2018/19 onwards.
 - From 2018/19, the government will consider withholding payments from local authorities that are not "planning effectively, by making positive decisions on planning applications and delivering housing growth".
 - A consultation is planned regarding withholding payments for homes that are built following an appeal.

Adult Social Care Support Grant

- 6.27. This is a new funding stream announced for 2017/18. Funding for this has been taken from previously announced New Homes Bonus allocations. Funding has been allocated based on the adult social care relative needs formula.

Business Rates

- 6.28. Alongside the move to 100% Business Rates Retention, the target level of business rates that authorities need to collect (known as the Business Rates Baseline) is to be reset in 2020. This figure is key to individual authorities, because where a target is set too high they will receive a lower amount of business rates revenue than was originally allocated via the needs based funding formulae (although, there are resource gains to be made if it is set lower than anticipated business rates income).
- 6.29. If the methodology in determining the baseline is similar to that used in 2013/14 (for the current baseline), it will be based upon actual amounts collected in a specified number of prior years. This approach may be advantageous to Haringey as it has been below its baseline over the period 2013/14 to 2015/16 (as per the chart below) and therefore, all things being equal, it could expect a have the baseline reduced as part of this reset. This should provide it with a lower target amount to collect and therefore increase

the chance of exceeding the future target and therefore receive higher revenue from business rates than the initial target allocation.

- 6.30. Given the amount of risk and reward is likely to increase post 2020 (i.e. Haringey currently receives 30% of business rates retained and this is likely to increase), a lower business rates baseline is even more important than at present.
- 6.31. As highlighted in the December 2016 Cabinet report, the business rates base was to be re-valued in line with the methodology outlined in the October 2016 technical consultation. This revaluation has now been completed and a summary of the main changes is provided below:
- The top up/tariff amount for each authority has been adjusted to reflect the change in ability to collect business rates locally (taking into account the net change as a result of the rateable value change and the decrease in the multiplier, before inflation and the adjustment for appeals). This change results in a change in authorities' NNDR baseline also.
 - For 2017/18, this adjustment has been made on figures taken from the 2015/16 NNDR3 form. However, for 2018/19 onwards (until the reset), the adjustment will be based upon figures taken from the 2016/17 form, with a one-off adjustment in 2018/19, to reflect the variance between the 2015/16 and 2016/17 NNDR3 amounts.
 - There is no change to authorities' baseline need amounts (and therefore no change to the safety net), other than for the 2% increase for inflation.
 - Authorities' levy percentage amounts have changed based on their new NNDR baseline amounts. For most authorities, including Haringey, this change is irrelevant i.e. they remain a top up and still have a 0% levy or remain at the maximum levy amount of 50%. However, for certain authorities, there has been either an increase or decrease.
- 6.32. DCLG intend for Revaluation 2017 to be revenue neutral for local government nationally. However, the extent to which this will be the case is not possible to forecast at this stage. DCLG have made an allowance for the national loss in Rateable Value, due to appeals, following revaluation at 4.7%. If this estimate is too low, then local government will lose out; if this estimate is too high then local government will gain.
- 6.33. The financial implications of revaluation for individual local authorities is more difficult to estimate, as these will be a combination of the accuracy of the national allowance for appeals and the extent to which local appeals are above or below the estimated national average.
- 6.34. Due to the number of unknowns it has therefore been assumed that revaluation will be revenue neutral at this stage for Haringey. However,

officers will be monitoring developments around the updated Rateable Values and the DCLG's approach to appeals over the coming months, with a view to adjusting the medium term resources projection, if needed.

Education Services Grant

- 6.35. The £2.784m Education Services Grant (ESG) pays for a range of services, including Early Years Quality Team , Attendance and Welfare, Redundancy costs in maintained schools, Statutory and Regulatory Services in all schools and academies and central costs for finance, governance, ICT, HR, audit for maintained schools.
- 6.36. The Department for Education have transferred £0.550m of ESG to the Dedicated Schools Grant. This accounts for the Statutory and Regulatory Services for all schools and academies and Schools Forum have agreed that this may be used for the same purposes in 2017/18. The transitional ESG for 2017/18 is £0.795m and the DfE have indicated that a further provisional £0.130m may be available to support School Improvement. Overall, this is a total of £1.475m, a loss of £1.309m. In 2018/19, the £0.550m in the DSG is expected to remain, but all the other elements of funding are expected to be removed: a further loss of £0.925m.
- 6.37. The DfE proposed the removal of the ESG when they were considering legislation to transfer maintained schools to academy status; the legislation is not now being pursued, but the grant reduction is continuing. It leaves the Authority with obligations (such as redundancy costs in maintained schools) with the specific funding source having been removed.
- 6.38. Normally, loss of specific grant would mean that the associated expenditure would reduce commensurately. The majority of the costs supported by the ESG, however, are recharges and apportionments of central costs, mostly from Priority X. So, a like-for-like reduction is not practical, and much of the loss of this grant is contributing directly to the overall funding gap with which the Council has to contend.

7. General Fund Revenue MTFs position 2017-18-2021/22

Government Funding

- 7.1. The main impacts for Haringey from the changes introduced by the Provisional Local Government Settlement published in December 2016 are the reduction in New Homes Bonus for 2017/18 of £2.1m and the introduction of the new Adult Social Care Support grant of £1.2m for 2017/18.

Council Tax

- 7.2. Each year the council as Billing Authority is required to calculate the tax base for the Borough in order for it to calculate its own council tax but is also

required to notify this figure by 31st January each year to any major precepting authority (the GLA) as well as any levying body (Environment Agency, Lee Valley Regional Park Authority, North London Waste Authority, London Pension Fund Authority) in order for them to calculate and set their own budgets and determine the level of precept / levy to be made to Haringey.

- 7.3. The calculation of the council tax base is prescribed by regulations. Put simply, it is the aggregate of the estimated number of properties in each valuation band each year, subsequently adjusted to take account of the estimated number of discounts, disregards and exemptions which are likely to apply and any estimated increase / decrease in the list for the forthcoming year.
- 7.4. The 2016/17 local government finance settlement (LGPS) sets out that local authorities could choose to increase their Council Tax by up to 2% in each of the 4 years 2016/17 to 2019/20. The 2017/18 LGPS amends this and local authorities may now choose to increase Council Tax (for the social care precept) by up to 3% in 2017-18 or 2018-19, but still cannot exceed 6% in total over the three-year period to 2019/20.
- 7.5. To ensure that councils are using income from the precept for adult social care, councils will be required to publish a description of their plans, including changing levels of spend on adult social care and other services. This must be signed off by the Chief Finance Officer (Section 151 Officer).
- 7.6. Councils wishing to use the extra freedom to raise their precept by 3% instead of 2% in 2017-18 must also show how they plan to use this extra money to improve social care. The Department will write to adult social care authorities with further details on the conditions of the scheme in the near future and no such details had been provided at the time of writing this report.
- 7.7. The MTFS assumptions work on the basis that the Authority increases the Council Tax by 3% in 2017/18 as a result of the social care precept. This would raise an additional £2.7m. The budget for Adults Social Care has not been sufficient in 2015/16 and 2016/17, with planned savings being delivered, but demand for services continues to grow.
- 7.8. The December 2016 budget report to Cabinet set out the demand pressures of £11.889m that were being acknowledged as part of the review of the Medium Term Financial Strategy. When the Department for Communities and Local Government seek evidence of how the precept is being used, officers will point to the need to build growth back into the budget for Adults Social Care and the impact of that on the proportion of the Council's budget which Adults Social Care will receive in 2017/18.
- 7.9. The projections for Council Tax income for the MTFS period are set out in the table below:

Table 7.1 - Council Tax Assumptions 2017/18 to 2021/22

COUNCIL TAX ASSUMPTIONS					
	2017/18	2018/19	2019/20	2020/21	2021/22
Tax Base	77,605	78,916	80,595	82,274	83,953
Tax Base change	1.70%	2.10%	2.10%	2.00%	2.00%
Tax Base for year	78,916	80,595	82,274	83,953	85,632
Collection Rate	95.50%	95.50%	95.50%	95.50%	95.50%
Tax Base after collection rate	75,365	76,968	78,572	80,175	81,779
Council Tax increase	0%	0%	0%	0%	0%
Social Care precept	3%	3%	0%	0%	0%
Band D rate	£1,243.54	£1,279.07	£1,279.07	£1,279.07	£1,279.07
Council Tax Yield (£000)	£93,719	£98,447	£100,499	£102,549	£104,601
Change year on year (£000)	£4,190	£4,728	£2,052	£2,050	£2,052

7.10. Key assumptions in the MTFS are that:-

- Members will continue the policy of freezing council tax up until 2018/19, in line with this administration's manifesto commitment;
- The 3% social care precept will be applied for the next two years;
- The tax base is assumed to grow in line with GLA housing projections;
- The Council Tax collection rate for will be 95.5%.

Business Rates

7.11. The impact of business rate revaluation and other proposed changes to the business rates system had previously been reported to members. Although, the Council continues to enjoy a growth in business rates income, it remains a 'top up' authority as the Council's baseline business rates level is lower than its business rates funding level.

7.12. The below table sets funding levels for the next three years.

Table 7.2 – Elements of the Business Rates Retention Scheme

	2016/17	2017/18	2018/19	2019/20
Baseline Funding Level	75,048	76,316	78,791	80,578
Baseline Business Rates	19,828	22,084	20,824	20,758
Top Up	55,220	54,232	57,967	59,820

7.13. The figures in the MTFS are based on the latest available information which has been submitted to government. However, there remains risk around the revaluation changes mostly from appeals lodged by businesses.

Fees and Charges

- 7.14. Each year the Council reviews the level of fees and charges through consideration of a report by the Cabinet and Regulatory Committee where it is a requirement that they are considered and approved.
- 7.15. A separate report with the majority of proposed fees and charges is included elsewhere on the Cabinet agenda with the Regulatory Committee meeting on 30th March 2017 to consider and approve the proposals.
- 7.16. The Council's income policy requires that as part of an annual review, levels of fees and charges levied upon users should ensure that income is maximised based on full cost recovery. Therefore, the majority of fees and charges will increase by inflation to reflect increased cost of service provision.
- 7.17. In some cases, fees and charges are increased above the prevailing rate of inflation to align them with market rates and in other cases to ensure that the Council's levels of fees and charges are in line with neighbouring/similar authorities. Additional income to be raised from fees and charges after adjustment for savings proposals is estimated at £121k in 2017/18.

Summary funding assumptions

- 7.18. The table below sets out a summary of the funding assumptions used in the 5-year Medium Term Financial Strategy.

Table 7.3 - Summary of funding assumptions 2017/18-2021/22

	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000
Main Funding					
New Homes Bonus	5,712	4,200	4,228	4,899	4,899
Adult Social Care Grant	1,195	1,195	1,195	1,195	1,195
Revenue Support Grant	38,590	30,202	21,641	20,015	18,357
Council Tax	93,719	98,448	100,499	102,550	104,600
Retained Business Rates	22,084	20,824	20,758	21,173	21,597
Top up Business Rates	54,232	57,967	59,820	61,016	62,236
Total Main Funding	215,531	212,836	208,140	210,848	212,884
Core Grants					
Public Health	20,742	20,203	19,677	19,677	19,677
Other core grants	10,653	12,687	15,116	14,381	14,895
TOTAL (External) Funding	246,926	245,726	242,933	244,906	247,457
Contribution from/(to) Reserves	8,782	2,933	4,312	2,230	3,708
TOTAL FUNDING	255,708	248,659	247,245	247,136	251,165

- 7.19. There has been a total increase in external funding assumptions of approximately £3m for 2017/18 from those presented to Cabinet in December 2016 as follows:

- Adult Social Care Grant (£1.20m) has been added
- New Homes Bonus has been reduced by £2.1m
- Retained Business Rates (an increase of £1.85m) and Top-Up Business Rates (reduction of £2.07m) have now been confirmed with;
- Removal of contribution to Reserves; and
- Council tax has been confirmed at £93.7m, an increase of £900k.

Expenditure Assumptions and budget shortfall

- 7.20. The 2016/17 financial year has seen increasing budgetary pressures for key demand led services: Temporary Accommodation, Adults Social Care and Children's Social Care. For each of these areas an extensive exercise has been carried out to assess the levels of activity that has been driving costs. There is an assumption in the MTFs that the current level of spend in these areas will not reduce and therefore additional core budget has been allocated to the relevant priorities for 2017/18 and the MTFs period.
- 7.21. In the previous MTFs (2014/15-2017/18), savings of £24.163m were assumed for 2017/18 based on the proposals agreed at that stage. However, during 2016/17 it has become apparent that many of those savings are not being delivered as planned. For the purposes of this revised MTFs, the assumption is that where savings have been flagged as being at risk in 2016/17 then these will not be achieved in 2017/18. In total £22.197m of these savings have been taken out of the planned 2017/18 budget.
- 7.22. A Non-Service Revenue budget provision has been made for the following:-
- An estimated £1.2m is required by 2020/21 as an additional employer's contribution to the pension fund following the triennial revaluation. The working assumption is that a further £1.2m will be required for the same period of time following the next revaluation (i.e. in 2020/21).
 - Levies:
 - a) £385k for a new Apprenticeship Levy which comes into effect on 1st April 2017. This is a levy on all employers whose payroll exceeds £3m and is charged at 0.5% of the pay bill.
 - b) £1.335m increase in the North London Waste Authority levy.
 - c) 2% increase has been assumed on all other levies (e.g. the Environment Agency).
- 7.23. After taking into account the funding and expenditure assumptions outlined above, the overall summary position is set out in the table below:

Table 7.4 - Summary of expenditure and funding 2017/18-2021/22

	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Budget requirement b/f	255,627	255,708	248,659	247,245	247,136	1,254,375
Unavoidable growth	26,626	2,273	1,072	2,136	746	32,854
Original MTFS year 3 savings	-24,163	-450	0	0	0	-24,613
Original savings not achievable	22,197	0	0	0	0	22,197
Additional savings	-18,800	-1,000	-500	0	0	-20,300
New investment	4,382	212	624	1,639	1,379	8,236
Additional income	0	-1,022	-2,022	-2,022	-23	-5,089
Other adjustments	-2	953	3,356	-362	1,947	5,892
Budget requirement	265,867	256,675	251,189	248,636	251,185	1,273,551
Proposed MTFS Savings	-10,159	-8,016	-3,944	-1,500	-20	-23,639
Net Budget Requirement	255,708	248,659	247,245	247,136	251,165	1,249,913
Available funding	246,926	245,726	242,933	244,906	247,457	1,227,948
Net Budget Shortfall to be funded from Reserves	8,782	2,933	4,312	2,230	3,708	21,965

- 7.24. On the assumption that all budget proposals presented to Cabinet in December 2016 are implemented and delivered the residual budget shortfall will be as in Table 7.4 above.
- 7.25. For 2017/18 the budget shortfall will be funded from reserves but there will be a requirement to develop further savings proposals early in the MTFS period in order to avoid any further use of reserves.
- 7.26. If any of the savings proposals are not accepted then it will be necessary to find replacement savings as soon as possible.
- 7.27. The profile and level of the budget shortfall has changed from the position reported to Cabinet in December 2016. The main changes relate to more accurate projections on business rates and council tax income in 2017/18 and 2018/19. There has also been other expenditure pressures identified which have a compound effect on the MTFS.

Savings proposals 2017/18 to 2021/22

- 7.28. The key issue for Haringey is how to address 2017/18 and 2018/19 where there is a substantial budget gap before funding and expenditure become more closely aligned.
- 7.29. In order to bridge the £45.6m gap, Officers have developed savings proposals and each is supported by a document describing the action/outcome, highlighting the value of the saving, the impact on workforce numbers, and setting out the associated risks and assumptions. Higher value proposals (those over £1m) are supported by a full business case. These were presented to Cabinet in December 2016 and are set out in the table below and attached at Appendix 10.

Table 7.5 - Summary of savings proposals

Proposal	2017/18 £'000	2018/19 £'000	2019/20 £'000	2020/21 £'000	2021/22 £'000	Total £'000
P1 - Childrens(Enable every Child to have the best start in life, with high quality Education)	2,762	1,748	310	-	-	4,820
P2 - Adults(Empower all adults to live healthy, long and fulfilling lives)	2,411	3,137	84	-	-	5,632
P3 - A clean and safe borough where people are proud to live	1,685	2,580	150	-	-	4,415
P4 - Drive growth and employment from which everyone can benefit	503	-	-	-	-	503
P5 - Create homes and communities where people choose to live and are able to thrive	-	-	-	-	-	-
PX - Enabling	2,798	551	3,400	1,500	20	8,269
Total	10,159	8,016	3,944	1,500	20	23,639

- 7.30. It will be important that the front-loaded profile of savings for 2017/18 and 2018/19 are achieved in order to mitigate against any overspend in those years and further use of reserves.
- 7.31. The proposed savings have been subject to public consultation and scrutiny by the Overview and Scrutiny Committee and recommendations have been proposed which are outlined in Section 12 and 13 in this report. Cabinet are considering those recommendations as part of this report.
- 7.32. If the total value of savings proposed is £23.6m and if all these savings are applied, the budget gap, over the 5-year MTFS period, will reduce to £22.0m.

Budget Strategy

- 7.33. The budget strategy has been developed on a number of key principles. A recognition of the acute pressures facing demand-led services and therefore an appropriate re-allocation of resources.
- 7.34. This has led to increase in the adult social care budgets so that these budgets represent 35% (31% in 2016/17) of the total resource allocation.
- 7.35. With the planned devolution of business rates in 2020, a 5-year MTFS has been developed to straddle the new funding era. The importance of Council tax and business rates to our future financial sustainability is therefore recognised crucial that as an authority we are clear about the proportion of our resources that are spent on creating growth opportunities. The proposal, therefore, is that over the 5-year MTFS period a reasonable allocation of

revenue resources will be assigned to activities that create these growth opportunities.

- 7.36. The scale of the gap in 2017/18 (£19m) is such that it is not possible to make sufficient savings to bridge the gap in one year, and therefore the strategy has been to smooth the savings over the MTFs period through the use of reserves. The challenge is to achieve this via:
- Balancing the need to maintain our focus on transformation in high demand priorities with acknowledgement of the growing pressures in those areas
 - Ensuring the proportion of total budget committed to those high demand areas is in line with appropriate benchmarks
 - Ensuring an appropriate balance between the proportion of the gap apportioned to delivery of priorities and to growth
- 7.37. The level of reserves available will be dependent on the extent to which we utilise our existing reserves to fund our deficit at year-end. The Chief Finance Officer will be seeking to consolidate the reserves position in order to be able to fund the deficit. This will be considered as part of the Chief Finance Officer's consideration of the adequacy of reserves which will be presented to Council on 27th February 2017. The Council will look to recommence building Reserves in the next financial year to provide further future resilience to the Council's financial position.
- 7.38. At this stage there is insufficient clarity around the last two years of the MTFs to make decisions about further cuts, and the residual budget gap for those years will be addressed once the longer term government funding and local resources have been firmed up. Additionally the next administration will review Council Tax rates.

Summary General Fund Revenue Budget Position 2017/18 to 2021/22

- 7.39. The summary revenue budget position over the 5 year period is shown in the table below:

Table 7.6 - Summary of proposed MTFs budgets

Services	2016/17		2017/18		2018/19	2019/20	2020/21	2021/22
	£'000	%	£'000	%	£'000	£'000	£'000	£'000
Priority 1	50,682	20%	61,199	24%	59,354	59,155	58,935	59,016
Priority 2	80,420	31%	87,893	34%	88,412	90,560	93,835	97,491
Priority 3	28,226	11%	28,894	11%	24,813	22,663	20,663	20,663
Priority 4	15,601	6%	15,373	6%	15,373	15,373	15,373	15,373
Priority 5	3,722	1%	9,214	4%	8,642	9,364	8,616	8,308
Enabling	76,975	30%	53,189	21%	52,120	50,184	49,768	50,368
Total Budget	255,626	100%	255,762	100%	248,713	247,299	247,190	251,219

Review of assumptions and risks 2017/18-2021/22

7.40. The main uncertainties and risks identified to date which will impact on the Council's budget and Medium Term Financial Strategy are:-

- Move to Council Tax and Business Rates as the main funding driver exposes the Council to risks such as collection rates, adverse changes in the size of the taxbase and negative cashflows.
- The Council's Transformational Programmes do not deliver the required savings, do not deliver savings quickly enough, or are counteracted by demographic trends particularly in critical areas such as Children's and Adults Social Care and Temporary Accommodation.
- Increases in national minimum wage (NMW) and London living allowance (LLA) which will particularly affect care providers and Direct Payment rates and may drive up prices.
- Any deterioration in the forecast 2016/17 position, including the risk that the measures put in place to reduce spending (such as the current voluntary severance exercise) do not deliver.
- Changes in Non Service Resources budgets over the next few months – for example the amounts provided for levies are currently based on estimates.
- General population increases are expected over the next 5 years and any associated growth in demand - other than specifically allowed for – may lead to financial pressure.
- The need to balance revenue and capital priorities to ensure the most appropriate use of available resources.

7.41. Other risks which we are aware of that may impact on the Council's budgets:-

- National economic uncertainty, including economic stability, inflationary pressures, etc including any factors relating to Brexit. In particular, there may be a slow-down in housing delivery once article 50 is triggered by the UK government.
- Housing Benefit admin fee may end during the period of the MTFs.
- The impact of changes in legislation – for example the Homelessness Reduction Bill.
- The impact of inflation pressures above current assumptions (e.g. energy costs which are currently estimated at around 13% increase for 2017/18).
- Ability to work collaboratively with a number of partner organisations – for example on shared services.
- Impact of NHS Sustainable Transformation Plans (STPs) may result in a transfer of costs.
- Additional pressure may arise from the provision of support to further Syrian refugees.
- Ability to implement savings. All savings have been risk assessed for ease of delivery and a summary risk assessment is as follows:-

Table 7.7 - Summary risk assessment

Risk Rating	2017/18	2018/19	2019/20	2020/21	2021/22	Total
Green	6,711	1,431			20	8,162
Amber	3,198	4,913	3,944	1,500		13,555
Red	250	1,672				1,922
Total	10,159	8,016	3,944	1,500	20	23,639

Haringey Development Vehicle

- 7.42. In order to facilitate the Council's ambitious housing and jobs growth plans, officers have been working on the procurement of a jointly owned development company which will be 50% owned by the Council and 50% owned by a private sector development partner and is currently known as the Haringey Development Vehicle (HDV). The financial impact of the development schemes within the HDV are complex and the detail will not be known until specific schemes come on stream however high level impacts, where they are known and where they are within the span of this MTFS, have been included in the Capital Strategy which was approved by Council in July 2015 with the cost of borrowing included within the Council's analysis of Minimum Revenue Provision in this MTFS.

8. Dedicated Schools Budget

Dedicated Schools Grant (DSG)

- 8.1. The Department for Education announced the schools funding settlement for 2017/18 in December 2016 and Schools Forum considered the position at its meeting on 16th January 2017. The Dedicated Schools Budget is substantially funded from the Dedicated Schools Grant, a ring-fenced grant which must be spent only in accordance with the prevailing Schools and Early Years Funding Regulations.
- 8.2. Further information on the details of the strategic financial position for the Dedicated Schools Budget can be found in the papers to the Schools Forum, which are publicly available.
- <http://www.minutes.haringey.gov.uk/ieListDocuments.aspx?CId=664&MId=7985&Ver=4>
- 8.3. Cabinet are asked to agree the use of the DSG as set out in this section (ie Schools Block, High Needs and Early Years Block, as indicated).

Schools Funding for 2017/18 (Dedicated Schools Budget)

- 8.4. The settlement was a headline increase in the overall DSG of £7m from £242.6m to £249.6m. This increase is accounted for through additional pupil numbers, provision for the extension of early years provision to 30 hours for 3 and 4 year olds, some transfers of responsibilities from other funding streams and some additional funding for 2 year olds, high needs budgets and maintained nursery schools (who would otherwise have acute difficulties in managing the required changes to the early years funding formula). Table 8.1 below, sets out the details of those movements.

Table 8.1 - Explanation of change in overall DSG from 2016/17

DSG allocations prior to deductions for academies recoupment and direct funding of high needs places by EFA	2016/17 DSG	Rebasing (October 2016)	Pupil numbers and High Needs 2017/18	Early Years Block changes	2017/18 DSG
	£000's	£000's	£000's	£000's	£000's
Schools block	195.492	-2.585	2.381	0	195.288
Provisional Early Years Block	15.453	0	0	2.993	18.446
High Needs Block allocation	31.638	3.702	0.514	0.000	35.854
Total additions for non block funding	0.048	-0.048	0	0	0
Total DSG allocation	242.631	1.069	2.895	2.993	249.588

- 8.5. Schools Forum also took account of unspent DSG from previous years brought forward. There was £3.252m brought forward at the start of 2016/17. During 2016/17 the Early Years service has been funding 2 year old providers at £6 per hour, rather than the £5.28 being received through the DSG; this draws on £0.367m of the brought forward. In the High Needs budget, Schools Forum were advised in December 2016 that there was a £0.915m forecast overspend here. Overall, the expected carry forward at the end of the financial year is currently £1.970m. As set out in Table 8.2, Schools Forum operates on the basis that each block is responsible for its own surpluses and deficits. This approach can only work while there is sufficient funding overall and the deficit in the High Needs Block would need to be recovered before the full amount of underspends in other blocks was applied.

Table 8.2 - Amount of unspent DSG brought forward and expected to be carried forward in 2016/17

Block	Brought forward 2016/17	In-year budget 2016/17	Forecast spend 2016/17	Forecast carry-forward 2016/17
	£000's	£000's	£000's	£000's
Schools Block	255	141,300	141,300	-255
High Needs Block	-46	32,623	33,538	961
Early Years Block	3,043	15,454	15,821	-2,676
Total Schools Budget	3,252	189,377	190,659	-1,970

- 8.6. There is a separate Cabinet report on the Early Years Funding arrangements which seeks agreement on the formula for Early Years settings for 2017/18

Schools Block

- 8.7. The Schools Block allocation for 2017/18 is £195.288m. Schools Forum agreed the centrally retained budgets and those elements of funding which could be de-delegated from maintained schools' budgets. **Appendix 5** sets out the figures arising from their proposals for all the blocks.
- 8.8. The formula for primary and secondary schools had to be submitted to the Education Funding Agency by 20th January 2017, using an Authority Proforma Tool (ie a spreadsheet). There was one change to the formula considered and proposed by Schools Forum regarding the weighting to be attached to the deprivation factor. So, officers have distributed the available funding in **Appendix 5** on the basis of the proposed formula, a summarised version of which is in **Table 8.3**. The submission is subject to agreement of Cabinet to this approach.
- 8.9. The formula allocates £190.014m to schools, after all agreed deductions. This represents a tight funding settlement for schools. While the DSG settlement recognised growth in pupil numbers and individual schools will be funded for changes in pupil numbers, 28 out of 77 schools (one-third) will receive budgets that rely on the Minimum Funding Guarantee of their 206/17 budget per pupil less 1.5%.

Table 8.3 - Comparative distribution of funding 2016/17 and 2017/18

	Actual APT 2016/17 £'000	Proposed APT 17/18 £'000	2017/18 v 2016/17 £'000
Age-Weighted pupil units	140,404	143,579	3,176
Deprivation factors	21,828	21,403	-425
Other formula funding	23,258	22,925	-332
Total before MFG	185,489	187,908	2,419
Prior Year Adjustments	-165		165
MFG capping	-2	-16	-14
MFG support	3,958	3,152	-805
Total after MFG	189,280	191,044	1,765
Less De-delegation	-908	-908	0
Less Central Services	0	-122	-122
Total distributed to schools	188,372	190,014	1,643
Number of schools needing MFG support	35	28	-7

8.10. There were two proposals by Schools Forum where they did not agree to proposals for centrally retained budgets.

- Supplementary Schools (£26k) where this activity may not now be charged to the DSG and will need to either find alternative funding sources or cease.
- Redundancy costs in maintained schools (£177k). This leaves the Authority with a potential pressure, which will be a call on the General Fund budget. In law, it is normally the local authority's central budget which pays for school redundancy costs, unless there is an exceptional reason why that should not happen. The withdrawal of the Education Services Grant from September 2017 means that the current funding source will be removed. With school budgets being tight and expenditure pressures increasing, more school redundancies are likely and this is a risk to the General Fund.

Early Years Block

8.11. There are significant changes in the Early Years Block with the introduction of a higher degree of prescription in how the funding may be used. There is a separate report on this agenda which deals with final decisions on the funding formula for early years settings and the overall strategy for early years provision.

- 8.12. At Schools Forum, the funding arrangements, set out in **Appendix 5** were agreed (Disability Fund of £60k was omitted and will be submitted to them at their meeting on 23rd February 2017. This allocates all of the £18.442m from the 2017/18 Early Years Block element of the DSG and commits £0.888m from brought forward DSG; £0.188m to allow a continuation of the policy of funding settings for 2 year olds at a rate of £6 per hour and £0.700m to manage the phased withdrawal of Childcare Subsidy by September 2017.

High Needs Block

- 8.13. It is for the Authority to set the High Needs budget and to manage it. The High Needs Block of £35.854m has included past transfers of funding from other blocks. So, there are no proposals to transfer further funding from other blocks. Schools Forum noted the proposed budget for 2017/18, set out in **Appendix 5**. More detail is included in the Schools Forum paper from 16th January 2017. While this allocated the in-year funding, it did not address the overspending of £0.915m reported for High Needs in 2016/17.
- 8.14. Schools Forum was advised that further consideration of the measures necessary to contain expenditure, including spending to save, is needed to reduce commitments in the medium-long term. Although a comprehensive plan of action has been drawn up to address this forecast overspend implementation has been slow and budget pressures continue to escalate on the High Needs Block.

Overall DSG position

- 8.15. The proposals in this paper, if agreed as necessary, would result in the following budgets for 2017/18.

Table 8.4- Forecast unspent DSG by the end of 2017/18

Block	Estimated brought forward DSG 2017/18	DSG funding 2017/18	Proposed budgets 2017/18	Estimated carry forward DSG 2017/18
Schools Block	255	195,288	195,288	-255
High Needs	-961	35,854	35,854	961
Early Years	2,676	18,446	19,278	-1,844
Total	1,970	249,588	250,420	-1,138

9. Housing Revenue Account (HRA)

Housing Rents

- 9.1. The HRA is the Council's record of the income and revenue expenditure relating to council housing and related services. Under the Local

Government and Housing Act 1989, the HRA is ring-fenced and cannot be subsidised by increases in council tax. Equally, any surplus in the HRA or balances held in reserves cannot be transferred to the General Fund. Since April 2012, the HRA has been self-financing and the main income is the rent and service charges paid by tenants.

Housing Rents

- 9.2. The Council is required to comply with section 23 of the Welfare Reform and Work Act 2016 by reducing tenants' rents (excluding service charges) by 1% each year for four years starting from 1 April 2016.
- 9.3. Although the Act does not say how the reduction should be implemented, (it could be by a 1% reduction from the beginning of a year or a larger reduction later in the year), the Council has applied the 1% rent reduction from the beginning of the year. The first rent reduction started with effect from 4 April 2016. At the same time, the Council took advantage of the government's one year exemption for tenants living in sheltered / supported housing and increased the rent for these tenants by 0.9% (CPI rate at September 2015 of 0.1% plus 1%).
- 9.4. From 3 April 2017, all rents including sheltered housing and affordable rents will be reduced by 1%. However, shared ownership rents will increase by 2% (CPI rate at September 2016 plus 1%) as the Act exempts these properties from the rent reductions.

General needs and sheltered / supported housing

- 9.5. This is the second financial year that rents in general needs properties are to be reduced by 1% but the first rent reduction for tenants living in sheltered/supported housing. Under the original rent restructuring regime, these rents would have increased by 2% (CPI at September 2016 of 1% plus 1%) from next April.
- 9.6. Provisional rents for general needs and sheltered/supported housing for 2017/18 have been calculated so that the rent paid by existing tenants is reduced by 1% from the 2016/17 levels. On this basis, the current average weekly dwelling rent will reduce by £1.04 from £104.80 to £103.76. The potential rental income budget for 2017/18 will reduce by £1.012m against the budget for 2016/17. Table 9.1 below sets out the average weekly dwelling rents for 2017/18 by property size.
- 9.7. The current policy of increasing rents to the 2015/16 formula rent (adjusted for 1% reduction each year thereafter) on new secure tenancies will continue.

Table 9.1 - Proposed rents for general needs and sheltered / supported housing

Number of Bedrooms	Number of Properties	Current average weekly rent 2016/17	Proposed average weekly rent 2017/18	Proposed average rent decrease
Bedsit	137	£84.91	£84.07	-£0.85
1	5,468	£90.00	£89.10	-£0.90
2	5,240	£104.90	£103.86	-£1.05
3	3,782	£120.19	£118.98	-£1.20
4	586	£136.54	£135.17	-£1.37
5	102	£157.96	£156.38	-£1.58
6	13	£166.18	£164.52	-£1.66
7	2	£157.59	£156.01	-£1.57
8	1	£178.40	£176.62	-£1.78
All dwellings	15,331	£104.80	£103.76	-£1.04

New build

- 9.8. On 12 July 2016, the Cabinet approved the rent levels for new council homes built under the Council's New Build Programme. Rents in new build homes are set in accordance with the affordable rents guidance set out in the draft Housing Strategy. Phase 1 of the new build programme is expected to deliver 18 new homes in 2016/17 which will be let at affordable rents on completion. Affordable rents will reduce by 1% from their current levels with effect from 3 April 2017. These rents will also be further reduced over the next two years. The proposed HRA budget includes £236K for these additional units, however, should the delivery programme alter in any way this may affect the income achievable.

Service charges

- 9.9. In addition to rents, tenants pay service charges for services they receive which are not covered by their rent. Service charges must be set at a level that recovers the cost of the service, and no more than this. The Council's policy has been to set charges at the start of each financial year to match budgeted expenditure. Therefore, the weekly amount is fixed and a flat rate is charged.
- 9.10. Charges are calculated by dividing the budgeted cost of providing the service to tenants by the number of tenants receiving the service. The amount tenants pay increases where the cost of providing the service is anticipated to increase. Equally, charges are reduced when the cost of providing the service reduces or where there has been an over-recovery in the previous year.

9.11. Tenants pay for the services listed below:

- Concierge
- Grounds maintenance
- Caretaking
- Street sweeping (Waste collection)
- Light and power (Communal lighting)
- Heating (including Gas or Oil/Electricity)
- Integrated reception service (Digital TV)
- Estates road maintenance
- Bin and chute cleaning

9.12. Table 9.2 below sets out the proposed changes in tenants' service charges for 2017/18.

Table 9.2 - Proposed tenants' service charges for 2017/18

Tenants' service charge	Current Weekly Charge 2016/17	Proposed Weekly Charge 2017/18	Increase/ (decrease)	Projected Annual Income
	£	£	£	£
Concierge	£15.66	£15.43	-£0.23	£1,554
Grounds maintenance	£3.16	£2.77	-£0.39	£1,306
Caretaking	£4.29	£4.02	-£0.27	£1,544
Street sweeping (Waste collection)	£3.56	£3.62	£0.06	£1,553
Light and power (Communal lighting)	£2.19	£2.62	£0.43	£1,203
Gas (Elderly Person)	£10.64	£11.16	£0.52	£217
Gas (Not Elderly Person)	£10.17	£10.67	£0.50	£60
GLC Heating	£11.66	£12.23	£0.57	£38
District Heating 6	£10.93	£11.47	£0.54	£0.60
Oil/Electricity (Elderly Person)	£8.33	£8.74	£0.41	£18
Integrated reception service (Digital TV)	£0.77	£0.77	£0.00	£349.90
Estates road maintenance	£0.50	£0.57	£0.07	£266
Bin and chute cleaning	£0.16	£0.16	£0.00	£72.70
Proposed tenants' service charge income				£8,186.10
<i>Projected annual income is based on the number of tenants receiving the service for 52 weeks with an allowance of 1% service charges loss due to empty properties.</i>				

Water rates

- 9.13. The Council collects weekly water rates on behalf of Thames Water Utilities Ltd from tenants if the water supply to their home is unmetered. The amount is set by Thames Water on the basis of the rateable value of each property.
- 9.14. The weekly water rates to be paid by each tenant in 2017/18 will be provided by Thames Water in March 2017. Tenants will be notified accordingly.

Commercial Rents

- 9.15. Commercial rents are not globally increased each financial year as commercial leases will be subject to a scheduled rent review.
- 9.16. It is anticipated that the HRA commercial portfolio will transfer to the Haringey Development Vehicle (HDV) upon its establishment. As the procurement process is still in train, clarity about financial impact is yet to be assessed but will be considered in detail once the procurement for the HDV has completed and will form part of the detailed arrangements for the HDV to be presented to Cabinet in July 2017.

HRA Expenditure

- 9.17. The Council's Arms Length Management Company (ALMO), Homes for Haringey manages the dwellings stock and garages on behalf of the Council. The management fee the council pays for these services is budgeted at £39.586m for 2017/18 compared to £34.4m budgeted in 2016/17.
- 9.18. Other significant items of expenditure include the capital financing charge and depreciation. The capital financing charge is the interest on HRA loans and internal funding and is budgeted at a lower level than 2016/17 due to reduced borrowing rates. Depreciation has previously been based on an allowance per property determined in 2012 when self financing was introduced. From 2017/18 this must be calculated on the cost and expected life of assets. The new calculation will be carried out as part of the year end closure processes.

HRA Budget 2017/18

- 9.19. The 2017/18 HRA budget surplus has increased by £2.1m from the revised 2016/17 budget surplus of £14.86m to £16.98m. This increase mainly reflects the removal of the £2.2m new build budget.
- 9.20. There are a number of new initiatives being developed which may impact on the overall HRA budget for 2017/18. Any impact on the HRA revenue budget position will be highlighted in any report to Cabinet or Council.

HRA MTFs 2017/18-2021/22

- 9.21. This report sets out the proposed 2017/18 budget for the HRA. The HRA MTFs covering the period to 2021/22 will be presented to Cabinet during the next financial year together with a HRA 30-year business plan.

HRA Capital Programme 2017/18

- 9.22. In October 2016, Cabinet approved a new standard for investment in the Council's housing stock and delegated the authority to approve the detailed asset management plan and investment programme to the Director of Regeneration, Planning and Development after consultation with the Lead Member for Housing and the Chief Operating Officer. The proposed capital programme for all HRA schemes for 2017/18 is included at Appendix 4.
- 9.23. The new standard requires an annual investment of around £40m. There are also other capital schemes such as the High Road Regeneration project which requires HRA investment to purchase the leaseholder properties on these estates.
- 9.24. Although the 2016/17 year end carry forward position could impact on next year's capital programme, it is currently estimated that an element of the investment of the existing stock will also require borrowing.
- 9.25. The HRA currently has around £56m of borrowing headroom and it is estimated, based on the proposed capital programme, that there will be around £49m of borrowing headroom available at the end of 2017/18.
- 9.26. The comprehensive HRA MTFs will be presented to Cabinet, along with a 30-year business plan, in the 2017/18 financial year.

Development of HRA Business Plan

- 9.27. Production of an HRA Business Plan is not a statutory requirement, but is considered by the Chartered Institute of Housing (CIH) and Chartered Institute of Public Finance and Accountancy (CIPFA) to be good practice. It is particularly important for Haringey given the size of its housing stock and the scale of potential movements in stock numbers over the coming years. A good business plan provides a framework for future investment and other housing policy decisions.
- 9.28. The original intention was to present the HRA Business Plan to this meeting of the Cabinet, at the same time as the main budget report. However, delays in important government policy guidance being issued and ongoing work on a number of local initiatives has meant that the information required for a comprehensive HRA Business Plan is not currently available and more time is needed to develop the plan.
- 9.29. The government policy changes introduced in the Housing and Planning Act 2016 where guidance has been delayed include:
- Introduction of the High Value Asset levy – the legislation enables the Government to introduce a levy on local authorities which it expects authorities to fund from the sale of high value housing assets. The regulations for this, however, have been delayed and a statement by the new Housing Minister in November 2016 suggested this would

require 'quite a notice period' before being introduced. It therefore seems unlikely it will be commenced in 2017/18.

- Introduction of 'Pay to Stay' – this required the Council and other social landlords to charge a higher rent to tenants where their income exceeds £40,000 (in London). However, following the Autumn Statement in November 2016, it was announced that this would no longer be mandatory, although landlords have discretion to introduce this where appropriate.
- Introduction of Fixed Term Tenancies – this will have an impact on tenants, but there will be no material short term financial impact unless the Council adopts differential rent policies for re-lets in future or a discretionary 'Pay to Stay' policy.

9.30. The Council's ongoing local initiatives include major estate regeneration programmes, at High Road West and Northumberland Park. There are several issues relating to these developments which may impact directly on the long-term position of the HRA, which will need to be reviewed and incorporated into the HRA Business Plan, including the valuation of the sites disposed of, the new dwellings acquired and the related impact on the housing stock and HRA debt.

9.31. There will be greater clarity about the impact of government policy and estate renewal later in 2017, and it is therefore considered more realistic to present an HRA Business Plan to Cabinet during the 2017/18 financial year. This would then provide the framework for the HRA MTFS covering the period to 2021/22.

10. The Council's Capital Strategy and Programme 2017/18-2021/22

10.1. The MTFS capital programme represents years two to six of the ten-year council Capital Strategy, introduced to the Cabinet in December 2015 and approved in June 2016. This strategy has been developed to ensure that the Council takes a longer-term view of the assets required to deliver its Corporate Plan priorities.

10.2. The Council's Capital Strategy is an ambitious mix of regeneration; growth and asset availability that will ensure deliver a range of improved outcomes for its residents. The long term view also aims to secure stability for financial planning purposes as Government support reduces and the Council becomes more reliant on locally determined sources of funding such as Council Tax and Business Rates.

10.3. The MTFS capital programme funding assumes a mix of capital receipts, grant funding and prudential borrowing. Borrowing has an on-going impact on the Council's revenue budget and must be affordable. Such borrowing is closely controlled by legislation defined under the Prudential Code for capital

expenditure and is monitored through the Treasury management report. To the extent that capital receipts and grant do not meet the cost of the capital programme, there are two main options for borrowing:

- Temporary borrowing, pending the realisation of future capital receipts, providing that there is certainty over the amount and timing of the receipt;
- Prudential borrowing on an on-going basis to finance that capital expenditure that cannot be met from capital receipts.
- The table below reflects the revised delivery assumptions of the capital over the Council's 5-year MTFs period and net borrowing requirement. This includes assumptions around delivery bias within the original programme timing and approved in-year budget changes.

10.4. There have been minor changes to the core programme approved by Cabinet in June 2016 and a re-profiling of expenditure. These changes have been reported through to Cabinet as part of the quarterly monitoring report and the revised detailed programme is attached at Appendix 3. The revised 5-year expenditure profile in the table below is within the overall approved capital budget framework.

10.5. The main capital financing elements of the £286.6m 5-year programme are Grants at £99.7m (35%), Developer contributions at £60.1m (21%) Capital Receipts £32.6m (11%) and PFI reserve £4.8m (2%) the balance of £89.4m (31%) will need to be borrowed.

Table 10.1 - General Fund 5-Year Capital Programme

Capital Programme, 5 year MTFS overview	17/18 £,000	18/19 £,000	19/20 £,000	20/21 £,000	21/22 £,000	Total £,000
Re-profiled Expenditure	64,690	56,688	64,466	50,088	50,624	286,556
Funding						
Grants & Contributions	37,968	26,560	31,383	28,939	34,911	159,762
Capital Receipts GF	12,610	5,000	5,000	5,000	5,000	32,610
Use of Reserves	1,409	1,272	1,129	978	-	4,788
New Borrowing Requirement	12,703	23,856	26,954	15,170	10,713	89,397
Cost of Borrowing						
<i>Interest on new borrowing</i>	(1,246)	(1,595)	(2,166)	(2,667)	(3,005)	(10,679)
<i>MRP on new borrowing</i>	(1,099)	(1,331)	(1,782)	(2,285)	(2,543)	(9,040)
<i>Cost of New borrowing</i>	(2,345)	(2,927)	(3,947)	(4,953)	(5,548)	(19,719)

10.6. It should be noted that the cost of new borrowing for 2017/18 includes provision for year one (£54.9m) of the ten programme as MRP is provided the year after the asset comes into operation.

- 10.7. For any borrowing undertaken, the Council is required to set aside sufficient revenue resources to fund a Minimum Revenue Provision (MRP) and interest payable on the cost of servicing any debt in order to comply with the Prudential Code. However, the Code only provides a framework for determining the prudent amount required for the MRP and the Section 151 Officer has discretion to consider the adequacy of the provision.
- 10.8. The Section 151 Officer has revised the Council's MRP policy and the new policy is included within the Treasury management strategy which will be presented to Full Council on 27th February.
- 10.9. As with any longer term strategy, there is a need to undertake regular reviews of detailed action plans to take account of changing circumstances. There is likely to be a need to revise the capital programme, subject to appropriate approvals, to take account of changes to existing schemes or to fund new schemes and in particular to take advantage of additional external funding or capital receipts.

11. Reserves and Risk

- 11.1. The Council's original MTFS 2015-2018 included annual contributions from reserves to set a balanced budget in the first two years (£4.220m 15/16 and £3.116m 2016/17) and a contribution to reserves in 17/18 of £3.047.
- 11.2. The latest revenue monitoring projections for quarter 3 of 2016/17 indicate that there is likely, due to demand-led pressures, to be an overspend of around £21m. This means that the actual contributions from reserves to balance the financial year 2016/17 will be around £24m.
- 11.3. As is highlighted in this report, a contribution from reserves of around £8m will now be required for 2017/18 in order to set a balanced budget which will mean that General Fund non-earmarked reserves will be £11m lower at the end of the original MTFS period than anticipated.
- 11.4. At the end of March 2016, the General Fund non-earmarked balance was £20m and earmarked reserves stood at around £67m. Given the scale of the 2016/17 overspend and the contribution required to set the 2017/18 budget, the S151 Officer undertook a review of revenue earmarked reserves. This was in order to ensure that: the purposes for which reserves were created remain relevant and align with Council priorities; that reserves are utilised to best effect and that opportunities are identified to release funds to support the budget strategy.
- 11.5. As a result of this review and in consideration of the financial risks the Council faces a number of reserves have been identified as either no longer required for their original purpose or can be reduced using a risk-based approach and are, therefore, available to be released to support the budget strategy and Council priorities. The Section 151 Officer is therefore

proposing to transfer a total of £25.1m of earmarked reserves which would result in General Fund non-earmarked balances of around £15m remaining at the end of 2017/18.

- 11.6. The projected balance is within the 5% of gross expenditure or 3% of net expenditure approved limits.
- 11.7. The transfer and use of reserves to smooth the impact of the current financial uncertainty is not without risk but these will risks will be closely monitored by the S151 Officer during the financial year and she will ensure that balances do not fall below the level required to maintain financial resilience.

12. Consultation

The Council undertook a pre-budget engagement exercise consisting of a series of events and activities during October and November 2016. The summary of these conversations and feedback from residents can be found [here](#).

- 12.1. In December 2016, the Cabinet agreed to begin the necessary statutory consultation on the Medium Term Financial Strategy and proposals set out in that report, running from December 19th 2016 through to January 22nd 2017.

MTFS Consultations Outcomes and Findings

- 12.2. The consultation on proposals set out in the December Cabinet report started on Monday December 19th 2016 and closed Sunday January 22nd 2017.
- 12.3. Detailed information was made available in the following ways:
 - A specific event with our local businesses to receive their comments and feedback
 - dedicated pages on our website
 - An on-line survey available on the Haringey Council and Homes for Haringey websites
 - Three drop-in sessions were held at our Hornsey, Marcus Garvey Wood Green libraries
 - Hard copies of the budget proposals were available at all libraries in the borough Haringey People Online referred to budget proposals each week during the consultation people – this email is sent directly to residents who have signed up to My Account;
 - Daily social media promotion

- Engagement with local media
- Publicised through our partners and volunteer organisations
- A specific consultation meeting held with the Haringey Business Alliance who represent Haringey's business community

12.4. The consultation resulted in 143 responses. For a full breakdown please see Appendix 8.

12.5. Summary of responses:

Q1- Which proposals do you support?	Amount of people supporting proposal
Charging for bulk waste collection	8
Sharing Services	9
Protect and Improve health	4
Helping people stay independent	5
Investment in the borough	7
Street cleaning and recycling	2
School Improvements	5
Cameras to reduce fly tipping	2
Increasing on-line services	6
Increase parking permit charges	4
Reducing cost of senior management	9
Vacating Alexandra house	3
Council tax proposal	5

12.6.

Q2- Are there any specific proposals you think we should not progress and why?	Amount of people opposing specific proposals
Increasing council tax	5
Paying for Green waste	23
Closing down recycling centre	14
Paying for wheelie bins	13
Reduce opening hours in the libraries	73
Parking Charges	6
Paying for bulky waste removal	11
Review of Osborn Grove-Do not want it to close	5
Corporate projects-transfer of functions to HDV	2
Cuts to children's Services	4

- 12.7. A number of people disagreed with the proposals to cut the library hours. Many stated that libraries are important for socialising, educating both the young and the old and also gave residents the opportunity to be able to attend various groups and classes of their choice. They also expressed a need for a safe place for people to come together in the community and highlighted how they benefit from attending their libraries.
- 12.8. The general view, regarding the reduction in library opening times in six branches, was that this could have an impact on different groups of people. The groups mentioned were the elderly, young people, students and groups who meet for coffee mornings including Alzheimer awareness sessions and other health related issues. Many thought that it would have an impact on many groups and young people and adults who work, use the libraries during the evenings.
- 12.9. The charging for the removal of green waste was also opposed as many thought that it would lead to people disposing of it with the household rubbish. They also expressed that fly tipping was an expensive problem and would only increase if charges were imposed on waste removal.
- 12.10. The closure of the recycling centre and paying for lost wheelie bins was also cited as an issue. Some said that they would not have the means to take the rubbish to another recycling centre and this would lead to fly tipping which would cost the council more in the long term.

Q3 Are there any changes or proposals we haven't included that you think we should consider?	Number of people
Employment and payment to consultants-cutting salaries of senior workers	7
Explore if outsourced services would be cheaper to run in-house	3
Save more by cuts on "Healthier Living" the Nov/Dec survey said among the least important.	1
A ring fence to protect libraries	5
Raising the Council Tax payments	3
I would welcome an open debate on Haringey's spending on private sector	1
Increase spend on schools	2
Increase use of speed camera to make roads safer	3
Fund and support food banks-restructure capital spending for homeless(rough sleepers)	2
More thought to integrating health and social care-explore the role of the voluntary sector-how can they work together	4
Increase commercial opportunities in Alexandra park	2

Q4. We have a legal duty to test our proposals to ensure they do not have an unfair impact on different groups of people.	Number of people
The proposal to cut library hours	21
If our environment deteriorates it could affect all groups.	1
All cuts to services inevitably impact most on those on lower incomes	2
No equality in this budget - those with money will be able to replace lost council services.	2
Moving too much on-line - disadvantages many	1
Social care impact will be mostly felt by Afro Caribbean, Turkish and Irish Communities.	1
Loss of recycling facility-Residents west of the borough will be better off	1
Proposals to introduce charges for waste collection will impact on the poor-Clearly an equal proposal	1

13. Overview and Scrutiny

- 13.1. As part of the Council's governance arrangements for scrutiny of the Medium Term Financial Strategy, the Council's Overview and Scrutiny Committee and Panels have scrutinised all of the savings proposals presented to the December 16 Cabinet.
- 13.2. As part of the Council's governance arrangements for scrutiny of the Medium Term Financial Strategy, the Council's Overview and Scrutiny Committee and Panels have scrutinised all of the savings proposals presented to the December 2016 Cabinet. Following consideration by Cabinet, all four Scrutiny Panels met in December to scrutinise the draft budget proposals that fell within their portfolio areas:
- Children and Young People Scrutiny Panel (Priority 1)
 - Adults and Health Scrutiny Panel (Priority 2)

- Environment and Community Safety Scrutiny Panel (Priority 3)
 - Housing and Regeneration Scrutiny Panel (Priority 4 and Priority 5)
- 13.3. In addition, the Overview and Scrutiny Committee met on 17 January to consider proposals relating to Priority X (Enabling).
- 13.4. Cabinet Members, senior officers and finance leads were in attendance at each meeting to present proposals and to respond to questions from members. For some of the proposals, additional information was requested. This was considered by the Overview and Scrutiny Committee on 30 January, along with emerging recommendations from each Panel, ahead of final recommendations being agreed and referred to Cabinet.
- 13.5. The key recommendations from the Overview and Scrutiny Committee are attached at Appendix 7.
- 13.6. The key recommendations are the removal of the following savings proposals:
- Ref 2.3 Fees & Charges – DRE – saving of £129k for 2017/18;
 - Ref 2.3 Fees & Charges – Transport Day Opportunity with a saving of £61k for 2017/18;
 - Ref 3.10 New Parking Operating Model - saving of £920k for 2018/19;
 - Ref 6.6 - Reduce Opening Hours in our six branch libraries to 36 hours per week – saving £150k for 2017/18
- 13.7. Cabinet will consider these recommendations at its 14th February meeting taking into account Officers proposed responses to these recommendations as outlined in Appendix 9.

14. Cabinet Member recommendations

- 14.1. Cabinet should take into account the strength of response to some of the specific proposals to achieve the savings required in 2017/18 and 2018/19. There has been a clear view expressed both through the public consultation and by scrutiny panels and OSC that we should not proceed with the reduction in opening hours of branch libraries. Given the weight of opinion on this issue, the recommendation is that this item (£150,000 saving in 2017/18) is removed from the savings proposals. Equally, there has been a strong view expressed by scrutiny panels and OSC to the proposal to seek a new operating model for the parking service (£920,000 saving in 2018/19) and the recommendation is that we also remove this item from the savings proposals at this stage. Cabinet should review the parking service operating model again at a later date to assess if there is any room for further efficiencies.

- 14.2. Scrutiny panels and OSC have also raised concerns about the impact of proposals to review charges for transport to day opportunities (£61,000 saving). The recommendation is that this saving is retained in the proposals but that we aim to achieve it in 2018/19 rather than 2017/18, giving the service time to review feedback and further assess impact and viability.
- 14.3. These recommendations will increase the budget gap for the first two years, increasing it by £211,000 in 2017/18 and, significantly, by £859,000 in 2018/19. In order to balance the budget, therefore, we must identify new proposals that can be delivered in the next two years that total at least these sums. Cabinet should be aware that this is a challenging task and could require us to re-examine proposals previously regarded as unpalatable.

15. Statutory Officers comments

Comments of the Chief Finance Officer and financial implications:

- 15.1. Under Section 25 of the Local Government Act 2003 the Section 151 Officer is required to include in the Budget Report a statement of her view on the robustness of any estimates for 2017/18 and the MTFS period to 2021/22 and the adequacy of proposed earmarked reserves and balances included in the report.
- 15.2. This budget has been prepared in line with detailed guidance from the S151 Officer. Cabinet has received quarterly budget monitoring reports identifying in-year spending pressures. Furthermore, continuing service and budget pressures have been identified through the development process of the MTFS.
- 15.3. The process of identifying and developing savings has been a continuous one. Additionally, service managers have been required to categorise the degree of risk in respect of proposed savings included in the 2017/18 budget and MTFS.
- 15.4. The revenue implications arising from the 10-year Capital Strategy have been incorporated within the proposed budget and MTFS period.
- 15.5. All of these measures give assurance to the S151 Officer regarding the robustness of all estimates contained within this report based on financial information available at the time.

Comments of the Assistant Director of Governance and legal implications:

- 15.6. The Local Authorities (Standing Orders) (England) (Regulations) 2001 and the Budget and Policy Framework Procedure Rules at Part 4 Section E of the Constitution, set out the process that must be followed when the Council sets its budget. It is for the Cabinet to approve the proposals and submit the

same to the Full Council for adoption in order to set the budget. However the setting of rents and service charges for Council properties is an executive function to be determined by the Cabinet.

- 15.7. Where detailed savings proposals are yet to be developed, the Cabinet will need to ensure that where necessary, consultation is carried out and equalities impact assessments are undertaken and the outcomes of these exercises inform any final decisions.

16. Equality comments

- 16.1. The Council has a public sector equality duty under the Equalities Act (2010) to have due regard to:

- tackle discrimination and victimisation of persons that share the characteristics protected under S4 of the Act. These include the characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race, religion or belief, sex (formerly gender) and sexual orientation;
- advance equality of opportunity between people who share those protected characteristics and people who do not;
- foster good relations between people who share those characteristics and people who do not. With a challenging financial environment and increasing demand for services, it is becoming more difficult to mitigate against negative equality impacts.

- 16.2. With a challenging financial environment and increasing demand for services, it is becoming more difficult to mitigate against negative equality impacts.

- 16.3. Ensuring a fair and equal borough is a priority for the Council and this is reflected in the objectives and performance targets set out in the 2015-18 Corporate Plan. Equality Impact Assessments (EQIAs) were developed and published in February 2015 against each of the five priorities in the Corporate Plan and linked explicitly to budget allocations.

- 16.4. Further EQIA's have been and will be developed as new operating models, service and policy changes have been considered, consulted on and implemented during the first year of our three year Medium Term Financial Strategy, Corporate Plan and Workforce Plan. These are consulted on and published as each decision is taken or change implemented.

- 16.5. EQIAs and equality considerations have been included in Appendix 11 for decisions that are being taken in February. Further EQIAs and equality considerations will be developed and published when required as decisions are brought forward to Cabinet, or if delegated decisions to officers, for their consideration.

17. Use of Appendices

Appendix 1 – General Fund Revenue MTFS 2017/18-2021/22

Appendix 2 – HRA Revenue Budget 2017/18

Appendix 3 – General Fund MTFS Capital Programme 2017/18-2021/22

Appendix 4 – 2017/18 HRA Capital Programme

Appendix 5 – Dedicated Schools Budget 2017/18

Appendix 6 – General Revenue Budget 2017/18

Appendix 7 – Overview and Scrutiny Committee recommendations and proposed response

Appendix 8 – Summary of Consultation Responses

Appendix 9 – Consultation and scrutiny recommendations response

Appendix 10 – MTFS savings proposal summary

Annex 1 – P1 savings

Annex 2 – P2 savings

Annex 3 – P3 savings

Annex 4 – P4 savings

Annex 5 – P5 savings

Appendix 11 – EQIAs Summary

Annex 1 – EQIA Charging for replacement wheeled bins

Annex 2 – EQIA Charging for green waste collection service

Annex 3 – EQIA Charging RSLs for recycling

Annex 4 – EQIA Charging for bulky waste collection service

Annex 5 – EQIA Charging for flats above shops sacks

Appendix 12 – Calculation of 2017/18 Council Tax Base

18. Local Government (Access to Information) Act 1985

- December 13th 2016 Cabinet Report – Medium Term Financial Strategy 2017/2018 -2021/222
- July 18 2016 Full Council - Capital Strategy

For access to the background papers or any further information please contact Jo Moore, Deputy Chief Finance Officer.

HARINGEY COUNCIL MEDIUM TERM FINANCIAL PLAN - APRIL 2017 - MARCH 2022

Appendix 1

	2017/18	Movement	2018/19	Movement	2019/20	Movement	2020/21	Movement	2021/22
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Services									
Priority 1	60,393	- 1,846	58,548	- 199	58,349	- 220	58,129	81	58,210
Priority 2	88,820	519	89,339	2,148	91,487	3,275	94,762	3,656	98,418
Priority 3	28,894	- 4,081	24,813	- 2,150	22,663	- 2,000	20,663	-	20,663
Priority 4	15,373	-	15,373	-	15,373	-	15,373	-	15,373
Priority 5	9,214	- 573	8,642	722	9,364	- 748	8,616	- 308	8,308
Enabling	53,014	- 1,069	51,945	- 1,936	50,009	- 416	49,593	600	50,193
Total Budget	255,708	- 7,049	248,659	- 1,414	247,245	- 109	247,136	4,029	251,165
Funding									
New Homes Bonus	5,712	- 1,512	4,200	28	4,228	671	4,899	-	4,899
Adult Social Care Grant	1,195	-	1,195	-	1,195	-	1,195	-	1,195
Revenue Support Grant	38,590	- 8,387	30,203	- 8,562	21,641	- 1,626	20,015	- 1,658	18,357
Council Tax	93,719	4,729	98,448	2,051	100,499	2,051	102,550	2,051	104,600
Retained Business Rates	22,084	- 1,260	20,824	- 66	20,758	415	21,173	423	21,597
Top up Business Rates	54,232	3,735	57,967	1,853	59,820	1,196	61,016	1,220	62,236
Total Main Funding	215,531	- 2,695	212,836	- 4,696	208,139	2,708	210,847	2,036	212,884
Public Health	20,742	- 539	20,203	- 525	19,677	-	19,677	-	19,677
Other core grants	10,653	2,035	12,687	2,428	15,116	- 735	14,381	514	14,895
Contribution from /to Reserves	8,782	- 5,849	2,933	1,379	4,312	- 2,082	2,230	1,478	3,708
TOTAL FUNDING	255,708	- 7,049	248,659	- 1,414	247,245	- 109	247,136	4,029	251,165

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HRA Budget 2017/18	2016/17 Original Budget £000	Approved Increase / (Decrease) £000	2016/17 Revised Budget £000	Proposed changes £000	2017/18 Draft Budget £000
Income					
Dwelling Rental Income	(82,850)	0	(82,850)	1,012	(81,838)
Non Dwelling Rents	(2,997)	0	(2,997)	0	(2,997)
Hostel Rental Income	(1,847)	0	(1,847)	(490)	(2,337)
Leasehold Service Charge Income	(7,101)	0	(7,101)	(42)	(7,143)
Tenant Service Charge Income	(11,276)	0	(11,276)	304	(10,972)
Miscellaneous Income	(7,154)	0	(7,154)	77	(7,077)
Total Income	(113,225)	0	(113,225)	861	(112,364)
Expenditure					
Non-HfH Estates Costs	7,450	0	7,450	35	7,485
Housing Management Costs & NNDR	6,373	0	6,373	(260)	6,113
Repairs & Maintenance	4,540	0	4,540	(4,540)	0
Bad Debt Provision	1,022	0	1,022	0	1,022
Hostel Expenditure	579	0	579	0	579
Supported Housing	366	(366)	0	0	0
Community Alarm	1,433	0	1,433	0	1,433
Regeneration Team Recharge	805	0	805	5	810
Other Property Costs	2,486	0	2,486	0	2,486
General Fund Recharges	6,605	0	6,605	(1,688)	4,917
Capital Financing Costs	13,215	0	13,215	(815)	12,400
Depreciation Charge	18,000	0	18,000	0	18,000
Management Fee	34,419	1,436	35,855	4,280	40,135
Total Expenditure	97,293	1,070	98,363	(2,983)	95,380
(Surplus) for the year on HRA services	(15,932)	1,070	(14,862)	(2,122)	(16,984)

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General Fund MTFS Capital Budget		Revised 16/17	MTFS 17/18	MTFS 18/19	MTFS 19/20	MTFS 20/21	MTFS 21/22
Ref	Scheme Name	£,000	£,000	£,000	£,000	£,000	£,000
101	Primary Sch - repairs & maintenance	1,000	1,000	1,000	1,000	1,000	1,000
102	Primary Sch - mod & enhance (Inc SEN)	4,786	2,000	2,000	2,000	2,000	2,000
103	Primary Sch - new places	4,715	700	20	20	20	0
104	Early years	53	50	50	50	50	0
109	Youth Services	739	500	500	500	500	0
110	Devolved Sch Capital (Prim & Sec)	532	350	500	0	0	0
111	Secondary Sch - repair & maintenance	859	0	0	0	0	0
114	Secondary Sch - mod & enhance (Inc SEN)	2,295	1,450	2,450	2,450	2,450	0
199	Social care	153	0	0	0	0	0
Priority 1 - Children's		15,132	6,050	6,520	6,020	6,020	3,000
201	Aids, Adap's & Assistive Tech -Home Owners	1,818	1,818	1,818	1,818	1,818	1,818
206	Community Reablement Hubs	300	50	0	0	0	0
207	New Day Opp's Offer	466	0	0	0	0	0
Priority 2 - Adults		2,584	1,868	1,818	1,818	1,818	1,818
301	Street Lighting	1,000	1,000	1,000	1,000	1,000	1,000
302	Borough Roads	3,000	3,000	3,000	3,000	3,000	3,000
303	Structures (Highways)	300	320	350	340	350	340
304	Flood Water Management	570	530	560	590	620	650
305	Borough Parking Plan	305	300	300	300	0	0
307	CCTV	2,100	0	0	0	0	0
309	Local TfL schemes (LIP Funded)	2,617	2,700	2,700	2,700	2,700	2,700
310	Local schemes (Developer S106/S278 Funded)	2,420	1,700	1,800	1,900	2,000	2,100
311	Parks Asset Management:	580	350	350	350	350	350
313	Active Life in Parks:	202	230	230	230	230	230
314	Parkland Walk Bridges	300	300	300	300	0	0
316	Asset Management of Council Buildings	2,555	2,500	2,500	0	0	0
419	Northumberland Highways & Parking	785	540	0	0	0	0
Priority 3 - Safe & Sustainable Places		16,734	13,470	13,090	10,710	10,250	10,370
401	Tottenham Hale Green Space	618	1,400	3,815	6,870	3,200	900
402	Tottenham Hale Streets	357	650	3,570	3,260	3,500	3,265
403	Tottenham Regeneration Fund	197	0	0	0	0	0
406	Opportunity Investment Fund	3,299	0	0	0	0	0
407	Growth on the High Road	1,029	0	0	0	0	0
411	Bruce Grove stn	670	400	200	0	0	0
415	North Tott Heritage Initiative	400	1,095	673	0	0	0
418	Heritage building improvements	15	1,000	500	500	500	0
421	HRW business acquisition	2,000	4,000	6,000	10,000	10,000	20,000
426	Northumberland Park	205	2,735	0	0	0	0
427	White Hart Lane Public Realm (LIP Funded)	2,395	0	0	0	0	0
429	Site Acq (Tott & Wood Green)	16,750	10,000	10,000	10,000	0	0
430	Wards Corner CPO	9,200	8,700	0	0	0	0
434	Wood Green Regeneration	706	300	0	0	0	0
438	Civic Centre	150	450	1,000	1,400	0	0
444	Marsh Lane depot	9,115	6,371	0	0	0	0
445	Hornsey Town Hall	904	23	24	0	0	0
446	Alexandra Palace - Heritage	5,000	1,000	0	0	0	0
447	Alexandra Palace -maintenance	1,923	470	400	400	400	400
450	Winkfield Road depot closure	295	0	0	0	0	0
451	Alexandra Palace -West Yard	2,500	0	0	0	0	0
452	Low Carbon Zones	340	110	0	0	0	0
464	Bruce Castle	174	0	0	0	0	0
465	District Energy Network (DEN)	213	256	0	0	0	0
Priority 4 - Growth & Employment		58,453	38,960	26,182	32,430	17,600	24,565
505	TA Modular Build Programme	1,755	3,500	2,500	2,500	0	0
506	TA Property Acquisitions Scheme	4,121	7,440	8,640	9,860	3,000	0
509	TA CPO - Empty Homes	0	525	525	525	525	525
Priority 5 - Homes & Communities		5,875	11,465	11,665	12,885	3,525	525
601	Business Imp Programme	4,737	0	0	0	0	0
602	Corporate IT Board	2,354	1,000	1,000	0	0	0
603	ICT Shared Service	750	750	1,000	0	0	0
604	Evergreening	1,677	950	950	950	950	950
605	Customer Services	1,573	374	0	0	0	0
606	F2F Phase 1 Libraries (Cus Ser)	3,065	0	0	0	0	0
621	Libraries IT and buildings upgrade	500	2,000	0	0	0	0
439	Ways of Working	616	200	200	0	0	0
699	Programme Contingency	1,636	0	0	0	0	0
Priority 6 - Enabling		16,908	5,274	3,150	950	950	950
TOTAL GF CAPITAL PROGRAMME		115,687	77,087	62,425	64,813	40,163	41,228

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HRA Capital Programme 2017/18	2017/18 £000
Stock Investment Programme	
Internal Works	6,500
External Works	20,280
Health, Safety & Compliance	5,820
Boilers	3,500
Adaptations	1,400
Essential Structural Works	
Professional Fees	2,500
Total Stock Investment	40,000
Estate Regeneration	
High Road West Leaseholders	3,298
High Road West Homeloss and Disturbance	263
Total Estate Regeneration	3,561
Other	
Estate Watch	430
Total Other	430
Total HRA Capital Programme	43,991
Financed by:	
HRA Surplus/HRA Reserve	18,366
Major Repairs Reserve	18,000
Borrowing	7,625
Total Financing	43,991

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Appendix 5

Allocation agreed by Schools Forum

	Proposed Budget 2017-18 (£'000)	Proposed Budget 2017-18 (£'000)
Amount distributed to Primary and Secondary Schools after de-delegation and central education services (former ESG)		190,014
Support for Underperforming Ethnic Minority Group	612	
Contingency for Schools in Financial Difficulty	179	
Trade Union Facilities Time - Primary	117	
Total De-delegation		908
Attendance and Welfare Service	122	
Total central Education Services (formerly funded from ESG)		122
ESG transferred to DSG - Other Statutory and Regulatory Duties	378	
ESG transferred to DSG - Statutory Education Welfare Service	172	
Growth Fund	1,100	
School Standards	484	
LAC Placements	800	
Early Help	350	
Servicing of Schools Forum	10	
Admissions	300	
Governor Support	130	
Music & Performing Arts	168	
Support Costs	192	
CLA & MPA Licences	160	
Total Centrally Retained Elements		4,244
Total budget allocation for Schools Block		195,288
Funding for settings		
3 & 4 Year olds base rates	12,545	
3 & 4Year olds supplements	1,394	
2 Year Olds Programme	2,787	
Early Years Pupil Premium	175	
Supplementary funding for Maintained Nursery Schools (MNS)	628	
Provision for transitional withdrawal of Childcare Subsidy	700	18,229
Centrally Retained budgets		
Early Years Quality Team	441	
EH Commissioning	170	
Overheads	16	
TU Representation	18	
Contingency	400	1,045
Other		
Disability Fund	60	60
Total budget allocation for Early Years Block		19,334
Recoupment for places from EFA	2,156	
High Needs Placement Funding (Maintained)	5,210	
Local Authority Services	6,057	
Independent & Voluntary Special Schools	5,879	
High Needs Top-up Funding	14,327	
SEN Contingency	1,415	
Early Years SEN	810	
Total budget allocation for High Needs Block		35,854
Total Dedicated Schools Budget Allocation 2017/18		250,476
Funded from		Total £'000
Schools Block DSG 2017/18		195,288
EY Block DSG 2017/18		18,446
High Needs Block DSG 2017/18		35,854
Brought forward DSG		888
Total		250,476

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HARINGEY COUNCIL BUDGET PLAN TO MARCH 2018

	2016/17	Unavoidable Growth	Pre-Agreed Savings	Savings Not Achieved	Additional Savings
Expenditure	£'000	£'000	£'000	£'000	£'000
Priority 1	50,682	2,604	- 4,614	5,253	- 3,000
Priority 2	80,420	11,889	- 10,398	12,943	- 7,500
Priority 3	28,226	-	- 3,196	1,364	-
Priority 4	15,601	-	- 325	-	-
Priority 5	3,722	7,133	- 2,645	1,525	-
Enabling	76,975	5,000	- 2,985	1,112	- 8,300
Priority Total	255,626	26,626	- 24,163	22,197	- 18,800
Funding					
Core Grants	33,586				
New Homes Bonus	6,905				
Adult Social Care Grant	-				
Revenue Support Grant	50,988				
Council Tax	87,187				
Retained Business Rates	19,828				
Top Up Business Rates	55,220				
Budget Surplus / (Shortfall)	1,913				
Total Funding Available	255,627	-	-	-	-

Appendix 6

New Investments	Corporate Adjustments	Other Fund Adjustments	Savings Proposals	2017/18
£'000	£'000	£'000	£'000	£'000
878	9,612	2,546	- 2,762	61,199
-	332	3,282	- 2,411	87,893
-	2,617	1,567	- 1,685	28,894
-	904	- 304	- 503	15,373
-	154	- 675	-	9,214
3,505	- 11,335	- 8,039	- 2,798	53,135
4,382	1,621	- 1,623	- 10,159	255,708
		-2191		31,395
		- 1,193		5,712
		1,195		1,195
		- 12,398		38,590
		6,531		93,718
		2,256		22,084
		- 988		54,232
		6,869		8,782
-	-	-	-	255,708

Final Budget Scrutiny Recommendations – January 2017

Cross-Cutting Issues		Recommendation	Member Response
<p>In the context of continuing difficult financial circumstances, and in respect of learning from the experience of the MTFS to date OSC agreed scrutiny should be locked in to the process both of monitoring budget and performance and of evaluating strategy, considering risks and setting out mitigation.</p>		<p>Cabinet should regularly monitor progress on achievement of savings, and report regularly on: budget, including achievement of savings, projections; risk; and mitigation.</p>	<p>Cabinet does regularly monitor progress on achievement of savings, and report regularly on: budget, including achievement of savings, projections; risk; and mitigation.</p>
		<p>Cabinet members and priority leads as appropriate should report in October 2017 to their scrutiny panels on: financial performance, risks and mitigation plans, alongside regular reporting on overall priority performance and quarterly briefings meetings for panel chairs on performance, budget and risk.</p>	<p>Priority Boards will continue to exercise oversight of saving delivery plans and the outcomes from these arrangements will be set out in the regular quarterly budget monitoring reports that are considered by Cabinet and reviewed by the Overview and Scrutiny Committee.</p>
		<p>Cabinet member for finance should then report to OSC on overall progress against budget, risks and mitigation.</p>	<p>Noted. Timing to be agreed.</p>
<p>Children & Young People Scrutiny Panel (Priority 1)</p>			
Ref	MTFS Proposal	Recommendation	Response
1.6	Adoption and Special Guardianship Payments	That a report be submitted to the Panel in due course on the impact of the implementation of the refreshment of the payment policy	Noted. The format, timing and the appropriate level of detail to be agreed.
1.8	New Models of Care	That an update on progress with the development of the new models be submitted to a future meeting of the Panel.	Noted. The format, timing and the appropriate level of detail to be agreed.
1.9	Schools and Learning	That the effects of the loss of Education Services Grant be monitored closely and that further reports be made to the Panel in due course on	Priority Boards will continue to exercise oversight of all saving delivery plans and the outcomes from these arrangements will be set out in the

		progress with the implementation of the proposals.	regular quarterly budget monitoring reports that are considered by Cabinet and reviewed by the Overview and Scrutiny Committee.
N/A	Other Comments	That serious concern be expressed at the lack of detail within the proposals in respect of risk modelling and that a further report on progress in delivering the savings and their impact upon service delivery be submitted to the Panel as soon as these became clear and before the end of 2017.	A further report on progress around delivering the savings will be submitted to the panel before the end of 2017.
Adults & Health Scrutiny Panel (Priority 2)			
Ref	MTFS Proposal	Recommendation	Response
2.3	Fees and charges review – DRE	OSC noted the concern that had been expressed by the Panel regarding the potential impact of the Disability Related Expenditure proposal and the Panel's suggestion that consideration should be given to limiting the impact by reducing the cut and by spreading the reduction out over five year, rather than three. However, in conclusion the Committee recommended that this proposal should not proceed.	<p>Although operating a percentage disregard approach facilitates a quicker process with regards to financial assessments, to further mitigate the reduction, it is planned to increase resources to offer individual assessments to those people who would find this preferable.</p> <p>Where people opt to have an individual assessment, they will be able to provide a detailed breakdown and evidence of their relevant disability related expenditure and to identify any additional areas of expenditure that are a result of their disability, age or health. It is acknowledged that this approach could result in increased requests for detailed individual assessments, hence the need to secure additional personnel as part of this approach. However, as people would have an</p>

			option for a detailed individual assessment we are actively seeking to mitigate any potential adverse effects of the proposal on the vulnerable people we support.
		That, should the proposal be taken forward, a report be made to a future meeting of the Panel on the impact of the proposed DRE changes. This should include monitoring of the Equality Impact Assessment action plan and consideration of how changes are monitored via annual care assessments. Consideration should also be given to commissioning an independent audit to ensure the impact of any change is fully understood.	Noted. The format, timing and the appropriate level of detail will be agreed.
	Fees and charges review – Transport Day Opportunities	OSC noted the Panel’s concern about the timing of the Transport to Day Opportunities proposal, especially in view of the number of changes already taking place across day activities, and the suggestion that consideration be given to moving this proposal back to later in the MTF period. However, in conclusion the Committee recommended that this proposal should not proceed.	Recommendation that this saving is retained in the proposals but that we aim to achieve it in 2018/19 rather than 2017/18, giving the service time to review feedback and further assess impact. The principle of charging for a whole package of care, rather than treating travel costs separately, was supported by the Adults and Health Scrutiny Panel. However, it was agreed that more information was needed on the implications of the Transport to Day Opportunities proposal. This information reflected that there are 466 users of day opportunities, 151 of whom currently attend in-house provision and 315 of whom attend external provision. Of these, 415 are subject to charging.

			<p>A recent desktop review indicated that Haringey pay the full transport costs to and from externally delivered daycare for 32 service users although they are contributing to the cost of the day care they receive. Initial indications are that the impact of adding on the cost of transport to the day care package costs will have a very limited impact on the actual charge to the user as the cost of the overall package will be subject to the standard financial assessment, which is based on the ability to pay and not on an automatic percentage charge of the overall cost. Any increase in charges identified would therefore only be possible within the limits set out in the charging policy. These service users have not been directly affected by the transformation of council delivered day opportunities and have continued to receive services as previously.</p> <p>In addition, there are 139 service users who use transport services to attend council delivered day care. The same issues arise as for externally delivered day opportunities provision. In line with the established principle that all elements of a care package are subject to our charging policy and that this is based on financial assessment and the ability to pay, these costs are being reviewed, taking into account the changes underway within the service but always within the existing charging policy.</p>
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2.6	New Models of Care	That the Cabinet Member for Finance and Health be asked to host a Member Learning and Development session, for all Members during the first half of 2017, on New Models of Care. This should include an update on the Haringey and Islington Health and Wellbeing Boards.	Noted. The format, timing and content of the session to be agreed.
		That an update on progress with the development of New Models of Care be submitted to a future meeting of the Panel during 2017/18.	Noted. The format, timing and the appropriate level of detail to be agreed.
Environment & Community Safety Scrutiny Panel (Priority 3)			
Ref	MTFS Proposal	Recommendation	Response
3.2	Charging for Bulky Household Waste	That concern be expressed at the potential for the proposal to lead to an increase in fly tipping and the achievability of the additional income specified and, in the light of this, the following take place: <ul style="list-style-type: none"> • A communications campaign with emphasis on the current penalty of £400 for fly tipping; • Consideration of an increase in the level of the penalty; and • Quarterly monitoring of the impact, benchmarked from the date of implementation of the proposal and, in addition, a full review after a year. 	Priority Boards will continue to exercise oversight of saving delivery plans and the outcomes from these arrangements will be set out in the regular quarterly budget monitoring reports that are considered by Cabinet and reviewed by the Overview and Scrutiny Committee.
3.3	Charging for Replacement Wheelie Bins	<ol style="list-style-type: none"> 1. That there be discretion to waive the charge if there is evidence of bins being damaged during collection; 2. That bins be made more clearly identifiable as being from Haringey; 3. That the potential for the proposal to impact 	Priority Boards will continue to exercise oversight of saving delivery plans and the outcomes from these arrangements will be set out in the regular quarterly budget monitoring reports that are considered by Cabinet and reviewed by the Overview and Scrutiny Committee. Any

		adversely on income levels be noted; and 4. That the impact on the number of replacement bins requested be monitored.	adjustments to be agreed through this process.
3.5	Flats Above Shops –Provision of bags - Service reduction	That consideration be given to posting out of bags to residents.	Priority Boards will continue to exercise oversight of saving delivery plans and the outcomes from these arrangements will be set out in the regular quarterly budget monitoring reports that are considered by Cabinet and reviewed by the Overview and Scrutiny Committee. Any adjustments to be agreed through this process.
3.7	Closure of Park View Road R&R - Service reduction	That the impact of closure be monitored closely for any impact on the level of fly tipping	Priority Boards will continue to exercise oversight of saving delivery plans and the outcomes from these arrangements will be set out in the regular quarterly budget monitoring reports that are considered by Cabinet and reviewed by the Overview and Scrutiny Committee. Any adjustments to be agreed through this process.
3.8	Veolia Operational Efficiencies	The some capacity be maintained for proactive work by the graffiti service	Priority Boards will continue to exercise oversight of saving delivery plans and the outcomes from these arrangements will be set out in the regular quarterly budget monitoring reports that are considered by Cabinet and reviewed by the Overview and Scrutiny Committee. Any adjustments to be agreed through this process.
3.1 – 3.8	Cumulative effects	That the Panel express its concern at the potential cumulative impact of the range of proposed changes to street cleansing, waste and recycling.	Noted
3.9	Rationalisation of Parking Visitor Permits	1. The age for concessionary rate be reduced from 75 to 65; and 2. That future increases in price be staged	Priority Boards will continue to exercise oversight of saving delivery plans and the outcomes from these arrangements will be set out in the regular quarterly budget monitoring reports that are considered by Cabinet and reviewed by the

			Overview and Scrutiny Committee. Any adjustments to be agreed through this process.
3.10	New Parking Operating Model	Recommended that this proposal should not proceed.	Agreed
		That, should the proposal be taken forward, a full report on the issue be submitted to overview and scrutiny once market testing has taken place and before a decision is taken on procurement by the Cabinet.	N/A
3.11	Relocation of Parking/CCTV processes and appeals	That concern be expressed about the proposal and that a full report on the issue, including an equalities impact assessment, be submitted to overview and scrutiny once market testing has taken place and before a decision is taken on procurement by Cabinet.	Noted. The format, timing and the appropriate level of detail to be agreed.
Housing & Regeneration Scrutiny Panel (Priorities 4 and 5)			
Ref	MTFS Proposal	Recommendation	Response
4.1	Tottenham Regeneration programme budget, savings from General Fund	Recommendation was welcomed, noting a reduction in expenditure on consultancy.	Noted
4.2	Increased planning income	Recommendation was noted, the panel welcomed an increase in income to the Council.	Noted
4.3	Savings from transfer of functions to HDV	Recommendation was noted, and the Panel's broader views on the HDV were set out in its interim report on governance arrangements.	Noted
OSC (Priority X)			
Ref	MTFS Proposal	Recommendation	Response

6.1	Legal Services - Reduction in staffing and other related expenditure	Noted that delivering the saving was contingent on a reduction in demand, and should be amber rather than green.	Agreed
6.2	Audit and Risk Management - reduction in cost on the external audit contract	Noted, with a suggestion that Corporate Committee should be invited to give a view on the audit proposals	Noted. The format, timing and the appropriate level of detail to be agreed.
6.6	Reduce Opening Hours in our six branch libraries to 36 hours per week	Recommend that this proposal not proceed.	Agreed.

MTFS Consultation Report

Overview

This is a feedback report following consultation on the 2017/18 budget and financial strategy up to 2021/22.

Background

During October and November 2016 we conducted a pre-budget engagement exercise where we asked businesses and residents about the things that are most important to them about living in Haringey. This was followed by a consultation on the 2017/18 budget and financial strategy up to 2021/22 which was conducted between Monday December 19th and Sunday January 22nd.

1. Results from the consultation

We received a total of 143 responses and the following results are based on that sample.

Q1. Which proposals do you support?

Which proposals do you support ?	Amount of people supporting proposal
Charging for bulk waste household collection	8
Sharing Services	9
Protect and Improve health	4
Helping people stay independent	5
Investment in the borough	7
Street cleaning and recycling	2
School Improvements	5
Cameras to reduce fly tipping	2
Increasing on-line services	6
Increase parking permit charges	4
Reducing cost of senior management	9
Vacating Alexandra house	3
Council tax proposal	5

Q1. Explanations and reasons for supporting specific budget proposals

- Tottenham & Wood Green Friends of the Earth wish to comment on the Clean and Safe Borough section only. We support the Sustainable Transport CO2 Parking Permit charge and would like it to be increased from the projected £400k
- Promoting more online services, as long as they are fit for purpose and you don't restrict access to the internet i.e. via libraries, for those that need it. You

also need to provide non-online alternatives for the elderly, disabled and vulnerable.

- I support sharing services with other councils and focusing on early help and prevention. Making services more accessible online is sensible, so long as: - all residents are able to access the internet easily and via a decent connection - the user interface is clear, easy to navigate and provides boxes for comments to explain circumstances that are out of the ordinary and cannot be described by ticking a box
- I support charging for bulk collections, £25 is very reasonable to remove 4 bulky items. I agree that free bulk household collection should be stopped.
- Moving council staff to make council offices fully occupied, getting rid of the print room and professional development services, which seem woefully under used. Making the translation service more cost efficient.
- The council should take another approach whereby negotiation takes place to set up citizen cooperatives to cover the short-fall in provision. This to replace the top-down hierarchical system whereby public services are outsourced to large companies
- Reduce cost to senior management-As a member of the NHS- I support any additional funds going to the Adult + Social Health care issues. Reducing central and administrative cost.

Q2. Are there any specific proposals you think we should not progress and why?

Q2-Are there any specific proposals you think we should not progress and why?	Amount of people opposing specific proposals
Increasing council tax	5
Paying for Green waste	23
Closing down recycling centre	14
Paying for wheelie bins	13
Reduce opening hours in the libraries	73
Parking Charges	6
Paying for bulky waste removal	11
Review of Osborn Grove-Do not want it to close	5
Corporate projects-transfer of functions to HDV	2
Cuts to children's Services	4

Q2. Explanations and reasons for not progressing specific proposals

- FORE" Friends of reading and Education in Haringey" We object to the decision to cut such a high proportion of library hours in the branches. They are the one public place in the community where all the priorities on page 5 of the consultation document are served. Since the closure of clubs and support groups for the elderly, disabled and children, the libraries are even more important.
- SAPL "Supporters Alexandra Park Library" We write to oppose the Council's proposal to drastically reduce the opening hours for all its branch libraries,

including Alexandra Park, from 58 to 36 hours a week, which would mean full day and/or half day closures, at an average saving of £25,000 per library.

- SAPL-We would point out that while we are grateful to the Council for currently keeping all libraries open this could be the thin end of the wedge for a very small saving. With cuts forced by this government on local councils, it is important Alexandra Park continues to be and develops as a community resource and continues to provide not just books and other reading materials, but good access to computers (used particularly by the less well off), study areas (used by local schoolchildren) and support to the more vulnerable. Activities at Alexandra Park include a toddler and baby club, play, singing and creative activities for the under 5s, a senior citizens coffee morning, a Parkinson's coffee club and a reading group.
- Green waste collection should not be stopped - not everybody has the time to compost and/ or go to the recycling centre to dispose of the waste. It will encourage more people who have cars to do the latter, adding to CO emission if cuts have to be made here, and then reduce the green collection to fortnightly.
- Charging for bulky waste and green waste disposal is just going to encourage fly-tipping. Also charging for replacement wheelie bins is going to mean people are going to steal their neighbour's wheelie bins rather than pay for a new one.
- We oppose the loss of the recycling centre at Park View Road because not many people will trek over to Western Road so we will see less recycling and more dumping; and so we would like to see a replacement facility even if it is smaller somewhere in Tottenham.
- I strongly oppose the Haringey Development Vehicle. Bitter experience shows that these 'partnerships' hold no benefit for the community and no- long-term saving / investment for the non-private member of the partnership. I do not believe that the consequences have been explained clearly to those most affected. I also believe that losing control of housing stock will lead to the further hollowing out of local communities, as people are priced out of the areas in which they were born and raised.
- Getting rid of buildings e.g. Osborne Grove. To approve the proposals for Osborne Grove, I would need more detail. The subsidy for the meal service should not be reduced. What are these new models of care? The saving cited is not believable. Do not want for Osborne grove to close down; the home is needed for the vulnerable people within the community.

Q3. Are there any changes or proposals we haven't included that you think we should consider?

Are there any changes or proposals we haven't included that you think we should consider?	Number of people
Employment and payment to consultants-cutting salaries of senior workers	7
Explore if outsourced services would be cheaper to run in-house	3
Save more by cuts on "Healthier Living" the Nov/Dec survey said among the least important.	1
A ring fence to protect libraries.	5
Raising the Council Tax payments-	3
I would welcome an open debate on Haringey's spending on private sector.	1
Increase spend on schools	2
Increase use of speed camera-make roads safer	3
Fund and support food banks-restructure capital spending for homeless(rough sleepers)	2
More thought at integrating health and social care-explore the role of the voluntary sector-how can they work together.	4
Increase commercial opportunities in Alexandra park	2
Proposal to not sell council properties	2

Q3. Are there any changes or proposals we haven't included that you think we should include

- Nothing has been proposed to make streets safer for vulnerable road users.
- A ring fence to protect libraries. Increasing spend on schools whilst reducing reading/research/learning opportunities elsewhere makes no sense
- Were some services are outsourced like Veolia the council should explore whether this is cheaper to be done in house as a tri borough. Another example is the stray dog service
- I believe that there should have been far more thought given to the integration of health and social care that is way behind other neighbouring boroughs. It will be interesting to see how this will be managed through the STP process. There is also a need for our voluntary sector and its role to be explored. Once again we do have a thriving voluntary sector as in neighbouring boroughs
- Why can't the Council increase the tax by 5% as allowed and sort out the social care issues? Ways can be found to ensure that the low paid do not carry the tax burden
- Cut worthless publications like Haringey People
- Get rid of expensive consultants, temporary high paid acting positions, wasteful I T so called improvements, rebranding logos. Bring back services in house.

Q4. We have a legal duty to test our proposals to ensure they do not have an unfair impact on different groups of people .	Number of people
The proposal to cut library hours	21

If our environment deteriorates it could affect all groups.	1
All cuts to services inevitably impact most on those on lower incomes	2
No equality in this budget - those with money will be able to replace lost council services.	2
moving too much on-line -disadvantages many	1
Social care impact will be mostly felt by Afro Caribbean, Turkish and Irish Communities.	1
Loss of recycling facility-Residents west of the borough will be better off	1
Proposals to introduce charges for waste collection will impact on the poor-Clearly an equal proposal	1

Q4. We have a legal duty to test our proposals to ensure they do not have an unfair or unequal impact on different groups of people within the community.

- Cuts to library hours will certainly have impact on low income groups, and those without home internet and/or safe places to study.
- Yes there will be an impact on children if you reduce library services, I.e. Alexandra Park Library. My children regularly go there to take books out which they wouldn't otherwise have access to. It has given them a love of reading that will help them be successful people in the future which in turn will benefit the economy and the country
- Reducing library hours will deny people with limited incomes the opportunity to access printed information and access to the internet. Valuable resource for migrants and asylum seekers.
- Loss of recycling facility in Tottenham means services will be unevenly provided with the better-off west of the borough getting better service.
- Libraries take much of the hidden strain in society, and the Library Friends' groups across the borough believe it would be a false economy, as demand for other and more expensive public services will increase as a result.
- Obviously public facilities are most used by disadvantaged citizens; therefore the cuts on public libraries might increase inequalities.

Annex 1-Diversity Information

The Information collected on diversity is used to better understand the profile and characteristics of those living and using the services provided by Haringey council

1. Aged Group

What is your age ?	What is your age
16-24	3
25-44	39
45-64	43
65+	38
Prefer not to say	9

2. Disability

Do you have any of the following conditions?	Disability
No disability	79
Blindness or Partial loss of sight	7
Learning disability	1
Physical disability	5
Mental health	9
Long term illness	9
Developmental disorder	4

3. Country of birth

What is your country of birth?	Country of Birth
United kingdom	76
New Zealand	2
Canada	1
Algeria	1
Jamaica	3
India	1
Nigeria	3
Turkey	1
Germany	1
Scotland	1
Vietnam	2
Belgium	1
U.S.A	1
Hong Kong	1
Bangladesh	1

4. What best describes your ethnicity?

What best describes your ethnic Group?	Ethnicity
English, Welsh, Scottish, N Irish, British	58
Irish	5
Gypsy or Irish Traveller	2
East European	4
White European	3
African	8
Caribbean	9
White & black Caribbean	2
White & Black African	5
White & Asian	3
Indian	3
Pakistani	2
Cypriot	1
Vietnamese	1

5. At birth, were you described as male or female?

At birth were you described as Male or Female	Male or Female
Male	38
Female	77

6. What is your religion?

Religion	What is your religion
No religion	51
Hindu	5
Muslim	3
Buddhist	3
Jewish	4
Christian	41

7. Which of the following best describes how you think of yourself?

Which of the following options describes you	Which of the following options describes how you think of yourself
Other	6
Gay or lesbian	9
Heterosexual or Straight	90
prefer not to say	18
Bisexual	4

8. *Pregnancy and Maternity*

Pregnancy and Maternity	Are You Pregnant ?
Yes	0
No	84
Prefer Not to Say	6

9. Have you had a baby in the last 12 months?

Pregnancy and Maternity	Have you had a baby during the last 12 months ?
Yes	1
No	84
Prefer not to say	5

10. What is your legal marital or civil partnership status?

What is your legal marital or civil partnership status?	Legal Marital/Civil Partnership Status
Never married and never registered a civil partnership	31
Married or in a civil partnership	49
Widowed or surviving partner from a civil partnership	1
Divorced or legally dissolved from a civil partnership	8
Separated but still legally married or in a civil partnership	7

11. What is your main language?

What is your main language ?	Main language
English	107
Greek	1
French	1
Portuguese	1

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Response to issues raised in public consultation, scrutiny panels and OSC

- 1.1 This report outlines the response to issues raised in the Mid Term Financial Strategy consultation and during the budget scrutiny panel process.
- 1.2 The MTFs consultation ran from Monday December 19th through to Sunday January 22nd (see the full report in Appendix 8). In January Priority budget scrutiny panels were held which fed through a number of recommendations.
- 1.3 The information below sets out responses to issues according to each priority area.
- 1.4 **Priority 1 (Children and families)**
- 1.5 Following concerns about the modelling of savings, it has been agreed that a further report on progress around delivering the savings be submitted to the panel before the end of 2017.
- 1.6 **Priority 2 (Adults and Health)**
- 1.7 Concerns were raised in the public consultation on the impact of any changes made to the Osborne Grove nursing home operating model. It is recommended that an option appraisal be carried out on how best to achieve the £672,000 savings target while maintaining nursing home provision. The first strand of this will consider whether an alternative provider would offer better quality and better value for money. The second strand will explore the feasibility of expanding capacity at Osborne Grove. The options for provision include: a continued in-house operating model, outsourcing to a care provider, the creation of a local authority trading company and the establishment of a joint venture between the council and a care provider.
- 1.8 Following concerns rose about changes in charges to Disability Related Expenditure, additional information was provided as part of the EQIA. This highlighted that, although operating a percentage disregard approach facilitates a quicker process with regards to financial assessments, to further mitigate the reduction, it is planned to increase resources to offer individual assessments to those people who would find this preferable.
- 1.9 Where people opt to have an individual assessment, they will be able to provide a detailed breakdown and evidence of their relevant disability related expenditure and to identify any additional areas of expenditure that are a result of their disability, age or health. It is acknowledged that this approach

could result in increased requests for detailed individual assessments, hence the need to secure additional personnel as part of this approach. However as people would have an option for a detailed individual assessment we are actively seeking to mitigate any potential adverse effects of the proposal on the vulnerable people we support.

- 1.10 The principle of charging for a whole package of care, rather than treating travel costs separately, was supported by the Adults and Health Scrutiny Panel. However, it was agreed that more information was needed on the implications of the Transport to Day Opportunities proposal. This information reflected that there are 466 users of day opportunities, 151 of whom currently attend in-house provision and 315 of whom attend external provision. Of these, 415 are subject to charging.
- 1.11 A recent desktop review indicated that Haringey pay the full transport costs to and from externally delivered daycare for 32 service users although they are contributing to the cost of the day care they receive. Initial indications are that the impact of adding on the cost of transport to the day care package costs will have a very limited impact on the actual charge to the user as the cost of the overall package will be subject to the standard financial assessment, which is based on the ability to pay and not on an automatic percentage charge of the overall cost. Any increase in charges identified would therefore only be possible within the limits set out in the charging policy. These service users have not been directly affected by the transformation of council delivered day opportunities and have continued to receive services as previously.
- 1.12 In addition, there are 139 service users who use transport services to attend council delivered day care. The same issues arise as for externally delivered day opportunities provision. In line with the established principle that all elements of a care package are subject to our charging policy and that this is based on financial assessment and the ability to pay, these costs are being reviewed, taking into account the changes underway within the service but always within the existing charging policy.
- 1.13 Priority 3 (Environment and Community Safety)**
- 1.14 Following concerns expressed that the introduction of a bulky waste charge will lead to an increase in flytipping, it is recommended that a publicity campaign be drawn up to provide support for the proposed changes which includes publicity on penalties associated with fly-tipping.
- 1.15 Concerns were raised about the introduction of charges for replacement wheelie bins, to address these it is recommended that there should be discretion on the charge if there is evidence of bins being damaged during

collection. Bins could also be made more clearly identifiable as being from Haringey to help prevent bin thefts from outside of the borough, and could also have labels for door numbers to help prevent theft within the borough.

- 1.16 On proposals for a service reduction in the provision of bags above shops, it is recommended that consideration be given to the posting of recycling bags for which a charge will be incurred. However it is expected that the majority of recycling bags be collected for free from public buildings such as libraries.
- 1.17 Concerns were raised on the closure of Park View Road Reuse and Recycling Centre and the potential that fly tipping would increase in the area. It is therefore recommended that a communications plan be put in place to both identify all the alternative Reuse and Recycling centres in North London and remind users of the significant penalties that would be enforced for those caught fly tipping.
- 1.18 On the Veolia operational savingst, it is recommended that some element of pro-active work be maintained by the graffiti service although this may impact on other areas in order to meet the £200,000 efficiency target. On wider concerns expressed on the cumulative impact on changes to street cleaning, waste and recycling it is recommended that a quarterly review be conducted in the first year to monitor these changes.
- 1.19 As part of the savings to rationalise parking visitor permits, it is recommended that the concessionary rate be reduced from 75 to 65 and that any future increases to the visitor permits charge be staged on a year on year basis rather than on block.
- 1.20 As part of the processes to introduce a new parking operating model and/or to relocate parking/CCTV it is recommended that a report be submitted to Overview and Scrutiny Committee once market testing has taken place and before any award decision is taken by Cabinet..

1.21 Priority X (Customer Service and libraries)

- 1.22 A significant number of people expressed concern during the consultation on proposals to reduce library hours. Those concerns are acknowledged.
- 1.23 The Council is committed to maintaining a network of nine libraries. Haringey currently has some of the longest library opening hours for branch libraries compared to other authorities (as measured and reported by CIPFA).
- 1.24 Haringey's six branch libraries are open six days a week, from 9am-7pm Mondays-Fridays and 9am-5pm on Saturdays. In addition, our three main libraries at Marcus Garvey, Wood Green and Hornsey are also open 12-4pm

on Sundays. The proposal to reduce opening hours excludes our three main libraries.

- 1.25 The proposal would allow the council to keep nine libraries, but to rationalise their opening hours aligned with times of greatest use and need. Any impact on the community and protected groups will be mitigated by maintaining the longer opening hours at the borough's three main libraries which means that all residents will be within two miles of an open library, seven days a week. Those who are housebound will be able to make use of the housebound library service.

Proposed Revenue Savings Proposals - Summary

Ref	Proposal	2017-18 £000's	2018-19 £000's	2019-20 £000's	2020-21 £000's	2021-22 £000's	Total £000's	Current Budget	Current Staff	Responsible Officer	Type of Saving	Delivery Risk RAG
P1 - Childrens												
1.1	Service Redesign & Workforce	300	150	-	-	-	450	10,601	545	Director of Children's Services	Efficiency saving/service redesign	Amber
1.2	Early Help & Targeted Response	62	100				162	12,583	47	AD Early Help & Prevention/Head of Targeted Response and Youth Justice	New delivery model	Amber
1.3	Family Group Conferencing	200	100	-	-	-	300	30	n/a	AD Safeguarding & Social Care/Head of Quality Assurance	New delivery model	Green
1.4	Family Based Placements	100	175	-	-	-	275	12,583	147	AD Safeguarding & Social Care/Head of Children in Care	Efficiency savings	Amber
1.5	Care Leavers - Semi Independent Living	25	75	-	-	-	100	1,699	147	AD Safeguarding & Social Care/Head of Children in Care	Efficiency savings	Amber
1.6	Adoption and Special Guardianship Order payments	150	148	310	-	-	608	2,739	147	AD Safeguarding & Social Care/Head of Children in Care	Efficiency savings	Amber
1.7	Supported Housing	600					600	1,699	n/a	AD Commissioning	New delivery model	Green
1.8	New Models of Care		1,000				1,000	pooled budgets	pooled workforce	Director of Children's Services/AD Commissioning/Director of Public Health	New Delivery Model	Red
1.9	Schools & Learning (Manage loss of Education Services Grant)	1,325					1,325	2,784	166	AD Schools & Learning	Increase in income	Green
	Total	2,762	1,748	310	-	-	4,820					
P2 - Adults												
2.1	Supported Housing Review	475	500	-	-	-	975	20,715	n/a	AD Commissioning	New delivery model	Amber
2.2	Osborne Grove	-	672	-	-	-	672	757	44	AD Commissioning	New delivery model	Red
2.3	Fees and charges review	138	176	84	-	-	398	n/a	n/a	AD Adults Social Care	Increase in income	Amber
2.4	Technology Improvement	750	250	-	-	-	1,000	n/a	37	AD Commissioning	New delivery model	Amber
2.5	Market efficiencies	987	200	-	-	-	1,187	52,766	n/a	Head of Strategic Commissioning	Efficiencies / savings	Amber
2.6	New Models of Care		1,400	-	-	-	1,400	70,080	390	Director of Adults Social Care	New Delivery Model	Amber
	Total	2,350	3,198	84	-	-	5,632					
P3 - Cleaner and Safer												
3.1	Charge Green Waste - income generation	375	375				750	n/a	n/a	Waste Strategy Manager	Increase in income	Amber
3.2	Charging for Bulky Household Waste	300	100				400	n/a	n/a	Waste Strategy Manager	Increase in income	Green
3.3	Charging for Replacement Wheelie Bins	100	50				150	n/a	n/a	Waste Strategy Manager	Increase in income	Green
3.4	Charging for recycling bins and increasing residual bins for RSLs, Managing Agents, Developers etc...	50	50				100	n/a	n/a	Waste Strategy Manager	Increase in income	Green
3.5	Flats Above Shops -Provision of bags - Service reduction	120					120	n/a	n/a	Waste Strategy Manager	Stopping /Reducing service	Green
3.6	Reduce Outreach/ Education team - Service reduction	50	65				115	n/a	n/a	Waste Strategy Manager	Stopping /Reducing service	Green
3.7	Closure of Park View Road R&R - Service reduction	115	115				230	n/a	n/a	Waste Strategy Manager	Stopping /Reducing service	Green
3.8	Veolia Operational Efficiencies	200					200	n/a	n/a	Waste Strategy Manager	Efficiency savings	Green
3.9	Rationalisation of Parking Visitor Permits	125	225				350	n/a	n/a	Head of Traffic Management	Increase in income	Green
3.10	Parking Enforcement - new operating model		920				920	n/a	70	Head of Traffic Management	New delivery model	Amber
3.11	Relocation of Parking/CCTV processes and appeals		380				380	n/a	13	Head of Traffic Management	New delivery model	Amber
3.12	Move to Cashless Parking	150					150	n/a	n/a	Head of Traffic Management	Efficiency savings	Green
3.13	Move to Online Parking Permit Applications & Visitor Permits			50			50	n/a	n/a	Head of Traffic Management	Efficiency savings	Amber
3.14	Parking New IT Platform			100			100	n/a	n/a	Head of Traffic Management	Efficiency savings	Amber
3.15	Increase in CO2 Parking Permit Charge	100	300				400	n/a	n/a	Head of Traffic Management	Increase in income	Green
	Total	1,685	2,580	150	-	-	4,415					

Proposed Revenue Savings Proposals - Summary

Ref	Proposal	2017-18 £000's	2018-19 £000's	2019-20 £000's	2020-21 £000's	2021-22 £000's	Total £000's	Current Budget	Current Staff	Responsible Officer	Type of Saving	Delivery Risk RAG
P4 - Growth & Employment												
4.1	Tottenham Regeneration programme	213					213	2,674	27	Tottenham Programme Manager	Efficiency savings	Green
4.2	Planning service - Increase in planning income	40					40	2,069	83	AD Planning	Increase in income	Green
4.3	Corporate projects - Transfer of functions to HDV	250					250	604	37	AD Corporate Projects	Efficiency savings	Red
	Total	503	-	-	-	-	503					
PX - Enabling												
6.1	Legal Services - Reduction in staffing and other related expenditure			150			150	535	54	AD Corporate Governance	Stopping /Reducing service	Green
6.2	Audit and Risk Management - reduction in cost on the external audit contract	11				20	31	11	14	Head of Audit and Risk Management	Stopping /Reducing service	Green
6.3	Democratic Services - reduction in staffing	40					40	2,482	14	Democratic Services and Scrutiny Manager	Stopping /Reducing service	Green
6.4	Shared Service Centre Business Support - reduction in staffing	300					300	2,300	83	Head of Business Support	New delivery model	Green
6.5	Shared Service Centre - new delivery model for shared services		250	1,500	1,500		3,250	9,025	336	AD Shared Service Centre	New delivery model	Amber
6.6	Reduce Opening Hours in our six branch libraries to 36 hours per week	150					150	3,475	95	AD Customer Services/Head of Libraries and Customer Services	Stopping /Reducing service	Amber
6.7	Shared Service Offer for Customer Services			1,000			1,000	6,473	170	AD Customer Services/Head of Digital Contacts	New delivery model	Amber
6.8	Senior Management Savings	400					400	2,500	50	AD Transformation & Resources	New delivery model	Green
6.9	Alexandra House - Decant		250	750			1,000	n/a	n/a	AD Transformation & Resources	Efficiency savings	Amber
6.10	Translation and Interpreting Service - new contract	41					41	1,364	22	AD Communications	Efficiency savings	Green
6.11	Closure of internal Print Room	-	51				51	1,364	22	AD Communications	Efficiency savings	Green
6.12	Communications - reduction in staffing	53					53	1,364	22	AD Communications	Efficiency savings	Green
6.13	Income generation – Advertising and Sponsorship	15					15	1,364	22	AD Communications	Increase in income	Green
6.14	Professional Development Centre	136					136	157	n/a	AD Corporate Property	Stopping /Reducing service	Green
6.15	Insurance	152					152	2,327	n/a	Risk and Insurance Manager	Efficiency savings	Green
6.16	Voluntary Severance Savings	1,500					1,500	n/a	tbc	AD Transformation & Resources	Efficiency savings	Green
	Total	2,798	551	3,400	1,500	20	8,269					
	Grand Total	10,098	8,077	3,944	1,500	20	23,639					

Corporate Priority 1

Enable every child to have the best start in life, with high quality Education

Ref	Proposal	2017-18 £000's	2018-19 £000's	2019-20 £000's	2020-21 £000's	2021-22 £000's	Total £000's	Current Budget	Current Staff	Delivery Risk RAG
1.1	Service Redesign and Workforce	300	150	-	-	-	450	10,601	545	Amber
1.2	Early Help & Targeted Response	62	100				162	12,583	47	Amber
1.3	Family Group Conferencing	200	100	-	-	-	300	30	n/a	Green
1.4	Family Based Placements	100	175	-	-	-	275	12,583	147	Amber
1.5	Care Leavers - Semi Independent Living	25	75	-	-	-	100	1,699	147	Amber
1.6	Adoption and Special Guardianship Order payments	150	148	310	-	-	608	2,739	147	Amber
1.7	Supported Housing Review	600					600	1,699	n/a	Green
1.8	New Models of Care		1,000				1,000	pooled budgets	pooled workforce	Red
1.9	Schools & Learning (Manage loss of Education Services Grant)	1,325					1,325	2,784	166	Green
	Total	2,762	1,748	310	-	-	4,820			

Children's Services - Service Redesign and Workforce

Priority	1
Current Service Area	Children's Services
Responsible Officer:	Director of Children's Services
Reference:	Children's Services - Service Redesign and Workforce
Type of saving:	Efficiency saving/service redesign
Version:	1.0

Impact on Residents	Outcomes
In relation to the contact service this will impact on parents and carers in need of using the service.	More responsive service which will contribute to a more timely service for this cohort
In relation to the Independent Reviewing Service this will impact on the looked after children cohorts	A greater level of independence from the service should ensure better outcomes for looked after children
In relation to the front door assessment proposal, this should impact on families accessing social care services	Ensuring that only those families in need of social care services are in receipt of them, rather than engaging with families that do not meet the threshold for intervention.

PROPOSAL
<p>Proposal: A number of pieces of work are included within this proposal which together contribute to savings across the workforce. This includes:</p> <p>Contact Service Reconfiguration of the service based around typical contact need (sessional evening & weekend) in order to reduce the cost of contact per hour, alongside the introduction of a rota system which enables a reduction of</p> <p>Independent Reviewing Officers This function is currently provided in-house and could be externally commissioned to yield savings. This would also enable a much greater level of independent challenge, supporting the delivery of better outcomes for our looked after children. This proposal will also enable a greater level of accountability across this function which would be set out within the procurement and contract process.</p> <p>Reduction in Agency Spend Actively reduce the levels of agency by converting posts to permanent staff alongside developing a strong retention strategy to ensure this is a sustainable proposal.</p> <p>Service Redesign It is proposed that we redesign our services, as a consequence of managing demand into social care, which will enable the service to appropriately reduce the workforce to better meet need.</p> <p>This proposal will be delivered by ensuring that only those that require social care services are assessed, based upon the Thresholds of Need partnership document.</p> <p>Those that are provided with support will receive it in a more timely and effective way, through the implementation of new practice tools which strengthen our work with families. This will also enable cases to be progressed</p>

SUMMARY			
	Financial Data £000		Workforce Data
Base Data			
Current budget	10,601	Employees	545
Savings/Invest	£000	Change in employees	
Year 1	300	Year 1	10
Year 2	150	Year 2	30
Year 3	0	Year 3	
Year 4	0	Year 4	
Year 5	0	Year 5	
Total	450	Total	40

Rationale

Contact Service

At present the service delivers contact across the year at £81 per hour. However contact is typically required after school, during the evenings or at weekends and there is an opportunity to reduce the hourly unit cost by reconfiguring the service so that workforce availability is matched to service need

Independent Reviewing Officers

This is a statutory requirement and a number of other local authorities have externally commissioned the service to release workforce savings. Some initial analysis has indicated that a new delivery model could provide a £100k saving.

Reduction in Agency Spend

Although there have been some success in efforts to reduce the number of agency by recruiting permanent staff over 16/17, there is a need to continue this work in order to build a robust and sustainable workforce whilst releasing savings across 17/18.

Service Redesign

By more effectively managing demand, a reduction in the workforce could be delivered which would better meet need. This would mean that by ensuring that only those that require social care services are assessed, practitioners can more effectively focus upon families who need a service. Those that are provided with support will receive it in a more timely way, through the implementation of new practice tools which strengthen and support our work with families. This will also enable cases to be progressed through the system more efficiently.

Key benefits - financial and non-financial

Contact Service

Financial: £80k

Non-Financial: More flexible pool of resources for this function based upon need.

Independent Reviewing Officers

Financial: 100k

Non-Financial: Increased levels of independence and scrutiny as well a more flexible pool of resources

Reduction in Agency Spend

Financial: £120k

Non-Financial: More sustainable and robust workforce

Front Door Assessments

Financial: £150k

Non-Financial: Increase the timeliness of assessments and permanency planning

Internal dependencies and external constraints

- Commissioning and Procurement dependencies related to the IRO service
- Implementation of the Recruitment and Retention Strategy
- Market dependencies: Availability of permanent staff

Procurement strategy:

Yes - this saving includes a reduction of staff

Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
Benefits Estimated (Savings)	300	150	0	0	0
Reduced benefits due to lead-on time (if applicable)					
Additional Cost Estimated	0	0			
Net Impact Cost/(Savings)	300	150			0
Cumulative Cost/(Savings)	300	450	450	450	450
Payback Period: Not applicable					

Early Help & Targeted Response

Priority	1
Current Service Area	Early Help & Targeted Response
Responsible Officer:	AD Early Help & Prevention/Head of Targeted Response and Youth Justice
Reference:	Early Help
Type of saving:	New delivery model
Version:	1.0

PROPOSAL	
Proposal:	<p>Through the implementation and delivery of the Targeted Response offer as part of the Early Help model it is anticipated that escalation in the number of Looked After Children would be prevented and the associated saving delivered. This will be as a consequence of enabling supporting families to remain together where possible.</p> <p>This work would also contribute to the prevention of further escalation of the number of looked after children, by providing the right support at an earlier point.</p> <p>This will include:</p> <ul style="list-style-type: none"> - Direct work with children and parents, - Improving school / home relationships and behaviour management approaches, - Supporting positive parental attitudes & behaviours as well as a range of other services which support assessment and decision making.
Rationale:	<p>We believe that children are best supported in strong and resilient families and want to promote this by offering a range of early help and targeted support services to enable families to do this where possible. This will decrease the demand for social care intervention, specifically for looked after children, whilst providing better outcomes for children and their families.</p>

Benefits:
Financial: £162k
Non-Financial: A reduction in children needing to become looked after.

Procurement strategy:
n/a

Impact on Residents	Outcomes
Fewer Children and Young People in Care	Improve lives of children and young people

SUMMARY				
	Financial Data		Workforce Data	
Base Data	£000			
Current budget	12,583	Employees		47
Savings/Invest	£000	Change in employees		
Year 1	62	Year 1		n/a
Year 2	100	Year 2		n/a
Year 3	0	Year 3		
Year 4	0	Year 4		
Year 5	0	Year 5		
Total	162	Total		0

Internal dependencies and external constraints:
none

Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
Benefits Estimated (Savings)	62	100			
Reduced benefits due to lead-on time (if applicable)					
Additional Cost Estimated					
Net Impact Cost/(Savings)	62	100			
Cumulative Cost/(Savings)	62	162	162	162	162
Payback Period: Not applicable					

Family Group Conferencing

Priority	1
Current Service Area	Looked After Children
Responsible Officer:	AD Safeguarding & Social Care/Head of Quality Assurance
Reference:	Family Group Conferencing
Type of saving:	New delivery model
Version:	1.0

Impact on Residents	Outcomes
Fewer Children and Young People in Care	Improve lives of children and young people

PROPOSAL
<p>Proposal: This proposal relates to increasing the use of Family Group Conferences (FGC), to support those children who have just become looked after by the council or are on the edge of care, so that they can safely be returned home or remain with their families. This will enable better outcomes for families and also reduce the cost of placements.</p>
<p>Rationale: Haringey Council continues to experience high demand for statutory services, including a persistently high number of children and young people becoming Looked After. Whilst decision-making and application of thresholds have both been strengthened over the past 18 months, any further net reductions in Looked After Children (LAC) will require different forms of intervention with families before a child is accommodated. Family Group Conferencing is an internationally recognised evidence-based intervention, which originated in New Zealand, and has shown good results in diverting of children from coming from care and reduction in dependency on specialist services, by increasing family capacity to make decisions and increased resilience.</p>

SUMMARY			
Base Data	Financial Data £000	Workforce Data	
Current budget	30	Employees	n/a
Savings/Invest	£000	Change in employees	
Year 1	200	Year 1	n/a
Year 2	100	Year 2	n/a
Year 3	0	Year 3	
Year 4	0	Year 4	
Year 5	0	Year 5	
Total	300	Total	0

Key benefits:

Phase 1 of this project delivers on the cross-cutting theme of Value for Money, by replacing the commissioned service with a new, tested provider.

Phase 2 is expected to have an immediate, measurable impact on reducing the length of time a proportion of children and young people remain in care who are currently represented in the social care Looked After Children numbers.

Phase 3: is expected to have medium term (2017/18), measurable impact on reducing the length of time a proportion of children and young people remain in care who are currently represented in the social care Looked After Children numbers. It will achieve this through three measurable benefits

- Decrease the number of children coming into care, with a focus on 15-17 age group
- Increase the number of children/young people returned home
- Reduce the number of short term placements (1week – 6months)

Phase 4 is expected to extend the outcomes from Phase 3 with further positive impacts on the number and duration of cases within other parts of the Children's Social Care system, such as subject to Child in Need or Child Protection plans, and Care Leavers. It achieves this through delivering on two key cross-cutting themes from the Corporate Plan:

- Prevention and early intervention – supporting families to solve their problems before they become too entrenched and to reduce their need for statutory services.
- Working together with our communities – the Family Group conferences model supports wider Council efforts to build family and community resilience by giving a child's wider network a central role in co-producing positive outcomes for the child.
- Providing better outcomes for young people within the criminal justice system

Internal dependencies and external constraints:

Dependent on having an appropriate Looked After Children cohort who would benefit from Family Group Conferences

Procurement strategy:

By May 2017 award a block contract for a Family Group Conferences supplier.

Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
Benefits Estimated	330	160	0	0	0
Reduced benefits due to					
Additional Cost Estimated	130	60	0	0	0
Net Impact Cost/(Savings)	200	100	0	0	0
Cumulative Cost/(Savings)	200	300	300	300	300
Payback Period: 1 years					

Family Based Placements

Priority	1
Current Service Area	Looked After Children
Responsible Officer:	AD Safeguarding & Social Care/Head of Children in Care
Reference:	Family Based Placements
Type of saving:	Efficiency savings
Version:	1.0

Impact on Residents	Outcomes
Looked After Children cohort positively impacted via more appropriate care offer	Better permanency outcomes for Looked After Children

PROPOSAL
<p>Proposal:</p> <p>By increasing the range and type of in-house foster carers, alongside strengthening our Independent Fostering Agency arrangements, young people will be enabled to remain more locally, in appropriate family based placements which better meet their needs and achieve improved outcomes.</p> <p>An initial review had indicated that there are a small number of children currently in residential placements where we could deliver care closer to home, which would also be better value for money.</p> <p>This will mean that children and young people are provided with placements that better meet their needs as part of our ambition to deliver high quality care for our Looked After Children.</p> <p>Rationale: Analysis has indicated that by offering more family based placements, savings could be achieved, with a focus on those children who would most benefit from being appropriately stepped down into in-house foster care or Independent Fostering Agency.</p>

SUMMARY					
		Financial Data		Workforce Data	
	Base Data	£000			
	Current budget	12,583	Employees	147	
	Savings/Invest	£000	Change in employees		
	Year 1	100	Year 1	n/a	
	Year 2	175	Year 2	n/a	
	Year 3	0	Year 3		
	Year 4	0	Year 4		
	Year 5	0	Year 5		
	Total	275	Total	0	

<p>Benefits:</p> <p>Financial: £275k Outcome: Will better meet the needs of Looked After Children more locally</p>
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<p>Internal dependencies and external constraints:</p> <p>This saving is dependent on the availability of appropriate foster carers and Independent Fostering Agency. arrangements</p>

<p>Procurement strategy:</p> <p>A commissioning exercise would need to be undertaken with an Independent Fostering Agency.</p>

Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
Benefits Estimated (Savings)	100	175	0	0	0
Reduced benefits due to lead-on time (if applicable)					
Additional Cost Estimated					
Net Impact Cost/(Savings)	100	175	0	0	0
Cumulative Cost/(Savings)	100	275	275	275	275
Payback Period: not applicable					

Care Leavers: Semi-Independent Living

Priority	1
Current Service Area	Care Leavers
Responsible Officer:	AD Safeguarding & Social Care/Head of Children in Care
Reference:	Care Leavers: Semi-Independent Living
Type of saving:	Efficiency savings
Version:	1.0

PROPOSAL

Proposal:

Review the current Semi Independent Living cohort and where appropriate, consider easing the transition to financial independence more efficiently, where care leavers have successfully been supported to live independently. This provision of support would remain in line with statistical neighbours and aligned with the Supporting Housing proposal.

Rationale:

The Leaving Care Service has a function to support the transition of living independently for care leavers. Analysis has suggested that an indepth review would identify cases where payments could be ceased and clarify for future.

Benefits:

Financial: £100k

Procurement strategy:

N/A

Impact on Residents

Reducing dependence; building financial independence; careleavers living as other young people in the community but with support.

Outcomes

Improved independence for care leavers; better tenancy sustainment; higher employment rates for vulnerable young people.

SUMMARY

		Financial Data	Workforce Data	
Base Data		£000		
Current budget		1,699	Employees	147
Savings/Invest		£000	Change in employees	
(up to)	Year 1	25	Year 1	n/a
	Year 2	75	Year 2	n/a
	Year 3	0	Year 3	
	Year 4	0	Year 4	
	Year 5	0	Year 5	
	Total	100	Total	0

Internal dependencies and external constraints:

None

Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
Benefits Estimated	25	75			
Reduced benefits due to					
Additional Cost Estimated					
Net Impact Cost/(Savings)	25	75	0	0	0
Cumulative Cost/(Savings)	25	100	100	100	100

Payback Period: Not applicable

Adoption and Special Guardianship Order Payments

Priority	1
Current Service Area	Permanency
Responsible Officer:	AD Safeguarding & Social Care/Head of Children in Care
Reference:	Adoption and Special Guardianship Order Payments
Type of saving:	Efficiency savings
Version:	1.0

PROPOSAL

Proposal:
The proposal is based upon a review of support provision across adoption and Special Guardianship Orders, with a view to bringing the council in line with comparator boroughs and achieve savings through changes in the policy in three areas:

Payments for Adoptive Parents (£298k)
To refresh the payment policy for adoptive parents in order to reduce the spend in this area by limiting the length of time financial support is provided.

Special Guardianship Order Payments (£250k)
To refresh the payment policy for Special Guardianship Order payments in order to reduce spend in this area by making this by exception rather than a standard practice

Adoption Transport Allowances (£60k)
To review and refresh the adoption transport allowance in order to reduce spend in this area.

Rationale:

Payments for Adoptive Parents
Whilst it is common practice for support to be offered to adoptive parents this should be provided as an outcome of decisions following the financial capacity assessment. It is thought that by refreshing the policy and implementing it from April 2017, it is possible to reduce payments by having a clear process to follow which includes provision of assessed and time limited financial support.

Special Guardianship Order Payments
To refresh the payment policy for Special Guardianship Order payments in order to reduce spend in this area by making bringing payments in line with other local authorities. Initial analysis indicates that savings could be yielded by implementing these changes going forward but it would be highly challenging to do this retrospectively.

Adoption Transport Allowances
There is a need to review the transport payment offer for adoption as there are currently significant transport payments being made. Early analysis indicates that there could be a monthly saving once this expenditure is brought into line.

Benefits:
Financial: £608k

Procurement strategy:
n/a

Impact on Residents	Outcomes
Financial implications for Adopters and guardians	Increased equitability of support

SUMMARY

		Financial Data			Workforce Data
Base Data		£000			
	Current budget	2,739	Employees		147
Savings/Invest		£000	Change in employees		
(up to)	Year 1	150	Year 1	n/a	
	Year 2	148	Year 2	n/a	
	Year 3	310	Year 3	n/a	
	Year 4	0	Year 4	n/a	
	Year 5	0	Year 5	n/a	
	Total	608	Total	0	

Internal dependencies and external constraints:
This saving is based upon implementation of policy changes

Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
Benefits Estimated (Savings)	150	148	310	0	0
Reduced benefits due to lead-on time (if applicable)					
Additional Cost Estimated					
Net Impact Cost/(Savings)	150	148	310	0	0
Cumulative Cost/(Savings)	150	298	608	608	608
Payback Period: Not applicable					

Supported Housing Review

Priority	1
Current Service Area	Supported Housing Review
Responsible Officer:	AD Commissioning
Reference:	Supported Housing Review
Type of saving:	New delivery model
Version:	1.0

Impact on Residents	Outcomes
Greater choice	Improved tenancy sustainment for vulnerable young people.
Maximising independence	Strengthened independent living skills for vulnerable young people.
Reduced admin	Simpler access to streamlined pathway of responsive support for young people.

PROPOSAL
<p>Proposal</p> <p>To bring together the resources of housing-related support (HRS) and the Children's and Young People's service for homeless young people & care leavers. This will create a coherent pathway of services for these groups, focused on addressing risk and vulnerability, tenancy preparation & breaking the cycle of homelessness. The saving will be possible through the recommissioning of services in 2017, yielding a saving in 2018/19.</p>
<p>Rationale</p> <p>Through a review of supported housing, it has become clear that resources are not currently being optimised. The current service provision and existing pathway is due to be recommissioned in 2017 and there are opportunities to streamline our approach across the Council.</p> <p>There are currently 55 units in the Housing Related Support pathway and an additional 94 semi-independent placements commissioned separately by Council at an annual total cost of around £1.6m.</p> <p>A remodelled pathway with 150 units of varied levels and types of supported housing, with provision for vulnerable and high risk groups, is estimated to have an annual value of £1m.</p>

SUMMARY			
Base Data	Financial Data	Employees	Workforce Data
	£000		
Current budget	1,699		n/a
Savings/Invest	£000	Change in employees	
Year 1	600	Year 1	n/a
Year 2		Year 2	
Year 3		Year 3	
Year 4		Year 4	
Year 5		Year 5	
Total	600	Total	0

Key benefits:**Financial:**

Modelling assumptions project approximately £600k savings would be made by commissioning an integrated pathway. There will still be provision for those young people who need to be placed outside the pathway for reasons of safety, vulnerability or accessibility.

Non-financial:

maximising opportunities for tenancy preparation to reduce eviction and abandonment of social lettings in future, break the cycle of future homelessness, addressing challenging behaviour, gang affiliation and Violence Against Women and Girls, an integrated pathway has an opportunity to target specialist support to those who need and create environments that are both nurturing and empowering for young people. Adopting a pathway planning needs assessment and support planning process would reduce administration for professionals and young people by adopting one key document for measuring progress and achievements of goals rather than two, giving more time for face to face work between young people and professionals.

Internal dependencies and external constraints

To achieve an integrated pathway, the Housing Related Services Commissioning team would need to be restructured into the social care commissioning team as quickly as possible to ensure expertise & experience on both sides was well utilised.

Buildings would be required as part of the tender process for the pathway - it is expected that these would be offered by providers as part of the tender process for the most part.

Procurement strategy:

Current contracts expire in 2017, a contract extension would need to be issued to ensure continued availability whilst a new model is defined and commissioning arrangements made. It is expected that the new Pathway would be in place in full by April 2018.

Delivery model will take a pathway style, adapted from the one in place in Camden but building on learning from that model to reduce administration and bureaucracy.

Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
Benefits Estimated (Savings)	600				
Reduced benefits due to lead-on time (if applicable)					
Additional Cost Estimated					
Net Impact Cost/(Savings)	600	0	0	0	0
Cumulative Cost/(Savings)	600	600	600	600	600
Payback Period: n/a					

New Models of Care

Priority	1
Current Service Area	Children's Social Care and Health
Responsible Officer:	Director of Children's Services/AD Commissioning/Director of Public Health
Reference:	New Models of Care
Type of saving:	New Delivery Model
Version:	1.0

PROPOSAL
<p>Proposal: There are potentially further savings achievable across Priority 1 through partnerships and joint working including: integration with Haringey CCG, development of an Accountable Care Partnership with Islington Council and both Haringey and Islington CCGs, transformation across North Central London cluster, and shared services with other authorities.</p> <p>These savings have not yet been quantified but we anticipate joint working will add at least £1m by 18/19 to the achievement of savings targets for P1.</p>
<p>Rationale: In the context of the MTFS, it is important that services explore opportunities to work together to improve service offer through integration and Value for Money.</p>

<p>Benefits: Financial: £1m</p>
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<p>Procurement strategy: N/A</p>

Impact on Residents	Outcomes
More efficient pathways for accessing care	More efficient pathways for accessing care

SUMMARY				
Base Data		Financial Data	Workforce Data	
		£000		
Current budget		pooled budgets	Employees	pooled workforce
Savings/Invest		£000	Change in employees	
(up to)				
	Year 1	0	Year 1	
	Year 2	1,000	Year 2	tbc
	Year 3	0	Year 3	
	Year 4	0	Year 4	
	Year 5	0	Year 5	
	Total	1,000	Total	0

<p>Internal dependencies and external constraints:</p>

Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
Benefits Estimated (Savings)		1000			
Reduced benefits due to lead-on time (if applicable)					
Additional Cost Estimated					
Net Impact Cost/(Savings)	0	1000			
Cumulative Cost/(Savings)	0	1000	1000	1000	1000
Payback Period: n/a					

Schools & Learning (manage loss of Education Services Grant)

Priority	1
Current Service Area	Schools and Learning
Responsible Officer:	AD Schools & Learning
Reference:	Schools & Learning (manage loss of Education Services Grant)
Type of saving:	Increase in income
Version:	1.0

PROPOSAL
<p>Proposal: The Education Services Grant (ESG) of £2.784m is ceasing. This proposal sets out the four expenditure budgets amounting to £1.325m within the Priority 1 General Fund that can feasibly be reduced, either by funding expenditure from the Dedicated Schools Grant, increasing trading or discontinuing the service.</p>
<p>Rationale: The ESG is a non-specific grant but is deemed to underpin three operational budgets in Schools and Learning and a range of corporate overheads covering statutory and regulatory duties. Some of the ESG, £550k, will transfer into the Dedicated Schools Grant (DSG) and can be used to fund the Council's continuing statutory duties; in addition changes to the Schools and Early Years Finance Regulations will allow School Forums to de-delegate DSG from maintained. There are also national changes in early years DSG funding that will limit budgets that can be retained centrally. The proposed transfer to the DSG and consequent savings to the General Fund are summarised below.</p> <ol style="list-style-type: none"> The increase of £550k in the DSG to be retained as a contribution to the cost of statutory and regulatory services. Early Years (£274k) - will be considered as part of the reprioritisation and redesign of centrally retained early years services. Forum's permission will be sought to de-delegate a budget for new redundancy costs in maintained schools (£178k). Permission will also be sought to de-delegate a budget for the Education Welfare Service (£324k). <p>The only possible additional measures should de-delegation from Schools Forum be insufficient or unsuccessful are increased trading or ceasing activities. There is very limited scope for increased trading in Early Years in particular.</p>

Benefits:

Procurement strategy: n/a

Impact on Residents	Outcomes
None	

SUMMARY				
		Financial Data	Workforce Data	
Base Data		£000		
Current budget		2,784	Employees	166
Savings/Invest		£000	Change in employees	
(up to)				
	Year 1	1,325	Year 1	tbc
	Year 2	0	Year 2	
	Year 3	0	Year 3	
	Year 4	0	Year 4	
	Year 5	0	Year 5	
	Total	1,325	Total	0

Internal dependencies and external constraints: Dependent on Schools Forum making a decision on a preferred model

Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
Benefits Estimated (Savings)	1325				
Reduced benefits due to lead-on time (if applicable)					
Additional Cost Estimated					
Net Impact Cost/(Savings)	1325				
Cumulative Cost/(Savings)	1325	1325	1325	1325	1325
Payback Period: n/a					

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Corporate Priority 2

Empower all adults to live healthy, long and fulfilling lives

Ref	Proposal	2017-18 £000's	2018-19 £000's	2019-20 £000's	2020-21 £000's	2021-22 £000's	Total £000's	Current Budget	Current Staff	Delivery Risk RAG
2.1	Supported Housing Review	475	500	-	-	-	975	20,715	n/a	Amber
2.2	Osborne Grove	-	672	-	-	-	672	757	44	Red
2.3	Fees and charges review	199	115	84	-	-	398	n/a	n/a	Amber
2.4	Technology Improvement	750	250	-	-	-	1,000	n/a	37	Amber
2.5	Market efficiencies	987	200	-	-	-	1,187	52,766	n/a	Amber
2.6	New Models of Care		1,400	-	-	-	1,400	70,080	390	Amber
	Total	2,411	3,137	84	-	-	5,632			

Supported Housing Review

Priority	2 & 5
Current Service Area	Supported Housing Commissioning
Responsible Officer:	AD Commissioning
Reference:	Supported Housing Review
Type of saving:	New Delivery Model
Version:	1.0

Impact on Residents	Outcomes
Maximising independence	Better use of Council resources
Greater choice for service users	Support responsive to user needs

PROPOSAL
<p>Proposal: Supported Housing stock in the borough is not currently used for users with moderate needs in a way which moves people through levels of support and maximises their independence. The proposal is to move users with moderate needs, where appropriate, into independent tenancies with support and to free up to 29 supported housing units for people with high level care needs who might otherwise require residential care.</p>
<p>Rationale: As part of the Supported Housing review project it has become clear that supported housing resources are not being maximised. There are currently 58 units of housing-related support accommodation for people with learning disabilities. It is estimated that about 50% of the people living in this supported housing type have lower support needs and minimal, if any, social services involvement.</p> <p>If those who are able to manage living more independently were supported into their own tenancies via a proposed Keyring scheme (independent tenancies in a cluster with a community support worker), 29 suitable properties would become available for people moving on from residential care. The remaining 29 properties are recommended to remain as a preventative supported housing service for people with mild to moderate learning disabilities who are unable to live independently or with parents/carers.</p>

SUMMARY			
	Financial Data		Workforce Data
Base Data	£000		
Current budget	20,715	Employees	n/a
Savings/Invest	£000	Change in employees	
Year 1	£475	Year 1	n/a
Year 2	£500	Year 2	n/a
Year 3	£0	Year 3	
Year 4	£0	Year 4	
Year 5	£0	Year 5	
Total	975	Total	0

Key benefits - financial and non-financial**Financial:**

If existing Housing Related Support units were available for supported living accommodation for people moving out of residential care, an estimated annual saving of £34k per person could be made based on average weekly unit costs and the assumption that a rationalised Housing Related Support contribution of £150 pppw would continue in all units (Housing Related Support contribution of £7,800 per annum has not been added to the estimated annual saving although it would save a further £225k against current ASC spend over the 2 years if considered separately).

A phased transition process, re-purposing 29 units and transitioning 29 people over two years would create savings in Year One of £475k and in Year Two of £500k.

Non-financial:

Maximising independence and autonomy for adults with learning disabilities who are living either in residential care or other types of supported housing. This would rebalance preventative supported housing for this client group with the understanding of the need to support people in settings with the most appropriate level of support, enabling them to transition from residential care and higher levels of support where possible.

Procurement strategy

No procurement strategy is needed, contracts exist between providers and the council already for accommodation based services for people with learning disabilities. There is a question of how the commissioning of services will change moving forward once budgets are fully integrated.

A strategy will be required for moving on those people currently in supported housing units who are able to move into more independent living through the Keyring scheme.

Internal dependencies and external constraints**Dependencies:**

The proposal would require sufficient lead-in time to support those in current Housing Related Support provision to move into more independent tenancies. The council needs to make a decision about offering some of those affected social lettings to speed up the process and also to ensure that moving those affected does not result in tenancy failures and additional costs.

It may be necessary to make changes to rooms to accommodate particular needs, this may incur additional capital costs but the amount is unclear until individuals are identified.

Additionally, the Housing Related Support Commissioning Team will need to be restructured as part of the change in commissioning and Budgetary responsibility. This process could run concurrently.

Constraints:

It is possible that Housing Related Support providers will not consent to this proposal. However, initial conversations with two of four providers have been positive and 3 of the 4 providers are already adult social care providers, so are equipped and engaged in the supported living market.

Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
Benefits Estimated (Savings)	475	500	0	0	0
Reduced benefits due to lead-on time (if applicable)	0	0			
Additional Cost Estimated	0	0			
Net Impact Cost/(Savings)	475	500	0	0	0
Cumulative Cost/(Savings)	475	975	975	975	975
Payback Period: N/A					

Osborne Grove

Priority	2
Current Service Area	Prevention Services - Residential Nursing Home
Responsible Officer:	AD Commissioning
Reference:	Osborne Grove
Type of saving:	New delivery model
Version:	1.0

PROPOSAL
<p>Proposal: Currently the weekly cost per bed at Osborne Grove is £1,214 which is higher than the average market rate of nursing care at £824/week. There is significant demand for nursing care and limited capacity in Haringey and locally. This has prompted consideration of whether the Osborne Grove site could deliver extra capacity. The site overall has been assessed as underused and offering potential for expansion either to create more nursing beds or extra care sheltered units, both of which are needed locally.</p> <p>Given the good location and condition of the site, an opportunity lies in making better use of both of the day centre and car park, for example through: leasing out the space to an independent provider; converting the space into supported living accommodation; building additional nursing care, extra care or supported living accommodation across the site.</p> <p>An options appraisal is underway to maximise the number of units which can be offered from the site, to reduce unit costs and to maintain care in a sustainable way. In each of the options, the current nursing care capacity of 32 beds would be maintained. Any additional capacity created would either be of nursing beds or extra care sheltered housing units, which could include shared or outright ownership models. Options range from procuring an alternative provider to develop out the site and/or to provide care to maintaining the current model and capacity.</p>
<p>Rationale: Modelling suggests that:</p> <ol style="list-style-type: none"> Cashable savings are derived from the difference between the current cost of the service (£1,214/person per week) to fixing this cost to the market rate (£824 is assumed) with additional savings potential from 19/20 if rent is charged; The potential income that could be generated from each of these strategies ranges from £30K -£100K / annum. <p>There are a variety of potential options to be explored within this broad proposal and an options appraisal is underway. The range of savings associated with different options are £0 to £672k.</p>

Impact on Residents	Outcomes
Continuity of provision	Best use of Council's assets to support scarce nursing provision in the borough
Local provision	Residents better able to remain connected with their local communities; families closer to provision

SUMMARY			
	Financial Data		Workforce Data
Base Data	£000		
Current budget	757	Employees	44
Savings/Invest	£000	Change in employees	
Year 1	0	Year 1	n/a
Year 2	672	Year 2	
Year 3	0	Year 3	
Year 4	0	Year 4	
Year 5	0	Year 5	
Total	672	Total	0

Key benefits - financial and non-financial

Local Provision.
 Continuity for residents.
 Market prices for in-house provision.
 Making best use of Council assets.

Internal dependencies and external constraints

Depending on options analysis, may require consultation and member decision.

Procurement strategy:

This will depend on the outcome of the options appraisal.

Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
Benefits Estimated (Savings)		672	0	0	0
Reduced benefits due to lead-on time (if applicable)					
Additional Cost Estimated					
Net Impact Cost/(Savings)	0	672	0	0	0
Cumulative Cost/(Savings)	0	672	672	672	672
Payback Period: n/a					

Fees and Charges Review

Priority	2
Current Service Area	Packages of Care and Direct Provision
Responsible Officer:	AD Adults Social Care
Reference:	Fees and Charges Review
Type of saving:	Increase in income
Version:	1.0

Impact on Residents	Outcomes
Higher charges for some clients	Maximising funding available for adult social care services

PROPOSAL
<p>Proposal: To amend fees and charges to bring them into line with other London boroughs and to enable cost recovery where possible and appropriate.</p>
<p>Rationale: Savings opportunities are: -Disability Related Expenditure (£328k), Haringey currently operates a 65% (£35.82) disregard and this policy has stayed the same since 2004. Other authorities have reduced the DRE and the range is from a flat rate of £10.00 to a rate of 35% (£19.00). Haringey is proposing to operate a DRE of £40%, (£22.04) by 2019/20 (ie 55% (£30.31 per week) saving an estimated £129k in 2017/18, 45% (£24.80 per week) saving an estimated £244k in 2018/19. -Transport to day opportunities (£61k) charging users, who have been assessed as having the ability to pay, for the full cost of transport as part of the charge for the overall package of care. -Self-funders administration fee (£9k). We currently manage care provision for 64 full-cost service users (those deemed to have enough disposable income to full pay for their own care) and do not charge. The proposal is to implement an administration fee.</p>

SUMMARY			
Base Data	Financial Data £000	Employees	Workforce Data
Current budget	n/a		n/a
Savings/Invest	£000	Change in employees	
Year 1	199	Year 1	n/a
Year 2	115	Year 2	n/a
Year 3	84	Year 3	n/a
Year 4	0	Year 4	
Year 5	0	Year 5	
Total	398	Total	0

Key benefits:
Financial Savings

Internal dependencies and external constraints:
May need consultation

Procurement strategy:
None

Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
Benefits Estimated (Savings)	£199	£115	£84	£0	£0
Reduced benefits due to lead-on time (if applicable)					
Additional Cost Estimated					
Net Impact Cost/(Savings)	£199	£115	£84	£0	£0
Cumulative Cost/(Savings)	£199	£314	£398	£398	£398
Payback Period: n/a					

Technology Improvement

Priority	2
Current Service Area	Adult Social Care / Commissioning
Responsible Officer:	AD Commissioning
Reference:	Technology Improvement
Type of saving:	New delivery model
Version:	1.0

Impact on Residents	Outcomes
Maximising independence	New service model to reduce costs and provide better care
Greater access to support in the community	Signposting residents to most appropriate sources of care

PROPOSAL - STRATEGIC CASE	
Proposal:	Using technology to maximise independence, including a particular focus on utilising Assistive Technology (AT) and online information to signpost and enable residents to self-assess.
Rationale:	<p><u>1. Assistive Technology (AT)</u> Advances in AT can be used to improve the individual's quality of life, at the same time reducing the costs to Haringey. Areas being considered are:</p> <ol style="list-style-type: none"> 1) AT that can assist in helping someone with dementia living at home for longer than they currently are - this reduces reliance on residential care. 2) Reduction in home care hours where assessments indicate that AT can be beneficial for the service user, including reduction in double up care. 3) Exploration of using AT to replace sleep in or waking night staff in Supported Living accommodation <p><u>2. Online information and self-assessment</u> Developing a more accessible and comprehensive online information and advice offer will help to signpost to support in the community and reduce the number of contacts coming through to adult social care. An easy to use self-assessment tool will ensure that users are signposted to community support where appropriate, and unnecessary assessments are reduced. Cost-benefit analysis of this approach in other LAs shows significant savings can be made.</p>

SUMMARY			
	Financial Data		Workforce Data
Base Data	£000		
Current budget	n/a	Employees	37
Savings/Invest	£000	Change in employees	
Year 1	750	Year 1	n/a
Year 2	250	Year 2	n/a
Year 3	0	Year 3	
Year 4	0	Year 4	
Year 5	0	Year 5	
Total	1,000	Total	0

BENEFITS CASE

Key benefits:

Financial - Work elsewhere has indicated that AT can create savings for the authority, both around costs for existing service users and also those that are new to the service. The anticipated annual savings are calculated at being £800k in respect of older persons, and £200k in respect of working age adults. Cost-benefit analysis in Plymouth against online information and self-assessment has shown savings from reduced contacts. A robust business case specific to Haringey is being developed.

Non-Financial - The use of AT and online information and assessment promotes independence and improves quality of life. These activities enable residents to find support in the community and to remain in their home, deferring moves into Residential Care or receiving other packages of support when they are not necessary.

Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
Benefits Estimated (Savings)	750	250	0	0	0
Reduced benefits due to lead-on time (if applicable)					
Additional Cost Estimated					
Net Impact Cost/(Savings)	£750	£250	£0	£0	£0
Cumulative Cost/(Savings)	£750	£1,000	£1,000	£1,000	£1,000

Payback Period: N/A

Market Efficiencies

Priority	2
Current Service Area	Adult Social Care / Commissioning
Responsible Officer:	Head of Strategic Commissioning
Reference:	Market Efficiencies
Type of saving:	Efficiencies / savings
Version:	1.0

Impact on Residents	Outcomes
Reduced subsidy for meals on wheels	Best use of resources
Commissioning for outcomes so that care and support can be more flexible and responsive	Increased independence even in high need settings and Care will be responsive to changing levels of need

PROPOSAL - STRATEGIC CASE
<p>Proposal: Through 5 different approaches, reduce costs incurred in commissioning packages of care for clients.</p>
<p>Rationale: Reduce the cost of care packages through:</p> <ol style="list-style-type: none"> 1. Implementing a new approach to residential and nursing procurement to reduce costs working with boroughs across North Central London. 2. Gaining leverage on providers in Learning Disabilities and Mental Health to negotiate price reductions in existing packages with an increased focus on maximising independence. 3. Developing new care and delivery models for people with the most complex needs and behaviour that challenges. 4. Changing the terms of the residential placement agreement to reduce the amount Haringey will pay when service users are hospitalised in line with comparator boroughs; a one off debt recovery from care homes against hospitalisation of service users. 5. Ending the subsidy for meals on wheels. There are a range of options available for people needing support to access a hot meal during the day. Going forward the role of the Council will be to help the individual to decide which meals option they want to take up and this will be explored as part of the assessment and support planning process. Users will be able to access culturally specific meals, with a range available as part of the options being explored both for delivery and in the community. We are seeking to ensure consistency of costs but some currently appear more expensive. This will need to be considered as part of the EqIA. Where a luncheon club is an assessed need and the user is eligible for adult social care transport will be arranged.

SUMMARY			
	Financial Data		Workforce Data
Base Data	£000		
Current budget	52,766	Employees	n/a
Savings/Invest	£000	Change in employees	
Year 1	987	Year 1	n/a
Year 2	200	Year 2	
Year 3	0	Year 3	
Year 4	0	Year 4	
Year 5	0	Year 5	
Total	1,187	Total	0

BENEFITS CASE

Key Benefits:

1. Managing residential and nursing costs down across the North Central London cluster through a shared approach to purchasing, price banding and use of dynamic purchasing system. Reduction of costs from current position to costs in line with comparators yields £515k cost savings per annum.
2. It is estimated that c£500k of recurring savings can be negotiated. This estimate is based on the level of spend, the higher than average unit costs and the levels achieved in other areas. This is likely to be realised with half the savings achieved in 17/18 and the remainder achieved in 18/19.
3. Introduction of commissioning using both Positive Behaviour Support and Progression models: both offer very intensive support in first 12 weeks of transition into a supported living setting with a focus on outcomes which can be delivered with lower levels of care.
4. Haringey Council currently uses a residential placement agreement that specifies the Council will pay for 100% of service user fees for two weeks after hospitalisation, 90% of fees for the subsequent six weeks and 50% thereafter. These terms are more generous than other councils. It is recommended that this clause is changed to 100% for the first two weeks, 90% for the subsequent two weeks and then 50% thereafter. This will yield £50k per annum. It is also estimated there a one-off debt recovery of £50k (achieved in 17/18) where care homes have failed to notify Haringey of hospitalisation beyond two weeks.
5. An annual £122k could be realised through ending the subsidy for meals on wheels.

Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
Benefits Estimated (Savings)	£987	£200	£0	£0	£0
Reduced benefits due to lead-on time (if applicable)					
Additional Cost Estimated					
Net Impact Cost/(Savings)	£987	£200	£0	£0	£0
Cumulative Cost/(Savings)	£987	£1,187	£1,187	£1,187	£1,187

Payback Period: N/A

New Models of Care

Priority	2
Current Service Area	Adult Social Care / Commissioning
Responsible Officer:	Director of Adults Social Care
Reference:	New Models of Care
Type of saving:	New delivery model
Version:	1.0

Impact on Residents	Outcomes
Greater emphasis on prevention of needs escalating	Synergies from joining up services
Greater independence for service users	Better use of resources within a clear operating model

PROPOSAL - STRATEGIC CASE
<p>Proposal: There are potentially substantial savings achievable across Priority 2 from moving to an integrated model of delivery. The largest element of this will be savings made through integration with (i) Haringey CCG, (ii) Wellbeing Partnership with Islington Council and CCG and (iii) additional savings across North Central London cluster.</p> <p>There are additional potential savings as a result of proposals to redesign adult social care through (i) further reductions in new packages of care through a more preventative approach linked into primary care and community services (ii) further staff reductions as part of the service redesign, including through more integrated ways of working. This would include at services provided currently through Adults Social Care, Public Health and the Clinical Commissioning Group.</p>
<p>Rationale: These proposals are at an early stage of development. Nonetheless, other authorities in London have been developing collaborative partnerships with neighbours or with health partners and these have indicated scope for doing things better together and saving money through having more resource overall to use flexibly and innovatively. The savings proposed for Haringey draw from those achieved in models elsewhere.</p>

SUMMARY			
Base Data	Financial Data £000	Employees	Workforce Data
Current budget	70,080		390
Savings/Invest	£000	Change in employees	
Year 1	0	Year 1	
Year 2	1,400	Year 2	15-20
Year 3	0	Year 3	
Year 4	0	Year 4	
Year 5	0	Year 5	
Total	<u>1,400</u>	Total	<u>15 - 20</u>

Key Benefits:
 Collaborative working.
 Opportunity to redesign services.
 Minimise costs on transactions between organisations.
 Efficiencies and synergies.

Internal dependencies and external constraints
 None

Procurement strategy
 n/a

Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
Benefits Estimated (Savings)		£1,400			
Reduced benefits due to lead-on time (if applicable)					
Additional Cost Estimated					
Net Impact Cost/(Savings)	£0	£1,400	£0	£0	£0
Cumulative Cost/(Savings)	£0	£1,400	£1,400	£1,400	£1,400
Payback Period: N/A					

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Corporate Priority 3

A clean and safe borough where people are proud to live

Ref	Proposal	2017-18 £000's	2018-19 £000's	2019-20 £000's	2020-21 £000's	2021-22 £000's	Total £000's	Current Budget	Current Staff	Delivery Risk RAG
3.1	Charge Green waste - income generation	375	375				750	N/A	N/A	Amber
3.2	Charging for Bulky Household Waste	300	100				400	N/A	N/A	Green
3.3	Charging for Replacement Wheelie Bins	100	50				150	N/A	N/A	Green
3.4	Charging for recycling bins and increasing residual bins for RSLs, Managing Agents, Developers etc...	50	50				100	N/A	N/A	Green
3.5	Flats Above Shops -Provision of bags - Service reduction	120					120	N/A	N/A	Green
3.6	Reduce Outreach/ Education team - Service reduction	50	65				115	N/A	N/A	Green
3.7	Closure of Park View Road R&R - Service reduction	115	115				230	N/A	N/A	Green
3.8	Veolia Operational Efficiencies	200					200	N/A	N/A	Green
3.9	Rationalisation of Parking Visitor Permits	125	225				350	N/A	N/A	Green
3.10	New Parking Operating Model		920				920	N/A	70	Amber
3.11	Relocation of Parking/CCTV processes and appeals		380				380	N/A	13	Amber
3.12	Cashless Parking Payments	150					150	N/A	N/A	Green
3.13	Online Parking Permit Applications & Visitor Permits			50			50	N/A	N/A	Amber
3.14	Parking New IT Platform			100			100	N/A	N/A	Amber
3.15	Sustainable Transport in CO2 Parking Permit Charge	100	300				400	N/A	N/A	Green
	Total	1,685	2,580	150	-	-	4,415			

Green Waste Charging

Priority	3
Current Service Area	Commercial & Ops - Neighbourhood Action
Reference:	Green Waste Charging
Type of saving:	Increase in income
Responsible Officer:	Waste Strategy Manager
Version:	1.0

Impact on Residents	Outcomes
Free garden waste collection service stops	Resident satisfaction rates decrease
	Potential increase in fly tipping
	Reduction in recycling rate - 2%
	Potential greater contamination of Dry Recycling
	Increased side waste

PROPOSAL
<p>Proposal: Charging for Garden Waste: Stopping the current free weekly universal green waste collection service and reverting to a weekly opt in charged green waste collection service. The charge would be set at £75 per annum.</p>
<p>Rationale: Green garden waste is household waste for which a charge can be made for the collection. The service will be paid for by those who opt in only rather than a contract cost which is funded universally by all residents.</p>

SUMMARY			
	Financial Data		Workforce Data
Base Data	£000		
Current budget	N/A	Employees	N/A
Savings/Invest	£000	Change in employees	
Year 1	375	Year 1	n/a
Year 2	375	Year 2	n/a
Year 3		Year 3	
Year 4		Year 4	
Year 5		Year 5	
Total	750	Total	0

<p>Key benefits:</p> <p>An estimate of £150K has been deducted and includes, call centre, IT development, container costs administration and any additional treatment/disposal costs. By charging for green waste and proposing that we provide composting bins 'at costs' we will be encouraging residents to deal with their waste sustainably at source.</p>
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<p>Internal dependencies and external constraints:</p> <p>Chargeable service will be fully administered by Veolia. Develop IT booking provision. Will need to complete a communications plan.</p>
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Procurement strategy - N/A

Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
Benefits Estimated (Savings)	375	375			
Reduced benefits due to lead-on time (if applicable)					
Additional Cost Estimated					
Net Impact Cost/(Savings)	375	375	0	0	0
Cumulative Cost/(Savings)	375	750	750	750	750
Payback Period: n/a					

Charge for Bulky Household Waste

Priority	3
Current Service Area	Commercial & Ops - Neighbourhood Action
Reference:	Charge for Bulky Household Waste
Responsible Officer:	Waste Strategy Manager
Type of saving:	Increase in income
Version:	1.0

Impact on Residents	Outcomes
Stopping a free bulk waste collection service to a	Fly tipping may increase
	Increased use of R & R
	Resident Satisfaction may be reduced
	Could increase side waste

PROPOSAL
<p>Proposal: To move from a free bulk collection service for recyclables to a standard bulky waste collection service where a charge of £25 would be levied for the collection of up to 4 items plus £10 for each additional item.</p>
<p>Rationale:</p> <ul style="list-style-type: none"> - 24 London boroughs charge for all bulky collections. - 10 offer some form of concession. - In North London – only Hackney and Waltham Forest also have some element of free bulky collections - Evidence from Newham saw a 75% reduction demand with no discernible increase in fly-tipping when they introduced a charge. - Modelled a 60% drop in demand for bulky collections from 30,850 p/a to 11500 p/a. <p>Impact on recycling rate will be low as material will still go to the bulk waste recycle facility at Edmonton.</p>

SUMMARY				
		Financial Data	Workforce Data	
Base Data		£000		
Current budget		N/A	Employees	N/A
Savings/Invest		£000	Change in employees	
	Year 1	300	Year 1	n/a
	Year 2	100	Year 2	n/a
	Year 3		Year 3	
	Year 4		Year 4	
	Year 5		Year 5	
	Total	400	Total	0

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<p>Key benefits</p> <p>Total savings and Income generated has been estimated at £400K pa based on the demand levels noted above and an average price of £35 per collection.</p>
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<p>Internal dependencies and external constraints</p> <ul style="list-style-type: none"> - Likely to lead to increase in tonnage through Reuse & Recycling centres. - Veolia will need to develop with the Council an IT online booking system. - A Communications plan will need to be developed.
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<p>Procurement strategy</p> <p>N/A</p>

Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
Benefits Estimated (Savings)	300	100			
Reduced benefits due to lead-on time (if applicable)					
Additional Cost Estimated					
Net Impact Cost/(Savings)	300	100	0	0	0
Cumulative Cost/(Savings)	300	400	400	400	400
Payback Period: n/a					

Charging for replacement wheelie bins

Priority	3
Current Service Area	Commercial & Ops - Neighbourhood Action
Reference:	Charging for replacement wheelie bins
Responsible Officer:	Waste Strategy Manager
Type of saving:	Increase in income
Version:	1.0

Impact on Residents	Outcomes
Free service becoming chargeable for new or replacement residual and recycling bins	May discourage recycling
	Increase in stolen bins
	Impact on resident satisfaction

PROPOSAL
<p>Proposal: Charging for new and replacement containers to residents for both recycling and residual bins.</p>
<p>Rationale: Based on the assumption that once the charge is introduced demand for containers will reduce by 50%, resulting in the number of requests for containers reducing from 8,000 to 4,000. The savings are made up of two components, the reduction in the current contractual sum (£100K) together with a profit of £11.00 per bin equating to an annual sum of £50K. It is assumed that both recycling and residual bins will be charged for.</p> <p>Creates a value to the bins – engender greater responsibility for looking after bins and responsible waste management. Some other local authorities charge for replacement containers – Enfield and Brent for example.</p> <p>The Outreach team would continue to vet requests to encourage recycling and correct use and allocation of containers.</p>

SUMMARY				
	Financial Data		Workforce Data	
Base Data	£000		Employees	
Current budget	N/A		N/A	
Savings/Invest	£000		Change in employees	
	Year 1	100	Year 1	n/a
	Year 2	50	Year 2	n/a
	Year 3		Year 3	
	Year 4		Year 4	
	Year 5		Year 5	
	Total	150	Total	0

<p>Key benefits: Total Income generated has been estimated at £100K in the 1st year and £50k in the following year based on the demand levels noted above.</p>

<p>Internal dependencies and external constraints: Continued outreach team to determine residents needs. Risk that if this policy is announced in advance it could lead to a demand on containers whilst still free. New IT / online payment system to be developed with Veolia.</p>

<p>Procurement strategy N/A</p>
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Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
Benefits Estimated (Savings)	100	50			
Reduced benefits due to lead-on time (if applicable)					
Additional Cost Estimated					
Net Impact Cost/(Savings)	100	50	0	0	0
Cumulative Cost/(Savings)	100	150	150	150	150
Payback Period: n/a					

Charging for recycling bins and increasing residual bins for RSLs, Managing Agents, Developers etc...

Priority	3
Current Service Area	Commercial & Ops - Neighbourhood Action
Reference:	Charging for recycling bins and increasing residual bins for RSLs, Managing Agents, Developers etc...
Responsible Officer:	Waste Strategy Manager
Type of saving:	Increase in income
Version:	1.0

Impact on Residents	Outcomes
	May discourage recycling
Free service to Managing agents/developers becoming chargeable for supply/replacement of Communal Recycling bins - possibility of costs being passed to residents	Charging for recycling bin hire would make flats policy consistent with schools bin charges
	Could increase levels of stolen bins
	Could increase side waste

PROPOSAL
<p>Proposal: Extend charging of managing agents/developers for hire/replacement of communal recycling bins and review communal residual bin hire charge</p>
<p>Rationale: Currently managing agents of blocks of flats are charged £145/year (£2.80/week) for Communal Residual Waste bin hire but Communal Recycling bins are made available free of charge, at the council's expense for supply, repair/maintenance and replacement. Set Recycling Hire @ £145/year (£2.80/week); Additional Income = £100K Increase Residual hire charge by 20% to £3.40 per week = £20K additional income</p>

SUMMARY			
	Financial Data		Workforce Data
Base Data	£000		
Current budget	N/A	Employees	N/A
Savings/Invest	£000	Change in employees	
Year 1	50	Year 1	n/a
Year 2	50	Year 2	n/a
Year 3		Year 3	
Year 4		Year 4	
Year 5		Year 5	
Total	100	Total	0

<p>Key benefits: Total Income generated has been estimated at £50K pa.</p>

<p>Internal dependencies and external constraints: Income not guaranteed</p>

<p>Procurement strategy: N/A</p>

Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
Benefits Estimated (Savings)	50	50			
Reduced benefits due to lead-on time (if applicable)					
Additional Cost Estimated					
Net Impact Cost/(Savings)	50	50	0	0	0
Cumulative Cost/(Savings)	50	100	100	100	100
Payback Period: n/a					

Flats Above Shops - Provision of Bags

Priority	3
Current Service Area	Commercial & Ops - Neighbourhood Action
Reference:	Flats Above Shops - Provision of Bags
Responsible Officer:	Waste Strategy Manager
Type of saving:	Stopping /Reducing service
Version:	1.0

Impact on Residents	Outcomes
Limited impact as service is not widely used by residents	May reduce resident satisfaction

PROPOSAL
<p>Proposal: Cease to provide and deliver pink sacks for residual waste and green sacks for recycling to Flats Above Shops. It is proposed that green sacks for recycling will continue to be provided for free but will need to be collected from libraries/ Customer Service Centres directly by residents.</p>
<p>Rationale: On a quarterly basis approximately 10,000 sacks for residual and recycling waste are provided and delivered to Flats Above Shops. The savings in total are £120K pa and are roughly split 50/50 between recycling and residual. Reviewing how waste is presented on our High Streets (14 x collections per week) there is limited use of these sacks by the residents in the FAS. Limited recycling tonnage is collected from FAS less than 0.05%.</p>

SUMMARY			
		Financial Data	Workforce Data
Base Data		£000	
Current budget		N/A	Employees N/A
Savings/Invest		£000	Change in employees
	Year 1	120	Year 1 n/a
	Year 2		Year 2
	Year 3		Year 3
	Year 4		Year 4
	Year 5		Year 5
	Total	<u>120</u>	Total <u>0</u>

<p>Key benefits: A total saving of £120K.</p>
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<p>Internal dependencies and external constraints: Retain funding to provide recycling sacks on request/from libraries – no more than £5K p.a.</p>

<p>Procurement strategy: N/A</p>

Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
Benefits Estimated (Savings)	120				
Reduced benefits due to lead-on time (if applicable)					
Additional Cost Estimated					
Net Impact Cost/(Savings)	120	0	0	0	0
Cumulative Cost/(Savings)	120	120	120	120	120
Payback Period: n/a					

Reduce Education & Outreach Team

Priority	3
Current Service Area	Commercial & Ops - Neighbourhood Action
Reference:	Reduce Education & Outreach Team
Responsible Officer:	Waste Strategy Manager
Type of saving:	Stopping /Reducing service
Version:	1.0

Impact on Residents	Outcomes
Potentially less engagement/ communications with residents on waste minimisation, recycling and waste collection issues	Reduced recycling
	Increased fly tipping
	Residents satisfaction levels reduced

PROPOSAL
<p>Proposal: Restructure entire Veolia Communications, Education & Outreach function and reduce Education/Outreach team by 50%.</p>
<p>Rationale: Following changes in the Veolia contract with service level reductions and changes in legislation relating to recycling (i.e. TEEP) the need for Veolia to have all the tools to deliver performance targets has reduced. Therefore it is proposed to reduce the educational and outreach team and review how the remaining resources can be used more effectively by working more closely with Council's communication team.</p>

SUMMARY			
	Financial Data		Workforce Data
Base Data	£000		Employees
Current budget	N/A	Employees	N/A
Savings/Invest	£000	Change in employees	
Year 1	50	Year 1	n/a
Year 2	65	Year 2	n/a
Year 3		Year 3	
Year 4		Year 4	
Year 5		Year 5	
Total	115	Total	0

<p>Key benefits: The proposed changes would deliver a savings of £115K pa.</p>

<p>Internal dependencies and external constraints: Review and negotiation of contractual performance targets/ payment mechanism with Veolia. There will be a greater need for the outreach team to support the other income/service change proposals as set out in this document. Therefore savings split over two years.</p>
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Procurement strategy:

Personnel Implications:

Up to 4 Veolia staff members could be made redundant. The Council will be liable for redundancy payments.

Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
Benefits Estimated (Savings)	50	65			
Reduced benefits due to lead-on time (if applicable)					
Additional Cost Estimated					
Net Impact Cost/(Savings)	50	65	0	0	0
Cumulative Cost/(Savings)	50	115	115	115	115
Payback Period: n/a					

Close Park View Road R&R

Priority	3
Current Service Area	Commercial & Ops
Reference:	Close Park View Road R&R
Responsible Officer:	Waste Strategy Manager
Type of saving:	Stopping /Reducing service
Version:	1.0

Impact on Residents	Outcomes
Reduction of an R&R site	Reduction in resident satisfaction
	Potential increase in fly tipping

PROPOSAL
<p>Proposal: To close the Park View Road Reuse and Recycling Centre</p>
<p>Rationale: Historically Haringey has had only one Reuse and Recycling Centre, which has been a small site on Park View Road (PVR), Tottenham. The borough now has a larger second site in the centre of the borough, which can cater for the waste which is currently deposited at PVR. The impact of the closure of PVR is assumed to be minimal as those who wish to responsibly dispose of their waste in a car will travel to an alternative site within the NLWA network, including the Western Road site. As part of its DCO application NLWA intend to add to the current network by building a new R&R site at Edmonton in 2020/21. The PVR site is earmarked for redevelopment as part of the wider regeneration proposals for residential housing/ new school on Ashley Road Depot. Relocating the site locally (Sedge Road) has been considered, however the cost of this site has been estimated at a £1m plus and would not deliver the £230K revenue savings. Also the site could be made redundant with the building of the new R&R site at Edmonton.</p>

SUMMARY				
Base Data	Financial Data £000	Workforce Data		
Current budget	N/A	Employees	N/A	
Savings/Invest	£000	Change in employees		
Year 1	115	Year 1	n/a	
Year 2	115	Year 2	n/a	
Year 3		Year 3		
Year 4		Year 4		
Year 5		Year 5		
Total	230	Total	0	

<p>Key benefits: Revenue savings of £230K paid to NLWA through the levy payment.</p>

<p>Internal dependencies and external constraints: Value of the regeneration site at Ashley Road has been calculated on the site being vacant, including the PVR R&R. The capital receipt for this site is helping to fund the proposed new depot site/ development at Marsh Lane.</p>

<p>Procurement strategy: Personnel Implications: London Waste Limited will need to relocate or make redundant up to 5 staff</p>
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Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
Benefits Estimated (Savings)	115	115			
Reduced benefits due to lead-on time (if applicable)					
Additional Cost Estimated					
Net Impact Cost/(Savings)	115	115	0	0	0
Cumulative Cost/(Savings)	115	230	230	230	230
Payback Period: n/a					

Veolia Operational Efficiencies

Priority	3
Current Service Area	Commercial & Ops
Reference:	Veolia Operational Efficiencies
Responsible Officer:	Waste Strategy Manager
Type of saving:	Efficiency savings
Version:	1.0

Impact on Residents	Outcomes
Proposals are intended to have minimal or no impact	n/a

PROPOSAL

Proposal:
To deliver the following operational efficiency savings which seeks to minimise any impacts and to continue to meet existing performance outputs. It is assumed that the proposals will not result in any change of policy.

- 1) To reduce Weed Spraying from 3 to 2 pa;
- 2) Reduce leaf clearance resourcing;
- 3) Change graffiti service from a proactive to a reactive service;
- 4) Increase commercial waste portfolio; and
- 5) Extend leases on Veolia vehicles.

In order to give flexibility around these savings it is proposed that only 2/3rds of the savings are utilised as operational changes are tested and proven.

Rationale:

- 1) - Weed Spraying - that sweepers take a more proactive approach to remove weeds all year round to reduce the need for weed spraying;
- 2) - Leafing - to reduce the 14 week additional resource period during leafing to a 10 week period. The service will be redesigned to meet actual needs on the ground.
- 3) - Graffiti - moving to a reactive service where graffiti will be removed between 3 to 5 days. Offensive, racist etc, graffiti will still be removed in 24 hours.
- 4) - Trade waste - building the customer base and generating further profit which is shared with Veolia on 50/50 basis.
- 5) - Extend a number of Veolia vehicle leases by up to 2 years.

Key benefits:

In total the savings accrue to £300K , however it has been recommended that 2/3rds of the savings are utilised (£200K) to enable a flexible approach to reallocate funds if required to ensure required performance outputs are met.

- 1) Weed Spraying - £20K;
- 2) Leafing - £45K;
- 3) Graffiti - £100K;
- 4) Trade Waste - £50K; and
- 5) Vehicle Leases - £85K

SUMMARY

	Financial Data	Workforce Data
Base Data	£000	
Current budget	N/A	Employees N/A
Savings/Invest	£000	Change in employees
Year 1	200	Year 1
Year 2		Year 2
Year 3		Year 3
Year 4		Year 4
Year 5		Year 5
Total	200	Total
		0

Internal dependencies and external constraints:

Procurement strategy:

Personnel Implications: This relates to Veolia sub contractors and temporary staff employed by Veolia during leafing.

Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
Benefits Estimated (Savings)	200				
Reduced benefits due to lead-on time (if applicable)					
Additional Cost Estimated					
Net Impact Cost/(Savings)	200	0	0	0	0
Cumulative Cost/(Savings)	200	200	200	200	200
Payback Period: n/a					

Rationalisation of Visitors Permits and increase in hourly permit charge.

Priority	3
Current Service Area	Traffic Management
Reference:	Rationalisation of Visitors Permits and increase in hourly permit charge.
Responsible Officer:	Head of Traffic Management
Type of saving:	Increase in income
Version:	1.0

Impact on Residents	Outcomes
Residents will have to pay more for VP	Less VPs issued
Residents aged between 60 and 75 will no longer be entitled to a concession	More journeys undertaken by walking, cycling or public transport

PROPOSAL
<p>Proposal: This involves a review of the Visitor Parking (VP) Permit scheme, rationalising provision of permits and bringing charges in line with other boroughs, see below.</p> <p>Proposals also involve reducing the concessionary entitlement, which currently offers a 50% reduction in charge to residents aged 60 years or over, and those registered disabled (this group is also allowed double the normal allocation of permits). In future it is proposed that this concession will be limited to those aged 75 years or over. No change is proposed to those residents registered as disabled.</p> <p>The proposals include a reduction in the range of different types of VP permits offered, reducing unnecessary overheads. This will involve removing the two hourly, weekend and two weekly Permits. It is proposed to increase the VP from 35p to 80p per hour.</p>
<p>Rationale: For a borough with Inner London parking pressures the cost of an hourly visitor permit is low, which in turn does not help to manage demand for parking space and encourage residents and visitors to walk, cycle or use public transport. Rationalisation of the number of permits will help the administration of the scheme and reduce overheads.</p>

SUMMARY			
	Financial Data		Workforce Data
Base Data	£000		
Current budget	N/A	Employees	N/A
Savings/Invest	£000	Change in employees	
Year 1	125	Year 1	n/a
Year 2	225	Year 2	n/a
Year 3		Year 3	
Year 4		Year 4	
Year 5		Year 5	
Total	350	Total	0

<p>Key benefits: This would involve removing the current limit on the number of hourly permits that may be purchased, but increasing charges from 35p per hour to either; -60p per hour, which would generate in the region of an additional £250k annually or -80p per hour, which would generate in the region of an additional £300k annually Both estimates take account of a possible reduction in the numbers purchased The concession change would result in a saving of £50K.</p>
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<p>Internal dependencies and external constraints: Will require IT development and working closely with Customer Services</p>
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Procurement strategy:

N/A

Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
Benefits Estimated (Savings)	125	225			
Reduced benefits due to lead-on time (if applicable)					
Additional Cost Estimated					
Net Impact Cost/(Savings)	125	225	0	0	0
Cumulative Cost/(Savings)	125	350	350	350	350
Payback Period: n/a					

New Parking Operating Model

Priority	3
Current Service Area	Traffic Management
Reference:	New Parking Operating Model
Responsible Officer:	Head of Traffic Management
Type of saving:	New delivery model
Version:	1.0

Impact on Residents	Outcomes
None	None

PROPOSAL
<p>Proposal: To consider the delivery of a new parking enforcement operating model. For the purpose of the financial modelling it is assumed that the existing MTFS saving of £600K relating to this proposal is all moved to the new MTFS. One of the options being considered is the provision of a labour only type model (as utilised in Westminster) where strategic and tactical deployment of staff will still be undertaken by the Council.</p>
<p>Rationale: A detailed financial analysis undertaken by consultants supporting the commissioning project estimated savings over and above those originally anticipated in the existing MTFS- £600k. The new savings by moving to this model has been estimated at £920K.</p>

SUMMARY			
	Financial Data		Workforce Data
Base Data	£000		
Current budget	N/A	Employees	70
Savings/Invest	£000	Change in employees	
Year 1		Year 1	
Year 2	920	Year 2	55
Year 3		Year 3	
Year 4		Year 4	
Year 5		Year 5	
Total	920	Total	55

<p>Key benefits: The total potential savings identified by moving to the new operating model is estimated at £920K.</p>
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<p>Internal dependencies and external constraints: - If agreed the Council will need to take a commercial position on the where the service will be accommodated.</p>
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Procurement strategy:

A full procurement of the service would need to be undertaken taking between 12 to 18 months

Personnel Implications: If agreed 75 staff would be transferred (TUPEd) to a new provider

Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
Benefits Estimated (Savings)		920			
Reduced benefits due to lead-on time (if applicable)					
Additional Cost Estimated					
Net Impact Cost/(Savings)	0	920	0	0	0
Cumulative Cost/(Savings)	0	920	920	920	920
Payback Period: N/A					

Relocating Parking/CCTV Back office Processing & Appeals

Priority	3
Current Service Area	Traffic management
Reference:	Relocating Parking/CCTV Back office Processing & Appeals
Responsible Officer:	Head of Traffic Management
Type of saving:	New delivery model
Version:	1.0

Impact on Residents	Outcomes
None	None

PROPOSAL
<p>Proposal: To relocate 1st stage parking appeals and CCTV enforcement processing outside London. A number of operating models will be considered. Final 2nd stage appeals will be retained by the Council.</p>
<p>Rationale: Services delivered outside of London attract reduced cost due to a number of factors which includes accommodation costs and staffing costs as well as benefits in being able to recruit more readily. The London Borough of Islington successfully operate an in house service provision in Manchester. We are also aware that the London Boroughs of Barnet, Enfield and Waltham Forest operate 1st stage appeals outside of London through a third party provider.</p>

SUMMARY				
	Financial Data		Workforce Data	
Base Data	£000			
Current budget	N/A	Employees	13	
Savings/Invest	£000		Change in employees	
Year 1	380	Year 1	13	
Year 2		Year 2		
Year 3		Year 3		
Year 4		Year 4		
Year 5		Year 5		
Total	380	Total	13	

<p>Key benefits: A reduction in operating costs of £380K</p>

<p>Internal dependencies and external constraints:</p> <ul style="list-style-type: none"> - IT systems will have to be developed and aligned between offices. - Finding suitable accommodation to relocate staff. - The potential recruitment of new staff.

<p>Procurement strategy A full procurement of the service would need to be undertaken, taking between 12 to 18 months</p>
<p>Personnel Implications: If agreed up to 13 staff would be relocated or transferred (TUPEd) to a new provider. Staff not willing to relocate will face compulsory redundancy.</p>

Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
Benefits Estimated (Savings)		380			
Reduced benefits due to lead-on time (if applicable)					
Additional Cost Estimated					
Net Impact Cost/(Savings)	0	380	0	0	0
Cumulative Cost/(Savings)	0	380	380	380	380
Payback Period: N/A					

Parking Cashless Payments

Priority	3
Current Service Area	Traffic Management
Reference:	Cashless payments - parking
Responsible Officer:	Head of Traffic Management
Type of saving:	Efficiency savings
Version:	1.0

Impact on Residents	Outcomes
Unable to use cash at pay & display	More efficient service
	More customer focused - texting reminders
	Less theft from Pay & Display units

PROPOSAL
<p>Proposal: To remove all existing cash options for on street payments moving to APP or telephone electronic payments.</p>
<p>Rationale: Reduces the costs of collecting money, theft of money and maintenance of equipment. Also the service offer can improve customers experience by sending reminders to phone to top up payments to avoid parking tickets. This service is currently offered by Westminster, Barnet and Islington.</p>

SUMMARY			
Base Data	Financial Data	Employees	Workforce Data
	£000		
Current budget	N/A	Employees	N/A
Savings/Invest	£000	Change in employees	
Year 1	150	Year 1	n/a
Year 2		Year 2	
Year 3		Year 3	
Year 4		Year 4	
Year 5		Year 5	
Total	150	Total	0

<p>Key benefits: A reduction in operating costs of £150K</p>

<p>Internal dependencies and external constraints: Communications - web site development etc.</p>
--

<p>Procurement strategy:</p>
<p>Personnel Implications: Indirect unknown impact on contractor's staff that currently collect cash.</p>

Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
Benefits Estimated (Savings)	150				
Reduced benefits due to lead-on time (if applicable)					
Additional Cost Estimated					
Net Impact Cost/(Savings)	150	0	0	0	0
Cumulative Cost/(Savings)	150	150	150	150	150
Payback Period: N/A					

Electronic Applications for Permits & Visitor Vouchers

Priority	3
Current Service Area	Traffic Management
Reference:	Electronic permits and visitor vouchers
Responsible Officer:	Head of Traffic Management
Type of saving:	Efficiency savings
Version:	1.0

Impact on Residents	Outcomes
Some residents may not be able to access online services	More efficient service
Electronic services available 24/7	More customer focused

PROPOSAL
<p>Proposal: To move to online parking permit applications removing the existing paper based system and to provide visitor vouchers online.</p>
<p>Rationale: Reduces the level of face to face and telephone transactions currently being delivered in the Customer Service and Call Centres. Removes current paper based system.</p>

SUMMARY			
Base Data	Financial Data £000	Employees	Workforce Data
Current budget	N/A	Employees	N/A
Savings/Invest	£000	Change in employees	
Year 1	50	Year 1	n/a
Year 2		Year 2	
Year 3		Year 3	
Year 4		Year 4	
Year 5		Year 5	
Total	50	Total	0

<p>Key benefits: A reduction in operating costs of £50K</p>
--

<p>Internal dependencies and external constraints: Communications - web site development etc..Linked to the reprocurement of a new parking IT platform - see savings proposal for new IT platform.</p>

<p>Procurement strategy: In relation to Visitor Vouchers will possible need to form part of procured new IT platform or otherwise will be a development project with existing provider Civica.</p>

Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
Benefits Estimated (Savings)			50		
Reduced benefits due to lead-on time (if applicable)					
Additional Cost Estimated					
Net Impact Cost/(Savings)	0	0	50	0	0
Cumulative Cost/(Savings)	0	0	50	50	50
Payback Period: n/a					

New IT platform - Parking

Priority	3
Current Service Area	Sustainable Transport
Reference:	New IT Platform
Responsible Officer:	Head of Traffic Management
Type of saving:	Efficiency savings
Version:	1.0

PROPOSAL	
Proposal:	To procure a new IT platform which undertakes all parking processes and links through to SAP. The service is currently provided by Civica.
Rationale:	Recent work undertaken as part of the North London commissioning exercise suggests that Haringey can reduce its costs with its IT platform provider by comparing current costs with other boroughs.

Key benefits:	A reduction in operating costs of £100K
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Procurement strategy:	A procurement for a new provider will need to undertaken, due to the complexities of the processes and the transitioning from old system to the new it is envisaged that the timeline for implementation could be two years.
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Impact on Residents	Outcomes
None	More efficient service
Enabler for Electronic services available 24/7	More customer focused

SUMMARY			
Base Data	Financial Data	Workforce Data	
	£000		
Current budget	N/A	Employees	N/A
Savings/Invest	£000	Change in employees	
Year 1	100	Year 1	n/a
Year 2		Year 2	
Year 3		Year 3	
Year 4		Year 4	
Year 5		Year 5	
Total	100	Total	0

Internal dependencies and external constraints:	Will require extensive engagement with IT and Finance colleagues to ensure a successful transition to a new platform
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Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
Benefits Estimated (Savings)			100		
Reduced benefits due to lead-on time (if applicable)					
Additional Cost Estimated					
Net Impact Cost/(Savings)	0	0	100	0	0
Cumulative Cost/(Savings)	0	0	100	100	100
Payback Period: n/a					

Permits CO2 charging regime

Priority	3
Current Service Area	Sustainable Transport
Reference:	Permits CO2 charging regime
Responsible Officer:	Head of Traffic Management
Type of saving:	Increase in income
Version:	1.0

Impact on Residents	Outcomes
Increased cost for those resident with higher CO2 emissions.	Residents select vehicles with lower CO2 emissions
	Improved air quality
	Reduced vehicles

PROPOSAL
<p>Proposal: To review the existing CO2 charging regime and change the banding linked to the DVLA scheme. Also to remove the additional charge per vehicle per household.</p>
<p>Rationale: The council's transport policies aim to reduce the harmful emissions from transport and improve air quality. As a result the Council introduced a CO2 emissions based permit charging structure in 2008. It is proposed to review the existing charges and introduce the same CO2 banding as used by the DVLA.</p> <p>It also intended to remove the current incremental increase for additional cars per household as this has proved to be difficult to administrater.</p>

SUMMARY			
Base Data	Financial Data £000	Employees	Workforce Data
Current budget	N/A		N/A
Savings/Invest	£000	Change in employees	
Year 1	100	Year 1	n/a
Year 2	300	Year 2	n/a
Year 3		Year 3	
Year 4		Year 4	
Year 5		Year 5	
Total	400	Total	0

Key benefits:

To charge vehicles with higher CO2 emissions. It is expected the charging regime will increase revenue up to £400K.

Internal dependencies and external constraints:

New charging for bands will require IT development/costs. Permit charge increase will be subject to statutory consultation.

Procurement strategy N/A

Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
Benefits Estimated (Savings)	100	300			
Reduced benefits due to lead-on time (if applicable)					
Additional Cost Estimated					
Net Impact Cost/(Savings)	100	300	0	0	0
Cumulative Cost/(Savings)	100	400	400	400	400
Payback Period: n/a					

Corporate Priority 4

Drive growth and employment from which everyone can benefit

Ref	Proposal	2017-18 £000's	2018-19 £000's	2019-20 £000's	2020-21 £000's	2021-22 £000's	Total £000's	Current Budget	Current Staff	Delivery Risk RAG
4.1	Tottenham Regeneration programme	213	-	-	-	-	213	2,674	27	Green
4.2	Planning service Increase in planning income	40	-	-	-	-	40	2,069	83	Green
4.3	Corporate projects Transfer of functions to HDV	250	-	-	-	-	250	604	37	Red
Total		503	-	-	-	-	503			

Tottenham Regeneration

Priority	4
Current Service Area	Tottenham Regeneration
Responsible Officer:	Tottenham Programme Manager
Reference:	Tottenham Regeneration
Type of saving:	Efficiency savings
Version:	1.0

Impact on Residents	Outcomes
Possible delay in regeneration projects	N/A

PROPOSAL
<p>Following a detailed review of the overall Tottenham Regeneration programme budget, savings from General Fund (£213k) have been identified for 2017/18. These cover savings on consultancy spend, communications and community engagement, and reduction in project spend.</p>
<p>Rationale: The impact of reduced spend on consultants and community engagement projects may mean that progression of regeneration schemes or projects are delayed. Salary savings of £112.1k are due to full capitalisation of a post, and a reduction in the budget requirement, it does not mean a reduction in the number of staff.</p>

SUMMARY			
		Financial Data	Workforce Data
		£000	
Base Data			
Current budget		2,674	Employees 27
Savings			
		£000	Change in employees
Year 1		213	Year 1 0
Year 2			Year 2
Year 3			Year 3
Year 4			Year 4
Year 5			Year 5
Total		213	Total 0

<p>Key benefits: The key benefit from these savings is financial.</p>
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<p>Internal dependencies and external constraints The Tottenham Regeneration Programme is cross-cutting across the 5 Corporate Plan priorities. Ongoing delivery of the programme is reliant upon a corporate contribution by support functions (such as Finance and HR).</p>
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<p>Resources required - N/A</p>
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<p>What needs to happen and when? Part of ongoing operations during the year.</p>
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Planning Income

Priority	4
Current Service Area	Planning
Responsible Officer:	AD Planning
Reference:	Planning Income
Type of saving:	Increase in income
Version:	1.0

Impact on Residents	Outcomes
Increased charges for residents	N/A

PROPOSAL
<p>Proposal and Rationale: Charge householder pre-applications at cost Remove discount for commercial pre-applications thereby increasing income.</p>

SUMMARY			
		Financial Data	Workforce Data
		£000	
Base Data			
Current budget		2,069	Employees 83
Savings		£000	Change in employees
	Year 1	40	Year 1 0
	Year 2		Year 2
	Year 3		Year 3
	Year 4		Year 4
	Year 5		Year 5
	Total	40	Total 0

<p>Key benefits: The key benefit from these savings is financial.</p>

<p>Internal dependencies and external constraints Dependent on applications received.</p>

<p>Resources required - N/A</p>
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<p>What needs to happen and when? Part of ongoing operations during the year.</p>

Corporate Projects

Priority	4
Current Service Area	Corporate Projects
Responsible Officer:	AD Corporate Projects
Reference:	Corporate Projects
Type of saving:	Efficiency savings
Version:	1.0

Impact on Residents	Outcomes
N/A	N/A

PROPOSAL
<p>Proposal and Rationale: Transfer of functions to HDV resulting in efficiencies - estimate at the moment, dependent on restructure and agreement with preferred bidder.</p>

SUMMARY				
Base Data		Financial Data	Workforce Data	
		£000	Employees	
Current budget		604	37	
Savings		£000	Change in employees	
Year 1		250	Year 1	7
Year 2			Year 2	
Year 3			Year 3	
Year 4			Year 4	
Year 5			Year 5	
Total		250	Total	7

<p>Key benefits: The key benefit from these savings is financial.</p>

<p>Internal dependencies and external constraints Dependent on HDV agreement and restructure and agreement with preferred bidder.</p>

<p>Resources required - N/A</p>
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<p>What needs to happen and when? Transfer to be undertaken in April with implementation of HDV</p>

Corporate Priority X

Enabling

Ref	Proposal	2017-18 £000's	2018-19 £000's	2019-20 £000's	2020-21 £000's	2021-22 £000's	Total £000's	Current Budget £000's	Current Staff	Delivery Risk RAG
6.1	Legal Services - Reduction in staffing and other related expenditure			150			150	-535	54	Green
6.2	Audit and Risk Management - reduction in cost on the external audit contract	11				20	31	11	14	Green
6.3	Democratic Services - reduction in staffing	40					40	2,482	14	Green
6.4	Shared Service Centre Business Support - reduction in staffing	300					300	2,300	83	Green
6.5	Shared Service Centre - new delivery model for shared services		250	1,500	1,500		3,250	9,025	336	Amber
6.6	Reduce Opening Hours in our six branch libraries to 36 hours per week	150					150	3,475	95	Amber
6.7	Shared Service Offer for Customer Services			1,000			1,000	6,473	170	Amber
6.8	Senior Management Saving	400					400	2,500	50	Green
6.9	Alexandra House - Decant		250	750			1,000	n/a	n/a	Amber
6.10	Translation and Interpreting Service - new contract	41					41	1,364	22	Green
6.11	Closure of internal Print Room		51				51	1,364	22	Green
6.12	Communications - reduction in staffing	53					53	1,364	22	Green
6.13	Income generation - Advertising and Sponsorship	15					15	1,364	22	Green
6.14	Professional Development Centre	136					136	157	8	Green
6.15	Insurance	152					152	2,327	n/a	Green
6.16	Voluntary Severance Savings	1,500					1,500			Green
	Total	2,798	551	3,400	1,500	20	8,269			

Legal Services - Reduction in staffing and other related expenditure

Priority	X
Current Service Area	Legal Services
Reference:	Legal Services - Reduction in staffing and other related expenditure
Responsible Officer:	Assistant Director Corporate Governance
Type of saving:	Stopping /Reducing service
Version:	1.0

PROPOSAL	
Proposal:	Reduction in staffing and related expenditure.
Rationale:	<p>This saving on salaries and case related expenditure is dependent on significant reduction in demand in Legal Services in particular in Adult Services and Children Services and also in the Regeneration and Property law areas.</p> <p>This reduction will be achieved if expected outcomes from current demand reductions activity are met.</p>

Key benefits:	Delivery of organisational savings.
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Procurement strategy:	N/A
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Impact on Residents	Outcomes
There is no impact on residents.	Reduces resilience and capacity in the Legal team

SUMMARY			
	Financial Data		Workforce Data
Base Data	£000		
Current budget	-535	Employees	54
Savings/Invest	£000	Change in employees	
Year 1		Year 1	
Year 2		Year 2	
Year 3	150	Year 3	2
Year 4		Year 4	
Year 5		Year 5	
Total	150	Total	2

Internal dependencies and external constraints	This is dependent on the levels of work to the service reducing.
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Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
Benefits Estimated (Savings)			150		
Reduced benefits due to lead-on time (if applicable)					
Additional Cost Estimated					
Net Impact Cost/(Savings)	0	0	150	0	0
Cumulative Cost/(Savings)	0	0	150	150	150
Payback Period: n/a					

Audit and Risk Management

Priority	X
Current Service Area	Audit and Risk Management
Reference:	Audit and Risk Management
Responsible Officer:	Head of Audit and Risk Management
Type of saving:	Stopping /Reducing service
Version:	1.0

Impact on Residents	Outcomes
There is no impact on residents.	N/A

PROPOSAL
<p>Proposal: Reduction in the value of the externally procured internal audit contract; potentially changing the assurance model, or reducing the number of audits completed.</p>

SUMMARY			
	Financial Data		Workforce Data
Base Data	£000		
Current budget	11	Employees	14
	(net budget)		
Savings/Invest	£000	Change in employees	
Year 1	11	Year 1	n/a
Year 2		Year 2	
Year 3		Year 3	
Year 4		Year 4	
Year 5	20	Year 5	
Total	31	Total	0

Resources required:

<p>What needs to happen and when? Reduction to be planned as organisation structures and service delivery method changes; will be built into the 2018/19 audit planning processes.</p>

Democratic Services

Priority	X
Current Service Area	Democratic Services
Reference:	Democratic Services
Responsible Officer:	Democratic Services and Scrutiny Manager
Type of saving:	Stopping /Reducing service
Version:	1.0

Impact on Residents	Outcomes
There is no impact on residents.	N/A

PROPOSAL
<p>Proposal: Reduction in staffing - deletion of two posts in 2016-17 to ensure saving acheived for 2017-18.</p>

SUMMARY			
Base Data	Data	Data	
	£000		Employees
Current budget	2,482	Employees	14
Savings/Invest	£000	Change in employees	
Year 1	40	Year 1	1
Year 2		Year 2	
Year 3		Year 3	
Year 4		Year 4	
Year 5		Year 5	
Total	40	Total	1

Resources required:
N/A

<p>What needs to happen and when? This saving is being delivered in the current restructure happening in the service now and it will be implemented before the new financial year.</p>

Shared Service Centre - Business Support - reduction in staffing

Priority	X
Current Service Area	Shared Service Centre
Reference:	Shared Service Centre - Business Support - reduction in staffing
Responsible Officer:	Head of Business Support
Type of saving:	New delivery model
Version:	1.0

Impact on Residents	Outcomes
No impact on residents	N/A

PROPOSAL
<p>Proposal: (i) Implement a new delivery model for the 77 centralised business support roles transferred into the SSC (Phase I) in 2016/17 (ii) Further business support staff to transfer into the SSC and integrate into new delivery model (Phase II)</p>
<p>Rationale: Business Support formed part of Ways of Working Programme in 2016/17 and transferred 77 roles into SSC to complete Phase I of the original business case. A review of options for further centralisation of business support-type services offers the opportunity for additional savings not recognised as part of Phase I.</p>

SUMMARY			
Base Data	Financial Data	Employees	Workforce Data
	£000		
Current budget	2,300	Employees	83
Savings/Invest	£000	Change in employees	
Year 1	300	Year 1	8
Year 2		Year 2	
Year 3		Year 3	
Year 4		Year 4	
Year 5		Year 5	
Total	300	Total	8

Key benefits
<p>Following transfer of the 77 roles into SSC, a review is being undertaken of existing processes and procedures to identify potential savings opportunities. Whilst the exact savings figure and timescales for release of savings is still to be established, currently it is anticipated that £300k of savings will be released in FY17/18.</p>

Internal dependencies and external constraints:
<p>Constraints - full budget for transferred posts reallocated to SSC and not taken as savings by services areas. Service areas enable SSC to change existing processes and procedures.</p>

Procurement strategy

N/A

Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
Benefits Estimated (Savings)	300				
Reduced benefits due to lead-on time (if applicable)					
Additional Cost Estimated					
Net Impact Cost/(Savings)	300	0	0	0	0
Cumulative Cost/(Savings)	300	300	300	300	300
Payback Period: n/a					

Shared Service Centre

Priority	X
Current Service Area	Shared Service Centre
Reference:	Shared Service Centre
Responsible Officer:	AD Shared Services
Type of saving:	New delivery model
Version:	1.0

Impact on Residents	Outcomes
No impact on residents	N/A

PROPOSAL
<p>Proposal: To review and implement a new delivery model for back office services provided by the Shared Service Centre with a view to maintaining or improving existing service performance and achieving proposed efficiency savings of £3.25m over the lifetime of the MTFS</p>
<p>Rationale: Review the existing delivery model for back office services with a view to optimising service performance and efficiency savings from an alternative model. Options under review will include:</p> <ul style="list-style-type: none"> i. Do Nothing (internally deliver savings through SSC) ii. Partner with another Local Authority / Authorities iii. Join an existing Public Sector Shared Service Centre iv. Outsource Services to Private Sector

SUMMARY			
Base Data	Financial Data £000	Employees	Workforce Data
Current budget	9,025		336
Savings/Invest	£000		Change in employees
Year 1	0	Year 1	
Year 2	250	Year 2	tbc
Year 3	1,500	Year 3	tbc
Year 4	1,500	Year 4	tbc
Year 5	0	Year 5	
Total	<u>3,250</u>	Total	<u>0</u>

BENEFITS CASE
<p>Detailed description:</p> <ul style="list-style-type: none"> i. Carry out a high-level options review (November 2016) ii. Carry out a detailed options appraisal including cost and benefit analysis (April 2017) iii. Members agree new Service Delivery Model (June 2017) iv. Complete Transition to New Service Delivery Model (April 2018) <p>Benchmark and industry standard savings for shared services have been used to establish likely savings.</p>

Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
Benefits Estimated (Savings)	0	250	1500	1500	
Reduced benefits due to lead-on time (if applicable)					
Additional Cost Estimated					
Net Impact Cost/(Savings)	0	250	1500	1500	0
Cumulative Cost/(Savings)	0	250	1750	3250	3250
Additional Cost Estimated					

COMMERCIAL CASE

Procurement strategy :

Procurement Strategy is dependant on the option chosen. Factors influencing timescale will include:

- The requirement to tender;
- Availability of appropriate existing Shared Service model;
- Need to bespoke standardised processes.

FINANCIAL CASE

Key benefits

Financial - delivery of proposed MTFS savings. The benefits shown have yet to be verified through a detached business case but are an indication of when the savings would be realised. Confirmation of exact costs, benefits and timescales will be known once a detailed business case is prepared

Non-financial - improved service delivery through partnership working with other organisations, including access to better IT systems and sharing of improved processes and procedures

Funding Position	Total	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
	(project life)					
Revenue funding from existing budget	0	TBC				
Revenue funding required – new	0					
Project Management costs	0					
Capital funding from existing budget	0	0	0	0	0	0
Capital funding required – new	0	0	0	0	0	0

MANAGEMENT CASE

Describe the delivery of the preferred option, including the approach to Project, project and change management, and the governance arrangements:

The preferred option for new delivery model for back-office services has yet to be determined as it is subject to an options review.

The Programme Management Office is currently leading a high-level options review. This will include alternative delivery models, risks, benefits, implementation costs and transition timescales.

Internal dependencies and external constraints:

Front-office services - significant potential synergies with front office services; needs of both services need to be considered as part of any future service delivery option

Personnel - significant impact on staff; could be subject to TUPE, and requirement to consult with Trade Unions and Staff

Libraries - reduce opening hours at our 6 branch libraries from 58 hrs to 36 hrs per week

Priority	X
Current Service Area	Customer Services & Libraries
Reference:	Libraries - reduce opening hours at our 6 branch libraries from 58 hrs to 36 hrs per week
Responsible Officer	AD Customer Services/Head of Customer Services and Libraries
Type of saving:	Stopping /Reducing service
Version:	1.0

Impact on Residents	Outcomes
Those who find it difficult to travel to one of the three main libraries when their local branch library is closed will feel a reduction in service. However those who are truly housebound will be able to make use of the housebound library service. This could increase volume for the housebound service and increase costs in this area.	N/A

PROPOSAL
<p>Proposal: Reduce the opening hours of our six branch libraries, namely Muswell Hill, Highgate, Alexandra, Stroud Green & Harringay, St Anns and Coombs Croft, from 58 to 36 hrs per week in order to operate a one staffing shift approach.</p>
<p>Rationale: Haringey Libraries have some of the longest opening hours in London, with branch libraries being open 58 hours over 6 days a week and the three large libraries open 62 hours over 7 days a week. Reducing the number of hours branch libraries are open from 58 to 36 hrs per week will bring us closer to the level of service provided elsewhere. Retaining a 7 days per week opening hours for our three main Libraries mitigates the impact of the reduction in the branches.</p>

SUMMARY			
Base Data	Financial Data	Workforce Data	
	£000	Employees	
Current budget	3,475	Employees	95
Savings/Invest	£000	Change in employees	
Year 1	150	Year 1	6
Year 2		Year 2	
Year 3		Year 3	
Year 4		Year 4	
Year 5		Year 5	
Total	150	Total	6

<p>Key benefits: Circa £150K revenue savings, primarily through reduction of staff.</p>

<p>Internal dependencies and external constraints Requirement for staff consultation</p>
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Procurement strategy

N/A

Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
Benefits Estimated (Savings)	150				
Reduced benefits due to lead-on time (if applicable)					
Additional Cost Estimated					
Net Impact Cost/(Savings)	150	0	0	0	0
Cumulative Cost/(Savings)	150	150	150	150	150
Payback Period: n/a					

Shared service for Customer Services

Priority	X
Current Service Area	Customer Service & Libraries
Reference:	Shared service for Customer Services
Responsible Officer	AD Customer Services/Head of Digital Contacts
Type of saving:	New delivery model
Version:	1.0

Impact on Residents	Outcomes
Potential to provide a higher quality of contact by sharing the authorities' technologies	N/A
Increase access to skills/knowledge across authorities	N/A
Possible relocation in Face to Face centres	N/A
Ability to call on others during peak demand	N/A

PROPOSAL - STRATEGIC CASE
<p>Proposal: Develop options for the future delivery of Customer Services.</p>
<p>Rationale: Review the existing delivery model for Customer Services with a view to optimising service performance and efficiency savings from an alternative model/s. Options under review will include:</p> <ul style="list-style-type: none"> i. Do Nothing (internally deliver savings through, channel shift, reducing contact channels, driving further self serve and digital by default) ii. Partner with another Local Authority / Authorities iii. Join an existing Public Sector Shared Service Centre iv. Outsource Services to Private Sector

SUMMARY			
Base Data	Financial Data £000	Employees	Workforce Data
Current budget	6,473		170
Savings/Invest	£000	Change in employees	
Year 1		Year 1	
Year 2		Year 2	
Year 3	1,000	Year 3	30
Year 4		Year 4	
Year 5		Year 5	
Total	1,000	Total	30

BENEFITS CASE						
<p>Detailed description: The development of the shared digital services with Camden and Islington and recognising that all three boroughs in this arrangement will be seeking similar savings through to 2020 provides an opportunity to explore where real synergies exist across customer services, specifically the contact centres, customer service centres and future procurement of technologies and systems. We know that we all experience similar challenges and are exploring similar solutions and therefore should explore whether this can be achieved together.</p> <p>All Potential options will be explored:</p> <ul style="list-style-type: none"> - In-house solution - outsourcing options - Shared arrangements (Holistic, Piecemeal) <p>The focus will remain on delivering high quality customer service to residents for the future that supports those that most need it and enables those that can help themselves to do so. Benchmarks and industry standard savings have been used to establish likely savings.</p>	Cost Benefit Analysis (CBA)					
		2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
	Benefits Estimated (Savings)			1000		
	Reduced benefits due to lead-on time (if applicable)					
	Additional Cost Estimated					
	Net Impact Cost/(Savings)	0	0	1000	0	0
Cumulative Cost/(Savings)	0	0	1000	1000	1000	
Additional Cost Estimated						

COMMERCIAL CASE

Market proposition

Many London Boroughs are now exploring the possibilities of shared service delivery models with other boroughs, this is often being looked at alongside a range of alternative delivery model options such as in-house, outsource etc.

Procurement strategy

To be developed

FINANCIAL CASE

Key benefits:

To be determined.

Funding Position	Total	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
	(project life)					
Revenue funding from existing budget	1000			1000		
Revenue funding required – new	0					
Project Management costs	0					
Capital funding from existing budget	0					
Capital funding required – new	0					

MANAGEMENT CASE

Describe the delivery of the preferred option, including the approach to Project, project and change management, and the governance arrangements

- Exploring Shared opportunities will be a significant Council Programme.
- Robust programme/project governance will be required at feasibility, options and implementation stages.
- Change management, in respect of our future way of working and how our staff adapt to that way of working will be a key driver and measure of success.

Internal dependencies and external constraints

- Staff consultation.
- Consultation with residents.
- Funding to establish shared arrangements.
- Significant support service input - finance, legal, ICT, procurement, HR.

Senior management saving

Priority	X
Current Service Area	Senior Management and Transformation & Resources
Responsible officer	AD Transformation and Resources
Reference:	Senior management saving
Type of saving:	Efficiency savings
Version:	1.0

Impact on Residents	Outcomes
No impact on residents	N/A

PROPOSAL
<p>Proposal: Proposals to restructure roles relating to transformation, information, communication and senior management. Reducing duplication, maximising synergies and releasing efficiencies across programme management, information and intelligence and communication.</p>
<p>Rationale: Creation of the new Transformation and Resources function enables us to remove duplication and focus corporate resources on the council's key priorities.</p>

SUMMARY			
Base Data	Financial Data	Workforce Data	
	£000	Employees	
Current budget	2,500		50
Savings/Invest	£000	Change in employees	
Year 1	400	Year 1	5
Year 2		Year 2	
Year 3		Year 3	
Year 4		Year 4	
Year 5		Year 5	
Total	400	Total	5

<p>Key Benefits: Efficiency savings plus maximising the value of analytical, planning, communication and project management capability.</p>
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<p>Internal dependencies and external constraints: Consultation with staff will be required to realise the saving.</p>

<p>Procurement strategy: Not applicable.</p>

Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
Benefits Estimated (Savings)	400				
Reduced benefits due to lead-on time (if applicable)	0				
Additional Cost Estimated	0				
Net Impact Cost/(Savings)	400	0	0	0	0
Cumulative Cost/(Savings)	400	400	400	400	400
Payback Period: n/a					

Alexandra House - Decant

Priority	X
Current Service Area	All
Reference:	Alexandra House - Decant
Responsible Officer:	AD Transformation and Resources
Type of saving:	Efficiency savings
Version:	1.0

Impact on Residents	Outcomes
No impact on residents	N/A

PROPOSAL
<p>Proposal: The Council currently has c.2000 staff based in River Park House and Alexandra House. Desk occupancy across the two buildings is in the region of 50-60 per cent and River Park House has space for 1000 staff. Therefore, it is feasible over time to vacate Alexandra House and base all staff in RPH, releasing rental savings ahead of a further move to new office accommodation as part of the Wood Green regeneration. The Ways of Working Programme will oversee the delivery of mobile working infrastructure that will facilitate this decant.</p>
<p>Rationale: The Council is in the process of reducing its office footprint in the period to relocating from RPH to new office accommodation as part of the Wood Green regeneration. This proposal enables us to realise savings in the period prior to that relocation. In addition, the new landlord of Alexandra House has informed us of a rent rise from April 2017, providing an incentive to vacate the council's tenancy.</p>

SUMMARY			
	Financial Data		Workforce Data
Base Data	£000		
Current budget	N/A	Employees	N/A
Savings/Invest	£000	Change in employees	
Year 1	0	Year 1	
Year 2	250	Year 2	n/a
Year 3	750	Year 3	n/a
Year 4	0	Year 4	
Year 5	0	Year 5	
Total	1,000	Total	0

BENEFITS CASE						
Detailed description:	Cost Benefit Analysis (CBA)					
	2017-18	2018-19	2019-20	2020-21	2021-22	
	£k	£k	£k	£k	£k	£k
<p>The proposal is to vacate 5 floors of Alexandra House in 2017 and the remaining floors in the following twelve months. Realisation of savings will depend on renegotiation of rent as we vacate the building or our ability to sub-let those floors we do vacate. Hence, the cost/benefit model assumes savings appearing in 2018/19 and 2019/20.</p>	Benefits Estimated (Savings)		250	750		
	Reduced benefits due to lead-on time (if applicable)					
	Additional Cost Estimated					
	Net Impact Cost/(Savings)	0	250	750	0	0
	Cumulative Cost/(Savings)	0	250	1000	1000	1000
	Additional Cost Estimated					

Translation and Interpreting Service

Priority	X
Current Service Area	Communications
Reference:	Translation and Interpreting Service
Responsible officer:	AD Communications
Type of saving:	Efficiency savings
Version:	1.0

Impact on Residents	Outcomes
No impact on residents	N/A

PROPOSAL
<p>Proposal To outsource translation and interpreting with a £41K FTE saving for Communications, which includes £28K staff cost and £13k software saving.</p> <p>In doing so we are recommending using a Government framework to secure a supplier used by neighbouring councils.</p> <p>The preferred supplier, The Big Word, is the only one within the framework to meet all our requirements around interpreting and translation and has all the required accreditations. They also have a track record of supporting channel shift from face-to-face to telephone.</p>

<p>Resources required: N/A</p>

<p>What needs to happen and when? Staff consultation in time for 2017/18 full year.</p>
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SUMMARY			
Base Data	Financial Data £000	Employees	Workforce Data
Current budget	1,364		22
Savings/Invest	£000	Change in employees	
Year 1	41	Year 1	2
Year 2		Year 2	
Year 3		Year 3	
Year 4		Year 4	
Year 5		Year 5	
Total	41	Total	2

Closure of internal print room

Priority	X
Current Service Area	Communications
Reference:	Closure of internal print room
Responsible officer:	AD Communications
Type of saving:	Efficiency savings
Version:	1.0

Impact on Residents	Outcomes
No impact on residents	N/A

PROPOSAL
<p>Proposal: To close the internal print service with a saving of £50.5K in the year 2018/19. The current bulk print service is only 65% utilised.</p> <p>We will utilise our existing print framework to use suppliers which can continue to deliver a high volume and responsive service.</p>

<p>Resources required: N/A</p>

<p>What needs to happen and when? Work with Committee Services to reduce the demand for printed agendas, looking at IT solutions which allow councillors to mark up PDFs using their laptop or tablet. This development is already in the workplan of the new Shared Digital Service.</p>
--

SUMMARY			
	Financial Data		Workforce Data
Base Data	£000		
Current budget	1,364	Employees	22
Savings/Invest	£000	Change in employees	
Year 1	51	Year 1	1
Year 2		Year 2	
Year 3		Year 3	
Year 4		Year 4	
Year 5		Year 5	
Total	51	Total	1

Communications service - post deletion

Priority	X
Current Service Area	Communications
Reference:	Communications service - post deletion
Responsible officer:	AD Communications
Type of saving:	Efficiency savings
Version:	1.0

Impact on Residents	Outcomes
No impact on residents	N/A

PROPOSAL
<p>Proposal: 1 FTE staff reduction delivered through non-recruitment of a vacant post. We are redesigning our workforce and the way communications support is provided to ensure that:</p> <ul style="list-style-type: none"> • Our resources are effectively used to support core priorities • We challenge council-wide spending more vigorously and promote digital as a primary means of communications.

<p>Resources required: N/A</p>
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<p>What needs to happen and when? The post needs to be deleted from the structure by 31st March 2017.</p>

SUMMARY			
Base Data	Financial Data £000	Employees	Workforce Data
Current budget	1,364		22
Savings/Invest	£000	Change in employees	
Year 1	53	Year 1	1
Year 2		Year 2	
Year 3		Year 3	
Year 4		Year 4	
Year 5		Year 5	
Total	53	Total	1

Communications income generation

Priority	X
Current Service Area	Communications
Reference:	Communications income generation
Responsible officer:	AD communications
Type of saving:	Increase in income
Version:	1.0

Impact on Residents	Outcomes
No impact on residents	N/A

PROPOSAL
<p>Proposal: Since the recruitment of a part-time commercial manager we have been able to actively pursue advertising and sponsorship across our publications, digital channels and events. As a result we are proposing a full year increase in income of £15k in 2017/18.</p>

<p>Resources required: N/A</p>
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<p>What needs to happen and when? N/A</p>
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SUMMARY			
Base Data	Financial Data £000	Employees	Workforce Data
Current budget	1,364	Change in employees	22
Savings/Invest	£000		
Year 1	15	Year 1	n/a
Year 2		Year 2	
Year 3		Year 3	
Year 4		Year 4	
Year 5		Year 5	
Total	15	Total	0

Professional Development Centre

Priority	X
Current Service Area	Professional Development Centre
Reference:	Professional Development Centre
Responsible officer:	AD Corporate Property
Type of saving:	Stopping /Reducing service
Version:	1.0

Impact on Residents	Outcomes
None	N/A

PROPOSAL
<p>Proposal: It is proposed that the Council release a community building by selling the Professional Development Centre, which is used currently to accommodate some Council staff and also deliver professional training. This will deliver savings in running and maintenance costs in the region of £136k.</p>
<p>Rationale: In order for the Council to deliver savings, it must consider options to consolidate capital and where appropriate, release assets to yield the capital and deliver further savings made through the prevention of servicing and maintenance costs. The savings identified here relate to the prevented cost of running the building over the period.</p>

SUMMARY			
Base Data	Financial Data	Workforce Data	
	£000		Employees
Current budget	157	Employees	8
Savings/Invest	£000	Change in employees	
Year 1	136	Year 1	8
Year 2		Year 2	
Year 3		Year 3	
Year 4		Year 4	
Year 5		Year 5	
Total	136	Total	8

<p>Benefits: Financial: £136k</p>
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<p>Internal dependencies and external constraints: None</p>
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<p>Procurement strategy (where applicable)</p> <p>Ownership of assets: This proposal recommends releasing a community building through sale, thereby reducing the Council's ownership of assets. The savings relate to the maintenance and servicing costs for the building which would subsequently be prevented.</p>

Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
Benefits Estimated (Savings)	136				
Reduced benefits due to lead-on time (if applicable)					
Additional Cost Estimated					
Net Impact Cost/(Savings)	136				
Cumulative Cost/(Savings)	136	136	136	136	136
Payback Period: Not applicable					

Insurance

Priority	X
Current Service Area	All
Reference:	Insurance
Responsible Officer:	Risk and Insurance Manager
Type of saving:	Efficiency savings
Version:	1.0

Impact on Residents	Outcomes
No impact on residents	N/A

PROPOSAL
<p>Proposal: Reprocure insurance provision in conjunction with London Consortium to achieve savings.</p>
<p>Rationale: A consortium of 8 London Boroughs (Croydon, Camden, Harrow, Islington, Kingston-upon-Thames, Lambeth, Sutton and Tower Hamlets) is reprocuring insurance provision with expected savings to Haringey of £152k.</p>

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SUMMARY			
	Financial Data		Workforce Data
Base Data	£000		
Current budget	2,327	Employees	N/A
Savings/Invest	£000	Change in employees	
Year 1	152	Year 1	n/a
Year 2	0	Year 2	
Year 3	0	Year 3	
Year 4	0	Year 4	
Year 5	0	Year 5	
Total	152	Total	0

BENEFITS CASE
<p>Detailed description: Property, terrorism and liability insurance arrangements will be retendered with the expectation that there will be a new contract in place for April 2017.</p>

Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
Benefits Estimated (Savings)	152				
Reduced benefits due to lead-on time (if applicable)					
Additional Cost Estimated					
Net Impact Cost/(Savings)	152	0	0	0	0
Cumulative Cost/(Savings)	152	152	152	152	152
Additional Cost Estimated					

Voluntary Severance Savings

Priority	X
Current Service Area	All
Reference:	Voluntary Severance Savings
Responsible Officer:	AD Transformation & Resources
Type of saving:	Efficiency savings
Version:	1.0

Impact on Residents	Outcomes
No impact on residents as decisions will be based on criticality of roles	N/A

PROPOSAL
<p>Proposal: This represents the estimated saving to the Council from the voluntary redundancy arrangements currently on offer to staff. The application window closed in early December 2016. Offers will be made by early 2017 and we expect those people taking voluntary redundancy to begin to leave the council in early financial year 2017/18. Thus savings accrue to the year 2017/18.</p>
<p>Rationale:</p>

SUMMARY			
	Financial Data		Workforce Data
Base Data	£000		
Current budget	N/A	Employees	TBC
Savings/Invest	£000	Change in employees	
Year 1	1,500	Year 1	n/a
Year 2	0	Year 2	
Year 3	0	Year 3	
Year 4	0	Year 4	
Year 5	0	Year 5	
Total	1,500	Total	0

BENEFITS CASE						
Detailed description:	Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
	Benefits Estimated (Savings)	1500				
	Reduced benefits due to lead-on time (if applicable)					
	Additional Cost Estimated					
	Net Impact Cost/(Savings)	1500	0	0	0	0
	Cumulative Cost/(Savings)	1500	1500	1500	1500	1500
Additional Cost Estimated						

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Priority	Item	Next steps	Equality considerations/EqIA	Expected at Cabinet
1.1	Adoption and special guardianship order payments	Development of new policy	To be developed in line with final decision	April 2017
1.2	External commissioning of Independent Reviewing Officers	Request to consult going to March Cabinet	To be developed in line with final decision	July 2017
1.3	Care leavers: semi independent living cohort review	Review policy	To be developed in line with final decision	TBC dependent on policy review
1.4	Reviewing family based placements	Review into savings from placements	Equality considerations to be embedded in review	N/A - already ongoing
1.5	Targeted response and early help interventions	Part of wider Early Help offer decided in March 2015	N/A considered equality considerations in March 2015	N/A - already ongoing
1.6	Increasing use of family group conferences	Review service	To be developed in line with final decision	Summer 2017
1.7	Schools and learning: managing the loss of Education Support Grant and changes to DSG	Review service	EqIA on Early Years Funding decision accompanies separate report (include Annex number or report name if poss)	February 2017 for Early Years Funding Later in MTFS cycle for other decisions for education welfare and schools and learning
1.8	Redesign of children's service practice tools and assessment processes	Review service	Equality considerations to be embedded in review	Later in MTFS cycle
1.9	Reconfiguration of	Review service	To be developed in line with final	Later in MTFS cycle

Priority	Item	Next steps	Equality considerations/EqIA	Expected at Cabinet
	contact service		decision	
1.10	Reduction in agency spend	Review resources	To consider HR equality considerations	N/A – already ongoing
1.11 + 2	Supported Housing Review	New policy	To be developed in line with final decision	March Cabinet
2.1	Osborne Grove – Prevention services Residential home	Review service	To be developed in line with final decision	Later in MTFS cycle
2.2	Fees and Charges – DRE, transport for day opportunities and self funders administration fees	Consultation expected to commence in March	A draft EqIA was published at Overview and Scrutiny on 30 January 2017	Later in MTFS cycle Decision on delay to transport charge implementation at Cabinet 14 February 2017.
2.3	Technology Improvement	Design service	Equality considerations to be embedded in review	N/A
2.4	Market efficiencies	Consultation expected to commence in March	To be developed in line with final decision	Later in MTFS cycle
2.5	New Models of Care	Development of models with external partners	To be developed in line with final decisions. Review of how equalities is embedded in any joint decision making or system	Ongoing work for 2 years
3.1	Charging for green waste collections	Implementation	EqIA attached	For agreement at Cabinet 14th February 2017
3.2	Charging for bulky waste collections	Implementation	EqIA screening attached	For agreement at Cabinet 14th February 2017
3.3	Charges for replacement wheeled bins	Implementation	EqIA attached	For agreement at Cabinet 14th February 2017
3.4	Charges for RSL recycling bins	Implementation	EqIA screening attached	For agreement at Cabinet

Priority	Item	Next steps	Equality considerations/EqIA	Expected at Cabinet
				14th February 2017
3.5	Charges for residual waste collection for flats above shops	Implementation	EqIA attached	For agreement at Cabinet 14th February 2017
3.6	Reduce Education & Outreach team	Review service	Equality considerations will be made as part of any restructure process. No EqIA will be published.	TBC
3.7	Close Park View Road R&R	N/A	Equality considerations made in original decision	N/A – already ongoing
3.8	Veolia Operations Efficiencies	Review service	Equality considerations will be made in any efficiency savings.	N/A
3.9	Parking charges and permits: -new parking charges for diesel cars -move application for parking permits online -increase cost of visitor permits	Consultation	To be developed in line with final decision	Later in MTFS cycle
3.10	Parking new operating model & back office relocation	Consultation	To be developed in line with final decision	Pending decision at Cabinet 14th February 2017
4.1	Tottenham Regeneration savings –	Review service	No EqIA required	N/A

Priority	Item	Next steps	Equality considerations/EqIA	Expected at Cabinet
	consultancy and communication spend			
4.2	Planning Income – increase pre-application fees	N/A	No EqIA required but equalities considerations factored in	Later in MTFS cycle
4.3	Corporate Projects – potential transfer of functions to Haringey Development Vehicle (HDV)	Review service. Dependent on final agreement with HDV bidder	Equality considerations to be embedded within HDV bidder. There will be an EqIA for decisions on portfolio later in year.	HDV preferred bidder to be decided in separate report at February Cabinet. Decisions on portfolio of HDV later in year,
X.1	Reduction in Legal staff and expenditure	Restructure	Equality considerations are included as part of the restructure process. For data protection purposes, it is not published publically.	N/A
X.2	Audit and Risk Management savings	Restructure	Equality considerations are included as part of the restructure process. For data protection purposes, it is not published publically.	N/A
X.3	Democratic Services restructure	Restructure	Equality considerations are included as part of the restructure process. For data protection purposes, it is not published publically.	N/A
X.4	Shared Service Sector – Business support – Restructure in	Restructure	Equality considerations are included as part of the restructure process. For data protection purposes, it is not published	N/A

Priority	Item	Next steps	Equality considerations/EqIA	Expected at Cabinet
	staffing		publically.	
X.5	Shared Service Centre	Review service over next two years as savings are not until add date	To be developed in line with final decision	By 2019
X.6	Library Service – reduction of opening hours	Pending decision	To be developed in line with final decision	Pending decision at Cabinet 14th February 2017
X.7	Shared Services for Customer Services	Review service over next two years as savings are not until then	To be developed in line with final decision	By 2019
X.8	Senior management saving	Restructure	Equality considerations are included as part of the restructure process. For data protection purposes, it is not published publically.	N/A
X.9	Alexandra House - Decant	Vacate 5 floors in 2017 and rest in 2018	Part of previous decision which considered equality considerations	N/A
X.10	Translation and Interpreting service	Staff consultation in 2017/18	To be developed in line with final decision	2017/18
X.11	Closure of internal print room	Part of Shared Digital Service programme	To be developed in line with final decision	2017/18
X.12	Communications post deletion	Restructure	Equality considerations are included as part of the restructure process. For data protection purposes, it is not published publically.	N/A
X.13	Communications income generator	Income generating	No EqIA	N/A
X.14	Professional Development Centre running costs	Sell the building	No EqIA	TBC

Priority	Item	Next steps	Equality considerations/EqIA	Expected at Cabinet
X.15	Insurance	Reprocure as part of London Consortium	No EqIA	TBC
X.16	Voluntary severance savings	Restructure	Equality considerations are included as part of the restructure process. For data protection purposes, it is not published publically.	N/A

EQUALITY IMPACT ASSESSMENT

The Equality Act 2010 places a 'General Duty' on all public bodies to have 'due regard' to:

- Eliminating discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advancing equality of opportunity for those with 'protected characteristics' and those without them
- Fostering good relations between those with 'protected characteristics' and those without them.

In addition the Council complies with the Marriage (same sex couples) Act 2013.

Stage 1 – Screening

Please complete the equalities screening form. If screening identifies that your proposal is likely to impact on the Public Sector Equality Duty, please proceed to stage 2 and complete a full Equality Impact Assessment.

Stage 2 – Full Equality Impact Assessment

An Equality Impact Assessment provides evidence for meeting the Council's commitment to equality and the responsibilities under the Public Sector Equality Duty.

When an Equality Impact Assessment has been undertaken, it should be submitted as an attachment/appendix to the final decision making report. This is so the decision maker (e.g. Cabinet, Committee, senior leader) can use the EqIA to help inform their final decision. The EqIA once submitted will become a public document, published alongside the minutes and record of the decision.

Please read the council's Equality Impact Assessment guidance before beginning the EIA process.

1. Responsibility for the Equality Impact Assessment

Name of proposal	Charges to be brought in for replacement wheelie bins
Service area	Waste Management
Officer completing assessment	Tom Hemming
Equalities/ HR Advisor	Otis Williams
Cabinet meeting date (if applicable)	14 Feb 17
Director/Assistant Director	Stephen McDonnell

2. Summary of the proposal and its relevance to the equality duty

Please outline in no more than 3 paragraphs

- *The proposal which is being assessed*
- *The key stakeholders who may be affected by the policy or proposal*
- *Its relevance to the Public Sector equality duty and the protected groups*

Section 46 of the Environmental Protection Act (EPA) 1990 enables the council to define the type of waste container to be used by households and require the occupier to pay for it.

The existing service offers free wheeled bins to households, which have an expected life span of 7 to 8 years. The number of bins provided is determined in accordance with the size of the household.

The proposal is to charge £30 for a replacement wheeled bins for refuse and recycling. The charge is in line with what other local authorities charge and is considered low enough that the impact on residents will be minimal over the lifetime of a bin.

This will require a policy alteration and will affect all residents in the borough at some point although the low charge will have a minimal effect. There will need to be clear communications to ensure all residents are aware of the policy alteration.

3. What data will you use to inform your assessment of the impact of the proposal on protected groups of service users and/or staff?

Identify the main sources of evidence, both quantitative and qualitative, that supports your analysis. This could include, for example, data on the Council's workforce, equalities profile of service users, recent surveys, research, results of relevant consultations, Haringey Borough Profile, Haringey Joint Strategic Needs Assessment and any other sources of relevant information, local, regional or national.

Further information on data sources is contained within accompanying EqIA guidance.(part 8)

Protected group	Service users	Staff
Sex	The Veolia annual perception survey can pick up impact on satisfaction with the waste service, including container provision. No data is available on the sex of those that currently use the service.	
Gender Reassignment	No data is available on the gender reassignment of those that currently use the service	
Age	The Veolia annual perception survey can pick up impact on satisfaction with the	

	waste service, including container provision. The proposed change is a charge and would therefore affect the main house owner, meaning those aged 18 years and older. No data is available on the age of those that currently use the service.	
Disability	The Veolia annual perception survey can pick up impact on satisfaction with the waste service, including container provision. No data is available on the disability of those that currently use the service.	
Race & Ethnicity	The Veolia annual perception survey can pick up impact on satisfaction with the waste service, including container provision. No data is available on the race/ ethnicity of those that currently use the service.	
Sexual Orientation	The Veolia annual perception survey can pick up impact on satisfaction with the waste service, including container provision. No data is available on the sexual orientation of those that currently use the service.	
Religion or Belief (or No Belief)	No data is available on the religion or belief of those that use the service.	
Pregnancy & Maternity	No data is available on pregnancy or maternity of those that use the service.	
Marriage and Civil Partnership	No data is available on marriage and civil partnership of those that use the service.	

If there are any gaps in the data for particular groups or no data is available, please explain how you will address this gap

Data is not currently collected on the equalities characteristics of those who request replacement bins.

The service has always previously been free of charge to residents and needed by all households on 'kerbside/street properties' (but not estates and flats above shops) from time to time, regardless of protected group.

The new service will be periodically reviewed and the requirement to collect any additional data will be considered.

4. a) How will consultation and/or engagement inform your assessment of the impact of the proposal on protected groups of residents, service users and/or staff?

Please provide a brief outline of:

- *How you intend to consult with those affected by your proposal including those that share the protected characteristics*

Further information on consultation is contained within accompanying EqlA guidance (part 9)

Members were consulted on the proposal prior to the savings proposals being published in December 2016 and reviewed by the Council's Environment and Community Safety Scrutiny Panel. The public report invited feedback from residents and service users. A communication plan will need to accompany the service change, and feedback in response to this engagement will be captured and monitored to inform review of the service.

Ultimately, the proposed charge will be universal as all households will require new bins over the course of time. Whilst low income groups are likely to have greater difficulty in meeting increased charges, with certain protected groups, such as BME and elderly households disproportionately likely to be on low incomes, the charge is considered to low enough over the 7-8 year lifetime of a wheelie bin that impact would be minimal.

In terms of geographic distribution of demand, of the approximately 4,000 of each of residual and recycling bins replaced per year, these replacements are concentrated in the wards in the West of the borough, which are not near Haringey's most deprived areas (see ward breakdown below).

4. b) Outline the key findings of your consultation / engagement activities once completed, particularly in terms of how this relates to groups that share the protected characteristics

Explain how will the consultation's findings will shape and inform your proposal and the decision making process, and any modifications made?

Of 143 responses to the consultation, 13 people opposed the proposal, with one individual comment noting 'charging for replacement wheelie bins is going to mean people are going to steal their neighbour's wheelie bins rather than pay for a new one'. By way of mitigation, procedures will be developed for lost/stolen bins, bins taken by the crew and properties sharing bins. We will also monitor and review the level of bins ordered and complaints data if this proposal is implemented. In addition, making bins identifiable as from Haringey (through bin embossing) will reduce the risk of bins being stolen by those living outside the borough and it is also proposed that bins are labelled with house numbers to deter theft.

5. What is the likely impact of the proposal on groups of service users and/or staff

that share the protected characteristics?

Please explain the likely differential impact on each of the 9 equality strands, whether positive or negative. Where it is anticipated there will be no impact from the proposal, please outline the evidence that supports this conclusion.

Further information on assessing impact on different groups is contained within accompanying EqIA guidance (part 10)

1. **Sex** No data available on the sex of the service user. However, it is not anticipated that the policy will have a disproportionate impact on this protected group.
2. **Gender reassignment** No data available on the gender reassignment of the service user. However, it is not anticipated that the policy will have a disproportionate impact on this protected group.
3. **Age** No data available on the age of the service user. However the policy change is likely to impact on those aged 18 years and older. Low income groups are likely to have greater difficulty in meeting increased charges. Certain protected groups, such as older or younger households, are currently disproportionately likely to be on low incomes. However, the charge is considered to low enough over the 7-8 year lifetime of a wheelie bin that impact would be minimal.
4. **Disability** For some individuals within this protected group such as those with Learning Disabilities it will be important to clearly and widely communicate the service changes and the alternative disposal routes such as the Reuse and Recycling Centre.
5. **Race and ethnicity**
We are aware that low income groups are likely to have greater difficulty in meeting increased charges. Certain protected groups, such as BME households, are currently disproportionately likely to be on low incomes and the change will individually have a greater impact on their budgets. However, the charge is considered to low enough over the 7-8 year lifetime of a wheelie bin that impact would be minimal.
6. **Sexual orientation** No data available on the sexual orientation of the service user. However, it is not anticipated that the policy will have a disproportionate impact on this protected group.
7. **Religion or belief (or no belief)** No data available on the religion or belief (or no belief) of the service user. However, it is not anticipated that the policy will have a disproportionate impact on this protected group.
8. **Pregnancy and maternity** No data available on the pregnancy and maternity of the service user. However, it is not anticipated that the policy will have a disproportionate impact on this protected group.
9. **Marriage and Civil Partnership** No data available on the marriage and civil partnership of the service user. However, it is not anticipated that the policy will have a disproportionate impact on this protected group.

10. Groups that cross two or more equality strands e.g. young black women No data available of service users that cross two or more equality strands. Low income households have disproportionate representation of women, disabled people and some BME communities. Communications will encourage responsible management of waste by residents and landlords of rented properties.

Outline the overall impact of the policy for the Public Sector Equality Duty:

- Could the proposal result in any direct/indirect discrimination for any group that shares the protected characteristics?
- Will the proposal help to advance equality of opportunity between groups who share a protected characteristic and those who do not?
- Will the proposal help to foster good relations between groups who share a protected characteristic and those who do not?

The proposed charge will be universal as all households will require new bins over the passage of time. Low income groups are likely to have greater difficulty in meeting increased charges. Certain protected groups, such as BME and elderly households, are currently disproportionately likely to be on low incomes. However, the charge is considered to be low enough over the 7-8 year lifetime of a wheelie bin that impact would be minimal.

The impact assessment highlights that clear communication will be required to ensure that residents are aware of the need to pay for new/replacement containers and to do so in order to ensure the responsible management of their waste.

6. a) What changes if any do you plan to make to your proposal as a result of the equality impact assessment?

Further information on responding to identified impacts is contained within accompanying EqIA guidance (part 11)

Outcome	Y/N
No major change: the EIA demonstrates the policy is robust and there is no potential for discrimination or adverse impact. All opportunities to promote equality have been taken.	Y
Adjust the policy: the EIA identifies potential problems or missed opportunities. Adjust the policy to remove barriers or better promote equality. Clearly <u>set out below</u> the key adjustments you plan to make to the policy.	N
Continue the policy: the EIA identifies the potential for adverse impact or missed opportunities to promote equality. Clearly <u>set out below</u> the justifications for continuing with it. For the most important relevant policies, compelling reasons will	N

be needed.	
Stop and remove the policy: the policy shows actual or potential unlawful discrimination. It must be stopped and removed or changed.	N

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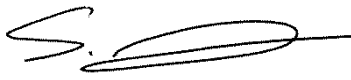
6 b) Summarise the specific actions you plan to take to remove or mitigate any actual or potential negative impact and to further the aims of the Equality Duty

Impact	Action	Lead officer	Timescale
Removal of a free provision	None. The charge is considered to be low enough over the lifetime of a wheelie bin that impact on a household will be minimal.	Commissioning & Client Manager	April 2017
Understanding service changes	Services changes to be clearly communicated across the borough taking into account language barriers.	Commissioning & Client Manager	April 2017

6 c) Summarise the measures you intend to put in place to monitor the equalities impact of the proposal as it is implemented:

This will form part of the policy review. We will monitor service user feedback through the annual perception survey and through complaints and enquiries, including recording where bins are reported stolen, to ensure we pick up any unforeseen equality implications.

7. Authorisation

EIA approved by  (Assistant Director/ Director)	Date 3 rd February 2017
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8. Publication

Please ensure the completed EIA is published in accordance with the Council's policy.

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Map showing % of total requests for replacement bins by ward in Haringey – January 2016 to December 2016



EQUALITY IMPACT ASSESSMENT

The Equality Act 2010 places a 'General Duty' on all public bodies to have 'due regard' to:

- Eliminating discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advancing equality of opportunity for those with 'protected characteristics' and those without them
- Fostering good relations between those with 'protected characteristics' and those without them.

In addition the Council complies with the Marriage (same sex couples) Act 2013.

Stage 1 – Screening

Please complete the equalities screening form. If screening identifies that your proposal is likely to impact on the Public Sector Equality Duty, please proceed to stage 2 and complete a full Equality Impact Assessment.

Stage 2 – Full Equality Impact Assessment

An Equality Impact Assessment provides evidence for meeting the Council's commitment to equality and the responsibilities under the Public Sector Equality Duty.

When an Equality Impact Assessment has been undertaken, it should be submitted as an attachment/appendix to the final decision making report. This is so the decision maker (e.g. Cabinet, Committee, senior leader) can use the EqIA to help inform their final decision. The EqIA once submitted will become a public document, published alongside the minutes and record of the decision.

Please read the council's Equality Impact Assessment guidance before beginning the EIA process.

1. Responsibility for the Equality Impact Assessment

Name of proposal	Charging for the Green Waste Collection Service
Service area	Waste Management
Officer completing assessment	Tom Hemming
Equalities/ HR Advisor	Otis Williams
Cabinet meeting date (if applicable)	14 Feb 17
Director/Assistant Director	Stephen McDonnell

2. Summary of the proposal and its relevance to the equality duty

Please outline in no more than 3 paragraphs

- *The proposal which is being assessed*
- *The key stakeholders who may be affected by the policy or proposal*
- *Its relevance to the Public Sector equality duty and the protected groups*

The collection of garden waste is a service for which a charge can be made. The existing service comprises a weekly collection that is free of charge. Not all properties use the service and need (including garden size) will impact on the level of uptake of the service. The proposal is to provide an opt-in service of one 240 litre wheeled bin of green waste or the equivalent in one-off use sacks and apply a charge of £75 per annum. Further work is taking place to determine different charging for the one-off use sacks depending on the number of sacks required.

The policy change affects all residents living in the borough with a garden who currently use the service.

3. What data will you use to inform your assessment of the impact of the proposal on protected groups of service users and/or staff?

Identify the main sources of evidence, both quantitative and qualitative, that supports your analysis. This could include, for example, data on the Council's workforce, equalities profile of service users, recent surveys, research, results of relevant consultations, Haringey Borough Profile, Haringey Joint Strategic Needs Assessment and any other sources of relevant information, local, regional or national.

Further information on data sources is contained within accompanying EqIA guidance.(part 8)

Protected group	Service users	Staff
Sex	The Veolia annual perception survey can pick up impact on satisfaction with the garden waste collection service, which can inform the picture of service provision. No data is available on the sex of those that currently use the service.	
Gender Reassignment	No data is available on the gender reassignment of those that currently use the service	
Age	The Veolia annual perception survey can pick up impact on satisfaction with the garden waste collection service, which can inform the picture of service provision. The proposed service is available to those households that generate garden waste and would therefore affect the main house owner, meaning those aged 18 years and	

	older. No data is available on the age of those that currently use the service.	
Disability	The Veolia annual perception survey can pick up impact on satisfaction with the garden waste collection service, which can inform the picture of service provision. No data is available on the disability of those that currently use the service.	
Race & Ethnicity	The Veolia annual perception survey can pick up impact on satisfaction with the garden waste collection service, which can inform the picture of service provision. No data is available on the race/ ethnicity of those that currently use the service.	
Sexual Orientation	The Veolia annual perception survey can pick up impact on satisfaction with the garden waste collection service, which can inform the picture of service provision. No data is available on the sexual orientation of those that currently use the service.	
Religion or Belief (or No Belief)	No data is available on the religion or belief of those that use the service.	
Pregnancy & Maternity	No data is available on pregnancy or maternity of those that use the service.	
Marriage and Civil Partnership	No data is available on marriage and civil partnership of those that use the service.	
If there are any gaps in the data for particular groups or no data is available, please explain how you will address this gap		
<p>Data on protected groups using the service has not been collected because the service was free and widely accessible to all residents. The proposed changes will still see the provision of a weekly collection and will mean that those who use the service will pay and those who do not need a service will not be subsidising it indirectly. The new service will be periodically reviewed and the requirement to collect any additional data will be considered.</p>		

4. a) How will consultation and/or engagement inform your assessment of the impact of the proposal on protected groups of residents, service users and/or staff?

Please provide a brief outline of:

- *How you intend to consult with those affected by your proposal including those that share the protected characteristics*

Further information on consultation is contained within accompanying EqIA guidance (part 9)

Members were consulted on the proposal prior to the savings proposals being published in December 2016 and reviewed by the Council's Environment and Community Safety Scrutiny Panel. The public report invited feedback from residents and service users.

A comprehensive communication and engagement plan will need to accompany the service roll-out, and feedback in response to this engagement will be captured and monitored to inform review of the service.

4. b) Outline the key findings of your consultation / engagement activities once completed, particularly in terms of how this relates to groups that share the protected characteristics

Explain how will the consultation's findings will shape and inform your proposal and the decision making process, and any modifications made?

Of 143 responses to the Council's budget consultation, 23 people opposed the proposal, with individual comments noting that 'not everybody has the time to compost and/ or go to the Reuse & Recycling Centre to dispose of the waste. It will encourage more people who have cars to do the latter, adding to CO emission' and that 'Charging for bulky waste and green waste disposal is just going to encourage fly-tipping'. The consultation does not provide an insight into whether opposition is concentrated within any particular protected characteristic group.

Residents will ultimately have choices as to whether to opt in to the charged service, utilise Reuse & Recycling Centres free of charge, compost at home or dispose of garden waste through other legitimate routes. Impact on flytipping and use of the recycling centres will be monitored and used to review the service.

5. What is the likely impact of the proposal on groups of service users and/or staff that share the protected characteristics?

Please explain the likely differential impact on each of the 9 equality strands, whether positive or negative. Where it is anticipated there will be no impact from the proposal, please outline the evidence that supports this conclusion.

Further information on assessing impact on different groups is contained within accompanying EqlA guidance (part 10)

1. Sex No data available on the sex of the service user. However, it is not anticipated that the policy will have a disproportionate impact on this protected group.

2. Gender reassignment No data available on the gender reassignment of the service user. However, it is not anticipated that the policy will have a disproportionate impact on this protected group.

3. Age No data available on the age of the service user. However the policy change is likely to impact on those aged 18 years and older. Low income groups are likely to have greater difficulty in meeting increased charges. Certain protected groups, such as older or younger households, are currently disproportionately likely to be on low incomes. Alternative options for disposing of garden waste will be retained and communicated such as taking it to the Reuse & Recycling Centre for free and home composting, for which composting bins will be available at cost.

4. Disability Positive measures such as retaining the assisted waste collections and providing a choice of containers such as wheeled bins and bags will assist this protected group in accessing the service. For some individuals within this protected group such as those with Learning Disabilities it will be important to clearly and widely communicate the service changes and the alternative disposal routes such as the Reuse & Recycling Centre and home composting.

5. Race and ethnicity Properties in the west are proportionately more likely to have a garden than those in the east, as referenced in the 2014 Haringey Strategy Housing Market Assessment (section 5 paragraph 9). The 2011 census data shows wards in the west of Haringey, when west is taken to mean those wards to the west of the train line running north to south through the borough, have a higher concentration of white residents. On this basis, white residents are likely to be affected by this charge. Measures such as home composting, for which compost bins will be available to purchase at cost price, are available for residents to mitigate against the introduction of the charge, and will be promoted as part of communications about the service.

We are also aware that low income groups are likely to have greater difficulty in meeting increased charges. Certain protected groups, such as BAME households, are currently disproportionately likely to be on low incomes. Although they are less likely to be in properties with gardens, we are aware that the introduction of the charge will individually have a greater impact on their budgets. Alternative options for disposing of garden waste

will be retained and communicated such as taking it to the Reuse & Recycling Centre for free and home composting. Options are available, such as home composting, which will help residents wishing to avoid using the fee paying service.

6. Sexual orientation No data available on the sexual orientation of the service user. However, it is not anticipated that the policy will have a disproportionate impact on this protected group.

7. Religion or belief (or no belief) No data available on the religion or belief (or no belief) of the service user. However, it is not anticipated that the policy will have a disproportionate impact on this protected group.

8. Pregnancy and maternity No data available on the pregnancy and maternity of the service user. However, it is not anticipated that the policy will have a disproportionate impact on this protected group.

9. Marriage and Civil Partnership No data available on the marriage and civil partnership of the service user. However, it is not anticipated that the policy will have a disproportionate impact on this protected group.

10. Groups that cross two or more equality strands e.g. young black women No data available of service users that cross two or more equality strands. Low income households have disproportionate representation of women, disabled people and some BAME communities. Communications will encourage home composting.

Outline the overall impact of the policy for the Public Sector Equality Duty:

- Could the proposal result in any direct/indirect discrimination for any group that shares the protected characteristics?
- Will the proposal help to advance equality of opportunity between groups who share a protected characteristic and those who do not?
- Will the proposal help to foster good relations between groups who share a protected characteristic and those who do not?

The impact assessment highlights that clear communication will be required to ensure that potential service users who face language barriers and certain disabilities understand the changes to the service and the alternative free options for disposing of garden waste.

Low income groups are likely to have greater difficulty in meeting increased charges. Certain protected groups, such as BAME and elderly households, are currently disproportionately likely to be on low incomes. To mitigate against this, free alternative disposal routes will be retained such as using the Reuse & Recycling Centre and promoting home composting. It will also be possible to purchase sacks for green waste (for one-off use) in smaller quantities, thus reducing the financial impact for properties with small gardens/occasional users.

Positive measures such as retaining assisted waste collections (currently provided to around 600 households in the borough) and providing a choice of containers such as

wheeled bins as well as sacks will assist residents with disabilities with accessing the service. The Service changes will be widely and clearly communicated.

Charging for garden waste is deemed to make the service fairer to those residents who do not have a garden or need to use the garden waste service by only charging those who use the service. Taking into account implementation of any mitigations mentioned above, the proposal will therefore help to advance equality of opportunity between groups who share a protected characteristic and those who do not.

6. a) What changes if any do you plan to make to your proposal as a result of the equality impact assessment?

Further information on responding to identified impacts is contained within accompanying EqIA guidance (part 11)

Outcome	Y/N
No major change: the EIA demonstrates the policy is robust and there is no potential for discrimination or adverse impact. All opportunities to promote equality have been taken.	Y
Adjust the policy: the EIA identifies potential problems or missed opportunities. Adjust the policy to remove barriers or better promote equality. Clearly <u>set out below</u> the key adjustments you plan to make to the policy.	N
Continue the policy: the EIA identifies the potential for adverse impact or missed opportunities to promote equality. Clearly <u>set out below</u> the justifications for continuing with it. For the most important relevant policies, compelling reasons will be needed.	N
Stop and remove the policy: the policy shows actual or potential unlawful discrimination. It must be stopped and removed or changed.	N

6 b) Summarise the specific actions you plan to take to remove or mitigate any actual or potential negative impact and to further the aims of the Equality Duty

Impact	Action	Lead officer	Timescale
Removal of a free service	Promotion of free services that will be retained such as the Reuse & Recycling Centres and the option of home composting needs to be clearly communicated across the borough. Cost of a bin is £75/year, equivalent to less than £1.50 per week.	Commissioning & Client Manager	April/May 2017

Understanding service changes	Services changes to be clearly communicated across the borough	Commissioning & Client Manager	April/May 2017
Residents with small gardens may not need a 240L wheeled bin	Sacks will be available to purchase in smaller quantities, reducing the financial impact for residents with small gardens/occasional need.	Commissioning & Client Manager	May 2017

6 c) Summarise the measures you intend to put in place to monitor the equalities impact of the proposal as it is implemented:

This will form part of the policy review. We will monitor service user feedback through the annual perception survey to ensure we pick up any unknown equality implications.

7. Authorisation

<p>EIA approved by </p> <p>(Assistant Director/ Director)</p>	<p>Date 3rd February 2017</p>
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8. Publication
Please ensure the completed EIA is published in accordance with the Council's policy.

Equality Impact Assessment Screening Tool

1	Lead officer contact details: Tom Hemming, Client & Contract Manager – NLWA/Waste, tom.hemming@haringey.gov.uk			
2	Date: 31 Jan 17			
3	Summary of the proposal: Charges to be brought in for developers/ RSLs/ managing agents for recycling bins and an increase in charges for residual waste bins			
	Response to Screening Questions	Yes	No	Please explain your answer.
a) Type of proposal				
4.	Is this a new proposal or a significant change to the policy or service, including commissioned service?	Y		Recycling bins are currently provided free of charge to Registered Social Landlords/developers/ managing agents. It is proposed that RSLs/developers/ managing agents are charged £145/ year for hire of a recycling bin. It is also proposed that the existing hire charge for residual waste bins is increased to £177/ year, although this is not a policy change.
5.	Does the proposal remove, reduce or alter a service or policy?	Y		The existing policy (free provision of recycling bins to RSLs/developers/managing agents) would be altered by this proposal.
6.	Has there been significant change in staffing arrangements (i.e. more than 20 staff members)?		N	
7.	If the service or policy is not changing, has there been any known equality issues or concerns with current provision. For example, cases of discrimination or failed to tackle inequalities in outcomes in the past?		N	

3rd February 2017

b) Known inequalities				
8.	Could the proposal disproportionately impact on any particular communities, disadvantaged or vulnerable residents?		N	The charge will be made to developers/ RSLs and managing agents rather than directly to residents. It is a small increase that is likely to be absorbed by businesses, and would only entail a small additional charge to residents if passed on, as it relates to shared recycling and waste bins.
9.	Is the service targeted towards particular disadvantaged or vulnerable residents? This can be a service specifically for a group, such as services for people with Learning Disabilities. It can also be a universal service but has specific measures to tackle inequalities, such as encouraging men to take up substance misuse services.		N	The service is provided to businesses/organisations which manage domestic properties.
10.	Are there any known inequalities? For example, particular groups are not currently accessing services that they need or are more likely to suffer inequalities in outcomes, such as health outcomes.		N	As above.
11	<p>If you have answered yes to at least one question in both sections a) and b), Please complete an EqIA.</p> <p>If a decision is taken not to proceed with a full EqIA, please document carefully your reasons. For example:</p> <ul style="list-style-type: none"> • The proposal is likely to have no/minimal impact on groups that share the protected characteristics or other disadvantaged groups • The service currently is effective in 			The proposal is likely to have no/ minimal impact on groups that have protected characteristics. It entails charging businesses for a service that is currently free, as well as increasing an existing charge.

	tackling inequalities and it is not changing <ul style="list-style-type: none">• Any changes will not have any impact on service users, residents or staff			
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EQUALITY IMPACT ASSESSMENT

The Equality Act 2010 places a 'General Duty' on all public bodies to have 'due regard' to:

- Eliminating discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advancing equality of opportunity for those with 'protected characteristics' and those without them
- Fostering good relations between those with 'protected characteristics' and those without them.

In addition the Council complies with the Marriage (same sex couples) Act 2013.

Stage 1 – Screening

Please complete the equalities screening form. If screening identifies that your proposal is likely to impact on the Public Sector Equality Duty, please proceed to stage 2 and complete a full Equality Impact Assessment.

Stage 2 – Full Equality Impact Assessment

An Equality Impact Assessment provides evidence for meeting the Council's commitment to equality and the responsibilities under the Public Sector Equality Duty.

When an Equality Impact Assessment has been undertaken, it should be submitted as an attachment/appendix to the final decision making report. This is so the decision maker (e.g. Cabinet, Committee, senior leader) can use the EqIA to help inform their final decision. The EqIA once submitted will become a public document, published alongside the minutes and record of the decision.

Please read the council's Equality Impact Assessment guidance before beginning the EIA process.

1. Responsibility for the Equality Impact Assessment

Name of proposal	Charging for the Bulky Waste Collection Service
Service area	Waste Management
Officer completing assessment	Tom Hemming
Equalities/ HR Advisor	Otis Williams
Cabinet meeting date (if applicable)	14 Feb 17
Director/Assistant Director	Stephen McDonnell

2. Summary of the proposal and its relevance to the equality duty

Please outline in no more than 3 paragraphs

- *The proposal which is being assessed*
- *The key stakeholders who may be affected by the policy or proposal*
- *Its relevance to the Public Sector equality duty and the protected groups*

The collection of bulky waste is a service for which a charge can be made.

The existing service offers a free collection for items that are classed as recyclable or reusable and charges for any other bulky items (£17.60 for up to 6 items).

The proposal is to charge £25 for up to four items plus £10 for each extra item, per collection booked. Residents will be able to book as many collections in a year as required.

The policy change affects most residents living in the borough. However, there is a likelihood that the free service is used to a considerable degree by landlords of rented properties, in effect subsidising their business operations. There will need to be clear communications to encourage responsible management of waste by residents and landlords.

3. What data will you use to inform your assessment of the impact of the proposal on protected groups of service users and/or staff?

Identify the main sources of evidence, both quantitative and qualitative, that supports your analysis. This could include, for example, data on the Council’s workforce, equalities profile of service users, recent surveys, research, results of relevant consultations, Haringey Borough Profile, Haringey Joint Strategic Needs Assessment and any other sources of relevant information, local, regional or national.

Further information on data sources is contained within accompanying EqIA guidance.(part 8)

Protected group	Service users	Staff
Sex	The Veolia annual perception survey can pick up impact on satisfaction with the bulky waste collection service, which can inform the picture of service provision. No data is available on the sex of those that currently use the service.	
Gender Reassignment	No data is available on the gender reassignment of those that currently use the service	
Age	The Veolia annual perception survey can pick up impact on satisfaction with the bulky waste collection service, which can	

	<p>inform the picture of service provision. The proposed service is available to those households that generate bulky waste and would therefore affect the main house owner, meaning those aged 18 years and older.</p> <p>No data is available on the age of those that currently use the service.</p>	
Disability	<p>The Veolia annual perception survey can pick up impact on satisfaction with the bulky waste collection service, which can inform the picture of service provision.</p> <p>No data is available on the disability of those that currently use the service.</p>	
Race & Ethnicity	<p>The Veolia annual perception survey can pick up impact on satisfaction with the bulky waste collection service, which can inform the picture of service provision.</p> <p>No data is available on the race/ ethnicity of those that currently use the service.</p>	
Sexual Orientation	<p>The Veolia annual perception survey can pick up impact on satisfaction with the bulky waste collection service, which can inform the picture of service provision.</p> <p>No data is available on the sexual orientation of those that currently use the service.</p>	
Religion or Belief (or No Belief)	<p>No data is available on the religion or belief of those that use the service.</p>	
Pregnancy & Maternity	<p>No data is available on pregnancy or maternity of those that use the service.</p>	
Marriage and Civil Partnership	<p>No data is available on marriage and civil partnership of those that use the service.</p>	
<p>If there are any gaps in the data for particular groups or no data is available, please explain how you will address this gap</p>		
<p>Data on protected groups using the service has not been collected because the service was usually free of charge to residents.</p> <p>The new service will be periodically reviewed and the requirement to collect any additional data will be considered.</p>		

4. a) How will consultation and/or engagement inform your assessment of the impact of the proposal on protected groups of residents, service users and/or staff?

Please provide a brief outline of:

- *How you intend to consult with those affected by your proposal including those that share the protected characteristics*

Further information on consultation is contained within accompanying EqlA guidance (part 9)

Members were consulted on the proposal prior to the savings proposals being published in December 2016 and reviewed by the Council's Environment and Community Safety Scrutiny Panel. The public report invited feedback from residents and service users. A comprehensive communication and engagement plan will need to accompany the service change, and feedback in response to this engagement will be captured and monitored to inform review of the service.

Although a charge is being applied to collections of all bulky items from the home, bulky waste can still be taken to the Reuse & Recycling Centre for free. It is possible that the charge may lead to some residents fly-tipping items, rather than paying for the service. Anecdotally, Newham reported a slight increase in fly-tipping following the introduction of a charge for their bulky waste service, but there is no existing independent study of impact of charging on fly-tipping levels.

4. b) Outline the key findings of your consultation / engagement activities once completed, particularly in terms of how this relates to groups that share the protected characteristics

Explain how will the consultation's findings will shape and inform your proposal and the decision making process, and any modifications made?

Of 143 responses to the Council's budget consultation, 11 people opposed the proposal, with individual comments noting that 'Charging for bulky waste and green waste disposal is just going to encourage fly-tipping'. 8 individuals supported the proposal, with comments including 'I support charging for bulk collections, £25 is very reasonable to remove four bulky items. I agree that free bulk household collection should be stopped'.

Residents will ultimately have choices as to whether to use the charged service, utilise the Reuse & Recycling Centre free of charge, or dispose of bulky waste through other legitimate routes. Impact on flytipping and use of the recycling centres will be monitored and used to review the service.

5. What is the likely impact of the proposal on groups of service users and/or staff that share the protected characteristics?

Please explain the likely differential impact on each of the 9 equality strands, whether positive or negative. Where it is anticipated there will be no impact from the proposal, please outline the evidence that supports this conclusion.

Further information on assessing impact on different groups is contained within accompanying EqlA guidance (part 10)

1. Sex No data available on the sex of the service user. However, it is not anticipated that the policy will have a disproportionate impact on this protected group.

2. Gender reassignment No data available on the gender reassignment of the service user. However, it is not anticipated that the policy will have a disproportionate impact on this protected group.

3. Age No data available on the age of the service user. However the policy change is likely to impact on those aged 18 years and older. Low income groups are likely to have greater difficulty in meeting increased charges. Certain protected groups, such as older or younger households, are currently disproportionately likely to be on low incomes. Alternative options for disposing of bulky waste will be retained and communicated such as taking it to the Reuse & Recycling Centre for free and home composting, for which composting bins will be available at cost.

4. Disability For some individuals within this protected group such as those with Learning Disabilities it will be important to clearly and widely communicate the service changes and the alternative disposal routes such as the Reuse & Recycling Centre.

5. Race and ethnicity

We are aware that low income groups are likely to have greater difficulty in meeting increased charges. Certain protected groups, such as BAME households, are currently disproportionately likely to be on low incomes and the change will individually have a greater impact on their budgets. Alternative options for disposing of bulky waste will be retained and communicated such as taking it to the Reuse & Recycling Centre for free.

6. Sexual orientation No data available on the sexual orientation of the service user. However, it is not anticipated that the policy will have a disproportionate impact on this protected group.

7. Religion or belief (or no belief) No data available on the religion or belief (or no belief) of the service user. However, it is not anticipated that the policy will have a disproportionate impact on this protected group.

8. Pregnancy and maternity No data available on the pregnancy and maternity of the service user. However, it is not anticipated that the policy will have a disproportionate impact on this protected group.

9. Marriage and Civil Partnership No data available on the marriage and civil partnership of the service user. However, it is not anticipated that the policy will have a disproportionate impact on this protected group.

10. Groups that cross two or more equality strands e.g. young black women No data available of service users that cross two or more equality strands. Low income households have disproportionate representation of women, disabled people and some BAME communities. Communications will encourage responsible management of waste by residents and landlords of rented properties.

Outline the overall impact of the policy for the Public Sector Equality Duty:

- Could the proposal result in any direct/indirect discrimination for any group that shares the protected characteristics?
- Will the proposal help to advance equality of opportunity between groups who share a protected characteristic and those who do not?
- Will the proposal help to foster good relations between groups who share a protected characteristic and those who do not?

The impact assessment highlights that clear communication will be required to ensure that potential service users who face language barriers and certain disabilities understand the changes to the service and the options for disposing of waste responsibly.

Low income groups are likely to have greater difficulty in meeting increased charges. Certain protected groups, such as BAME and elderly households, are currently disproportionately likely to be on low incomes. To mitigate against this, free alternative disposal routes will be retained such as using the Reuse & Recycling Centre. The council will also investigate other options for providing collections at low or no cost for reusable items through third sector partners.

Charging for bulky waste will contribute to increasing the responsible management of waste by putting a value on waste items and creating an incentive to reuse/repair household items in preference to buying new items. It will mean the service is paid for by those residents who generate waste and need to use the service.

6. a) What changes if any do you plan to make to your proposal as a result of the equality impact assessment?

Further information on responding to identified impacts is contained within accompanying EqIA guidance (part 11)

Outcome	Y/N
No major change: the EIA demonstrates the policy is robust and there is no potential for discrimination or adverse impact. All opportunities to promote equality have been taken.	Y
Adjust the policy: the EIA identifies potential problems or missed opportunities. Adjust the policy to remove barriers or better promote equality. Clearly <u>set out below</u> the key adjustments you plan to make to the policy.	N
Continue the policy: the EIA identifies the potential for adverse impact or missed	N

opportunities to promote equality. Clearly <u>set out below</u> the justifications for continuing with it. For the most important relevant policies, compelling reasons will be needed.	
Stop and remove the policy: the policy shows actual or potential unlawful discrimination. It must be stopped and removed or changed.	N

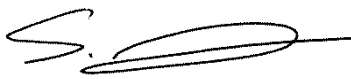
6 b) Summarise the specific actions you plan to take to remove or mitigate any actual or potential negative impact and to further the aims of the Equality Duty

Impact	Action	Lead officer	Timescale
Removal of a free service	Promotion of free services that will be retained such as the Reuse & Recycling Centre and third sector reuse organisations needs to be clearly communicated across the borough. Cost of service is lower than in most north London boroughs.	Commissioning & Client Manager	April/May 2017
Understanding service changes	Services changes to be clearly communicated across the borough.	Commissioning & Client Manager	April/May 2017
Potential increase in fly tipping	Fly tipping rates are and will be monitored closely to determine if the service change has any impact on fly tipping in the borough.	Commissioning & Client Manager	April/May 2017

6 c) Summarise the measures you intend to put in place to monitor the equalities impact of the proposal as it is implemented:

This will form part of the policy review. We will monitor service user feedback through the annual perception survey to ensure we pick up any unknown equality implications.

7. Authorisation

EIA approved by  (Assistant Director/ Director)	Date 3 rd February 2017
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8. Publication

Please ensure the completed EIA is published in accordance with the Council's policy.

EQUALITY IMPACT ASSESSMENT

The Equality Act 2010 places a 'General Duty' on all public bodies to have 'due regard' to:

- Eliminating discrimination, harassment and victimisation and any other conduct prohibited under the Act
- Advancing equality of opportunity for those with 'protected characteristics' and those without them
- Fostering good relations between those with 'protected characteristics' and those without them.

In addition the Council complies with the Marriage (same sex couples) Act 2013.

Stage 1 – Screening

Please complete the equalities screening form. If screening identifies that your proposal is likely to impact on the Public Sector Equality Duty, please proceed to stage 2 and complete a full Equality Impact Assessment.

Stage 2 – Full Equality Impact Assessment

An Equality Impact Assessment provides evidence for meeting the Council's commitment to equality and the responsibilities under the Public Sector Equality Duty.

When an Equality Impact Assessment has been undertaken, it should be submitted as an attachment/appendix to the final decision making report. This is so the decision maker (e.g. Cabinet, Committee, senior leader) can use the EqIA to help inform their final decision. The EqIA once submitted will become a public document, published alongside the minutes and record of the decision.

Please read the council's Equality Impact Assessment guidance before beginning the EIA process.

1. Responsibility for the Equality Impact Assessment

Name of proposal	To stop the quarterly delivery of sacks for residual waste and recycling to flats above shops
Service area	Waste Management
Officer completing assessment	Tom Hemming
Equalities/ HR Advisor	Otis Williams
Cabinet meeting date (if applicable)	14 Feb 17
Director/Assistant Director	Stephen McDonnell

2. Summary of the proposal and its relevance to the equality duty

Please outline in no more than 3 paragraphs

- *The proposal which is being assessed*
- *The key stakeholders who may be affected by the policy or proposal*
- *Its relevance to the Public Sector equality duty and the protected groups*

To stop the quarterly delivery of sacks for residual waste and recycling to flats above shops. Residents of flats above shops will be able to use their own bags for residual waste (as was the case up to the end of 2015) and obtain free recycling bags from various public buildings.

The policy change affects around 6,000 residents living in domestic properties above shops or other properties where there is no space at all to put out containers for collection without having to go on the public highway.

3. What data will you use to inform your assessment of the impact of the proposal on protected groups of service users and/or staff?

Identify the main sources of evidence, both quantitative and qualitative, that supports your analysis. This could include, for example, data on the Council’s workforce, equalities profile of service users, recent surveys, research, results of relevant consultations, Haringey Borough Profile, Haringey Joint Strategic Needs Assessment and any other sources of relevant information, local, regional or national.

Further information on data sources is contained within accompanying EqIA guidance.(part 8)

Protected group	Service users	Staff
Sex	No data is available on the sex of those that currently use the service.	
Gender Reassignment	No data is available on the gender reassignment of those that currently use the service	
Age	No data is available on the age of those that currently use the service.	
Disability	No data is available on the disability of those that currently use the service.	
Race & Ethnicity	No data is available on the race/ ethnicity of those that currently use the service.	
Sexual Orientation	No data is available on the sexual orientation of those that currently use the service.	
Religion or Belief (or No Belief)	No data is available on the religion or belief of those that use the service.	

Pregnancy & Maternity	No data is available on pregnancy or maternity of those that use the service.	
Marriage and Civil Partnership	No data is available on marriage and civil partnership of those that use the service.	
If there are any gaps in the data for particular groups or no data is available, please explain how you will address this gap		
<p>The service does not hold any equalities data specific to residents living in flats above shops.</p> <p>The revised service will be periodically reviewed in light of any complaints/enquiries.</p>		

4. a) How will consultation and/or engagement inform your assessment of the impact of the proposal on protected groups of residents, service users and/or staff?

Please provide a brief outline of:

- *How you intend to consult with those affected by your proposal including those that share the protected characteristics*

Further information on consultation is contained within accompanying EqlA guidance (part 9)

Members were consulted on the proposal prior to the savings proposals being published in December 2016 and it has been reviewed by the Council's Environment and Community Safety Scrutiny Panel. The public report invited feedback from residents and service users.

A communication plan will need to accompany the service change, to make people aware of the revised offer for using the recycling service, although participation in the service is known to be extremely low (as is use of the bags provided for residual waste – the overwhelming majority of bags left out for collections are carrier bags or generic bin bags). The current low usage will to a large degree limit the impact on residents (overall and in any particular groups).

Any feedback received in response to communications will be captured to inform further review of the service.

4. b) Outline the key findings of your consultation / engagement activities once completed, particularly in terms of how this relates to groups that share the protected characteristics

Explain how will the consultation's findings will shape and inform your proposal and the decision making process, and any modifications made?

Of 143 responses to the consultation, there were no comments about this proposal, either to support or oppose the proposal.

Residents who have used the sacks until now will in future have to obtain recycling bags from public buildings and provide their own residual waste bags (as any other household has to), but the service remains substantially unchanged - 14 waste and recycling collections per week, every morning and evening in time limited slots for different roads. It will not affect particular groups with protected characteristics any more so than may already be the case in terms of the physical space restraints that influence the mode of collection associated with this type of property.

Consideration will be given to delivering recycling bags to any resident who is physically unable to collect the bags from public council buildings or sites through disability or age. However this will only be eligible to individuals where access to public buildings is an issue- the majority of residents will be expected to collect bags from public council buildings or sites

5. What is the likely impact of the proposal on groups of service users and/or staff that share the protected characteristics?

Please explain the likely differential impact on each of the 9 equality strands, whether positive or negative. Where it is anticipated there will be no impact from the proposal, please outline the evidence that supports this conclusion.

Further information on assessing impact on different groups is contained within accompanying EqlA guidance (part 10)

1. Sex No data available on the sex of the service user. However, it is not anticipated that the policy will have a disproportionate impact on this protected group.

2. Gender reassignment No data available on the gender reassignment of the service user. However, it is not anticipated that the policy will have a disproportionate impact on this protected group.

3. Age No data available on the age of the service user. However, it is not anticipated that the policy will have a disproportionate impact on this protected group.

4. Disability For some individuals within this protected group such as those with Learning Disabilities it will be important to clearly and widely communicate the service changes and the alternative means of obtaining bags.

5. Race and ethnicity

No data available on the age of the service user. However, it is not anticipated that the policy will have a disproportionate impact on this protected group.

6. Sexual orientation No data available on the sexual orientation of the service user. However, it is not anticipated that the policy will have a disproportionate impact on this protected group.

7. Religion or belief (or no belief) No data available on the religion or belief (or no belief) of the service user. However, it is not anticipated that the policy will have a disproportionate impact on this protected group.

8. Pregnancy and maternity No data available on the pregnancy and maternity of the service user. However, it is not anticipated that the policy will have a disproportionate impact on this protected group.

9. Marriage and Civil Partnership No data available on the marriage and civil partnership of the service user. However, it is not anticipated that the policy will have a disproportionate impact on this protected group.

10. Groups that cross two or more equality strands e.g. young black women No data available of service users that cross two or more equality strands.

Outline the overall impact of the policy for the Public Sector Equality Duty:

- Could the proposal result in any direct/indirect discrimination for any group that shares the protected characteristics?

- Will the proposal help to advance equality of opportunity between groups who share a protected characteristic and those who do not?
- Will the proposal help to foster good relations between groups who share a protected characteristic and those who do not?

No fundamental change in the service provision is proposed in terms of the number/frequency of collections of waste and recycling. The impact assessment highlights the need for communication to ensure that service users such as those who face language barriers or learning disabilities understand the changes to the service and the options for obtaining bags. In general, communications will encourage responsible management of waste by residents and the landlords of rented properties.

Recycling bags will be available from public buildings/sites (eg. libraries, with all residents in Haringey living within one mile of their local branch) and where circumstances dictate could be posted out to residents who are unable to access one of these sites.

6. a) What changes if any do you plan to make to your proposal as a result of the equality impact assessment?

Further information on responding to identified impacts is contained within accompanying EqIA guidance (part 11)

Outcome	Y/N
No major change: the EIA demonstrates the policy is robust and there is no potential for discrimination or adverse impact. All opportunities to promote equality have been taken.	Y
Adjust the policy: the EIA identifies potential problems or missed opportunities. Adjust the policy to remove barriers or better promote equality. Clearly <u>set out below</u> the key adjustments you plan to make to the policy.	N
Continue the policy: the EIA identifies the potential for adverse impact or missed opportunities to promote equality. Clearly <u>set out below</u> the justifications for continuing with it. For the most important relevant policies, compelling reasons will be needed.	N
Stop and remove the policy: the policy shows actual or potential unlawful discrimination. It must be stopped and removed or changed.	N

6 b) Summarise the specific actions you plan to take to remove or mitigate any actual or potential negative impact and to further the aims of the Equality Duty

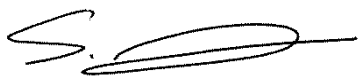
Impact	Action	Lead officer	Timescale
Removal of delivery of	Continued free provision of		

bags for waste and recycling to the door	recycling bags from public buildings.	Commissioning & Client Manager	April 2017
Understanding service changes	Promotion of availability of recycling bags at public buildings/need to purchase own residual waste bags to be communicated across the borough on website and through other media.	Commissioning & Client Manager	April 2017

6 c) Summarise the measures you intend to put in place to monitor the equalities impact of the proposal as it is implemented:

We will monitor service user feedback received through complaints and enquiries.

7. Authorisation

EIA approved by .  (Assistant Director/ Director)	Date 3 rd February 2017
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8. Publication

Please ensure the completed EIA is published in accordance with the Council's policy.

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Amendments to Cabinet Report

1. Introduction

- 1.1. Cabinet considered the budget and MTFFS (2017 – 2022) report on the 14th February 2017. Additional information has been made available that requires that the detail in the Cabinet report be updated prior to full Council approving the budget. The changes to be made are detailed below.
- 1.2. In addition to the below amendments to the Cabinet report, the following appendices have been amended or added:
 - Appendix A – Medium Term Financial Strategy (2017 – 2022) amend appendix 1 of the Cabinet report;
 - Appendix B – 2017/18 General Fund Revenue Budget amend appendix 6 of the Cabinet report; and
 - Appendix C is a new appendix that sets out the policy on the flexible use of capital receipts.

2. Amendment to Priority Area Budget

- 2.1. Following review of the budget allocation process to priority areas, further realignment of priority area budgets is required prior to full Council approval of cash limits. This includes the allocation of public health and commissioning budgets to reflect the correct allocations to children's and adults' services is required and other minor adjustments between the priority areas.
- 2.2. These changes mainly affect paragraph 7 of the Cabinet report. The tables set out below have been amended to reflect the updated figures.
- 2.3. Table 1.1, 1.2 and 1.3 below amend table 7.3, 7.4 and 7.6 respectively in the Cabinet report of 14th February 2017 at annex 1.

Table 1.1 – Summary of funding assumptions 2017/18 – 2021/22

FUNDING ASSUMPTIONS					
	2017/18	2018/19	2019/20	2020/21	2021/22
	£'000	£'000	£'000	£'000	£'000
Main Funding					
New Homes Bonus	5,712	4,200	4,228	4,899	4,899
Adult Social Care Grant	1,195	1,195	1,195	1,195	1,195
Revenue Support Grant	38,590	30,202	21,641	20,015	8,357
Council Tax	93,773	98,642	100,696	102,750	104,806
Retained Business Rates	22,084	20,824	20,758	21,173	21,597
Top up Business Rates	54,232	57,967	59,820	61,016	62,236
Total Main Funding	215,585	213,030	208,337	211,048	213,090
Core Grants					
Public Health	20,742	20,203	19,677	19,677	19,677
Other core grants	10,653	12,687	15,116	14,381	14,895
TOTAL (External) Funding	246,980	245,920	243,130	245,106	247,663
Contribution from/(to) Reserves	8,782	2,793	4,169	2,083	3,556
TOTAL FUNDING	255,762	248,713	247,299	247,190	251,219

Table 1.2 – Summary of expenditure and funding 2017/18 – 2021/22

EXPENDITURE ASSUMPTIONS						
	2017/18	2018/19	2019/20	2020/21	2021/22	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Budget requirement b/f	255,627	255,762	248,713	247,299	247,190	1,254,590
Unavoidable growth	26,626	2,273	1,072	2,136	746	32,854
Original MTFS year 3 savings	(24,163)	(450)	0	0	0	(24,613)
Original savings not achievable	22,197	0	0	0	0	22,197
Additional savings	(18,800)	(1,000)	(500)	0	0	(20,300)
New investment	4,383	212	624	1,639	1,379	8,237
Additional income	0	(1,022)	(2,022)	(2,022)	(23)	(5,089)
Other adjustments	51	953	3,356	(362)	1,947	5,945
Additional savings	(10,159)	(8,016)	(3,944)	(1,500)	(20)	(23,639)
Budget requirement	255,762	248,713	247,299	247,190	251,219	1,250,182
Available funding	246,980	245,920	243,130	245,106	247,663	1,228,799
Contribution from/(to) Reserves	8,782	2,793	4,169	2,083	3,556	21,383

Table 1.3 – Summary of proposed MTFS budgets

Services	2016/17		2017/18		2018/19	2019/20	2020/21	2021/22
	£'000	%	£'000	%	£'000	£'000	£'000	£'000
Priority 1	52,742	21%	55,799	22%	52,687	52,488	52,268	52,349
Priority 2	87,311	34%	93,087	37%	94,793	96,941	100,216	103,872
Priority 3	29,550	12%	28,616	11%	24,564	22,414	20,414	20,414
Priority 4	15,145	6%	14,037	5%	14,088	14,088	14,088	14,088
Priority 5	3,881	2%	9,970	4%	9,397	10,120	9,372	9,064
Enabling	66,998	26%	54,253	21%	53,184	51,248	50,832	51,432
Total Budget	255,627	100%	255,762	100%	248,713	247,299	247,190	251,219

3. Council Tax Amendment

3.1. The lack of clear guidance regarding the application of the 3% increase relating to the adult social care precept meant that the council tax amounts in the earlier version of the budget report have since had to be revised.

3.2. In common with other Councils at the time, the original report to Cabinet used the more prudent of the two possible approaches available in calculating the basic council tax. Rather than apply the 3% increase to the 2016/17 council tax amount of £1,208.01, a more conservative approach was adopted that applied the agreed 3% increase to the 2015/16 pre-Adult Social Care precept council tax amount of £1,184.34.

3.3. Following clearer guidance on the application of the Adult Social Care precept increase, the council tax amount has been updated as the Council. The correct method is for the 3% Adult Social Care precept increase to be applied to the 2016/17 basic council tax as the base amount. This will mean that the band D council tax amount for 2017/18 is £1,244.25.

3.4. Tables 2.1 and 2.2 below amend table 6.3 and 6.4 respectively in the Cabinet report of 14 February 2017 at annex 1.

Table 2.1 Council Tax (excluding GLA) Precept by Band

Band	Ratio	Ratio as %	Amount £
Band A	6/9	67%	829.51
Band B	7/9	78%	967.75
Band C	8/9	89%	1,106.00
Band D	9/9	100%	1,244.25
Band E	11/9	122%	1,520.63
Band F	13/9	144%	1,797.26
Band G	15/9	167%	2,073.75
Band H	18/9	200%	2,488.50

Table 2.2 – Council Tax (including GLA Precept) by Band

Band	Ratio	Ratio as %	Council Amount £	GLA Precept £	Total Council Tax £
Band A	6/9	67%	829.51	186.68	1,016.19
Band B	7/9	78%	967.75	217.79	1,185.54
Band C	8/9	89%	1,106.00	248.91	1,354.91
Band D	9/9	100%	1,244.25	280.02	1,524.27
Band E	11/9	122%	1,520.63	342.24	1,862.87
Band F	13/9	144%	1,797.26	404.47	2,201.73
Band G	15/9	167%	2,073.75	466.70	2,540.45
Band H	18/9	200%	2,488.50	560.04	3,048.54

3.5. Other than the council tax adjustment, the amendments outlined above have nil impact on the level of reserves funding required in 2017/18.

HARINGEY COUNCIL MEDIUM TERM FINANCIAL PLAN - APRIL 2017 - MARCH 2022

Appendix A

	2017/18	Movement	2018/19	Movement	2019/20	Movement	2020/21	Movement	2021/22
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Services									
Priority 1	55,799	- 3,112	52,687	- 199	52,488	- 220	52,268	81	52,349
Priority 2	93,087	1,705	94,793	2,148	96,941	3,275	100,216	3,656	103,872
Priority 3	28,616	- 4,052	24,564	- 2,150	22,414	- 2,000	20,414	-	20,414
Priority 4	14,037	50	14,088	-	14,088	-	14,088	-	14,088
Priority 5	9,970	- 573	9,397	722	10,120	- 748	9,372	- 308	9,064
Enabling	54,253	- 1,069	53,184	- 1,936	51,248	- 416	50,832	600	51,432
Total Budget	255,762	- 7,050	248,713	- 1,414	247,299	- 109	247,190	4,029	251,219
Funding									
New Homes Bonus	5,712	- 1,512	4,200	28	4,228	671	4,899	-	4,899
Adult Social Care Grant	1,195	-	1,195	-	1,195	-	1,195	-	1,195
Revenue Support Grant	38,590	- 8,388	30,202	- 8,561	21,641	- 1,626	20,015	- 1,658	18,357
Council Tax	93,773	4,869	98,642	2,054	100,696	2,054	102,750	2,057	104,806
Retained Business Rates	22,084	- 1,260	20,824	- 66	20,758	415	21,173	423	21,597
Top up Business Rates	54,232	3,735	57,967	1,853	59,820	1,196	61,016	1,220	62,236
Total Main Funding	215,585	- 2,555	213,030	- 4,693	208,337	2,711	211,048	2,042	213,090
Public Health	20,742	- 539	20,203	- 525	19,677	-	19,677	-	19,677
Other core grants	10,653	2,035	12,687	2,428	15,116	- 735	14,381	514	14,895
Contribution from /to Reserves	8,782	- 5,989	2,793	1,376	4,169	- 2,085	2,083	1,472	3,556
TOTAL FUNDING	255,762	- 7,049	248,713	- 1,414	247,299	- 109	247,190	4,029	251,219

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HARINGEY COUNCIL BUDGET PLAN TO MARCH 2018

Appendix B

	2016/17	Unavoidable Growth	Pre-Agreed Savings	Savings Not Achieved	Additional Savings	New Investments	Corporate Adjustments	Other Fund Adjustments	Savings Proposals	2017/18
Expenditure	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Priority 1	52,742	2,604	- 4,357	5,124	- 3,000	878	-	4,706	- 2,898	55,799
Priority 2	87,311	11,889	- 10,726	13,081	- 7,500	-	-	1,444	- 2,411	93,087
Priority 3	29,550	-	- 3,825	1,145	-	-	1,762	1,554	- 1,570	28,616
Priority 4	15,145	-	- 375	-	-	-	-	229	- 503	14,037
Priority 5	3,881	7,133	- 1,895	1,525	-	-	-	675	-	9,970
Enabling	66,998	5,000	- 2,985	1,322	- 8,300	3,505	- 82	8,428	- 2,777	54,253
Priority Total	255,627	26,626	- 24,163	22,197	- 18,800	4,383	1,680	- 1,629	- 10,159	255,762
Funding										
Core Grants	33,586							-2191		31,395
New Homes Bonus	6,905							1,193		5,712
Adult Social Care Grant	-							1,195		1,195
Revenue Support Grant	50,988							12,398		38,590
Council Tax	87,187							6,585		93,773
Retained Business Rates	19,828							2,256		22,084
Top Up Business Rates	55,220							988		54,232
Budget Surplus / (Shortfall)	1,913							8,782		8,782
Total Funding Available	255,627							2,048		255,762

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Policy for Flexible use of Capital Receipts

Purpose

1. This document reviews the statutory guidance on the flexible use of Capital Receipts and its application within this council.

Background

2. Capital receipts can only be used for specific purposes and these are set out in Regulation 23 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 made under Section 11 of the Local Government Act 2003. The main permitted purpose is to fund capital expenditure and the use of capital receipts to support revenue expenditure is not permitted by the regulations.
3. The Secretary of State is empowered to issue Directions allowing expenditure incurred by local authorities to be treated as capital expenditure. Where such a direction is made, the specified expenditure can then be funded from capital receipts under the Regulations.
4. The Secretary of State for Communities and Local Government has issued guidance in March 2016, giving local authorities greater freedoms with how capital receipts can be used to finance expenditure. This Direction allows for the following expenditure to be treated as capital,

“expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners.”

5. In order to comply with this Direction, the Council must consider the Statutory Guidance issued by the Secretary of State. **This Guidance requires authorities to prepare, publish and maintain a Flexible Use of Capital Receipts Strategy with the initial strategy being effective from 1st April 2016 with future Strategies included within future Annual Budget documents.**
6. There is no prescribed format for the Strategy, the underlying principle is to support local authorities to deliver more efficient and sustainable services by extending the use of capital receipts to support the revenue costs of reform projects
7. The Statutory Guidance for the Flexible Use of Capital Receipts Strategy states that the Strategy should include a list of each project which plans to make use of the capital receipts flexibility, together with the expected savings that the project will realise. The Strategy should also include the impact of this flexibility on the affordability of borrowing by including updated Prudential Indicators.
8. The Flexible Use of Capital Receipts Strategy is set out below:

Flexible Use of Capital Receipts Strategy

1. Government has provided a definition of expenditure which qualifies to be funded from capital receipts. This is:

“Qualifying expenditure is expenditure on any project that is designed to generate ongoing revenue savings in the delivery of public services and/or transform service delivery to reduce costs and/or transform service delivery in a way that reduces costs or demand for services in future years for any of the public sector delivery partners. Within this definition, it is for individual local authorities to decide whether or not a project qualifies for the flexibility.”

2. The Council's intends to use capital receipts to fund the following:

	2016/17 £m	2017/18 £m
Restructure costs as part of the Council's Transformation projects	6	3

3. The savings generated by these projects are set out in the table below.

2016/17 £m	2017/18 £m	2018/19 £m	2019/20 £m
6	9	9	9

4. The guidance requires that the impact on the Council's Prudential Indicators should be considered when preparing a Flexible Use of Capital Receipts Strategy. The indicators that will be impacted by this strategy are set out below;

Estimate of Capital Expenditure Indicator increased by £6m in 2016/17 and £3m in 2017/18.

Capital Financing Requirement increased by £6m in 2016/17 and a further £3m in 2017/18. as these capital receipts supported schemes within the existing programme that will now be financed by prudential borrowing.

Financing costs as a percentage of the net revenue stream are 1.89% in 2016/17 and 2.18% in 2017/18, noting that the savings generated from these projects will meet the debt financing costs arising from the additional borrowing.

There is no impact on Council Tax/Housing Rents as savings will meet the debt financing costs

5. The Prudential Indicators show that this Strategy is affordable and will not impact on the Council's operational and authorised borrowing limits.

Annex 2

Cash Limits

2017/18

	£'000
Chief Executive	264
Assistant Dir of Corporate Governance	2,196
Policy & Business Management	1,135
Leader and Chief Executive Office	3,594
AD for Commercial & Operations	25,391
AD for Shared Service Centre	8,483
AD for Transformation & Resources	11,890
Assistant Dir Housing & CE for HfH	9,970
Assistant Director for Customer Service	6,520
Chief Operating Officer	462
Chief Operating Officer	62,716
Assistant Dir for Communication	1,255
Assistant Director for Commissioning	7,799
Assistant Director for Schools&Learning	1,368
Assistant Director Public Health	16,229
Children & Families	36,543
Deputy Chief Exec	210
Director of Adults Social Services	77,643
Director of Public Health	1,404
Prevention & Early Interven	8,654
Deputy Chief Executive	151,106
Assistant Director for Corp Prop Proj	1,988
Assistant Director for Planning	871
Assistant Director for Regeneration	10,720
Dir of Regeneration,Planning & Development	202
Programme Director Tottenham	2,517
Director of Regeneration,Planning & Development	16,297
Non Service Revenue	22,049
TOTAL FUNDING REQUIREMENT	255,762

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Haringey Council

Reserves policy

Background

1. Sections 32 and 43 of the Local Government Finance Act 1992 require local authorities to consider the level of reserves when setting a budget requirement. Section 25 of the Local Government Act 2003 requires the Chief Financial Officer (Section 151 Officer) to report formally on the adequacy of proposed reserves when setting a budget requirement. The accounting treatment for reserves is set out in the Code of Practice on Local Authority Accounting.
2. CIPFA has issued Local Authority Accounting Panel (LAAP) Bulletin No.55, Guidance Note on Local Authority Reserves and Balances and LAAP Bulletin 99 (Local Authority Reserves and Provisions). Compliance with the guidance is recommended in CIPFA's Statement on the Role of the Chief Financial Officer in Local Government.
3. This note sets out the Council's policy for compliance with the statutory regime and relevant non-statutory guidance.

Overview

4. The Council's overall approach to reserves will be defined by the system of internal control. The system of internal control is set out, and its effectiveness reviewed, in the Annual Governance Statement. Key elements of the internal control environment are objective setting and monitoring, policy and decision-making, compliance with statute and procedure rules, risk management, achieving value for money, financial management and performance management.
5. The Council will maintain:
 - a general fund general reserve;
 - a housing revenue account (HRA) general reserve; and
 - a number of earmarked reserves.
6. Additionally the Council is required to maintain **unusable** reserves to comply with accounting requirements although, as the term suggests, these reserves are not available to fund expenditure.

General fund general reserve

7. The purpose of the general reserve is to manage the impact of emergencies or unexpected events. Without such a reserve, the financial impact of such events could cause a potential financial deficit in the general fund, which would be severely disruptive to the effective operation of the authority. The reserve should mitigate against immediate service reductions if there were any unforeseen financial impacts.

8. The level of the general reserve is a matter for the Council to determine having had regard to the advice of the S151 Officer. The level of the reserve will be a matter of judgement which will take account of the specific risks identified through the various corporate processes. It will also take account of the extent to which specific risks are supported through earmarked reserves. The level will be expressed as a cash sum over the period of the general fund medium-term financial strategy. The level will also be expressed as a percentage of the general funding requirement (to provide an indication of financial context).

HRA general reserve

9. The purpose of the HRA general reserve is similar to the general fund general reserve above except applied to the ring-fenced HRA.

Earmarked reserves

10. The purpose of earmarked reserves is to enable sums to be set aside for specific purposes or in respect of potential or contingent liabilities where the creation of a provision is not required or permitted.
11. The Council will maintain the following earmarked reserves:
 - i. Services reserve: includes the net unspent balance of service and other budgets where the Cabinet has agreed that such sums could be carried-forward for use in subsequent years;
 - ii. Insurance reserve: funds set aside to meet internally-insured liabilities where the creation of a provision is not required or permitted;
 - iii. PFI Lifecycle reserve: funds set aside from specific PFI grant given by the government to meet payments to be made to service the debt relating to the Council's secondary schools PFI project; this reserve will be required to manage lifecycle funds during the suspended services period;
 - iv. Council infrastructure reserve (formerly infrastructure reserve): specific funds set aside for the planned maintenance and renewal of the Council's infrastructure including for IT and Property programmes;
 - v. Transformation reserve: will be used to fund investment needs identified through the Medium Term Financial Planning process. It will also be used to fund redundancy and decommissioning costs and the investment necessary to deliver longer term efficiencies and change;
 - vi. Financing reserve: a reserve to enable multiple-year medium-term financial strategies in the context of the annual budgeting and accounting cycle;

- vii. Debt repayment / capital reserve: this reserve is used to set aside money that the Council has for repaying outstanding debt in the future and/or for the purposes of setting aside money earmarked for capital investment;
- viii. Major repairs reserve (HRA): the balance on this reserve represents the amount unspent of the major repairs allocation (MRA) and will be used to meet housing capital expenditure in future years;
- ix. Schools' reserve: the net unspent balance of delegated funds managed by schools;
- x. Community Infrastructure and Growth reserve – the council will need to grow its revenue base as government funding reduces, this will be achieved by increasing the Council Tax and Business Rate base. Resources are likely to be needed to support the community, infrastructure and growth in housing and business;
- xi. Urban Renewal reserve: it would be beneficial for the council to support local businesses so they can share the benefits of the growth, this could include supporting town centres and business investment districts, and maintaining retail business.
- xii. Labour Market Growth and Resilience – this will be used to support initiatives which assist people with returning to and remaining in work.
- xiii. Collection Fund Equalisation Reserve – this reserve deals with the volatility around the collection of Council Tax and Business Rates leading to annual surpluses and deficits in the Collection Fund. This reserve is designed to equalise these fluctuations.
- xiv. Public Health Reserve – the Council assumed responsibility for certain Public Health functions from April 2013 supported through a new Public Health grant; this reserve will be used to manage any over or underspends against this grant which is restricted to Public health expenditure.
- xv. Unspent Grants Reserve – where revenue grants have no conditions or where the conditions are met and expenditure has yet to take place it is recommended practice to hold these sums in an earmarked reserve to meet the future expenditure.
- xvi. Smoothing Reserve (HRA) – this is used to accumulate changes in asset values within the HRA that must, under accounting rules, be charged against the revenue costs of the HRA. The reserve will assist the impact of volatile movements from one year to another.

Management and control

12. The schools reserve, the insurance reserve, and the PFI Lifecycle reserve are clearly defined and require no further authority for the financing of relevant expenditure.
13. The use of all other reserves requires budgetary approval in the normal way.
14. All reserves are reviewed as part of the budget preparation, financial management and closing processes.

Reporting and review

15. The Council will consider a report from the S151 Officer on the adequacy of the reserves in the annual budget-setting process. The report will contain estimates of reserves where necessary. The Corporate Committee will consider actual reserves when approving the statement of accounts each year.
16. The Council will review the reserves policy on an annual basis.

RESERVES AND THEIR ADEQUACY

1. General Fund General Reserve

- 1.1. The judgement on the adequacy of the general fund general reserve needs to reflect the risk management and financial control processes that are in place, and the residual risk of emergencies or unexpected events. For this purpose identification of the key risks is done in three ways:
 - identification of risks during the financial planning and budget setting process as set out in the main report;
 - risk assessment of the agreed investment and savings proposals in the agreed budget package, and;
 - key risks identified, monitored and managed through the Council's risk management strategy and framework.
- 1.2. The calculation of the potential financial impact of these assessed risks has been undertaken and in the light of this, it is considered that the level of the General Fund un-earmarked balance which ranges from £20m to £15m in 2017/18 which is considered appropriate.
- 1.3. The risks set out in Appendix 3c assess a potential financial impact at £21m for 2017/18; the Chief Finance Officer (CFO) regards the range set out above as being sufficient to cover the potential risks. However it is clear that there is only a very small margin for error and the CFO is therefore specifically highlighting the need for robust budget management in 2017/18 including the efficient delivery of agreed savings.
- 1.4. The 2017/18 figure for general balances (£15m) represents 6% of the Council's net budget requirement for 2017/18.

2. Services Reserve

- 2.1. It is Council policy that service under and over spends are retained by the relevant service subject to approval by the Cabinet in the year-end financial outturn report. This reserve earmarks those funds to either be carried forward to the following financial year or retained.

3. Insurance Reserve

- 3.1. The insurance reserve is kept under review by the Head of Audit and Risk Management with the assistance of the Council's insurance adviser. A key variable is the split between this reserve and the level of insurance provision held elsewhere in the balance sheet. The Chief Finance Officer is satisfied that the reserve constitutes adequate protection in respect of the self-insured risk.

4. PFI Reserve

- 4.1. The PFI reserve reflects the agreed arrangements following the suspension of services within the PFI contract. The reserve will be used to manage the lifecycle fund requirements for secondary schools covered by the PFI scheme.

5. Council Infrastructure Reserve

5.1. The Council infrastructure reserve is a key financing resource for the programmes of renewal of assets for the Council, including IT and property. This assists in spreading the costs of core replacement of assets as well as managing asset improvement programmes. It is current policy that revenue and capital underspends in IT and Property are transferred to this reserve for future use.

5.2. The infrastructure reserve will remain in place to spread the cost of future infrastructure programmes.

6. Transformation Reserve

6.1. The Transformation Reserve will be used to fund redundancy and decommissioning costs and any investment necessary to deliver longer term efficiencies and transformational change.

7. Financing Reserve

7.1. The financing reserve is a key tool for managing the impact of financial plans from one year to another. This reserve requires balances to be at different levels, year to year, depending on the demand as identified through previous and current budget plans. This reserve includes an amount set aside for the Sustainable Investment Fund (SIF) which supports invest-to-save projects designed to reduce the Council's CO2 emissions and reduce energy costs.

8. Debt Repayment / Capital Reserve

8.1. This reserve is used to set aside money that the Council has for repaying outstanding debt in the future and / or for the purposes of setting aside money earmarked for future capital investment. It is also available to support generally the capital programme.

9. Schools Reserve

9.1. The amount in the schools reserve is a consequence of the funding and spending of individual schools. A proportion of it reflects earmarked funding for future schools projects. The overall balance is likely to reduce as we move towards a national funding formula.

9.2. A schools loan scheme is in place (with the agreement of the Schools Forum) which acts like the Council's own Sustainable Investment Fund (SIF) and allows schools to borrow to invest in energy and carbon reducing improvements that can be repaid back to the general schools balances.

10. Community Infrastructure and Growth Reserve

10.1. The Council will need to grow its revenue base as government funding continues to reduce, this will be achieved by increasing the Council Tax and Business Rate base. Resources are likely to be needed to support the community infrastructure and growth in housing and business.

11. Urban Renewal Reserve

- 11.1. It will be beneficial for the council to support local businesses so they can share the benefits of growth, this could include supporting town centres and business investment districts, and maintaining retail business.

12. Labour Market Growth and Resilience Reserve

- 12.1. It is beneficial for the Council to support people into work and this reserve will support activities which achieve that aim.

13. Collection Fund Equalisation Reserve

- 13.1. This reserve deals with the volatility around the collection of Council Tax and Business Rates leading to annual surpluses and deficits in the Collection Fund; this reserve is designed to equalise these fluctuations.

14. Public Health Reserve

- 14.1. This reserve will be used to manage any over or underspends against the Council's Public Health Grant which is ring-fenced for Public health expenditure purposes.

15. Unspent Grants Reserve

- 15.1. Where revenue grants have no conditions or where the conditions are met and expenditure has yet to take place it is recommended practice to hold these sums in an earmarked reserve to meet the future expenditure.

16. HRA reserve

- 16.1. The judgement on the adequacy of the HRA general reserve needs to reflect the risk management and financial control processes that are in place, and the residual risk of emergencies or unexpected events. The risk evaluation has taken into account the impact of the change in the governments rent policy which has reduced the resources available to meet future expenditure needs..
- 16.2. The HRA will need to generate additional and substantial contributions to the reserve to fund Housing capital expenditure in the future. The Chief Finance Officer considers the plans set out in the HRA MTFP for the next ten years financial planning period to be at a prudent level.

17. HRA Major Repairs Reserve

- 17.1. The balance on this reserve represents the amount unspent of the major repairs allocation (MRA) and will be used for future housing capital spend.

18.HRA Smoothing Reserve

- 18.1. This reserve is used to accumulate and manage changes in asset values within the HRA that must, under accounting rules, be charged against the revenue costs of the HRA.

19.Overall

- 19.1. The estimates of the reserves position, including earmarked and un-earmarked reserves for the General Fund, Schools and the HRA are detailed in the following table. It should be noted however, that by the nature of these reserves, the timing of when draw down may be required is uncertain and thus unless specific timeframes have been identified no draw down is assumed.

Adequacy of Reserves - Risk Assessment 2017/18

Three key assessment areas:

1. Identification of risks during the financial planning and budget setting process as set out in the main report;
2. Risk assessment of the agreed investment and savings proposals in the proposed budget package, and;
3. key risks identified, monitored and managed through the Council's risk management strategy in the corporate risk register.

	Gross Budget Exposure £m	Risk %	Residual Impact £m
1. Budget Process			
Priority 1 - Children's	54	A High level risk assessment (10%) has been applied to the budget amount potentially at risk	17.7
Priority 2 - Adults	93		
Priority 5 - Temp. Accommod.	30		
2. Savings Proposals			
- Delivery Programme	26	High risk (10%) on savings proposals for 2017/18	2.6
3. Corporate Risk Register			
	5	Low risk (2.5%) assessment on variety of risks within the corporate risk register	0.1
4. Unidentified Risks			
			0.5
Total Risks			20.9
Less contingency sums held in Revenue Budget			6.3
Less un-earmarked (General) reserves for the above			15.1
Available after risks			0.5

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London Borough of Haringey

Treasury Management Strategy Statement 2017-18 to 2019-20

1 Introduction

- 1.1 In February 2012 the Council adopted the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2011 Edition* (the CIPFA Code) which requires the Council to approve a treasury management strategy before the start of each financial year.
- 1.2 In addition, the Department for Communities and Local Government (CLG) issued revised *Guidance on Local Council Investments* in March 2010 that requires the Council to approve an investment strategy before the start of each financial year.
- 1.3 This report fulfils the Council's legal obligation under the *Local Government Act 2003* to have regard to both the CIPFA Code and the CLG Guidance.
- 1.4 The Council has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Council's treasury management strategy.
- 1.5 In accordance with the CLG Guidance, the Council will be asked to approve a revised Treasury Management Strategy Statement should the assumptions on which this report is based change significantly. Such circumstances would include, for example, a change in how treasury management services are delivered, a large unexpected change in interest rates, or in the Council's capital programme or in the level of its investment balance.

2 **External Context**

- 2.1 **Economic background:** The major external influence on the Council's treasury management strategy for 2017/18 will be the UK's progress in negotiating a smooth exit from the European Union. Financial markets, wrong-footed by the referendum outcome, have since been weighed down by uncertainty over whether leaving the Union also means leaving the single market. Negotiations are expected to start once the UK formally triggers exit in early 2017 and last for up to two years. Uncertainty over future economic prospects will therefore remain throughout 2017/18.

- 2.2 The fall and continuing weakness in sterling and the near doubling in the price of oil in 2016 have combined to drive inflation expectations higher. The Bank of England is forecasting that Consumer Price Inflation will breach its 2% target in 2017, the first time since late 2013, but the Bank has indicated it will tolerate temporary inflation overshoots over the course of 2017 when setting interest rates so as to avoid derailing the economy.
- 2.3 Initial post-referendum economic data showed that the feared collapse in business and consumer confidence had not immediately led to significantly lower GDP growth. However, the prospect of leaving the single market has dented business confidence and resulted in delay of new business investment and, unless counteracted by higher public spending or retail sales, lack of new business investment will likely weaken economic growth in 2017/18.
- 2.4 Looking overseas, with the US economy and its labour market showing steady improvement, the market has priced in a high probability of the Federal Reserve increasing interest rates in December 2016. The Eurozone meanwhile has continued to struggle with very low inflation and lack of momentum in growth, and the European Central Bank has left the door open for further quantitative easing.
- 2.5 The impact of political risk on financial markets remains significant over the next year. With challenges such as immigration, the rise of populist, anti-establishment parties and negative interest rates resulting in savers being paid nothing for their frugal efforts or even penalised for them, the outcomes of Italy's referendum on its constitution (December 2016), the French presidential and general elections (April – June 2017) and the German federal elections (August – October 2017) have the potential for upsetting the status quo.
- 2.6 **Credit outlook:** Markets have expressed concern over the financial viability of a number of European banks recently. Sluggish economies and continuing fines for pre-crisis behaviour have weighed on bank profits, and any future slowdown will exacerbate concerns in this regard.
- 2.7 Bail-in legislation, which ensures that large investors including local authorities will rescue failing banks instead of taxpayers in the future, has now been fully implemented in the European Union, Switzerland and USA, while Australia and Canada are progressing with their own plans. The credit risk associated with making unsecured bank deposits has therefore increased relative to the risk of other investment options available to the Council; returns from cash deposits however continue to fall.
- 2.8 **Interest rate forecast:** The Council's treasury adviser Arlingclose's central case is for UK Bank Rate to remain at 0.25% during 2017/18. The Bank of England has,

however, highlighted that excessive levels of inflation will not be tolerated for sustained periods. Given this view and the current inflation outlook, further falls in the Bank Rate look less likely. Negative Bank Rate is currently perceived by some policymakers to be counterproductive but, although a low probability, cannot be entirely ruled out in the medium term, particularly if the UK enters recession as a result of concerns over leaving the European Union.

2.9 Gilt yields have risen sharply, but remain at low levels. The Arlingclose central case is for yields to decline when the government triggers Article 50. Long-term economic fundamentals remain weak, and the quantitative easing (QE) stimulus provided by central banks globally has only delayed the fallout from the build-up of public and private sector debt. The Bank of England has defended QE as a monetary policy tool, and further QE in support of the UK economy in 2017/18 remains a possibility, to keep long-term interest rates low.

2.10 For the purpose of setting the budget, it has been assumed that new investments will be made at an average rate of 0.20%, and that new long-term loans will be borrowed at an average rate of 2.84%.

3 Local Context

3.1 On 30th November 2016, the Council held £319m of borrowing and £38m of investments. Forecast changes in these sums are shown in the balance sheet analysis in table 1 below.

3.2 The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while usable reserves and working capital are the underlying resources available for investment. The Council's current strategy is to maintain borrowing and investments below their underlying levels, sometimes known as internal borrowing. The estimates for each pool, based on the current proposed Revenue Budget and Capital Programmes, are:

Table 1a: Treasury Position – General Fund

	31/03/2016 Actual £'000	31/03/2017 Approved £'000	31/03/2017 Projected £'000	31/03/2018 Estimate £'000	31/03/2019 Estimate £'000	31/03/2020 Estimate £'000
General Fund CFR	276,919	297,121	308,590	301,745	310,974	319,693
Less: Share of existing external debt and other long term liabilities	147,684	139,960	124,992	116,751	109,137	101,107
Internal Borrowing	129,235	131,318	183,598	184,994	191,186	197,111
Cumulative Net Borrowing Requirement	0	25,843	0	0	10,651	21,474

Table 1b: Treasury Position – HRA

	31/03/2016	31/03/2017	31/03/2017	31/03/2018	31/03/2019	31/03/2020
--	------------	------------	------------	------------	------------	------------

	Actual £'000	Approved £'000	Projected £'000	Estimate £'000	Estimate £'000	Estimate £'000
HRA CFR	271,096	292,666	271,096	271,096	271,096	278,910
Less: Share of Existing External Debt & Other Long Term Liabilities	197,981	191,454	199,903	199,903	199,903	207,717
Internal Borrowing	73,115	69,780	71,193	71,193	71,193	71,193
Cumulative Net Borrowing Requirement	0	31,432	0	0	0	0

- 3.3 CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that the Council's total debt should be lower than its highest forecast CFR over the next three years. Table 1 shows that the Council expects to comply with this recommendation during 2017/18 and the remainder of the forecast period.
- 3.4 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 relatively low (probably below 2%) for the next few years. It is anticipated that a significant level of internal / short term borrowing will continue, with the only reduction expected reflecting the planned movement in reserves.
- 3.5 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 2016-17 nor are there any difficulties envisaged for future years, as the levels of internal borrowing in tables 1a and 1b above demonstrate.
- 3.6 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

	31/03/16 Actual £'000	31/03/17 Approved £'000	31/03/17 Estimate £'000	31/03/18 Estimate £'000	31/03/19 Estimate £'000	31/03/20 Estimate £'000
HRA CFR	271,096	292,666	271,096	271,096	271,096	278,910
HRA Debt cap	327,538	327,538	327,538	327,538	327,538	327,538
Headroom	56,442	34,872	56,442	56,442	56,442	48,628

- 3.7 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.

Table 3: Capital Expenditure

	2015/16 Actual	2016/17 Approved	2016/17 Projected Out-turn	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
	£'000	£'000	£'000	£'000	£'000	£'000
General	44,571	115,687	67,795	77,087	62,425	64,813
HRA	96,436	83,775	61,886	43,561	42,944	43,220
Total	141,007	199,462	129,681	120,648	105,369	108,033

3.8 Capital expenditure is expected to be financed or funded as follows.

Table 4: Capital Financing

	2015/16 Actual	2016/17 Approved	2016/17 Projected Out-turn	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
	£'000	£'000	£'000	£'000	£'000	£'000
Capital receipts	9,275	25,798	565	19,248	12,594	6,204
Other grants & contributions	119,915	38,663	33,431	31,860	15,657	18,531
Government Grants	0	16,612	24,543	8,108	12,903	14,852
Reserves / Revenue contributions	7,452	28,260	52,228	36,332	34,622	33,331
Total Financing	136,642	109,333	110,767	95,548	75,776	72,918
Borrowing	4,365	56,689	18,914	25,100	29,593	35,115
Total	141,007	166,022	129,681	120,648	105,369	108,033

3.9. 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 and the number of rented properties (HRA). The General Fund and HRA ratios are below projections this year as no external borrowing has been required. For 2017-18 the ratio is impacted by expectations of significant additional borrowing for the General Fund.

Table 5: Incremental Impact of Capital Investment Decisions

	2015/16 Actual	2016/17 Approved	2016/17 Projected Out-turn	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
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	£'000	£'000	£'000	£'000	£'000	£'000
Increase in Band D Council Tax	10.03	32.04	1.58	14.98	19.97	20.30
Increase in Average Weekly Housing Rents	0.42	1.10	0.81	0.20	0.31	1.16

3.10. 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.

3.11. The ratio for the General Fund is deteriorating over the period. This is due mainly to reduced Council revenues, including reclassification of Better Care funding. The effect of net new borrowing is mitigated by the lower coupon compared with maturing debt. HRA would derive greater benefit from the repayment of high coupon debt.

Table 6: Ratio of Financing Costs to Net Revenue Stream

	2015/16 Actual	2016/17 Approved	2016/17 Projected Out-turn	2017/18 Estimate	2018/19 Estimate	2019/20 Estimate
	%	%	%	%	%	%
General Fund	1.85	1.93	1.89	2.18	2.12	2.36
HRA	9.02	8.88	9.06	9.87	9.39	10.35

4. Borrowing Strategy

4.1. The Council currently holds £273.6m of loans, a decrease of £11.6m on the previous year, as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in table 1 shows that the Council expects to borrow up to £37.3m in 2017/18. The Council may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £536.1m.

Objectives

4.2. The Council's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Council's long-term plans change is a secondary objective.

Strategy

- 4.3. Given the significant cuts to public expenditure and in particular to local government funding, the Council's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently much lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead.
- 4.4. By doing so, the Council is able to reduce net borrowing costs and reduce overall treasury risk. The benefits of internal and short-term borrowing will be monitored regularly against the potential for incurring additional costs by delaying borrowing into future years when long-term borrowing rates are forecast to rise modestly.
- 4.5. The level of reserves and working capital that enable internal borrowing will be monitored and projected changes will be used to determine the timing and level of new debt. The Council's treasury advisor will assist the Council with this 'cost of carry' and breakeven analysis. Its output may determine whether the Council borrows additional sums at long-term fixed rates in 2017-18 with a view to keeping future interest costs low, even if this costs more in the short-term.
- 4.6. Alternatively, the Council may arrange forward starting loans during 2017-18, where the interest rate is fixed in advance, but the cash is received in later years. This will enable certainty of cost to be achieved without suffering a cost of carry in the intervening period. These arrangements will only be considered where there is certainty as to borrowing needs and timing and where predictability of interest costs is beneficial to the capital programme.
- 4.7. The Council will adopt a flexible approach to this borrowing in consultation with its treasury management advisers. 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.

The approved sources of long-term and short-term borrowing are:

- Public Works Loan Board (PWLB) and any successor body
- Other local authorities
- Institutions such as European Investment Bank and Commercial Banks
- UK public/private sector pension funds (except Haringey Pension Fund)
- Capital market bond investors

- UK Municipal Bonds Agency plc and other entities created to enable local Council bond issues
 - Leasing
- 4.8. The Council may borrow short-term loans (normally for up to one month) to cover unexpected cash flow shortages. The Council has previously raised the majority of its long-term borrowing from the PWLB but it continues to investigate other sources of finance, such as local authority loans and bank loans that may be available at more favourable rates.
- 4.9. UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. It plans to issue bonds on the capital markets and lend the proceeds to local authorities. This will be a more complicated source of finance than the PWLB for two reasons: borrowing authorities may be required to provide bond investors with a joint and several guarantee over the very small risk that other local Council borrowers default on their loans; and there will be a lead time of several months between committing to borrow and knowing the interest rate payable. Any decision to borrow from the Agency will therefore be the subject of a separate report to Corporate Committee that contains explicit legal advice.

Lender's Option Borrower's Option Loans

- 4.9 The Council holds £125m of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. All of these LOBOS have options during 2017/18, and although the Council understands that lenders are unlikely to exercise their options in the current low interest rate environment, there remains an element of refinancing risk. The Council will take the option to repay LOBO loans at no cost if it has the opportunity to do so. No further LOBO loans will be considered without discussion with Corporate Committee.

Short-term and Variable Rate loans

- 4.10 These loans leave the Council exposed to the risk of short-term interest rate rises and are therefore subject to the limit on the net exposure to variable interest rates in the treasury management indicators below. However, they do, at present, offer significant savings compared with long term debt.

Debt Rescheduling

- 4.11 The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Council may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

5. Investment Strategy 2017-18

- 5.1. The Council holds invested funds, representing income received in advance of expenditure plus balances and reserves held. In the past 12 months, the Council's investment balance has ranged between £0 and £50m. It is anticipated that net balances will be lower next year as debt is repaid. The impact on the value of cash balances from capital expenditure and the timing of any associated debt financing are uncertain.

Objectives

- 5.2. Both the CIPFA Code and the CLG Guidance require the Council to invest its funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income.

Negative Interest Rates

- 5.3. If the UK enters into a recession in 2017/18, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in many other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

Strategy

- 5.4. The majority of the Authorities surplus cash is currently invested in short-term unsecured bank deposits and money market funds. These investments are exposed to bank bail in risk. To reduce potential exposure to unsecured bank deposits, the counterparty policy has been expanded to include quasi government

institutions; Supranational banks. Covered bonds are now identified separately from unsecured bank deposits as these deposits are of lower risk being both secured on collateral and possessing a bank issuer guarantee.

- 5.5. Following a review and as cash balances are not expected to increase in 2017/18, counterparty investment limits have been maintained at 2016/17 – counterparty limits for individual banks has been set at £5m and exposure to local Council is maintained at maximum deposit of £15m per Council. These changes also reflect the anticipation that cash balances will continue to remain at or below historic levels as part of the policy to minimise new long term borrowing.

Specified and Non-specified Investments

- 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 Appendix 4, which also explains the meaning of these terms. The list of proposed counterparties is shown in Appendix 5. In keeping with the strategy of maintaining high quality counterparties, at least 50% of all investments will be specified investments.

Specified Investments

- 5.6. The CLG Guidance defines specified investments as those:
- denominated in pound sterling,
 - due to be repaid within 12 months of arrangement,
 - not defined as capital expenditure by legislation, and
 - invested with one of:
 - the UK Government,
 - a UK local Council, parish council or community council, or
 - a body or investment scheme of “high credit quality”.
- 5.7. The Council defines “high credit quality” organisations and securities as those having a credit rating of [A-] or higher that are domiciled in the UK or a foreign country with a sovereign rating of [AA+] or higher. For money market funds and other pooled funds “high credit quality” is defined as those having a credit rating of [A-] or higher.

Non-specified Investments

- 5.8. Any investment not meeting the definition of a specified investment is classed as non-specified. The Authority does not intend to make any investments denominated in foreign currencies, nor any that are defined as capital expenditure

by legislation, such as company shares. Non-specified investments will therefore be limited to long-term investments, i.e. those that are due to mature 12 months or longer from the date of arrangement, and investments with bodies and schemes not meeting the definition on high credit quality. Limits on non-specified investments are shown in table 7 below.

- 5.9. Although cash balances will be low at certain times, there may be opportunities to invest core balances for more than twelve months. On occasions investments with a maturity of slightly in excess of 12 months can offer exceptional good value. For this reason, the strategy allows a maximum of £5m to be invested for over 12 months but less than 24 months. The Chief Operating 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.

Table 7: Limits - Specified and Non-Specified Investments

Specified Investments				
Instrument	Country/ Domicile	Counterparty	Maximum Counterparty Limits £m	Maximum period of investment
Term Deposits	UK	Debt Management Account Deposit Facility (DMADF), Debt Management Office (DMO)	No limit	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	£15m per local authority	364 days
Term Deposits/ Call Accounts/ Certificates of Deposit/Covered Bonds	UK or AA+	Counterparties rated at least A- Long Term (or equivalent)	£5m per bank or banking group	364 days
Constant Net Asset Value Money Market Funds (MMFs)	UK/Ireland/ Luxembourg domiciled	AAA-rated Money Market Funds	£10m per MMF*; Group limit £50m	Instant Access
Non Specified Investments				
Instrument	Country/ Domicile	Counterparty	Maximum Counterparty Limits £m	Maximum period of investment
Gilts	UK	Debt Management Office (DMO)	£10m	36 Months
Term Deposits/ Call Accounts	UK	Other UK Local Authorities	£15m per local authority	36 Months
Term Deposits/ Call Accounts/ Certificates of Deposit/Covered Bonds	UK or AA+	Counterparties rated at least A- Long Term (or equivalent)	£5m per bank or banking group	364 days
Variable NAV Enhanced Cash Funds	UK/Ireland/ Luxembourg domiciled	AAA - rated Funds	£5m per ECF*; Group limit £10m	Minimum Weekly Redemption

Risk Assessment and Credit Ratings

5.10. Investment decisions are made by reference to the lowest published long-term credit rating from Fitch, Moody's or Standard & Poor's. Where available, the credit rating relevant to the specific investment or class of investment is used, otherwise the counterparty credit rating is used.

5.11. Credit ratings are obtained and monitored by the Council's treasury advisers, who will notify changes in ratings as they occur. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:

- no new investments will be made,
- any existing investments that can be recalled or sold at no cost will be, and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

5.12. Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "rating watch negative" or "credit watch negative") so that it may fall below the approved rating criteria, then no new investments will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

Other Information on the Security of Investments

- 5.13. The Council understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support and reports in the 'quality financial press'. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the credit rating criteria.
- 5.14. When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2011, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Council will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Council's cash balances, then the surplus will be deposited with the UK Government, via the Debt Management Office or invested in government treasury bills for example, or with other local authorities. This will cause a reduction in the level of investment income earned, but will protect the principal sum invested.

Investment Limits

- 5.15. The Council's estimated revenue reserves available to cover investment losses are forecast to be £18m on 31st March 2017. In order that no more than 85% of estimated available reserves will be put at risk in the case of a single default, the maximum that will be lent to any one organisation (other than the UK Government) will be £15m. A group of banks under the same ownership will be treated as a single organisation for limit purposes. Limits will also be placed on fund managers, investments in brokers' nominee accounts, foreign countries and industry sectors as below. Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.

6. Treasury Management Indicators

- 6.1. Exposures to treasury management risks are measured and managed using the following indicators.

Security

- 6.2. The Authority has adopted a voluntary measure of its exposure to credit risk by monitoring the value-weighted average credit score of its investment portfolio. This is calculated by applying a score to each investment (AAA=1, AA+=2, etc.) and taking the arithmetic average, weighted by the size of each investment. Unrated investments are assigned a score based on their perceived risk.

Table 8: Credit Score Target

	Target
Portfolio average credit	3 - 6

Interest Rate Exposures

- 6.3. This indicator is set to control the Authority's exposure to interest rate risk, which includes £125m of LOBO loans. The upper limits on fixed and variable rate interest rate exposures, expressed as the proportion of net principal borrowed will be:

Table 9: Interest Rate Exposure

	2017/18	2018/19	2019/20
Upper limit on fixed interest rate exposure	100%	100%	100%
Upper limit on variable interest rate exposure	60%	60%	60%

- 6.4. Fixed rate investments and borrowings are those where the rate of interest is fixed for at least 12 months, measured from the start of the financial year or the transaction date if later. All other instruments are classed as variable rate.

Authorised Limits for External Debt

- 6.5. 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 10: Authorised Limit

	2015/16 Actual £'000	2016/17 Approved £'000	2016/17 Projected Out-turn £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000
Borrowing	283,233	468,174	271,614	481,523	494,848	515,623

Other Long-term Liabilities	49,329	60,057	45,498	54,540	49,132	43,534
Total	332,562	528,231	317,112	536,063	543,980	559,157

Operational Boundary for External Debt

- 6.6. 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 £272m and projected three year debt financed capital expenditure of £69m and provides scope for variations in capital expenditure, funding sources and reserves.

Table11: Operational Boundary

	2015/16 Actual £'000	2016/17 Approved £'000	2016/17 Projected Out-turn £'000	2017/18 Estimate £'000	2018/19 Estimate £'000	2019/20 Estimate £'000
Borrowing	283,233	418,174	271,614	431,523	444,848	465,623
Other Long-term Liabilities	49,329	54,598	45,498	49,582	44,665	39,576
Total	332,562	472,772	317,112	481,105	489,514	505,199

- 6.7. The Chief Financial Officer has delegated Council, 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.

Maturity Profile

- 6.8. 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.

- 6.9. The maturity range has been applied to LOBO loans (see 4.9 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.

Table 12: Maturity Profile

	Lower Limit	Upper Limit	31-Mar-16	31-Mar-16
	%	%	%	LOBO adjusted %
under 12 months	0%	60%	4%	48%
12 months & within 24 months	0%	40%	4%	4%
24 months & within 5 years	0%	40%	9%	9%
5 years & within 10 years	0%	40%	13%	13%
10 years & within 20 years	0%	40%	4%	4%
20 years & within 30 years	0%	40%	4%	0%
30 years & within 40 years	0%	50%	26%	12%
40 years & within 50 years	0%	50%	36%	10%
50 years & above	0%	40%	0%	0%

Liquidity Management

- 6.10. The Council uses purpose-built cash flow forecasting software to determine the maximum period for which funds may prudently be committed. The forecast is compiled on a prudent basis to minimise the risk of the Authority being forced to borrow on unfavourable terms to meet its financial commitments. Limits on long-term investments are set by reference to the Authority's medium term financial plan and cash flow forecast.

Principal Sums Invested for Periods Longer than 364 days

6.11. The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

Table 13: Limit on Sums Invested Beyond 364 Days

	2017/18	2018/19	2019/20
Limit on principal invested beyond year end	£10m	£10m	£10m

7. MRP Statement

7.1. The Council's MRP policy has been reviewed and revised to better reflect the rules set out in the prudential code and government guidance around prudent provision for repayment of borrowed capital. The revised policy, which will take effect from 1 April 2016, ensures that provision for capital repayment is made over a period that is commensurate with the period in which the asset purchased provides benefits.

General Fund MRP policy: borrowing before 2007/08

- 7.2. The Council will calculate MRP on historic debt based on the Capital Financing Requirement (CFR) as at 1 April 2007.
- 7.3. The Council will calculate the MRP charge based on 2% of that CFR, fixed at the same cash value so that the whole debt is repaid after 50 years in total.
- 7.4. The historic MRP policy for borrowing incurred before 2007/08 led to MRP charges that exceeded what prudence required during the period from 1 April 2007 to 31 March 2016. This resulted in a cumulative charge at 31 March 2016 that was in excess of what is considered prudent and appropriate under the current policy. To reflect the historic over-provision the Council will undertake an annual review to determine whether to make a realignment of MRP charged to the General Fund, using the policy set out above, to recognise the excess sum charged to that point.
- 7.5. The following conditions will apply to the annual review:
- Total MRP after applying realignment will not be less than zero in any financial year.
 - The cumulative total of the MRP realignment will never exceed the amount of historical over-provision calculated to 31 March 2016.

General Fund MRP policy: prudential borrowing from 2007/08

- 7.5. For borrowing incurred on schemes described by the Government as Prudential Borrowing or Unsupported Borrowing, MRP will be calculated over the estimated remaining useful life applicable to the expenditure (usually the useful life of the asset it is financing) using the Annuity repayment method in accordance with Option 3 of the guidance.
- 7.6. This means that MRP will be calculated on an annuity basis (like many domestic mortgages) over the estimated life of the asset. Estimated life periods will be determined by the Section 151 Officer under delegated powers.
- 7.7. In accordance with the provisions in the guidance, MRP will be first charged in the financial year following the one in which the entire asset to which the charge relates, becomes fully operational.
- 7.8. Financial agreements such as loans, investments or where assets are to be acquired for future development (including where capital receipts are part of the business case), will not, at the discretion of the CFO, attract MRP. This discretion will be applied where it is reasonable to assume that the initial capital investment will be returned to the Council in full at maturity or over a defined period.

Concession Agreements

- 7.9. MRP in relation to concession agreements (e.g. PFI contracts) and finance leases will be calculated on an asset life method using an annuity repayment profile, consistent with the method for all prudential borrowing since 2007/08. Estimated life periods will be determined under delegated powers.
- 7.10. The Section 151 Officer may approve that such debt repayment provision may be made from capital receipts or from revenue provision.

Finance Leases

- 7.11. For assets acquired by finance leases, including leases brought on Balance Sheet under the International Financial Reporting Standards (IFRS) based Accounting Code of Practice, MRP will be determined as being equal to the element of the rent or charge that goes to write down the balance sheet liability.

Statutory capitalisations

- 7.12. For expenditure which does not create a fixed asset, but is statutorily capitalised and subject to estimated life periods that are referred to in the guidance, these estimated periods will generally be adopted by the Council. However, the Council reserves the right to determine useful life periods and prudent MRP in exceptional

circumstances where the recommendations of the guidance would not be appropriate.

- 7.13. Other methods to provide for debt repayment may occasionally be used in individual cases where this is consistent with the statutory duty to be prudent, at the discretion of the Section 151 Officer.'

8. Capital Expenditure

- 8.1. 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.
- 8.2. 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.

9. Other Items

- 9.1. There are a number of additional items that the Council is obliged by CIPFA or CLG to include in its Treasury Management Strategy.

Policy on Use of Financial Derivatives

- 9.2. The Council has previously made use of financial derivatives embedded into loans to reduce costs e.g. LOBO loans. The Council will not use standalone financial derivatives (such as swaps, forwards, futures and options). Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.

Policy on Apportioning Interest to the HRA

- 9.3. On 1st 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 their entirety to one pool or the other. 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. Differences between the value of the HRA loans 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 each month and interest transferred between the General Fund and HRA at the Council's average interest rate on investments.

Investment Training

- 9.4. 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.
- 9.5. Given the significant amounts of money involved, it is crucial members have the necessary knowledge to take treasury management decisions. Training sessions are arranged for members to keep their knowledge up to date.
- 9.6. The needs of the Council's treasury management staff for training in investment management are assessed as part of the staff appraisal process, and additionally when the responsibilities of individual members of staff change. Staff regularly attend training courses, seminars and conferences provided by Arlingclose and CIPFA. Relevant staff are also encouraged to study professional qualifications from CIPFA, the Association of Corporate Treasurers and other appropriate organisations.

Investment Advisers

- 9.7. The Council has appointed Arlingclose Limited as treasury management advisers and receives specific advice on investment, debt and capital finance issues. The quality of this service is reviewed by the Council's treasury management staff.

Investment of Money Borrowed in Advance of Need

- 9.8. The Council may, from time to time, borrow in advance of need, where this is expected to provide the best long term value for money. Since amounts borrowed will be invested until spent, the Council is aware that it will be exposed to the risk of loss of the borrowed sums, and the risk that investment and borrowing interest rates may change in the intervening period. These risks will be managed as part of the Council's overall management of its treasury risks.

- 9.9. The total amount borrowed in 2017-18 will not exceed the authorised borrowing limit of £536m. The maximum period between borrowing and expenditure is expected to be one year, although the Council is not required to link particular loans with particular items of expenditure.

Financial Implications

- 9.10. The budget investment income in 2017-18 is £30k, based on an average investment portfolio of £14m at an interest rate of 0.20%. The budget for debt interest paid in 2017-18 is £14.5m, based on an average debt portfolio of £310m (including short term debt) at an average interest rate of 4.95%. If actual levels of investments and borrowing, and actual interest rates differ from those forecast, performance against budget will also be different. Interest paid and earned is apportioned between the General Fund and HRA. The average interest rate on existing debt will decline in 2017-18 from 5.19% to 5.10% with interest costs falling by approximately £1.0m. New debt is projected to cost an average 2.84%.
- 9.11. The Council complies with the provisions of Section 32 of the Local Government Finance Act 1992 to set a balanced budget.

Monitoring & Reporting

- 9.12. Corporate Committee will receive quarterly reports on treasury management activity and performance. This will include monitoring of the prudential indicators.
- 9.13. It is a requirement of the Treasury Management Code of Practice that an outturn report on treasury activity is produced after the financial year end, no later than 30th September. This will be reported to 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.
- 9.14. 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.

10. Other Options Considered

- 10.1. The CLG Guidance and the CIPFA Code do not prescribe any particular treasury management strategy for local authorities to adopt. The Chief Operating Officer (COO), having consulted Corporate Committee, 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.

Alternative	Impact on income and expenditure	Impact on risk management
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 may 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 may 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 may 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 may 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 may be less certain

Details of Treasury Position

A: General Fund Pool

	31-Mar-17 Projected £'000	31-Mar-18 Estimate £'000	31-Mar-19 Estimate £'000	31-Mar-20 Estimate £'000
Existing External Borrowing commitments:				
PWLB	37,212	33,152	29,635	25,847
Market loans	42,281	42,281	42,281	42,281
Total External Borrowing	79,493	75,433	71,916	68,128
Long Term Liabilities	45,499	41,318	37,221	32,980
Total Gross External Debt	124,992	116,751	109,137	101,108
CFR	308,590	301,745	310,974	319,693
Internal Borrowing	183,598	184,994	191,186	197,111
Cumulative Borrowing requirement	0	0	10,651	21,473

B: HRA Pool

	31-Mar-17 Projected £'000	31-Mar-18 Estimate £'000	31-Mar-19 Estimate £'000	31-Mar-20 Estimate £'000
Existing External Borrowing commitments:				
PWLB	117,184	117,184	117,184	124,998
Market loans	82,719	82,719	82,719	82,719
Total External Borrowing	199,903	199,903	199,903	207,717
CFR	271,096	271,096	271,096	278,910
Internal Borrowing	71,193	71,193	71,193	71,193
Cumulative Borrowing requirement	0	0	0	0

C: Security Measure

		2017-18	2018-19	2019-20
Above target	AAA to AA+	Score 0 - 2	Score 0 - 2	Score 0 – 2
Target score	AA to A	Score 3 – 6	Score 3 – 6	Score 3 – 6
Below target	Below A	Score 6+	Score 6+	Score 6+

Summary of Prudential Indicators

No.	Prudential Indicator	2017/18	2018/19	2019/20
CAPITAL INDICATORS				
1	Capital Expenditure	£'000	£'000	£'000
	General Fund	77,087	62,425	64,813
	HRA	43,561	42,944	43,220
	TOTAL	120,648	105,369	108,033

No.	Prudential Indicator	2017/18	2018/19	2019/20
2	Ratio of financing costs to net revenue stream	%	%	%
	General Fund	2.18	2.12	2.36
	HRA	9.87	9.39	10.35

No.	Prudential Indicator	2017/18	2018/19	2019/20
3	Capital Financing Requirement	£'000	£'000	£'000
	General Fund	301,745	310,974	319,693
	HRA	271,096	271,096	278,910
	TOTAL	572,841	582,070	598,603

No.	Prudential Indicator	2017/18	2018/19	2019/20
4	Incremental impact of capital investment decisions	£	£	£
	Band D Council Tax	14.98	19.97	20.30
	Weekly Housing rents	0.20	0.31	1.16

No.	Prudential Indicator	2017/18	2018/19	2019/20
TREASURY MANAGEMENT LIMITS				
5	Borrowing Limits	£'000	£'000	£'000
	Authorised Limit	536,063	543,980	559,157
	Operational Boundary	481,105	489,514	505,199

No.	Prudential Indicator	2017/18	2018/19	2019/20
6	HRA Debt Cap	£'000	£'000	£'000
	Headroom	56,442	56,442	48,628

No.	Prudential Indicator	2017/18	2018/19	2019/20
7	Upper Limit - Fixed Rate Exposure	100%	100%	100%
	Upper Limit - Variable Rate Exposure	60%	60%	60%

No.	Prudential Indicator	2017/18		2018/19		2019/20	
8	Maturity Structure of Borrowing						
	U: Upper, L: Lower	L	U	L	U	L	U
	Under 12 Months	0%	60%	0%	60%	0%	60%
	12 Months & Within 2 Years	0%	40%	0%	40%	0%	40%
	2 Years & Within 5 Years	0%	40%	0%	40%	0%	40%
	5 Years & Within 10 Years	0%	40%	0%	40%	0%	40%
	10 Years & Within 20 Years	0%	40%	0%	40%	0%	40%
	20 Years & Within 30 Years	0%	40%	0%	40%	0%	40%
	30 Years & Within 40 Years	0%	50%	0%	50%	0%	50%
	40 Years & Within 50 Years	0%	50%	0%	50%	0%	50%
	50 Years & above	0%	40%	0%	40%	0%	40%

No.	Prudential Indicator	2017/18	2018/19	2019/20
9	Sums invested for more than 364 days	10	10	10

No.	Prudential Indicator	2017/18	2018/19	2019/20
10	Adoption of CIPFA Treasury Management Code of Practice	✓	✓	✓

Arlingclose Economic & Interest Rate Forecast November 2016

- The medium term outlook for the UK economy is dominated by the negotiations to leave the EU. The long-term position of the UK economy will be largely dependent on the agreements the government is able to secure with the EU and other countries.
- The global environment is also riddled with uncertainty, with repercussions for financial market volatility and long-term interest rates. Donald Trump's victory in the US general election and Brexit are symptomatic of the popular disaffection with globalisation trends. The potential rise in protectionism could dampen global growth prospects and therefore inflation. Financial market volatility will remain the norm for some time.
- However, following significant global fiscal and monetary stimulus, the short term outlook for the global economy is somewhat brighter than earlier in the year. US fiscal stimulus is also a possibility following Trump's victory.
- Recent data present a more positive picture for the post-Referendum UK economy than predicted due to continued strong household spending.
- Over the medium term, economic and political uncertainty will likely dampen investment intentions and tighten credit availability, prompting lower activity levels and potentially a rise in unemployment.
- The currency-led rise in CPI inflation (currently 1.0% year/year) will continue, breaching the target in 2017, which will act to slow real growth in household spending due to a sharp decline in real wage growth.
- The depreciation in sterling will, however, assist the economy to rebalance away from spending. The negative contribution from net trade to GDP growth is likely to diminish, largely due to weaker domestic demand. Export volumes will increase marginally.
- Given the pressure on household spending and business investment, the rise in inflation is highly unlikely to prompt monetary tightening by the Bank of England, with policymakers looking through import-led CPI spikes to the negative effects of Brexit on economic activity and, ultimately, inflation.
- Bank of England policymakers have, however, highlighted that excessive levels of inflation will not be tolerated for sustained periods. Given this view and the current inflation outlook, further monetary loosening looks less likely..

Forecast:

- Globally, the outlook is uncertain and risks remain weighted to the downside. The UK domestic outlook is uncertain, but likely to be weaker in the short term than previously expected.
- The likely path for Bank Rate is weighted to the downside. The Arlingclose central case is for Bank Rate to remain at 0.25%, but there is a 25% possibility of a drop to close to zero, with a very small chance of a reduction below zero.
- Gilt yields have risen sharply, but remain at low levels. The Arlingclose central case is for yields to decline when the government triggers Article 50.

	Dec-16	Mar-17	Jun-17	Sep-17	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Ave rage
Official Bank Rate														
Upside risk	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.12
Arlingclose Central Case	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Downside risk	0.25	0.25	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.40
3-month LIBID rate														
Upside risk	0.05	0.05	0.10	0.10	0.10	0.15	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.18
Arlingclose Central Case	0.25	0.25	0.25	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.29
Downside risk	0.20	0.25	0.25	0.25	0.30	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.34
1-yr LIBID rate														
Upside risk	0.10	0.10	0.15	0.15	0.15	0.20	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.23
Arlingclose Central Case	0.60	0.50	0.50	0.50	0.50	0.50	0.50	0.60	0.70	0.85	0.90	0.90	0.90	0.65
Downside risk	0.10	0.15	0.15	0.15	0.20	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.24
5-yr gilt yield														
Upside risk	0.25	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.39
Arlingclose Central Case	0.50	0.40	0.35	0.35	0.35	0.40	0.40	0.40	0.45	0.50	0.55	0.60	0.65	0.45
Downside risk	0.30	0.45	0.45	0.45	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.47
10-yr gilt yield														
Upside risk	0.30	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.39
Arlingclose Central Case	1.15	0.95	0.85	0.85	0.85	0.85	0.85	0.90	0.95	1.00	1.05	1.10	1.15	0.96
Downside risk	0.30	0.45	0.45	0.45	0.45	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.47
20-yr gilt yield														
Upside risk	0.25	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.39
Arlingclose Central Case	1.70	1.50	1.40	1.40	1.40	1.40	1.40	1.45	1.50	1.55	1.60	1.65	1.70	1.75
Downside risk	0.40	0.55	0.55	0.55	0.55	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.57
50-yr gilt yield														
Upside risk	0.25	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.39
Arlingclose Central Case	1.60	1.40	1.30	1.30	1.30	1.30	1.30	1.35	1.40	1.45	1.50	1.55	1.60	1.41
Downside risk	0.40	0.55	0.55	0.55	0.55	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.57

Counterparty Policy

The investment instruments identified for use in 2016-17 are listed in the table. Each investment type is classified as either 'Specified' or 'Non – Specified' investment categories. Specified investments are considered low risk and relate to funds invested for up to one year. Only those investments with a credit rating of at least AA- are considered as specified. Non-specified investments normally offer the prospect of higher returns but carry higher risk and may have a maturity beyond one year. At least 50% of investments held will be specified. All investments are sterling denominated.

As discussed in the borrowing strategy the plan during 2017-18 is to rely on short term debt and minimise cash balances. This will lead to a high proportion short dated and tradable instruments e.g. money market funds, T-bills, CDs and DMO within the cash portfolio to cover liquidity needs.

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).

Minimum Credit Quality & diversification Limits

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) as below:

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 'other information' section above.

The limits stated in the table below 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. Operationally a limit will be applied to the amount invested in any MMF of no more than 2.0% of the Money Market Fund's total assets.

Non UK Banks

The use of non-UK banks was suspended pre April 2015. Nine countries retain AAA ratings from all three rating agencies – Australia, Canada, Denmark, Germany, Netherlands, Norway, Singapore, Sweden and Switzerland. Within these countries twelve banks meet the AA- or better criteria mentioned above and these have been included as eligible counterparties (Appendix 5). Using the highest quality overseas banks will both improve the overall security of the investment portfolio and enable greater diversification.

Maturities Guidance

At present, maturities have been kept to less than 12 months reflecting the expectation that cash balances will be maintained at low levels. However, there remains a core cash balance that persists over time. Longer maturities attract higher returns at present to compensate for illiquidity and the prospect of increased base rates in future. The strategy has been revised to permit a maximum of £10m to be invested between 12 – 24 months.

Institution Type	Minimum Credit Rating	Maximum Counterparty Limit	Maximum Period of Investment	Specified / Unspecified
Debt Management Office	UK Government	No limit	364 days	specified
Gilts, Treasury Bill & Repos	UK Government	No limit	364 days	Specified
		£10m	24 months	non-specified
Supra-national Banks & European Agency	AA-	£10m	364 days	specified
		£5m	24 months	non-specified
Covered Bonds issued by UK Banks	Bond AA+ / counterparty A-	£5m per bond, £20m aggregate	364 days	Specified
	Bond AA+ / Counterparty BBB+	£5m per bond, £10m aggregate	364 days	Non-specified
	Bond AA+ / counterparty A-	£5m per bond, £10m aggregate	24 months	non-Specified
UK Local Council Deposits	n/a	£15m per counterparty	364 days	specified
		£5m per counterparty	24 months	non-specified
UK & AAA country Banks - term deposits, CDs and call accounts	AA-	£10m per bank or banking group	364 days	specified
	AA-	£5m per bank or banking group	24 months	non-specified
	A-	£5m per bank or banking group	364 days	non-specified
Constant Net Asset Value Money Market Funds (MMFs), UK / Ireland / Luxembourg domiciled	AAA	£10m per MMF. Aggregate £50m.	daily liquidity	specified
Variable NAV Enhanced Cash Funds, UK/Ireland/Luxembourg domiciled	AAA	£5m per ECF. Group limit £15m	Minimum Weekly Redemption	non-specified

Additional Details on Types of Investments

Banks and Building Society Deposits, Call Accounts and Certificates of Deposit: These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.

Banks Covered Bonds: These investments are secured on the bank's assets, which limits the potential losses in the unlikely event of insolvency, and means that they are exempt from bail-in.

Money Market and Enhanced Cash Funds: Shares in diversified investment vehicles consisting of time deposits, call accounts, CDs etc with banks and financial institutions. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee. Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts, while Enhanced Cash Funds whose value changes with market prices and/or have a notice period will be used for longer investment periods.

Lending List of counterparties for investments

This is the proposed list of bank counterparties which the Council can lend to, providing the counterparties meet the requirements set out in Appendix 4 at the time of investment. The list will be kept under constant review and counterparties removed if the process described in the investment strategy raises any concerns about their credit worthiness. In addition to the counterparties listed below, UK government, local authorities, money market funds and enhanced cash funds are included in Appendix 4.

A UK bank has been suspended as a counterparty when compared with last year's list. The number of supranational banks has doubled from four to eight. All are AAA rated by the three rating agencies. These banks raise funds via CDs. The Arlingclose support maximum maturities of up to 25 years for AAA rated supranational banks, although a 15 year maximum maturity is recommended for the Council of Europe Development Bank.

There has been a net addition of six overseas banks to the counterparty list. All are rated AA- or better by all three rating agencies. These banks rarely take deposits in the UK but can be accessed through CDs. There are currently no overseas banks in the portfolio. In addition to the limits set out in Appendix 4, a limit of £5m per bank and £10m per Non-UK country will be applied.

Covered deposits offer additional default protection due to the provision of collateral as security.

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 Appendix 4. The limit for any single MMF is £10m and each ECF is £5m – Group limit £50m.

Should Arlingclose reduce the maximum recommended maturity guidance for any bank, this will be reflected in the portfolio.

Instrument	Country / Domicile	Counterparty	Arlingclose Suggested (Maximum) Maturity
UK Banks and Building Societies- Term Deposits, Call Accounts & CDs			
	United Kingdom	BANK OF SCOTLAND PLC	13 months
	United Kingdom	LLOYDS BANK PLC	13 months
	United Kingdom	BARCLAYS BANK PLC	100 days
	United Kingdom	COVENTRY BUILDING SOCIETY	6 months
	United Kingdom	HSBC BANK PLC	13 months
	United Kingdom	NATIONWIDE BUILDING SOCIETY	6 months
	United Kingdom	ABBEY NATIONAL TREASURY SERV	6 months
	United Kingdom	SANTANDER UK PLC	6 months
UK: Other Institutions			
	United Kingdom	DEBT MANAGEMENT OFFICE	50 years
	United Kingdom	LCR FINANCE PLC	15 years
	United Kingdom	WELLCOME TRUST FINANCE PLC	20 years
Non-UK Banks - Term Deposits, Call Accounts and CDs			
	Australia	AUST AND NZ BANKING GROUP	6 months
	Australia	NATIONAL AUSTRALIA BANK LTD	6 months
	Canada	EXPORT DEVELOPMENT CANADA	25 years
	Denmark	KOMMUNEKREDIT	25 years
	Finland	MUNICIPALITY FINANCE PLC	15 years
	Germany	FMS WERTMANAGEMENT	25 years
	Germany	KREDITANSTALT FUER WIEFERAUF	25 years
	Germany	LANDESKRED BADEN-WUERTT FOER	25 years
	Germany	LANDWIRTSCHAFTLICHE RENTENBA	25 years
	Germany	LAND SACHSEN-ANHALT	15 years
	Netherlands	BANK NEDERLANDSE GEMEENTEN	5 years
	Netherlands	NEDERLANDSE WATERSCHAPSBANK	5 years
	Norway	KOMMUNALBANKEN AS	5 years
	Singapore	TEMASEK FINANCIAL I LTD	10 years
	Sweden	SVENSK EXPORTKREDIT AB	5 years
	Sweden	SVENSKA HANDELSBANKEN-A SHS	13 months
Supranational Banks			
		COUNCIL OF EUROPE DEVELOPMNT	15 years
		EUROPEAN BANK FOR RECONSTRUC	25 years
		EUROPEAN COAL & STEEL COMMUN	25 years
		EUROPEAN INVESTMENT BANK	25 years
		INTER-AMERICAN DEV BANK	25 years
		INTERNATIONAL BANK FOR RECON	25 years
		INTERNATIONAL FINANCE CORP	25 years
		NORDIC INVESTMENT BANK	25 years

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The Formal Budget Resolution

The Council is recommended to resolve, in accordance with the Local Government Finance Act 1992 (the 'Act'), as amended by the Localism Act 2011, as follows:

1. It is noted that on 13th January 2017 the Chief Financial Officer, after consultation with the Cabinet Member for Finance and Health, calculated the Council Tax Base 2017/18 for the whole Council area as **75,365**.
2. The Council Tax Requirement for the Council's own purposes for 2017/18 is calculated as **£93,772,901.25**.
3. That the following amounts be calculated for the year 2017/18 in accordance with Sections 31 to 36 of the Act:
 - a) **£984,281,116.00**
being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) (a) to (f) of the Act;
 - b) **£890,508,214.75**
being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) (a) to (d) of the Act;
 - c) **£93,772,901.25**
being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax Requirement for the year;
 - d) **£1,244.25**
being the Council Tax Requirement at 3(c) above, divided by the Council Tax Base at 1, above, calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year;
4. To note that the Greater London Authority has issued a precept to the Council in accordance with Section 40 of the Act for each category of dwellings in the Council's area as indicated in the table below.
5. That the Council, in accordance with Sections 30 and 36 of the Act, hereby sets the aggregate amounts shown in the table below as the amounts of Council Tax for 2017/18 for each part of its area and for each of the categories of dwellings.

Valuation Bands**LONDON BOROUGH OF HARINGEY**

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
829.51	967.75	1106.00	1244.25	1520.63	1797.26	2073.75	2488.50

GREATER LONDON AUTHORITY

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
186.68	217.79	248.91	280.02	342.24	404.47	466.70	560.04

AGGREGATE OF COUNCIL TAX REQUIREMENTS

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
1016.19	1185.54	1354.91	1524.27	1862.87	2201.73	2540.45	3048.54

6. Pursuant to Section 52ZB of the Act and the principles determined by the Secretary of State to apply to local authorities in England in 2017/18 as set out in The Referendums Relating to Council Tax Increases (Principles) (England) Report 2017/18, it is determined that the Council's relevant basic amount of Council Tax for the year is not excessive.