Summons to Attend

Full Council

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

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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, 26TH FEBRUARY, 2018 at 7.30 pm HRS, to transact the following business:

AGENDA

1. FILMING AT MEETINGS

Please note this meeting may be filmed or recorded by the Council for live or subsequent broadcast via the Council's internet site or by anyone attending the meeting using any communication method. Although we ask members of the public recording, filming or reporting on the meeting not to include the public seating areas, members of the public attending the meeting should be aware that we cannot guarantee that they will not be filmed or recorded by others attending the meeting. Members of the public participating in the meeting (e.g. making deputations, asking questions, making oral protests) should be aware that they are likely to be filmed, recorded or reported on. By entering the meeting room and using the public seating area, you are consenting to being filmed and to the possible use of those images and sound recordings.

Haringey LONDON

The Chair of the meeting has the discretion to terminate or suspend filming or recording, if in his or her opinion continuation of the filming, recording or reporting 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 MEETINGS OF THE COUNCIL HELD ON 4 DECEMBER 2017 AND 7 FEBRUARY 2018 (PAGES 1 - 16)

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

8. TO RECEIVE THE REPORT OF THE CHIEF EXECUTIVE (PAGES 17 - 20)

9. TO RECEIVE THE REPORT OF THE MONITORING OFFICER

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

11. TO RECEIVE REPORTS FROM THE FOLLOWING BODIES (PAGES 21 - 22)

Corporate Committee: Treasury Management Strategy Statement 2018/19 – 2020/21

12. 2018/19 BUDGET AND MEDIUM TERM FINANCIAL STRATEGY (2018/19 - 2022/23) (PAGES 23 - 238)

Zina Etheridge
Chief Executive
River Park House
225 High Road
Wood Green
London N22 8HQ

Friday, 16 February 2018

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MINUTES OF THE MEETING OF THE FULL COUNCIL HELD ON MONDAY, 4TH DECEMBER, 2017, 7.30 - 9.50 pm

PRESENT:

Councillors: Stephen Mann (Mayor), Charles Adje, Kaushika Amin, Jason Arthur, Eugene Ayisi, Dhiren Basu, David Beacham, Patrick Berryman, John Bevan, Barbara Blake, Clare Bull, Clive Carter, Joanna Christophides, Pippa Connor, Ali Demirci, Isidoros Diakides, Natan Doron, Gail Engert, Joe Goldberg, Eddie Griffith, Bob Hare, Claire Kober, Toni Mallett, Jennifer Mann, Liz McShane, Peter Mitchell, Liz Morris, Martin Newton, Felicia Opoku, Ali Gul Ozbek, James Patterson, Sheila Peacock, Lorna Reith, Viv Ross, Raj Sahota, Alan Strickland, Noah Tucker, Bernice Vanier, Ann Waters, Elin Weston and Charles Wright

35. FILMING AT MEETINGS

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

36. TO RECEIVE APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Adamou, Ahmet, Brabazon, G Bull, Carroll, Ejiofor, Elliott, Gallagher, Gunes, Hearn, Ibrahim, Jogee, McNamara, Rice and Stennett.

Apologies for lateness were received from Councillors Adje, Berryman, Bevan, M Blake and Opoku.

37. 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 interim Chief Executive requested that the report of the Corporate Committee at item 12c be admitted, which was late given the Committee had met and considered the report recently, and that the responses to written questions be admitted at item 17 as tabled, explaining they were unavailable earlier given the time required to research and prepare answers

38. DECLARATIONS OF INTEREST

Cllr Demirci declared that, as a member of Unison and an employee of a local authority, he had an interest in the deputation at item 11.

The Mayor declared an interest, as a member of the Communications Workers Union, in Motion D to be debated at item 18.

39. TO APPROVE AS A CORRECT RECORD THE MINUTES OF THE MEETING OF THE COUNCIL HELD ON 24 JULY

The minutes of the meeting of the Council held on 24 July 2017 were agreed.

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

The Mayor drew attendees' attention to the note in the Summons of some of the events he had undertaken as Mayor, and thanked his deputy and predecessors for their support. He drew attention to the recent Gala dinner in support of his Special Fund, and to the honour of leading the Borough's Remembrance Sunday commemoration recently, thanking the work of the Armed Forces and Christian Erikson of Tottenham Hotspurs in tidying the Wood Green War Memorial.

The Mayor had recently presented Yvonne Denny a lifetime award at Homes for Haringey's Rewarding Resident Volunteers evening, and Cathy Alberman the award for Music Teacher of the Year. He would be making his own awards for his 'What Makes You Happy' competition in primary schools in January.

Finally, the Mayor led the meeting in a minute's silence in memory of former Councillor Nilgun Canver, who had passed away recently.

41. APPOINTMENT OF THE CHIEF EXECUTIVE

Cllr Sahota, Chair of the Staffing and Remuneration Committee, introduced a report that recommended Zina Etheridge be appointed Chief Executive. The recommendation was agreed by acclamation.

RESOLVED

That Zina Etheridge be appointed Chief Executive as outlined in the attached report.

42. TO RECEIVE THE REPORT OF THE CHIEF EXECUTIVE

The Chief Executive had no matters to report.

43. TO RECEIVE THE REPORT OF THE MONITORING OFFICER

The Monitoring Officer had no matters to report.

44. TO MAKE APPOINTMENTS TO OUTSIDE BODIES

Councillor Peter Mitchell, Assistant Chief Whip, moved the report setting out some changes to the Council's representatives on outside bodies. The recommendations were agreed by acclamation.

RESOLVED

That Full Council agree:

1) That Councillor Jennifer Mann be the Council's representative on Hornsey Parochial Charities until the appointment comes up for renewal in May 2021.
2) That Councillor Lorna Reith be the Council's representative on Walthamstow Wetlands until the appointment comes up for renewal in May 2018.

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

The Mayor had accepted a deputation from Haringey Unison on local government pay, which was introduced by Sean Fox, accompanied by Gerard McGrath and Andrea Holden. Mr Fox set out that local government pay had declined in the last seven years by 22 per cent in real terms, and that pay restraint had not meant jobs being protected. He called for an increase of 5 per cent, the deletion of the bottom three spinal points and for local authorities to lobby to break the pay freeze to combat poverty of employees.

In response to a question from Cllr Kober on whether he would support a campaign for Government to fund a pay increase for local government workers, Mr Fox set out that trades union had been lobbying Government direct.

Responding to the Deputation, Councillor Demirci, Cabinet Member for Corporate Resources, said the Cabinet was sympathetic to the trade union, and that they could not respond unilaterally to the request. There was on-going work with colleagues across local government to press Government on adequate funding for local government workers and that he looked forward to working with the trade union in future.

46. TO RECEIVE REPORTS FROM THE FOLLOWING BODIES

(a) Report from Standards Committee - Planning Protocol

Councillor Amin, Chair of the Standards Committee, introduced a report that recommended that the Planning Protocol be incorporated into the Council's Constitution. The recommendation was agreed by acclamation.

RESOLVED

That Full Council adopt the Planning Protocol as part of the Constitution.

(b) Report from Overview and Scrutiny Committee - Scrutiny Annual Report 2016/17

Cllr Wright, Chair of the Overview and Scrutiny Committee, introduced the Committee's Annual Report for 2016/17, and thanked Members for their participation in scrutiny.

NOTED.

(c) Report from Corporate Committee - Treasury Management Strategy Statement

The Mayor accepted this report as late. Councillor Barbara Blake, Chair of the Corporate Committee, introduced her report that updated Members on the Treasury Management Strategy. The report's recommendation was agreed by acclamation.

RESOLVED

That Full Council note the Treasury Management activity undertaken during the six months to 30th September 2017 and the performance achieved.

47. COUNCIL TAX REDUCTION SCHEME

Cllr Arthur, Cabinet Member for Finance and Health, introduced the report on the Council Tax Reduction Scheme. The recommendations of the report were agreed by acclamation.

RESOLVED

That Council:

i. Agree to adopt the CTRS 2018/19 as contained in Appendix C of the accompanying report and as summarised in Appendix C which retains the same level of support as agreed since 2013/14 and which remains unchanged from 2017/18 for: pensioners claimants to continue to receive support for the payment of council tax.

ii. Agree claimants in receipt of certain disability benefits to continue to receive support for the payment of council tax.

iii. Agree all working age claimants Council Tax Support to continue to be capped at 80.2% of council tax liability.

iv. Note that an Equalities Impact Assessment (Appendix E of the accompanying report) has been undertaken in relation to the CTRS and that the findings of this EIA must be taken into account when making a decision regarding the Scheme for 2018/19.

v. Authority to be given to the Chief Finance Officer and the Assistant Director of the Shared Service Centre to take all appropriate steps to implement and administer the Scheme.

48. HIGH ROAD WEST - APPLICATION FOR CONSENT FOR DISPOSAL OF HRA LAND

Councillor Strickland, Cabinet Member for Housing, Regeneration and Planning, introduced the report.

Responding to questions from Cllr Diakides, Cllr Carter, Cllr Engert, Cllr Bevan and Cllr Amin, Cllr Strickland outlined the engagement with tenants in High Road West, the work being done to build council housing and provide affordable housing, the differences between this scheme and the Haringey Development Vehicle and some further information around service charges and freehold arrangements.

Following a request by eight members standing in their place, the Mayor agreed to put the recommendation in the report to a named vote.

On being put to a vote:

There being 27 in favour of the recommendation (Councillors Ayisi, Amin, Arthur, Basu, B Blake, C Bull, Christophides, Demirci, Doron, Goldberg, Griffith, Kober, Mallett, J Mann, S Mann, McShane, Mitchell, Ozbek, Patterson, Peacock, Reith, Sahota, Strickland, Tucker, Vanier, Waters and Wright) and

8 against (Councillors Beacham, Carter, Connor, Engert, Hare, Morris, Newton and Ross) and

No abstentions

The recommendation was agreed.

RESOLVED

That Full Council give approval for the Director of Regeneration to submit an application under section 32 of the Housing Act 1985 to the Secretary of State for consent to dispose (as agreed by Cabinet on the 12th September and the 9th October 2017) of the land belonging to the Council situated within the High Road West Area and held within the Housing Revenue Account, as shown on the Site Plan shaded green and accompanying property list at Appendix 4 of the accompanying report.

49. HARINGEY DEBATE: HARINGEY'S SOCIAL AND AFFORDABLE HOUSING CRISIS

The Mayor invited Councillor Engert to introduce the debate.

Councillor Engert introduced the debate, including the scale of the challenge in relation to housing and the cost pressures that inadequate provision imposes on the Council. She set out the Council’s performance on the provision of affordable housing, and the level of right-to-buy receipts that had been surrendered to the Exchequer. She outlined activity elsewhere, including Sutton, where the Council’s wholly-owned development company had delivered housing with a high degree of engagement with tenants and leaseholders.

Councillor Mitchell discussed how housing issues was a challenge for all Members in their casework, and the associated cost to the Council. He noted that the Government's policies did not support social housing, meaning Haringey had to take new approaches to tackling the crisis, including the High Road West scheme and the HDV.

Councillor Jennifer Mann noted the number of people on the housing waiting list and homeless in the borough, and the number of local organisations working to support people that are faced with housing difficulties. She suggested the Finnish Housing First principle had been successful in avoiding a housing crisis.

Councillor Carter recalled the Council's Housing Strategy, which he felt suggested a direction of travel on social housing. He felt the HDV was too big, too risky and too complicated to deliver the housing promised. He compared Haringey's efforts to deliver affordable or social housing, such as at Hornsey Town Hall, with other boroughs'.

Councillor Wright discussed the national decline of completions on social housing, in particular since the coalition Government had reduced the grant available for social housing. He set out how declining wages and increasing house prices were creating a market failure, requiring intervention by the Council.

Councillor Kober sought to put the debate in a wider context by noting the London-wide nature of the housing crisis, and the difference between house prices and incomes. This meant new options had to be explored. She noted the higher number of people in the private rented sector, who needed specific support and protections.

Councillor Hare discussed the uniqueness of the HDV, which was distinct from other boroughs' efforts and seemed to be more in pursuit of a greater council tax base rather than to deliver social housing. He further discussed the Sutton example, which meant profits were retained locally and more green infrastructure could be pursued.

Councillor Doron sought to correct the depiction of Haringey's record on the level of housing provided as affordable or at social rent levels. He noted that joint ventures, like the HDV, were used elsewhere and he hoped that pragmatic solutions could be supported rather than rejected for ideological reasons.

Responding to the debate, Councillor Strickland, Cabinet Member for Housing, Regeneration and Planning reflected that Haringey had provided more affordable housing than all but three London boroughs. He was proud of the Borough's record in successfully attracting funding for affordable housing from the Greater London Authority. The Government's policies and funding restrictions had been a restriction on the Council's ability to delivery Council housing. In addition there were a number of other examples of joint ventures, and so the HDV was not as unusual as described.

Concluding the debate, Councillor Engert stated that the concerns at the HDV had increased as more detail had been made available. She felt the Council had had a poor record on social housing over a number of years, and that the Sutton approach, including a wholly owned housing development company was worth consideration to deliver more social housing using the returned Right to Buy receipts, the Housing Revenue Account and abandoning the proposal to build a new Council Headquarters.

50. ANNUAL CARBON REPORT AND ZERO BY 2050 COMMISSION

Councillor Goldberg, Cabinet Member for Economic Development, Social Inclusion and Sustainability introduced the Seventh Annual Carbon Report and the report on the Zero by 2050 Commission. He outlined the success that Haringey had achieved in this area, and the level of ambition that had been demonstrated. He thanked Councillor Doron for his work on the Zero by 2050 Commission, and hoped that the work would be continued in the future.

Councillor Doron set out the scale of the challenge associated with tackling climate change, and the disproportionate impact that climate change would have on the poor. He noted that Haringey had a strong reputation in this area, and welcomed the focus on inequality. He hoped the Council's record would be upheld in the future.

NOTED

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

The Mayor accepted the admission of responses to written questions as late items of business, as the answers to questions had needed to be researched and prepared after the summons had been dispatched.

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

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

Councillor Jenifer Mann moved Motion D, setting out the importance of post offices in local communities. She regretted the way the post office had been handled by the Government.

The motion was seconded by Councillor Mitchell, who was concerned at the so-called 'modernisation' programme of post offices, including the further siting of post offices in retail stores.

Councillor Engert moved an amendment to the motion, setting out that the private sector could work to deliver public services, as long as there were adequate safeguards. Councillor Newton seconded the amendment.

Councillor Tucker criticised the amendment as being supportive of privatisation, and believed that there could not be adequate safeguarding of public services when managed by the private sector.

Councillor Jennifer Mann responded to the debate, urging Members to reject the amendment.

The amendment was put to the vote, where it was NOT CARRIED.

The original motion was put to the vote, where it was AGREED.

The Mayor then invited Councillor Morris to move Motion E. She believed more needed to be done to tackle the issue of moped crime, which involved increasing levels of violence. She reflected that motorcyclists are often themselves the victims of crime, and should not be penalised by efforts to tackle criminality and would be supporting the amendment to the motion.

Councillor Newton seconded the motion, noting the incidents of moped crimes that he was aware of in his ward. He supported widespread tagging of motorcycles.

Councillor Ayisi moved the amendment, and set out his work with police locally to tackle moped crimes and work quickly to investigate crimes. The amendment was seconded by Councillor Clare Bull.

Councillor Peacock spoke in favour of the amendment, and in support of motorcycle-owners who were often the first victims of moped crime.

Councillor Ross spoke of his regret at the announced closure of police counters, and his hope the Mayor of London may help improve coordination between boroughs' police teams and encourage tagging of motorcycles and mopeds.

Councillor Reith noted the agreement in the chamber in relation to the seriousness of the issue, but felt that the Mayor of London's ability to tackle these issues was constrained by a lack of resource from Government despite specific requests for funding to tackle crime in the capital.

Councillor Carter described to Members a recent incident he had witnessed of reckless behaviour by moped riders in Wood Green

Responding to the debate, Councillor Morris re-stated that she supported the amendment.

Following a vote, which was unanimous, the amendment was CARRIED.

The motion as amended was then put to the vote, where it was AGREED unanimously.

RESOLVED

<u>Motion D: Crown Post Offices</u>

Over the course of a year, the Post Office announced the franchise (privatisation) of 99 Crown Offices in 3 "Tranches".

Tranche 1 – January 2016
39 Crown Offices to be franchised
3 actual closures

The proposed franchised Crown Offices in tranche 1 include those in Crouch End and Muswell Hill.

Tranche 2 – July 2016
A further 40-50 Crowns to be franchised which could include other Haringey offices.

Tranche 3 – January 2017
37 Crown Offices to be franchised
Altogether placing up to 1,000 Post Office employee jobs at risk.

This Council believes:

- Closure and franchising of our High Street Crown Post Offices is detrimental to our local communities.
- The plan to move Post Offices into shops such as WH Smiths will mean a worsening of services, a potential loss of experienced staff and a possible deterioration of workers conditions such as pay and pensions.

This Council resolves:

- To support local residents and community groups and businesses, the Communication Workers Union and other relevant local unions' who are campaigning to save the Haringey Crown Post Offices and helping to protect decent local jobs.
- To write to Margot James, Department for Business, Energy and Industrial Strategy Minister stating the council's opposition to the Crown Post Office closure and franchising programme.
- To write to local MPs informing them of our position and encouraging them to oppose the Crown Post Office closure and franchising programme.

<u>Motion E: Tackling Moped Crime</u>

This Council is disappointed that the Government's Budget failed to respond to the Labour Mayor of London's request for additional monies to tackle the very serious problems of crime in the capital. The Government's failure has made it extremely difficult for the Police to tackle the scourge of moped crime on Haringey streets.

This council notes that:

- thieves on scooters and pedal cycles are committing up to 50,000 criminal offences in London each year
- thefts involving mopeds or motorcycles are currently running at 13,000 over the past 12 months, a 41% increase over the previous period

This council also notes that:

- there has been a significant increase in moped crime in North London and in particular in Haringey, Camden and Islington, with a huge rise in phone and handbag snatches by moped gangs
- police statistics show that between February and March, Haringey saw a 21% rise in "theft of person" crimes
- that gangs have stepped up the level of violence, with the use of hammers, acid and other weapons

- that a number of local residents have been seriously injured by moped gangs stealing property
- This council is concerned that:
- a moped gang attacked Gail's bakery on Highgate High Street, smashing the windows with a hammer, stealing property and injuring a resident
- a moped gang attacked a delivery driver in Tottenham where the victim had a corrosive substance sprayed in his face
- a moped gang forcibly entered a restaurant in Crouch End and tried to steal a laptop

This Council is further concerned that the lack of adequate funding from Government has led to the Metropolitan Police Service closing Hornsey police station and Wood Green front counter, leaving only 1 police station open in the entire borough.

This council believes that it is unacceptable that Muswell Hill, Alexandra, Fortis Green, Hornsey, Crouch End, Stroud Green, Highgate and Wood Green wards will be left with no police counter and no police contact point.

This Council calls on the Government to ensure proper funding for policing in the capital so that the Mayor of London is able to:

- improve co-ordination and co-operation between the different borough police teams in London
- enable boroughs across London to use dedicated police on motorbikes (with the sole objective of pursuing moped-enabled criminals), as they already do in Camden
- increase the tagging of motorbikes so that stolen bikes can be tracked and picked up so they are not used by the gangs
- keep Haringey's police stations and counters open
- pay for CCTV and increased police presence in moped crime hotspots

CHAIR:

Signed by Chair ………………………………..

Date …………………………………

MINUTES OF THE MEETING OF THE FULL COUNCIL HELD ON WEDNESDAY, 7TH FEBRUARY, 2018, 7.30 - 8.35 pm

PRESENT:

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

53. FILMING AT MEETINGS

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

54. TO RECEIVE APOLOGIES FOR ABSENCE

Apologies for absence were received from Cllrs Reith and Weston, and for lateness from Councillor Elliott.

55. DECLARATIONS OF INTEREST

No declarations of interest were made.

56. TO CONSIDER REQUESTS TO RECEIVE DEPUTATIONS AND, IF APPROVED, TO RECEIVE THEM

The Mayor had accepted two deputations to the meeting, though one had been withdrawn. He invited Sam Leggatt and Franklin Thomas to introduce their deputation.

Ms Leggatt was a resident of Northumberland Park, and regretted the lack of engagement on the proposed regeneration of Northumberland Park. She was concerned at the experience of the residents of Love Lane Estate as a possible precursor to residents of Northumberland Park, and hoped that there would be ballots of residents.

Councillor Carter asked how Ms Leggatt had been affected by the proposed HDV, and whether she thought she would return to the estate if it were redeveloped. Ms Leggatt responded that had been very worried at the uncertainty presented by the HDV, and did not expect that she would be able to afford or accept the stress associated with moving.

Councillor Engert asked whether Ms Leggatt would rather stop the HDV or pause a decision, to which she responded she would rather it be stopped.

Councillor Amin set out that she had heard different views, and asked how residents' desire for change or redevelopment could accommodated. Ms Leggatt believed residents faced disappointment that the promises made to them could not be fulfilled, including the availability of affordable housing.

Councillor Brabazon asked whether specific proposals for redevelopment had been received, to which Mr Franklin said that he had been told there would be a twenty-year lead-in for any demolition. Ms Leggatt thought the consultation had not been meaningful and there had been no certainty.

Responding, Councillor Strickland, the Cabinet Member for Housing, Regeneration and Planning, thanked the deputation, and refuted that the estate had been run down by the Council when homes had been invested in under the Decent Homes programme. He set out that any estate regeneration proposals had been accompanied by clear commitments to ensure tenants and leaseholders were not left worse off, and that there would be a right to return. At this stage, there were no detailed proposals for Northumberland Park, and there would need to be full consultation on such proposals. He rejected any suggestion that officers exercised undue influence on vulnerable tenants. He stated that the current policy was not to have ballots, in line with the Mayor of London's guidance, though this may change if the outcome of the Mayor of London's current consultation led to a change of guidance.

57. TO CONSIDER A RESPONSE FROM THE COUNCIL IN RELATION TO THE ISSUES RAISED IN THE MOTION

The Mayor accepted the report, which had been published after the summons to the meeting.

Councillor Strickland, the Cabinet Member for Housing, Regeneration and Planning introduced the report and asked that its contents be noted.

NOTED.

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

The Mayor invited Councillor Engert to move the motion.

In moving the motion, Councillor Engert regretted that the Labour Amendment did not provide residents with certainty by being conclusive on the HDV, instead seeking to ensure political unity. She felt the HDV should have been ended earlier, following the Overview and Scrutiny Committee's reports. She did not agree with the assessment in the Council's response that Lendlease posed a low risk compared with Carillion. She believed it was the time for the Council to take a decision to give residents certainty, and called on Members to agree the motion without amendment.

Seconding the motion, Cllr Morris set out that the Liberal Democrats had last called an extraordinary meeting in 2009, did not take a decision lightly. She regretted that the Cabinet had not heeded opposition to the HDV and that there had not been opportunity for the public to vote on it. She believed an alternative policy of a wholly owned company, which may build fewer houses and slower, would meet the needs of residents.

Moving the amendment to the motion, Councillor Kober was concerned that the enthusiasm of a minority opposed to the HDV overshadowed the view of the majority of residents who sought to see increased levels of improved housing. She set out the scale of the housing challenge and still believed the HDV was the best available solution. In light of the forthcoming purdah, a final agreement on the HDV would not be possible and she hoped the new administration would approach issues with an open mind.

Seconding the amendment, Councillor Strickland rejected the motion and mentioned that the status quo was affecting people's health and wellbeing, and that the HDV was one of a number of approaches being taken to regeneration. He drew attention to the report before Members stating that decisions on the HDV had been taken lawfully and that Council could not take an executive decision, as suggested by the motion.

Councillor Connor said that she wanted the HDV to be debated by the Council, and that opposition had grown to the scheme as it had been scrutinised further. The HDV would not help with the housing waiting list, but would worsen it. The proposal of a wholly-owned housing company would better deliver against residents' wishes. Rather than delay a decision, as the amendment suggested, she called for the motion to be agreed without amendment.

Councillor McNamara sought to correct two points made, first that the thought Scrutiny work was not spearheaded by the Liberal Democrats. Second, as made clear by the report, the Council should also be mindful of the power it had in relation to executive decisions, and the need to not bind the hands of an incoming administration.

Councillor Carter did not agree that the HDV was distinct from Carillion and Siglion. There was a general lesson to be learned that a large company can soon become bankrupt. He was concerned that the Council's governance arrangements did not provide enough of a check on a strong executive, and feared that the HDV would be dominated by the private sector partner.

Councillor Ibrahim clarified that the Liberal Democrats did not oppose the HDV when it was first proposed, nor in principle during the scrutiny process. She felt it would be misleading to suggest the Council meeting could stop the HDV, which was an executive responsibility.

Councillor Hare noted the decision to delay agreeing the HDV was not taken until the extraordinary meeting was called. He was concerned at the effect on businesses by the Council's regeneration plans and the lack of commitments to them. He felt the type of housing that would be delivered by the HDV would help grow the council tax base, rather than reduce the housing waiting list. Finally, he thanked some of the people who had campaigned against the HDV.

Responding to the debate, Cllr Engert noted that the Leader of the Council would be in post until the Council's Annual Meeting, meaning an agreement with Lendlease could be made and be binding on the Council. She felt the HDV would have the long-term consequences of the Private Finance Initiatives, which were still causing pressure on the National Health Service. She had not been opposed to a smaller joint venture, mindful of the Council's role a guardian of public property.

Following a request made by eight Members standing in their place, the Mayor agreed that a named vote be held on the amendment.

The Mayor then called a vote on the amendment. There being

46 votes in favour (Councillors Adamou, Adje, Ahmet, Ayisi, Amin, Arthur, Berryman, Bevan, B Blake, M Blake, Brabazon, C Bull, G Bull, Carroll, Christophides, Demirci, Diakides, Doron, Ejiofor, Elliott, Gallagher, Goldberg, Griffith, Gunes, Hearn, Ibrahim, Jogee, Kober, Mallett, J Mann, S Mann, McNamara, McShane, Mitchell, Opoku, Ozbek, Patterson, Peacock, Rice, Sahota, Stennett, Strickland, Tucker, Vanier, Waters and Wright) and

8 against (Councillors Beacham, Carter, Connor, Engert, Hare, Morris, Newton and Ross) and

No abstentions

The amendment was CARRIED.

Following a vote on the motion as amended, there being 46 Councillors in favour and 8 Councillors opposed with no abstentions, the motion as amended was AGREED.

RESOLVED

This Council believes:

- Investment is required to improve the borough's council housing estate
- Any regeneration scheme needs to protect tenants, leaseholders and local businesses and put them at its heart

This Council notes:

- That we are still awaiting a judgement from the High Court in response to last October's judicial review of the Haringey Development Vehicle
- That the Council's pre-election 'Purdah' period will start shortly

This Council further notes:

- The Leader of the Council's announcement, communicated to all Councillors on 30th January, that she does not intend to make a final decision on the set-up of the Haringey Development Vehicle prior to the beginning of the pre-election period on 26th March
- That the final decision on the set-up of the Haringey Development Vehicle will therefore be made by the administration formed following the Borough elections in May 2018.

CHAIR:

Signed by Chair ………………………………..

Date …………………………………

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RECORD OF MAYOR'S URGENT ACTION

Title of Report: Appointment to Regulatory Committee

Reason for urgency or Relevant paragraph for authority under scheme of delegation

Part 3 Section E, Section 1 - Scheme of delegation section 5, indicates that where action needs to be taken on an urgent matter between meetings of the Cabinet, or any Committee or Sub Committee of the Cabinet or Council this can be taken forward by the Leader for Executive functions and in the case of non Executive functions, the director can take the decision in consultation with the Chair of the Committee.

Councillor Mitchell's appointment to the Cabinet has left a vacancy on the Regulatory Committee, and the Planning Sub-Committee. Appointments to sub-committees are reserved to the parent committee, and so Cllr Mitchell's replacement on the Planning Committee would have to be made by Regulatory Committee at its meeting on 12 February – its final meeting of this municipal year.

Appointments to Committees are reserved to Full Council, which will not be able to consider such an appointment until after the final meeting of the Regulatory Committee.

Decision of the Chief Executive

Signature [signature] **Date** 7.2.18

Concurrence of the Mayor – Chair of full Council

[signature]

Once signed by the Chief Officer this cover sheet together with the substantive report must be forwarded to Democratic Services- Level 5, River Park House - for processing.

Report for:	**Interim Chief Executive and Head of Paid Service**
Title:	**Appointment to Regulatory Committee**
Report authorised by:	**Bernie Ryan, Assistant Director – Corporate Governance and Monitoring Officer**
Lead Officer:	**Michael Kay, Democratic Services and Scrutiny Manager**
Ward(s) affected:	**N/A**
Report for Key/ Non Key Decision:	**Non-Key**

1 Describe the issue under consideration

1.1 At Annual Council on 22 May, appointments were made to Committees, a responsibility reserved to it by the Constitution. Regulatory Committee, which also met on 22 May, made appointments from among its members to its Licensing and Planning sub-committees, as is its responsibility as the parent committee.

1.2 Councillor Peter Mitchell was appointed to the Cabinet on 11 January, leaving a vacancy on the Regulatory Committee and the Planning Sub-Committee.

1.3 The Labour Group Chief Whip has indicated that Cllr Christophides should fill that vacancy on Regulatory, which would then be asked to appoint her to fill the vacancy on the Planning sub-committee.

2 Cabinet Member Introduction

N/A

3 Recommendations

3.1 It is recommended that Councillor Joanna Christophides be appointed to the Regulatory Committee.

4 Reason for Decision

4.1 Appointing Cllr Christophides to Regulatory Committee will enable her to take a place on the Planning sub-committee, which takes important non-executive decisions of the Council and full membership is desirable.

5 Alternative Options Considered

5.1 If this appointment were not made between meetings, the Councillor could not be appointed to the Planning sub committee, which could impact on Committee's effectiveness.

6 Background information

6.1 The Annual General Meeting of the Full Council makes appointments to Committees and Sub-Committees in accordance with Article 4.02(l) of the Constitution. In line with the provisions of the Local Government and Housing Act 1989 and the Local Government (Committees and Political Groups) Regulations 1990, Committees are constituted in accordance with the Council's political balance..

6.2 The membership of the Regulatory Committee must be constituted in accordance with the provisions of the Local Government and Housing Act 1989 and the Local Government (Committees and Political Groups) Regulations 1990 in terms of political balance. The proportionality split is as follows: Labour Councillors (49 Members) now constitute 85.96% of the available seats on the Council and Liberal Democrats Councillors (8 Members) occupy 14.04%. Where practicable, the allocation of seats on Committees should be in line with the proportion of seats on the Council held by the political groups. The rule about proportionate allocation of seats on bodies overall takes precedence over the rule about proportionate allocation on any individual body.

6.3 Due to the timing of the meetings it has not been possible to appoint a replacement to the Regulatory Committee at a Full Council meeting as would be the usual practice. The vacancy on the Regulatory Committee should be filled by a Labour Member, which would mean an on-going representation of 84.6% Labour Members, to 15.4% Liberal Democrat.

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

7.1 Finance

N/A

7.2 Legal

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

7.3 Equalities

N/A

9 Use of appendices
Not used

10 Local Government (Access to Information) Act 1985
N/A

REPORT OF THE CORPORATE COMMITTEE
COUNCIL 26 February 2018

Chair:	Deputy Chair:
Councillor Barbara Blake	Councillor Eddie Griffith

INTRODUCTION

1.1 This report to Full Council arises from the report on the updated Treasury Management Strategy Statement and Prudential Indicators for 2018/19 – 2020/21, considered by the Corporate Committee at their meeting on the 30 January 2018.

SUMMARY

Treasury Management Strategy Statement 2018/19 – 2020/21

2.1 We considered the report on the Treasury Management Strategy Statement (TMSS) 2018/19 – 2020/21, introduced by Thomas Skeen, Head of Pensions. We noted that the strategy covered borrowing to cover capital expenditure, investment principles and the prudential indicators. The Council's strategy complied with statutory guidance from the CLG, and CIPFA. We noted that there was little change to the Council's overall treasury strategy from the previous year.

2.2 We noted the key elements of the proposed strategy being considered as outlined in appendix 1 of the report, namely how much borrowing the Council needs to do, where temporary surplus cash should be invested and the Prudential Indicators.

2.3 Thomas Skeen provided us with an update on the views of the Overview and Scrutiny Committee in respect of the TMSS, which they had considered at their meeting on 29th January. We noted the following actions & comments passed on from the discussion of the Overview and Scrutiny Committee:

- The Committee requested that information regarding the revenue implications of capital decisions be passed on to the Corporate Committee (and also shared with the members of overview and scrutiny).

  This was provided to the Corporate Committee and is shown below:

	2018/19	2019/20	2020/21
Interest Costs Projected	**16,161,883**	**16,767,157**	**16,234,918**

- The Committee made the comment that the strategy was 'cautious, but safe'.

- The Committee requested that the half yearly treasury performance update report also be presented to overview and scrutiny, this report includes information about capital delivery, and is normally presented to the corporate committee.

- The Committee noted that capital expenditure should be monitored closely, as investment in capital can help to keep revenue costs down.

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

WE RECOMMEND

3.1 That Full Council approve the updated Treasury Management Strategy Statement for 2018/19 to 2020/21 as attached at Annex 4 of the MTFS report.

Report for: Full Council 26th February 2018

Item number:

Title: 2018/19 Budget and Medium Term Financial Strategy (2018/19 – 2022/23)

Report authorised by: Jon Warlow – Interim Chief Finance Officer (CFO), Section 151 Officer

Lead Officer: Oladapo Shonola – Lead Officer, Budget & MTFS Programmes

Ward(s) affected: ALL

Report for Key/ Non Key Decision: Key.

1. Describe the issue under consideration

1.1. Cabinet considered the 2018/19 Budget and MTFS 2018/19 – 2022/23 report at their meeting held on 13th February 2018 and resolved to propose that report for consideration and approval of the final Budget, MTFS and Council Tax for 2018/19 by Full Council in accordance with the Council's constitution.

1.2. Since the publication of the Cabinet report, the government announced the final settlement figures for local government. This had a relatively minor beneficial effect on Haringey's 2018/19 budget and the recommendations are based on the amended figures. The council tax and savings proposals remain unchanged from those in the Cabinet report.

2. Cabinet Member Introduction

2.1. Whilst the relatively minor additional funding provided to the Council in the final local government finance settlement is welcomed, it does not change the Council's budget strategy going forward.

2.2. Therefore, my comments on the 2018/19 budget which can be found in the Cabinet report attached at Annex 1 remain unchanged.

3. Recommendations

3.1. Council are asked:

(a) To approve the proposed 2018/19 Budget and Medium Term Financial Strategy (2018-23) agreed by Cabinet on 13th February 2018 as updated for the final settlement figures described in paragraph 1.2 and Annex 1A, including the outcomes from the budget consultation exercise, which are attached as Annex 1 and Annex 6;

(b) To approve the increase in the Haringey Council tax of 3% relating to the Adult Social Care precept;

(c) To approve the General Fund budget requirement for 2018/19 of £250.110m, net of Dedicated Schools Grant, as set out in table 6.1 and Annex 1A to this report.

(d) To approve the Cash Limit for 2018/19 of £250.11m as set out in Annex 2;

(e) To approve the 2018/19 General Fund capital programme set out in Appendix 3 to the Cabinet budget report (Annex 1);

(f) To approve the policy on the flexible use of capital receipts as set out in section 8 and Appendix 11 of Annex 1 to this report;

(g) To approve the update on the use of flexible capital receipts set out in para 6.2 of this report.

(h) To approve the Housing Revenue Account Budget 2018/19 as set out in Appendix 2 to the Cabinet budget report (Annex 1);

(i) To approve the 2018/19 Housing Revenue Account (HRA) capital programme set out in Appendix 4 to the Cabinet budget report (Annex 1);

(j) To note the Greater London Authority (GLA) proposed precept (para. 7.11);

(k) 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;

(l) To approve the creation and maintenance of a Budget Resilience Reserve as set out in the Reserves Policy at Annex 3a;

(m) To approve the estimated level of non-earmarked General Fund reserves and the specific and other reserves as set out in Annex 3b;

(n) To approve the reserves policy including the Chief Finance Officer's (CFO) assessment of risk and the assessment of the adequacy of reserves, as set out in Annex 3 (a – c);

(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 Treasury Management Strategy Statement 2018/19 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 approved Corporate Plan set out the Council's priorities and the MTFS outlined the overall financial strategy for and Workforce Plan for achieving those priorities.

4.2. The February 2015 MTFS showed that as a result of reductions to the Council's funding from central government, it was projected that recurring savings of £25m 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).

4.3. This budget gap position has improved due to a better funding position than was initially projected and the delivery of significant efficiency savings including:

- Remodelling of how the Council deliver some of its services;
- Greater value for money in commissioning and procurement of goods and services; and
- reducing its workforce by over a third since 2010;

4.4. Following the publication, on 19th December 2017, of the Provisional Local Government Finance settlement, Cabinet reviewed the impact of the settlement on the 2018/19 budget set out in the approved MTFS. A further report to the Cabinet on 13th February 2018 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 13th February 2018, which were agreed in full, are attached as Annex 1.

4.6. Since the publication of the Cabinet report, the Secretary of State for the Ministry of Housing, Communities and Local Government has published the final Local Government Finance Settlement. There were two changes to the Council's funding in the final settlement compared to the provisional settlement: Additional funding of £0.72m on Adult Social Care Support grant; and a correction relating to under-indexing of the business rates multiplier of £0.16m. These resulted in total increase of £0.88m in funding for the Council in 2018/19.

4.7. Taking all relevant factors into account, including the outcomes from statutory consultation with residents, business rate payers (attached at Annex 6) and the recommendations from the Overview and Scrutiny committee meeting held on 29th January 2018, this report sets out Cabinet's Budget proposals (as amended for final settlement figures) including proposals for the level of Council tax for the Council 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 approve the proposed 2018/19 Budget and Medium Term Financial Strategy (2018-23) agreed by Cabinet on 13th February 2018, as amended for the final settlement figures described in paragraph 1.2 and Annex 1A, including the outcomes from the budget consultation exercise, which is attached as Annex 1 and Annex 6 and approve the Council tax for 2018/19. Accordingly no other options have been considered.

6. Background information

6.1. On 13th February 2018 Cabinet agreed a proposed Budget package for submission to this meeting of the Council, including a revenue budget for 2018/19 of £249.228m, with an additional indicative budget of £255.2m in respect of the Dedicated Schools Grant and approved the 2018/19 Capital Programmes for both the General Fund and Housing Revenue Account (HRA). Cabinet agreement to these proposals was subject to the final Local Government Finance Settlement and the decisions of levying and precepting authorities.

6.2. The Cabinet report of 13th February 2018 (attached as Annex 1 to this report), and the proposed budget package recommended to Full Council by Cabinet, together with the subsequent amendments are the subjects of debate at this meeting.

6.3. This report addresses:

- The final local government finance settlement 2018/19;
- Update on flexible use of capital receipts
- Update on London Business Rates Retention Pilot;
- The decisions of levying bodies and precepting authorities;
- Update on budget consultation
- 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 2018/19.

6.4. The report concludes by presenting the Budget Resolution to set the Council Tax for 2018/19.

7. Key Developments and Updates

Final Local Government Finance Settlement 2018/19 and Other Changes

7.1. The Secretary of State for the Ministry of Housing, Communities and Local Government published the details of the final Local Government Finance settlement (2018/19) via a statement in Parliament on 6th February 2018. The two changes (re Adult Social Care grant and the business rates multiplier) to the provisional figures are incorporated into the figures being presented to Full Council. The impact of the changes on the proposed 2018/19 Budget and MTFS 2108/23 are set out in the below table and at Annex 1A to this report.

Table 6.1 – Impact of New Funding on 2018/19 Budget/Cash Limit

	2018/19
Expenditure	**£m**
Net Budget Requirement **(Per Cabinet Report)**	249.228
Additional Contribution to/(from) Reserves	0.882
Total Council Budget Requirement/Cash Limit	**250.11**
Funded By	
Available Funding **(Per Cabinet Report)**	249.228
Additional Adult Social Care Support Grant	0.718
Under-Indexing of Business Rates Mulitplier	0.164
Total Revised Funding Available	**250.11**

7.2. As shown in table 6.1 above, it is proposed that these amounts are added to the new Budget Resilience Reserve (BRR) which is proposed to be established to address the risk of overspends/delay in implementation of planned savings.

7.3. 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 2018/19 budget, the Housing Revenue Account, the Delegated Schools Budget, and the Capital Programme(s).

7.4. Any such changes that do occur following Council's approval of the 2018/19 Budget will be reported to Cabinet as part of the normal in-year budget monitoring and financial planning processes.

Update on Flexible Use of Capital Receipts

7.5. The Full Council approved the Council's use of flexible capital receipts in February 2017. The table below provides an update on the projected cost/savings in 2017/18 and the actual cost/savings for 2016/17.

Projected/Actual Cost and Savings for 2016/17-2017/18

	Original	**Outturn**	**Original**	**Actual to Date**
£m	2016/17	2016/17	2017/18	2017/18
Restructuring Cost	6	4.3	3	3.3
Restructuring Savings (Cumulative)	6	6.1	9	9.5

London Pilot of 100% Business Rates Retention Scheme

7.6. The impact of the London Business Rates Retention Pilot Pool was included in the budget report considered by Cabinet on 13th February. Further information has been made available to the Council by the City of London Corporation (Pool Administrator), following collation and analysis of business rates returns from all London Boroughs and the City of London Corporation. The total net benefit to London authorities of 100% business rates to the pool is now estimated at £370m per annum – up from £240m, mainly due to the increase in the projected growth across London.

7.7. There must be still be some uncertainty around what the actual benefit of pooling will be to the Council as current projections rely on returns submitted by all 32 Boroughs and the City of London Corporation being consistent and the assumed growth projections will be realised.

7.8. However, these latest figures confirm that the estimates used in this Council's budget for 2018/19 Retained Business Rates are prudent and an improvement in the 2018/19 budgeted position may be reportable during the year which could then be taken into account in the Council's revisions to its financial plans.

Levying bodies

7.9. The Board of the North London Waste Authority (NLWA) met on 9th February 2017 and agreed an overall levy of £48.5m for 2018/19; which is a 1.3% increase over the 2017/18 position. Of this overall sum, £5.755m is the levy to this Council which is a significant reduction compared to the 2017/18 £7.9m levy charge to the Council.

7.10. The reduction in 2018/19 is due to Haringey having a credit balance with the NLWA, mainly because of fewer tonnes of recycling and residual waste delivered to NLWA waste processing centres than was budgeted. These balances are being used to reduce the Council's waste levy in 2018/19, but it is estimated that the Council's waste levy for 2019/20 will be set at around £8.6m, which will be more in line with historic levy charges.

The Greater London Authority Precept

7.11. The Mayor's final draft budget proposals for the 2018/19 consolidated budget were scheduled to be published on Thursday 15th February and will be considered by the London Assembly on Thursday 22nd February. The current draft proposals indicate a proposed increase of £14.21 (5.1%) to £294.23 (Band D), however it is possible that this may change before the final Budget is approved – including the possibility of a change at the GLA meeting on the 22nd February 2018.

7.12. 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.

7.13. 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 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.

7.14. In the unlikely event that the GLA finally resolve a Council tax precept at a level requiring them to undertake a referendum (i.e. a 3% (£2.22) or greater increase in the non-policing element of the GLA precept and an increase greater than £12 of the policing element of the GLA precept which equates to a total increase of £14.22 or greater), a further report considering the implications of this on the Council would need to be considered.

<u>Update on Consultation</u>

7.15. Members should be aware that a further representation was received from Haringey Business Alliance (HBA) after the consultation period closed, attached at Annex 6. Having considered the response to the budget consultation by HBA, no amendments to the Cabinet's recommendations on the 2018/19 Budget nor the MTFS (2018-23) are proposed as a consequence of this submission.

8. Considerations in setting the Council tax

8.1. 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.

8.2. 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 2019/20, 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.

8.3. It has been confirmed by the Government that for 2018/19, an increase is excessive if the authority's relevant basic amount of Council tax for 2018/19 is 6% (comprising 3% for expenditure on adult social care and 3% for other expenditure) or greater than its relevant basic amount of Council tax for 2017/18.

8.4. In total therefore the Council could approve an increase in its relevant basic amount of Council Tax for 2018/19 up to 5.99% without triggering a referendum.

8.5. The basis of the Cabinet's budget proposals to implement only 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).

8.6. In considering the level of its Council tax for 2018/19 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.

8.7. The projected income from Council tax in 2018/19 is £98.800m based on 77,093 Band D equivalent dwellings (the Tax Base) a collection rate of 96.25%, and the proposed Band D Council tax rate of £1,281.57. The 2017/18 Tax Base was 75,365 Band D equivalent dwellings.

8.8. These proposals result in total available funding (the 'Budget Requirement') for 2018/19 of £250.110m, as set out in recommendation 3.1(c), above.

9. Statements of the Designated Chief Finance Officer

Robustness of the budget process

9.1. 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.

9.2. The government continued its programme of public spending reductions, originally set out in its Spending Review (SR) of 2010 through SR 2015 and intervening Autumn Statement and Budget Statement announcements which set out significant funding reductions for local authorities. In addition the government has embarked on a shift toward greater localisation of core revenues to local authorities.

9.3. The government first introduced Business Rate Retention Scheme (BRRS) in 2013 and allowed London Councils to retain a proportion (30%) of net growth in the Business Rates in its area. The government formally announced in December 2017 that London will pilot a 100% BRRS in 2018/19. It is anticipated that the implementation of 100% BRRS will result in increased revenue of approximately £3m annually to the Council by 2020/21.

9.4. The introduction of 100% BRRS is forecast to be beneficial to the Council. However, the shift to full business rates retention carries with it a degree of risk and uncertainty for the authority which have been recognised in the MTFS. The establishment of Business Rates Retention, the maintenance of General Fund balances and the prudence in recognising any additional BRRS revenues mitigate this budget risk.

9.5. To meet the scale of the financial challenge facing the Council, the Council refreshes its five year MTFS on an annual basis to ensure that assumptions, especially those around savings and reviewed are updated as necessary.

9.6. Given the level of risk around delivery of planned savings, the budget proposals for 2018/19 include a Budget Resilience Reserve of £7.2m to be used to mitigate any in-year overspend/delay in implementation of planned savings. The MTFS also assumes that the Budget Resilience Reserve will be replenished to by £7.2m throughout the MTFS period.

9.7. The budget proposals have been subject to detailed scrutiny and the Cabinet has also undertaken consultation with residents and businesses.

9.8. The recommendations agreed by the Overview and Scrutiny Committee at its meeting on 29th January 2018, together with the responses of the Cabinet, are set out in Appendix 7 to the Cabinet report of 13th February 2018 (attached as Annex 1 to this report).

9.9. 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.

9.10. At the end of Period 9 (2017/18), the 2017/18 budget monitoring position indicates a year end deficit of £5.4m. The Council has identified in-year measures to mitigate this 2017/18 budget deficit without the need to utilise non-earmarked General Fund balances. Further, measures have been identified to maintain the estimated closing General Fund balances at £15m for 2018/19.

9.11. 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 2018/19 Budget.

9.12. 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 2017/18 together with the additional savings required from 2018/19 and onwards as set out in this report.

Adequacy of Reserves

9.13. 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.

9.14. It is projected that the Council will have un-earmarked General Fund balances of approximately £15m at 31st March 2018. The final position will be dependent however on the Council's 2017/18 financial outturn to be reported to Cabinet in June 2018. Further, measures have been identified to maintain the estimated closing General Fund balances at £15m for 2018/19.

9.15. 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.

9.16. 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 3b 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.

9.17. 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 £22m, as set out in Annex 3c. Accordingly, the proposed levels of general reserves set out above, together with any contingency provision in the Council's base budget are judged to be adequate within the meaning of the 2003 Act.

9.18. No change to the Council's Reserves Policy is recommended at this time, other than the creation of the new Budget Resilience Reserve.

Adult Social Care Precept

9.19. The Chief Finance Officer is satisfied that the Council Tax income yield from the Social Care Precept has been fully utilised to meet adult social care costs.

Treasury Management

9.20. The Treasury Management Strategy Statement (TMSS) for 2018/19 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 30th January 2018 and recommended it for approval by Full Council; the report from that Committee is included elsewhere on this agenda.

9.21. The Council's Overview and Scrutiny Committee also considered the TMSS on 29th January 2018 as part of the budget scrutiny process and in accordance with the CIPFA Treasury Management Code of Practice.

9.22. The proposed prudential indicators are based on the proposed Capital Programme as reported to Cabinet on 13th February 2018. 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.

10. Summary and Conclusions

10.1. This report finalises the Budget process and proposes that Council Tax is increased in respect of a 3% Adult Social Care precept.

10.2. The level of financial reserves is also reported and those levels are considered to be adequate.

10.3. The Council is required to determine whether its increase in Council Tax for 2018/19 is 'excessive' and, if so, would trigger a referendum. The proposal in this report is not an "excessive" increase.

10.4. The recommendations of the Cabinet are reflected in the formal Council tax Resolution in Annex 5.

10.5. The Medium Term Financial Strategy 2018-2023 recognises the key drivers and risks arising from funding constraints 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 resources.

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

11.1. 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

11.2. 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.

11.3. 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 13th February 2018. It has been confirmed that the Leader of the Council has been notified and has considered these changes.

11.4. 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.

11.5. 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.

11.6. 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.

11.7. 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.

11.8. 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 2018/19 that for 2018/19 an increase is excessive if the authority's relevant basic amount of Council tax for 2018/19 is 6% (comprising 3% for expenditure on adult social care and 3% for other expenditure), or more than 6%, greater than its relevant basic amount of Council tax for 2017-18. 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 6% 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.

11.9. 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

11.10. Equality comments are included in the report to Cabinet dated 13th February 2018, attached as Annex 1. An update on equalities impact of the 2018/19 budget proposals including those that had already been considered by Cabinet is attached at Annex 7.

12. Use of Appendices

Annex 1 – Cabinet report of 13th February 2018 including Appendices 1 - 11.

Annex 1A – Amended General Fund (2018/19) Budget and MTFS (2018-2023)

Annex 2 – Cash Limits analysed at Priority Level

Annex 3 – Reserves

3a: Reserves Policy

3b: Reserves and their adequacy

3c: Risk evaluation

Annex 4 – The Treasury Management Strategy Statement

Annex 5 – The Formal Budget Resolution

Annex 6 – Update on Budget Consultation

Annex 7 – Update on Equality Impact Consideration Relating to Budget Proposals

13. Local Government (Access to Information) Act 1985

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

- Final Local Government Finance Settlement 2018/19.
- NLWA Budget Proposals report published 31st January (for 8th February meeting)
- GLA Budget proposals report published 15th February (for 22nd February meeting)

13.2. For access to the background papers or any further information please contact Oladapo Shonola – Lead Officer, Budget & MTFS Programmes on 0208 489 3726.

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Report for: Cabinet Meeting 13th February 2018

Item number:

Title: 2018/19 Budget/Medium Term Financial Strategy (MTFS) 2018/19-2022/23

Report authorised by: Clive Heaphy, Interim Chief Finance Officer and Section 151 Officer
Jon Warlow, Interim Deputy Section 151 Officer

Lead Officer: Oladapo Shonola, Lead Officer – Budget & MTFS Programmes

Ward(s) affected: All

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

1 Describe the issue under consideration

1.1 In February 2015, Haringey Council agreed five priorities as part of a strategy that set out our ambitions for the borough and our citizens. They are:

- **Priority 1** – Enable every child and young person to have the best start in live, with high quality education
- **Priority 2** – Enable all adults to live healthy, long and fulfilling lives
- **Priority 3** – Create a clean and safe borough where people are proud to live, with stronger communities and partnerships
- **Priority 4** – Drive growth and employment from which everyone can benefit
- **Priority 5** – Create homes and communities where people choose to live and are able to thrive

1.2 Spending priorities for the current year were set, and have been monitored against these priorities within an environment where local government and the wider public sector have been faced with continual funding reductions since 2010 along with a real terms reduction in Revenue Support Grant funding of 63%. When combined with significant economic and legislative uncertainty and changes to the way in which councils are funded, it is clear that we are operating in an increasingly uncertain and changing environment.

1.3 The Medium Term Financial Strategy (MTFS) for 2018/19-2022/23 now seeks to reflect and refine these priorities for the challenges that the Council and its residents and businesses face, based on projected further reductions in central government funding.

1.4 In order to deal with increasing pressure in certain services, the Council, in setting the 2017/18 budget, realigned resource allocation to frontline service areas that resulted in significant increases in budget allocated to Adults, Children's and Temporary Accommodation services. As a result of additional budget allocation, overspends in these areas have dropped significantly despite continuous growth in demand and market pressures.

1.5 The current year (Month 9) budget was projected to overspend by £5.4m as at December 2017 in addition to the Council's planned use of £8.8m General Fund balance as part of the budget that was approved by the Council in February 2017. However, corporate in-year solutions have been identified to bring the in-year budget overspend forecast to nil and achieving a year end (2017/18) non-earmarked General Fund balances of £15m. This involves releasing corporate reserves, council tax collection fund surpluses, and government grants that were announced by the government after the budget was set in 2017.

1.6 The 2018/19 budget that is proposed for approval maintains the non earmarked General Fund balances at the £15m level at the end of the 2018/19 financial year. This is one of the mechanisms in place for managing the risk of uncertainty and it is also one of the figures used by other organisations to test how resilient the Council's financial position is.

1.7 Although, the Council has delivered very significant levels of savings over the past years to mitigate government funding reductions. The level achieved to date has not kept up with the pace of cuts in central government funding. Over time, this has created an underlying gap between what the Council spends and its total annual recurring revenue. In addition to planned savings of £16m in 2018/19, further efficiency savings will be required over the MTFS period in order to get to a balanced budget position. The options for delivering savings will always need to be balanced against the Council's strategic priorities and the need to continue to provide quality services to our residents.

1.8 Given the level of savings that the Council is planning to deliver during this MTFS period, a specific reserve has been established to provide further financial resilience for the Council. The Budget Resilience Reserve is separate from the non-earmarked General Fund balance (ref para 1.6 above) and will be released to offset non-delivery/delay of planned MTFS savings. This reserve is a 'port of last resort' and does not diminish the requirement for services to deliver savings as planned.

1.9 This report finalises the Council's General Fund and HRA 2018/19 Budgets and the Medium Term Financial Strategy (MTFS) for the period 2018/19 to 2022/23, and proposes approval of the following constituent elements of the strategy to Full Council on 26th February 2018, together with the Council's capital budgets for 2018/19:

- Proposed summary General Fund revenue budget and MTFS 2018/2023 (Appendix 1);
- Proposed HRA revenue budget for 2018/19 (Appendix 2);
- Proposed General Fund Capital Programme 2018/23 (Appendix 3);
- Proposed HRA Capital Programme 2018/19 (Appendix 4);
- Proposed Dedicated Schools Budget 2018/19 (Appendix 5);
- Proposed General Fund Budget 2018/19 (Appendix 6);
- Overview and Scrutiny Committee Recommendations and Cabinet Responses (Appendix 7);
- Outcome of Budget Consultation (Appendix 8);
- MTFS savings proposal summary (Appendix 9);
    - Annex 1 – P1 savings

  - Annex 2 – P2 savings
  - Annex 3 – P3 savings
  - Annex 4 – P4 savings
  - Annex 5 – P5 savings
  - Annex 6 – PX savings
- Calculation of 2018/19 Council Tax Base (Appendix 10);
- Policy on flexible use of capital receipts (Appendix 11);

1.10 In accordance with the Local Government Finance Act (LGFA) 1992, 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.

1.11 The government published the Provisional Local Government Finance Settlement on 19th December 2017 and the final settlement is expected in February, but not yet received at the time of preparing this report.

1.12 The report incorporates the views of the Overview and Scrutiny Committee and the results from the Council's budget consultation with residents, the business community and the voluntary and community sector. It reflects the latest financial information available and it reflects the detailed work undertaken by the Haringey Schools Forum who have considered and proposed the formula to be used for schools funding for 2018/19.

2 Cabinet Member Introduction

2.1 This council is committed to supporting all our residents to live healthy, fulfilling lives. The proposals set out in this report are to deliver a five-year Medium Term Financial Strategy for 2018 – 2023 that will give financial certainty and deliver ambitious outcomes for our borough. However, as austerity continues unabated, Haringey faces an unprecedented period of uncertainty due to growing demand, reduced resources and national legislative changes.

2.2 On housing, the Government has already implemented a number of legislative changes that have had a major impact on the finances of our Council. Right-to-Buy legislation means that we continue to reduce our stock of homes but do not receive sufficient money back to replace these units of accommodation.

2.3 The Council continues to experience an increase in numbers of people presenting themselves to the Council as homeless, which is now more of a reflection of the housing crisis in London where rents in the private sector have increased beyond people's ability to pay for them. On top of these issues, reductions to the welfare benefit system means that more of our residents have even less money with which to pay for the basics including rent.

2.4 We also know that more of our residents are living longer and often have more complex needs, so the Council plays a role in supporting those in real needs of our Adult Social Care Service (ASC). The rise in the number of people who are in need of these services has gone up considerably and although the government has provided some additional one-off funding, it is not at the level required to deal with the problem and this additional funding is scaled down over the years and ends altogether in 2019/20.

2.5 To help address the funding issue for ASC the government has allowed councils to charge an ASC precept, which transfers more of the cost burden to our residents. It is clear that significantly more funding is required in order for local authorities to continue to provide quality social care services for our most vulnerable residents. It is incredibly disappointing that the government has again deferred a decision on the long term funding of adult social care by the announcement by government that a green paper on care and support for older people will be published in summer 2018.

2.6 The budget monitoring report I have presented to Cabinet over this last year will show the significant pressures we face to provide adult social care services in Haringey. As a result, I am proposing to use the mechanisms given to us by the Government to raise a separate precept for Adult Social Care, which will be 3% on the council tax bill. This will raise an additional £2.9m in 2018/19 and add around £37 annually to a Band D council tax bill in 2018/19.

2.7 Like in Adult Social Care, the complexity and number of children that need care is increasing. This is a national issue but is particularly acute in Haringey. Unlike adult social care, the government has not provided any additional funding for children social care and the acute national underfunding of this sector is becoming increasingly apparent. The Council will continue to make a case to central government to adequately fund social care services in order that all our residents can have access to essential services that they need. In the meantime, demand for children's service remains a pressure on our finances.

2.8 Changes to the model of delivering education with some schools transferring to direct Government control and changes to the funding formula has meant that there are significant pressures occurring on budgets previously paid for through the Education Services Grant which was reduced in 2017/18, but has been discontinued in 2018/19.

2.9 The introduction of the London Business Rates pilot is a welcome change in that it will allow the Council to keep more of the growth in business rates in the borough and London as a whole. Current estimates built into the MTFS is that the Council will benefit by £3m annually by 2020/21, although this may be achieved sooner.

2.10 These major uncertainties make providing the range and quality of services needed to meet local demands, challenging. However, this administration is determined to do everything within our power to set a realistic and robust budget for 2018/19 and realistic financial plans for the following four years. We know that this is an essential component to managing the risks facing the Council in light of continued funding reductions and I believe that the position set out in this report represents appropriate proposals for consideration at Full Council later on this month.

2.11 The Council will continue to make strategic use of its reserves as it works to develop long-term solutions and invest in the transformative activity required to improve efficiency and make our money go further. The delivery of agreed savings set out in this budget will be critical to the Council building financial resilience. Recognising the challenge presented by the level of savings the Council is now required to make, we are putting in place a Budget Resilience Reserve in order to help manage the delivery risks.

2.12 This report outlines in-year solutions to fund the overspend currently projected by services in 2017/18, maintaining the General Fund balances at £15m at 2017/18 year end, after a lower than planned used of this reserve. I am pleased to propose a balanced budget (nil funding from non-earmarked General Fund balances) for 2018/19. Despite these improvements, the Council needs to work on long term viable solutions to the underlying budget gap that it faces and this will be a key focus for the Council during 2018/19, as well as the delivery of the 2018/19 budget.

2.13 The budget consultation period has now ended and I would like to thank our residents, local businesses and voluntary and community sector partners that engaged in the process. We will continue to listen to the views of all stakeholders in Haringey, which is why I am proposing the ninth consecutive freeze of the Haringey element of council tax whilst continuing to significant investment in Adult Social Care. This financial strategy will also see us protect and invest in our libraries, including major upgrades to Hornsey library; invest in aids and adaptions to people’s homes so that they can live more independently for longer; spend millions upgrading our highways infrastructure to enable residents and businesses to move quickly and safely around the borough; enable the creation of a housing company that will better enable the Council to acquire properties for temporary accommodation; and support critical regeneration in the centre and east of Haringey.

2.14 It is clear that the Council and our Borough will continue to face challenging times. However, despite the failure of the Government to recognise the important role local authorities play in building strong communities, in Haringey, we will continue to use the resources at our disposal to support economic growth and tackle inequality.

3 Recommendations

3.1 Cabinet is asked to:

3.1.1 Consider the outcome of the budget consultation as set out in Appendix 8, to be included in the report to Council. Having taken this into account, this report does not propose any amendments to the budget proposed for 2018/19 nor to the Medium Term Financial Strategy (MTFS) 2018-2023.

3.1.2 Approve the responses made to the Overview and Scrutiny Committee recommendations following their consideration of the draft budget proposals as set out in Appendix 7.

3.1.3 Note the mitigations identified to deal with projected service budget overspend in 2017/18 set out in table 6.7.

3.1.4 Propose approval to the Council of the 2018/19 Budget and MTFS 2018/23 Savings Proposals as set out in Appendix 9

3.1.5 Propose approval to the Council of the 2018/19 General Fund Revenue Budget as set out in Appendix 1, including specifically a General Fund budget requirement of £249.228m, but subject to final decisions of the levying and precepting bodies and the final local government finance settlement.

3.1.6 Propose approval to the Council of the General Fund Medium Term Financial Strategy (MTFS) 2018-2023 as set out in Appendix 1.

3.1.7 Propose approval to the Council of the creation and maintenance of a Budget Resilience Reserve.

3.1.8 Propose approval to the Council, subject to any agreed amendments, of the budget proposals for 2018/19 as set out in this report at Appendix 6, including the 3% precept on Council Tax towards funding Adult Social Care pressures.

3.1.9 Propose approval to the Council that the overall council tax to be set by London Borough of Haringey for 2018/19 will be £1,281.57 per Band D property, which represents a freezing of the 2017/18 rate but with an additional 3% for the Adult Social Care precept.

3.1.10 Note the council tax base of the London Borough of Haringey, as agreed by the Section 151 Officer under delegated authority (Article 4.01(b), Part 2, of the Constitution), as 77,093 for the year 2018/19.

3.1.11 Propose approval to the Council of the 2018/19 Housing Revenue Account budget as set out in Appendix 2.

3.1.12 Approve the changes to the rent levels for General Needs Homes for Council tenants reflecting the regulations requiring a 1% rent reduction in 2018/19. This will reduce the average weekly rent from £103.89 to £102.85 as set out in Table 14.1.

3.1.13 Approve the changes to service charges for leaseholders set out in Table 14.3.

3.1.14 Approve the introduction of new service charges as set out in Table 14.3

3.1.15 Propose approval to the Council of the 2018/19 – 2022/23 General Fund capital programme detailed in Appendix 3.

3.1.16 Propose approval to the Council of the 2018/19 Housing Revenue Account (HRA) capital programme detailed in Appendix 4.

3.1.17 Propose approval to Council of the policy on the use of flexible capital receipts to facilitate the delivery of efficiency savings including capitalisation of redundancy costs (Appendix 11).

3.1.18 Note that Fees and Charges in respect of executive functions will be considered under a separate agenda item, and that Fees and Charges in respect of non-executive functions will be considered by the Regulatory Committee in due course but that any impact on the 2018/19 budget proposals is outlined within this report.

3.1.19 Propose to the Council the Dedicated Schools Budget (DSB) allocations for 2018/19 of £255.177m as set out in Appendix 5;

3.1.20 Agree the funding to be distributed to primary and secondary schools for 2018/19 based on the figures advised to Schools Forum and submitted to the Education Funding Agency in January 2018 set out in section 15.

3.1.21 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.

3.1.22 Delegate to the Director of Children Services, in consultation with the Cabinet Member for Children and Families, the power to amend the Delegated Schools Budget to take account of any changes to Haringey's total schools funding allocation by the Education and Skills Funding Agency.

3.1.23 Delegate to the Section 151 officer, in consultation with the Cabinet Member for Health and Finance, the power to make further changes to the 2018/19 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.

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. The Council approved the 2017/18 budget in February 2017 and approved a new five year MTFS to 2021/22.

4.2 The Council continues to operate under a level of uncertainty in the medium term related to central government financing of local government services. Haringey along with 97% of local authorities accepted the Government's multi-year settlement offer, which will end in 2019-20. However, planned changes on funding baseline revaluation, 100% business rates retention pilot, outcome of Brexit negotiations and the next spending review means that local authorities will continue to operate in an uncertain and changing funding environment in the medium term.

4.3 Given the level of uncertainty it is necessary to continue to review the Council's five year MTFS in order to ensure financial plans support and will aid delivery of priorities. Therefore, a refreshed MTFS that runs from 2018/19 to 2022/23 is presented for agreement.

4.4 The Strategy considers the estimated revenue funding, from all sources, and estimated expenditure budgets for each of the five years to 2022/23 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, refreshing capital funding and prioritised projects as approved by Council in July 2016 for both the General Fund and the HRA. The report is based on the best available information but is subject to significant uncertainty.

4.6 On 12th December 2017, Cabinet considered a revised MTFS, which demonstrated a cumulative funding shortfall of £54.4m over the five years to 2022/23 – the latest position being £30.12m. The decrease in shortfall is due to improved baseline funding announced in the provisional finance settlement in December, the full impact of MRP savings from previous Council decision and the reduction in the estimated cost of levies.

4.7 Cabinet also agreed to consult with residents, businesses, partners, staff and other groups as necessary on the draft budget proposals. This report outlines the outcome of that consultation and sets out the Cabinet's responses to this.

4.8 The Council's Overview and Scrutiny Committee has already scrutinised budget/savings proposals and this report highlights the recommendations made by the Committee and the Cabinet's responses to it.

4.9 On 19th December, the Provisional Local Government Finance settlement was announced which introduced a number of changes to the funding assumptions. These have now been incorporated into the revised MTFS and proposed budget for 2018/19. The final settlement is expected in February 2018.

4.10 The level of reserves available in 2018/19 will be dependent on the extent to which the Council utilises its existing reserves to fund its deficit at 2017/18 year-end. This report describes the improved position in 2017/18. As part of the Chief Finance Officer's consideration of the adequacy of reserves and balances, which will be presented to Council on 26th February 2018, the utilisation of reserves and balances will be set out in greater detail.

4.11 The Council will look to maintain reserves and balances to support the financial strategy including the creation and maintenance of a Budget Resilience Reserve to offset any potential non-delivery of planned savings. This establishment of a Budget Resilience Reserve will help ensure that the 2018/19 budget / 2018/23 MTFS is able to withstand unforeseen changes.

4.12 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 26th February 2018.

4.13 The final budget report to the Council on 26th February will 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 Local Government Finance Act (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 2018/19 in accordance with section 40 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 priority areas in 2018/19;

- The Section 151 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.

4.14 The Council has a statutory requirement to set a balanced budget for 2018/19 and this report forms a key part of the budget setting process by setting out the likely funding and expenditure for that year. Additionally, in order to ensure the Council's finances for the medium term are put on a sound basis, this report also sets out the funding and expenditure assumptions for the following four years in the form of a Medium Term Financial Strategy.

5 Alternative options considered

5.1 Clearly there are a number of options available to set the budget for 2018/19 and officers have developed the proposals for determining levels of both income and service provision in this report taking account of the Council's priorities and the Council's overall financial position.

5.2 The report also describes the assumptions and proposals incorporated into the MTFS update to 2022/23.

Background information and the national context

6 Funding

6.1 There are 6 main sources of funding for the Council:

- Core Grants
- Council Tax
- Business Rates
- Fees and Charges
- Use of Reserves
- Service Specific Grants

(NB. Service grants are included within service budgets; this report details the core grants only)

Local Government Finance Settlement 2016/17 to 2019/20

6.2 The report presented to Cabinet on 12th December 2017 gave detailed information in relation to the Local Government Settlement and this report provides updates where appropriate.

6.3 Following a statement in Parliament by the Secretary of State for Housing, Communities and Local Government, the 2018/19 Provisional Local Government Finance Settlement was published on 19th December 2017. The settlement provided provisional allocations for 2018/19 and indicative figures for 2019/20.

Provisional Local Government Settlement Finance Settlement

6.4 Following provisional funding announcements in December, funding assumptions have been adjusted to reflect the latest funding position for the MTFS. There has been a total increase in external funding assumptions of approximately £0.76m for 2018/19 from those presented to Cabinet in December 2017 as follows:

- New Homes Bonus has increased by £36k
- 2018/19 business rates funding baseline has increased by £0.56m
- Housing Benefit & Council Tax Administration Grant has increased by £0.14m
- Local lead flood authority grant has increased by £20k
- S31 Grant (business rates threshold) has increased by £3m
- S31 Grant (multiplier cap) has increased by £0.2m
- Others £11k

6.5 Alongside the funding announcement which was broadly in line with original 2016/17 allocations, the following national changes were also announced:

- 10 new business rates pilots and the London pilot were confirmed.
- Business rates retention reset to take place in 2020/21 along with the introduction of new funding formulae.
- A new funding formula to be introduced from 2020/21.
- Fair funding paper and technical consultation on the new funding formulae released which will feed into the design of the new formulae.
- The allowed council tax referendum limit increased from 1.99% to 2.99% for both 2018/19 and 2019/20.
- No further changes to New Homes Bonus (NHB) and the baseline for NHB growth will be maintained at 0.4% growth.

Core Spending Power

6.6 At a national level the Core Spending Power[1] (CSP) figures (which includes NNDR, Revenue Support Grant & Business Rates Top Up, Council Tax and un-ring fenced grants) is expected to increase due to projected increase in council tax income, although direct central government funding to local authorities is expected to fall. The Council's assumptions on future government funding are that:

i. The Council's future funding level (which beyond 2018/19 is assumed to have 100% Retained Business Rates replacing Revenue Support Grant and Business Rates Top Up Grant) will not be adversely affected by the government spending review;

ii. Funding for NHB and improved better care fund remain at current levels nationally.

6.7 Core Spending Power for Haringey is projected to increase by 3.1% since 2016/17 whereas CSP nationally is expect to increase by 6.6% over the same period. It is also important to note that:

i. Excluding council tax, government corporate funding (excluding business rates) to the Council actually falls by 84% from £57.9m in 2016/17 to £9.5m in 2022/23, offset over the period by increase in local funding.

ii. The Haringey council tax figures assume increases to the tax base and a 3% increase per annum for the ASC precept for 2018/19; nil increase in Haringey Council's element of council tax.

iii. a 2.99% modelled increase in 2019/20 and modelled 1.99% thereafter on the Haringey element of the council tax. A nil increase in ASC precept is assumed for 2019/20.

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[1] Core Spending Power describes the expected available revenue to fund expenditure. From 2016/17 onwards Core Spending Power is defined as the sum of the Settlement Funding Assessment (comprising NNDR Baseline Funding Level and Revenue Support Grant), estimated Council Tax income, additional Council Tax income from the Adult Social Care flexibility, Better Care Fund, and the New Homes Bonus.

iv. The New Homes Bonus Funding is subject to building new homes and therefore more residents to provide services to residents.

6.8 Core Spending Power figures for Haringey is set out in below table.

Table 6.1: Core Spending Power totals for Haringey

Haringey							
	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	£m	£m	£m	£m	£m	£m	£m
Revenue Support Grant	51.0	38.6	-	-	-	-	-
Improved Better Care Fund		0.4	3.8	6.7	6.7	6.7	6.7
New Homes Bonus -CSP	6.9	5.7	2.7	2.7	2.7	2.7	2.7
Adult Social Care Grant	-	1.2	-	-	-	-	-
Adult Social Care Funding	-	5.0	3.6	1.6	-	-	-
Government Funding	**57.9**	**50.9**	**10.2**	**11.1**	**9.5**	**9.5**	**9.5**
Council Tax - CSP	87.2	93.8	101.9	107.6	110.2	114.6	119.1
Business Rates - CSP	75.0	76.6	107.5	101.9	102.3	102.7	104.7
Local Funding	**162.2**	**170.3**	**209.4**	**209.4**	**212.6**	**217.3**	**223.9**
Core Spending Power	**220.1**	**221.3**	**219.6**	**220.5**	**222.0**	**226.8**	**233.3**
In year change in funding %	-2.8%	0.5%	-0.8%	0.4%	0.7%	2.2%	2.9%
Cumulative change in funding %	-2.8%	-2.3%	-3.0%	-2.6%	-1.9%	0.2%	3.1%
National Figures							
In year change in funding %	-2.3%	-1.3%	0.8%	2.6%	2.2%	2.3%	2.3%
Cumulative change in funding %	-2.3%	-3.6%	-2.8%	-0.2%	2.1%	4.3%	6.6%

6.9 The Spending Review (December 2015) forecast funding pegged the level of residual RSG for Haringey at £21.6m for 2019/20 (£30.2m in 2018/19). The MTFS recognises that RSG will cease from 2018/19 as part of the pooling scheme for London authorities after the introduction of 100% business rates retention pilot.

6.10 The Council will also receive a number of specific or special grants in addition to its main funding allocation. The Council is mostly allowed to use these grants to fund any council services but some are ring-fenced, which means they can only be spent on specific services and these are included in service's net position.

6.11 It has been confirmed that the New Homes Bonus (NHB) scheme will now continue indefinitely. However, the government changed the process for awarding NHB from 2017/18 onwards. In addition, in 2017/18, the government top sliced NHB to provide one off funding for Adult Social Care (ASC) grant further reducing NHB funding to local authorities. Although, ASC grant was provided for one year on a one off basis, the top slicing of NHB is a permanent reduction in funding to local authorities and consequently the Council.

6.12 The government has confirmed the following on the NHB Scheme:

- Funding for 2018/19 and 2019/20 remain at pre-announced levels subject to any reduction in national NHB total funding;
- Funding will be reduced from 5 years' worth of growth in 2017/18 to 4 years' worth of growth from 2018/19 onwards – this and overall reduction at national level means that NHB funding for Haringey has reduced to £2.7m (2018/19) from £5.7m (2017/18) – a reduction of £3m;

6.13 A national baseline of growth was adopted below which no payment is made for the year in which growth was below the baseline. This was set at 0.4% for 2017/18. Although government reserves the right to change the threshold, the Secretary of

State for Communities & Local Government has confirmed that the baseline growth threshold will be maintained at the current level.

Fair Funding Review

6.14 The main corporate grant amounts (RSG and Business Rates Top Up) are based on historic needs assessment and the last time this assessment was undertaken was for the 2013/14 settlement. Since then it has been updated by inflation. In addition, given Haringey's status as a top up authority for business rates (the Council receives a top up grant to reflect the fact that the level of retained local business rates is less than assumed as being needed by the government based on the Council's needs),

6.15 A technical consultation was launched by MHCLG on 19th December 2017 on relative needs. At the same time, the government's thinking on updating the current needs/resources assessment formulae, 'Fair Funding Review: A Review of Relative Needs and Relative Resources was also published.

6.16 The terms of reference for the review are that the new formulae will:

- Set new baseline funding allocations;
- Deliver an up to date assessment of the relatives needs of local authorities;
- Examine the relative resources of local authorities (i.e. how council tax income should be taken into account and consider other potential income sources)
- Focus initially on services funded through the local government finance settlement;
- Be developed through close collaboration with local government

6.17 A set of guiding principles for the fair funding review was also published. These are based on a previous "Call for Evidence" publication by government – the principles are:

- **Simplicity** – be based on the most important factors that drive the need to spend;
- **Transparency** – should be understood by those affected;
- **Sustainability** – to be based on current and future cost drivers
- **Stability** – should be predictable, in order to support longer term planning

6.18 The outcome of the consultation and government response is expected in 2018 and the new formulae are expected to come into effect for the 2020/21 financial year. It is possible that authorities could gain or lose from this re-assessment of need. In particular, for high population growth areas, such as Haringey and the majority of authorities in London, how population figures are determined and updated will be crucial in determining future funding allocations.

6.19 The MTFS currently assumes that the review will be revenue neutral, as the work is at a very early stage. It is also likely that even where changes do occur, there will be transitional arrangements that will delay/dampen impact and any such impact may be mitigated nationally by the introduction of 75% business rates retention (the latest national target). Officers will monitor developments of this review and update forecasts accordingly. It is yet to be clarified as to how the rebasing following this review will be put into effect when Revenue Support Grant will be replaced by Business Rates Retentions

Council Tax Base

6.20 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.

6.21 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. The Council 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.

6.22 The calculation of the council tax base is prescribed by regulations. Put simply, it is the aggregate of estimated number of dwelling in each valuation band each year, subsequently adjusted to take account of the estimated number of discounts, disregards and exemptions that are likely to apply and any estimated increase / decrease in the list in the forthcoming year.

6.23 The Council levies a Council Tax based on dwellings 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.

6.24 The calculation above sets the tax base and not the council tax rate itself, which is due to be set on 26th February 2018 at Full Council.

6.25 The calculation of the tax base recommended in this report takes into account the agreement by Full Council on 4th December 2017 to continue with the Council Tax Reduction Scheme (CTRS), agreed in January 2013, for 2018/19.

6.26 The calculation is in two parts; 'A' (the Relevant Amount), which is the calculation of the estimated adjusted band D dwellings, and 'B', the estimated level of collection.

6.27 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 10. The resultant relevant amount per band is summarised in the table below:

Table 6.2- Number of dwellings by Band

Band	Relevant Amount (i.e. number of dwellings)
A	2,891
B	9,117
C	21,692
D	19,992
E	10,848
F	6,854
G	7,341
H	1,362
TOTAL	80,096

6.28 The relevant amount has increased by 1,180 over the original 2017/18 council tax base. This is predominately due to the combined effect of an increase in dwellings achieved during 2017/18 and a reduction in estimated numbers to be applied under the CTRS (the latter which increases the base), reduction in the number of residents claiming single person and other discounts and an assumed further increase in dwellings in 2018/19 from planned new homes.

6.29 The collection rate (B) 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.

6.30 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

6.31 2018/19 collection rates are forecast to be to 96.25% (95.5%, 2017/18). The tax base (T) is calculated by applying the following formula:

A x 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

6.32 In accordance with the requirements of the regulations, the calculation of the Council Tax Base for the London Borough of Haringey in 2018/19 is as follows:

Table 6.3 – Collection Rate

	2018/19
Total of relevant amounts (A)	80,096
Multiplied by	x
Collection Rate (B)	96.25%
Council Tax Base (T)	**77,093**

Council Tax

6.33 The 2018/19 budget includes the proposal that:

- The Council will continue the policy of freezing council tax up until 2018/19, in line with this administration's manifesto commitment;
- The 3% adult social care precept will be applied in 2018/19;
- The tax base is assumed to grow in line with GLA housing projections;
- The collection rate will be 96.25%.

6.34 For financial modelling purposes only, the MTFS assumes that:

- Council tax will increase by 2.99% in 2019/20 and 1.99% thereafter. Decisions on council tax for each financial year are taken by Full Council
- Nil Adult Social Care precept in 2019/20.

Adults Social Care (ASC) Precept

6.35 As set out in the 2017/18 approved MTFS, the Council proposes to raise the ASC precept by 3% in 2018/19. By raising the ASC precept by 3% in 2018/19, the limit of 6% allowed by government between 2017/18 – 2019/20 would have been reached, so the Council will not, under current legislation, be raising further ASC precept in 2019/20.

Council Tax Amount

6.36 The Band D council tax amount is £1,281.57. This represents a 3% (ASC precept) increase on the 2017/18 Band D council tax amount of £1,244.25. The Band D amount multiplied by the council tax base (77,093) gives a council tax requirement of £98,800,076.01.

6.37 The below table sets out the council tax amount for all bands.

Table 6.4 – Council Tax (excluding Precept) by Band

Band	Ratio	Ratio as %	Amount £
Band A	6/9	67%	854.40
Band B	7/9	78%	996.78
Band C	8/9	89%	1,139.18
Band D	9/9	100%	1,281.57
Band E	11/9	122%	1,566.25
Band F	13/9	144%	1,851.18
Band G	15/9	167%	2,135.96
Band H	18/9	200%	2,563.16

6.38 The GLA is proposing a precept of £294.23 in 2018/19 – an increase of 5.1% on the amount of £280.02 in 2017/18. The increase in GLA precept comprises of a £12 and £2.21 increase in policing and non-policing elements respectively. The Band D council tax amount including GLA precept is £1,575.80. The below table sets out the council tax amount including precept for all bands.

Table 6.5 – Council Tax (including precept) by Band

Band	Ratio	Ratio as %	Council Amount £	GLA Precept £	Total Council Tax
Band A	6/9	67%	854.40	196.15	1,050.55
Band B	7/9	78%	996.78	228.84	1,225.62
Band C	8/9	89%	1,139.18	261.54	1,400.72
Band D	9/9	100%	1,281.57	294.23	1,575.80
Band E	11/9	122%	1,566.25	359.61	1,925.86
Band F	13/9	144%	1,851.18	425.00	2,276.18
Band G	15/9	167%	2,135.96	490.38	2,626.34
Band H	18/9	200%	2,563.16	588.46	3,151.62

6.39 The resulting projections for council tax income are set out in the below table.

Table 6.6 – Council Tax Modelling Assumptions 2018/19-2022/23

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
Taxbase	77,605	78,916	80,096	82,576	83,431	85,101
Taxbase change	1.69%	1.50%	3.10%	1.04%	2.00%	2.00%
Taxbase for year	78,916	80,096	82,576	83,431	85,101	86,803
Collection Rate	95.50%	96.25%	96.25%	96.25%	96.25%	96.25%
Taxbase after collection rate	**75,365**	**77,093**	**79,479**	**80,302**	**81,910**	**83,548**
Council Tax increase	0%	0%	2.99%	1.99%	1.99%	1.99%
Social Care precept	3%	3%	0%	0%	0%	0%
Band D rate	£1,244.25	£1,281.57	£1,319.89	£1,346.15	£1,372.94	£1,400.26
Council Tax Before Surplus (£000)	**£93,773**	**£98,800**	**£104,904**	**£108,099**	**£112,458**	**£116,990**
Previous Year (Estimated) Surplus	£0	£3,118	£2,650	£2,150	£2,150	£2,150
Council Tax Yield (£000)	**£93,773**	**£101,917**	**£107,554**	**£110,249**	**£114,607**	**£119,139**

Business Rates

6.40 As described above, the MTFS recognises that RSG will cease from 2018/19 as part of the pooling scheme for London authorities after the introduction of 100% business rates retention pilot.

6.41 The London pilot scheme that has been agreed by all participants (32 London boroughs, Corporation of City of London and the GLA) is based on the principle that no authority will be worse off than they are under the current 50% retention model and that any net gain in the region as a whole will be distributed in such a way that all partners receive some share of the benefits directly by allocating some of the additional benefits on a per capita basis.

6.42 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 growth in its business rates income, it remains a grant 'top up' authority as the Council's baseline business rates level is lower than its business rates funding level.

6.43 The MTFS assumes that the London 100% business rates pooling scheme will result in additional revenue income of £1.5m in 2019/20 rising to £3m per annum from 2020/21 based on modelling work undertaken by London Councils.

6.44 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.

6.45 Realisation of business rates income is dependent on collection performance, prevailing economic conditions and decisions on appeal by the Valuation Agency Office, although some risk around bad debt and appeals have already been built into the target.

6.46 The government has made clear that, nationally, it intends to get to 75% retention of local business rates income. As well as extending the duration of existing 100% business rates retention schemes, the Secretary of State has approved additional pilots (including the London scheme) – another strong indication that a higher level retention rate model will be in place in the long term. Therefore, the MTFS assumes, for now, that the 100% business rates retention model will be in place for the duration of the MTFS period. If it is not, it is assumed that any new arrangement will provide equivalent funding.

6.47 The business rates base was revalued in April 2017 and although, the revaluation was revenue neutral nationally, some businesses in Haringey were set to experience an increase in business rates charges. The impact of the changes on the Council is difficult to estimate due to the number of unknowns, especially in relation to the extent to which local appeals are above or below estimated national average.

6.48 Transitional relief (£1.2m in 2017/18) is provided to businesses through the Discretionary Business Rates Relief Revaluation Support Policy . Cabinet agreed its policy for the distribution of the grant on 20th June 2017. The distribution of the remaining surplus grant for 2017/18 is being distributed in accordance with the Policy update approved by the Cabinet member for Economic Development, Social Inclusion and Sustainability on 2nd February 2018.

6.49 It has been assumed the Council will not be worse off and that revaluation will be revenue neutral for Haringey under the new system. Officers will continue to monitor developments around the updated rateable values and the MHCLG's approach to appeals with a view to adjusting the medium term resources projection, where needed.

6.50 As part of the autumn budget announcement, the uprating of business rates was switched from RPI to CPI. Although, the switch is expected to result in less business rates being collected than originally assumed in the 2015 spending review, the government has assured local authorities that it will not affect current funding level commitment and that any shortfall arising from the switch to CPI will be mitigated by additional funding from government. However, the impact of the switch will likely mean less funding for local authorities beyond 2019/20.

Fees and Charges

6.51 The Council's policy in relation to varying external income rates requires service managers to review the level of fees and charges annually as part of budget setting and that charges should generally increase by the rate of inflation to maximise allowable income.

6.52 The setting of fees and charges, along with raising essential financial resources, can contribute to meeting the Council's objectives. Through the pricing mechanism and wider market forces, outcomes can be achieved and services can be promoted through variable charging policies and proactive use of fees to promote or dissuade certain behaviours.

6.53 In the main, fees and charges are set at a level where the full cost of provision is recovered through the price structure. However, in many circumstances those charges are reduced through subsidy to meet broader Council priorities.

6.54 Each year the Council reviews the level of its fees and charges through consideration of a report by the Cabinet and its Regulatory Committee where it is a requirement that they are considered and approved outside of the Executive.

6.55 The impact of fees and charges increases have been included in the revenue income projections in the MTFS. The Council will undertake a wider review of fees and charges as part of the 2019/20 MTFS work.

Use of Reserves

6.56 The Council's (Non-Earmarked) General Fund balance is held to potentially cover the net impact of risks and opportunities and other unforeseen emergencies. This balance is not an annual recurring balance and can only be used once to mitigate any underlying budget gap, although it can be replenished by spending below total funding levels.

6.57 The Council agreed in February 2017 to set the non-earmarked General Fund balance at £15m. This is the level that was deemed appropriate given the Council's overall budget. Full Council also agreed to use of £8.8m from General Fund balances in 2017/18. Further, as at quarter 3 (December 2017), the 2017/18 budget was projected to overspend by £5.4m and Corporate measures have been identified to offset the projected this.

6.58 Following a review of the risks around delivery of 100% of planned savings in the MTFS, it is proposed that a Budget Resilience Reserve be established which can be used as a one off measure to offset non-delivery/delay of planned savings. This reserve should provide additional robustness and financial resilience for the Council.

Table 6.7: Movement in General Fund Balance (2017/18)

	Current (2017/18) Funding Gap £'000
Opening General Fund Balance at 1st April 2017	**14,907**
Council Tax Surplus (2016/17)	**6,600**
General Fund Balance	**21,507**
Planned Use of General Fund Reserve	**(8,782)**
Projected General Fund Balance before in year mitigations	**12,725**
Latest (2017/18) Budget Gap	**(5,433)**
Expenditure Changes (positive is better)	
MRP Expenditure Update	558
MRP PFI Related	2,100
Use of Flexible Capital Receipts	750
Total Expenditure Changes (positive is better)	**3,408**
Funding Changes (positive is better)	
Housing Benefit & Council Tax Subsidy Administration Grant	300
Adult Social Care Grant	2,900
Use of earmarked corporate reserves (No longer Required)	975
Increased Capitalisation	200
Total Funding Changes (positive is better)	**4,375**
Revised (In Year) Budget Gap	**2,350**
General Fund at Year End (2017/18)	**15,075**

6.59 The table below outlines the net projected service overspend and General Fund balance in 2017/18 and mitigations that the Council has identified to offset the overspend and maintain non-General Fund balances at £15m.

Summary of Funding Assumptions

6.60 A summary of the funding assumptions and breakdown of funding sources is set out in the table.

Table 6.8 Summary of Funding Assumptions 2018/19 -2022/23

	2017/18 Forecast	2018/19 Budget	2019/20 Projected	2020/21 Projected	2021/22 Projected	2022/23 Projected
	£'000	£'000	£'000	£'000	£'000	£'000
Main Funding						
New Homes Bonus	5,712	2,736	2,700	2,700	2,700	2,700
Adult Social Care Grant	1,195	0	0	0	0	0
Revenue Support Grant	38,590	0	0	0	0	0
Council Tax	93,773	102,317	107,554	110,249	114,607	119,139
Retained Business Rates	22,084	107,469	101,882	102,303	102,742	104,742
Top up Business Rates	54,232	0	0	0	0	0
Total Main Funding	**215,585**	**212,522**	**212,135**	**215,252**	**220,049**	**226,581**
Core Grants						
Public Health	20,742	20,209	19,677	19,677	19,677	19,677
Other core grants	10,653	16,497	20,290	17,683	17,698	17,698
TOTAL (External) Funding	**246,980**	**249,228**	**252,102**	**252,612**	**257,424**	**263,956**
Planned Use of General Fund Balance	8,782					
TOTAL FUNDING	**255,762**	**249,228**	**252,102**	**252,612**	**257,424**	**263,956**

7 Expenditure Assumptions

2017/18 Financial Performance – Operating

7.1 At December 2017, Services are projecting an overspend of £5.4m. Of the service overspend currently being reported, a significant proportion resides in the areas which continue to face increasing demand pressures: Adults (£2.9m) and Children's (£3.75m) mitigated by reductions elsewhere in the corporate revenue budgets. The corporate measures identified to mitigate the £5.4m projected service budget overspend in 2017/18 are set out in table 6.7 above. Current year savings which are not delivered in 2017/18 are carried forward into 2018/19 to form part of next year's savings programme.

7.2 The use of corporate reserves/balances to mitigate in-year budget overspends in demand led services cannot be sustained indefinitely. Therefore, it is critical that Adults and Children's services deliver planned transformation programmes that will allow more effective management of demand pressures and enable them to deliver their savings targets.

Budget (Growth) Pressures

7.3 The MTFS allows for unavoidable budget growth. These relate to non-controllable costs such as pay/non-pay inflation costs, pensions costs relating to retired/deferred members of the pension fund and payments due to levying bodies. Growth proposals for 2018/19 that currently add up to £9.0m are set out in below table.

Table 7.1 New Growth Proposals

£'000	2018/19
Pensions Cost	1,200
Pay Inflation	3,750
Non Pay Inflation	3,700
Local Elections (One-Off)	325
Total Growth	**8,975**

7.4 The pensions cost pressure is estimated at £2.8m (£1.2m each in 2018/19 and £1.6m in 2019/20) over the next two years and it relates to additional employer's contribution to the pension fund arising from the triennial revaluation of the Fund undertaken in March 2017. The working assumption is that a further £1.5m contribution to the Pension Fund will be required following the next revaluation in 2020/21.

Pay Inflation

7.5 Pay inflation increases have been restricted in recent years by government to 1% annually. However, a relaxation of public sector pay increment is expected to result in estimated average pay bill rise of 2% in 2018/19. It is noted that at the time of this report, national pay negotiations are still ongoing. A similar level of increase is assumed in 2019/20.

7.6 An allowance of £3.75m has been made in the budget to meet the cost of pay inflation and London Living Wage rise demands. However, the Council is planning to offset this cost through workforce review which should lead to a reduction in staff headcount and realignment of management layers and spans of control across the Council. It is recognised, however, that undertaking this review and implementing its findings will take time. The 2018/19 additional cost can be met from the revenue savings achieved by meeting more of the Council's transformation costs from the flexible use of the capital receipts. However, if any findings from this review work are implementable during the course of 2018/19, then they will be put into effect.

Non-Pay inflation

7.7 For 2018/19 and future years, it has been assumed that services will broadly have to manage within existing budgets, thus absorbing any inflationary pressures. However, non-pay inflation growth has been assumed in the budget for a number of contracts and to mitigate the increased cost of service provision due to change in legislation.

Local Elections

7.8 Local elections are set to take place across the borough in May 2018/19. The Council has to cover the cost of local elections whereas the Electoral Commission pays for national elections. Therefore, a one-off provision of £0.33m has been made in the 2018/19 budget to cover the cost of local election in May 2018.

Levies

7.9 A levy is an amount of money that the Council has to collect (and included in its annual budget) on behalf of another organisation. The levying body may be a Government agency (such as the Environment Agency), a regional body (such as the Lee Valley Regional Park) or a local body (such as the North London Waste Authority). The main difference between a levy and a precept is that a precept (such as the GLA precept) will be stated as a separate item on the council lax bill.

7.10 The budget for 2018/19 includes £9.0m to meet the required contribution to levying bodies. Charges from levying bodies are yet to be finalised, but early estimates indicate that any increase in levy costs in 2018/19 will be modest and as such the £9.0m only represents a £0.2m increase on 2017/18 budget figure.

7.11 For information, a breakdown of levying bodies to the council and charges for 2017/18 are set out in the table below.

Table 7.1: Contributions to Levying Bodies

Levying Bodies	**Amount Due 2017/18**
	£'000
Environment Agency	171
Lee Valley Regional Park Authority	198
London Borough Grants Scheme	241
London Pensions Fund Authority	270
North London Waste Authority (NLWA)	7,875
Total Paid/ Due	**8,755**

8 Flexible Use of Capital Receipts

8.1 The flexible use of capital receipts was first allowed by government for the three years 2016/17 – 2018/19. This programme has now been extended for a further 3 years, so the Council can continue to use capital receipts to fund revenue costs that facilitate delivery of efficiency savings.

8.2 In February 2017, Full Council approved the use of capital receipts to fund the cost of redundancy, including pension strain costs, in 2016/17 and 2017/18 associated with generating savings. Full Council's approval is required for the policy on and flexible use of capital receipts in 2018/19; an addition to the 2017/18 use of £0.75m flexible capital receipts. For 2018/19, it is proposed that £8.4m of capital receipts is set aside to fund transformative activity that will generate recurring efficiency savings in the future. Also, in addition to the approved 2017/18 position, approval is sought to utilise a further £0.4m from the original approved £8m.

8.3 The planned application of the Council's flexible use of capital receipts strategy along with the anticipated benefits is attached at Appendix 11.

9 Budget (2018/19) / MTFS (2018/23) Summary

9.1 The Council has a well-established approach to strategy and resource planning based around the key priorities agreed as part of the Corporate Plan 2015.

9.2 Haringey along with other local authorities have to manage within a tight funding envelope due to significant reduced government funding support. Nevertheless, the Council focussed on delivering its key priorities despite financial challenges. As part of this process, the Council established a Transformation Reserve, which will be used to pump prime projects that will help reshape how services are delivered and also deliver recurring efficiency savings.

9.3 It is clear that as well as managing its expenditure, the Council must also have a strong focus on the key major local income sources that increasingly comprise its corporate funding, namely council tax and 100% retained business rates. Therefore, there is a need for increased concentration on growing businesses and homes in the borough to make the most of the opportunities provided by devolution.

9.4 The Council's Strategy has been to utilise reserves and balances to smooth the impact of funding reduction in the short to medium term however, the proposed budget for 2018/19 is not dependent on General Fund balances being utilised. Further cost reduction/resource prioritisation will need to be identified for 2019/20 by the Council as part of future refresh of the MTFS in order to close the future budget gap.

9.5 The Chief Finance Officer is working with colleagues to develop options that will allow the Council to balance the budget by 2020/21. The below table details the current projected gap in each year of the MTFS period.

Table 9.1: Summary (Draft) Budget 2018/19 and MTFS

	2017/18 Budget	2018/19 Budget	2019/20 Projected	2020/21 Projected	2021/22 Projected	2022/23 Projected
	£'000	£'000	£'000	£'000	£'000	£'000
Main Funding						
New Homes Bonus	5,712	2,736	2,700	2,700	2,700	2,700
Adult Social Care Grant	1,195	0	0	0	0	0
Revenue Support Grant	38,590	0	0	0	0	0
Council Tax	93,773	102,317	107,554	110,249	114,607	119,139
Retained Business Rates	22,084	107,469	101,882	102,303	102,742	104,742
Top up Business Rates	54,232	0	0	0	0	0
Total Main Funding	**215,585**	**212,522**	**212,135**	**215,252**	**220,049**	**226,581**
Core Grants						
Public Health	20,742	20,209	19,677	19,677	19,677	19,677
Other core grants	10,653	16,497	20,290	17,683	17,698	17,698
TOTAL (External) Funding	**246,980**	**249,228**	**252,102**	**252,612**	**257,424**	**263,956**
Planned Use of General Fund Balance	8,782					
TOTAL FUNDING	**255,762**	**249,228**	**252,102**	**252,612**	**257,424**	**263,956**
Net Service & Corporate Expenditure	255,762	249,118	259,274	259,987	265,302	271,179
Further Savings to be identified	0	0	-6,987	-7,374	-7,878	-7,878
Planned Contribution to/(from) Reserves & Balances	0	110	(185)	0	0	655
Total Expenditure	**255,762**	**249,228**	**252,102**	**252,613**	**257,424**	**263,956**
Opening General Fund Balance	**14,907**	**15,075**	**15,185**	**15,000**	**15,000**	**15,000**
Closing General Fund Balance	**15,075**	**15,185**	**15,000**	**15,000**	**15,000**	**15,655**

NB. The 2017/18 closing General Fund balance reflects the in-year changes reported at Month 9.

9.6 The MTFS assumes that savings of £16m will be delivered in 2018/19. Therefore, future years projected budget gaps stated above are predicated on the full delivery of 2018/19 savings. This is important to note as approximately 34% of current savings are rated as 'Red' (i.e. there are currently no definitive plans in place to deliver or they will be extremely difficult to implement) in 2017/18. Any shortfall in 2018/19 delivery of planned savings will increase the future deficit projection.

9.7 The level of reserves available at the start of 2018/19 will be dependent on the extent to which we utilise our existing reserves to fund our deficit at 2017/18 year-end, but also maximise any available opportunities to top up reserves. A projection of General Fund balances is set out in table 9.1 above. The Section 151 Officer will continue to review the reserve balances to ensure that the Council maintains adequate levels for financial resilience and will be included his report on the adequacy of reserve and balances as part of his report to Full Council on 26th February 2018.

10 Savings proposals 2018/19-2022/23

10.1 The Council must continue to develop and implement efficient ways to deliver services in order that the underlying gap between annual revenue and expenditure is bridged.

10.2 Additional efficiency savings developed by officers were submitted to Cabinet in December 2017 with each proposal supported by a pro-forma that detailed; the action/outcome of the proposal, the value of the savings, the impact on workforce and any risks/assumptions associated with the proposal.

10.3 The proposed new savings set out in Appendix 9 have been subject to public consultation and scrutiny by the Overview and Scrutiny Committee and recommendations have been proposed which are outlined in Sections 16 and 17 in this report. Cabinet have considered these recommendations as part of their deliberations leading to this report.

10.4 In addition to the pre-agreed and new savings proposals, services are also carrying forward prior year (2017/18) non-delivered savings of £9.6m. Therefore, the budget assumes that £16m of savings will be delivered in 2018/19 and a total of £33m have been identified for delivery over the MTFS period. Table below analysis the 2018/19 savings expectation and total savings expectation for the MTFS.

Table 10.1: Overall MTFS Savings (2018/19 – 2022/23)

£'000	2018/19 (bfwd)	2018/19 (Pre-Agreed)	2018/19 (New)	2018/19 (Total)	2019/20	2020/21	2021/22	2022/23	Total
Priority 1	3,173	1,748		**4,921**	310	0	0	0	**5,231**
Priority 2	2,900		2390	**5,290**	2,474	2,990	2,990	2,990	**16,734**
Priority 3	75	1,660		**1,735**	150	0	0	0	**1,885**
Priority 4	250		50	**300**	0	0	0	0	**300**
Priority 5	0		50	**50**	120	0	0	0	**170**
Priority X	217	301		**518**	2,650	1,500	20	0	**4,688**
Council Wide Savings	2,967	250		**3,217**	750	0	0	0	**3,967**
Total	**9,582**	**3,959**	**2,490**	**16,031**	**6,454**	**4,490**	**3,010**	**2,990**	**32,975**

10.5 Given the scale of the budgeted savings for 2018/19, the Council must maintain a constant focus on their implementation and look to respond during the course of the year to any delivery shortfalls, potentially necessitating other solutions.

11 Summary Priority Revenue Budgets 2018/19-2022/23

11.1 The summary revenue budget position by priority area over the five-year period is shown in the table below. This position is subject to approval of proposed savings or the addition/deletion of submitted or previously approved proposals.

Table 11.1: Summary of Proposed Budgets

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
	£'000	£'000	£'000	£'000	£'000	£'000
Priority 1	56,273	54,525	54,215	54,215	54,215	54,215
Priority 2	91,130	91,809	91,820	91,885	92,073	92,393
Priority 3	29,580	27,920	27,770	27,770	27,770	27,770
Priority 4	4,766	4,716	4,716	4,716	4,716	4,716
Priority 5	19,883	19,833	19,713	19,713	19,713	19,713
Priority X	38,507	38,281	34,556	33,056	33,036	33,036
Priority Cash Limit	**240,138**	**237,084**	**232,789**	**231,355**	**231,523**	**231,842**
Council Wide	15,624	12,034	26,485	28,632	33,779	39,337
Savings to be identified	0	0	(6,987)	(7,374)	(7,878)	(7,878)
Contributions to/(from) Balances	0	110	(185)	0	0	655
Council Cash Limit	**255,762**	**249,228**	**252,102**	**252,613**	**257,424**	**263,956**

11.2 Given the continued reduction in funding for the Council, the overall cash limit for the Council in 2018/19 is projected to fall. Despite this fall in overall cash limit for the Council, the cash limit for Priority 2 and especially adult social care will increase.

11.3 After the decrease in the cash limit in 2018/19, the MTFS assumes that an increase in the annual cash limit thereafter. From 2019/20, planned cash limits for each priority area are constant or decreasing other than for Priority 2 and 'council wide'. Priority 2 budget continues to rise to reflect expected ongoing pressures in this area.

11.4 The growth in 'council wide' is due to planned inflationary increases (pay and non-pay), pension related growth, increase in levies charged to the Council and other central service charges that are not specific to any one service. Budget provisions for inflation will be allocated to services in year to reflect the impact of inflationary pressures on services. This will in turn further increase each service's share of overall council spend.

12 Review of assumptions and risks 2018/19-2022/23

12.1 The Council's Section 151 Officer has a statutory responsibility to assess the robustness of the Council's budget – and to ensure that the Council has sufficient contingency/reserves to provide against known risks in respect of both expenditure and income. This formal assessment will be made as part of the final report on the Council's budget in February 2018.

12.2 The main uncertainties and risks identified to date which will impact on the Council's budget are:

- Ability to implement and capture planned efficiency savings.
- Funding assumptions are subject to the final local government settlement (February), and therefore there may be changes to the

Council's 2018/19 and 2019/20 Settlement Funding Assessment allocations.

- Move to Council Tax and Business Rates as the main funding driver exposes the Council to greater risks around collection rates, adverse changes in the size of the tax base, appeals and negative cash flows. The pilot by London Councils helps influence scheme's implementation and hence it helps manage the risks.
- 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.
- Further significant 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 even further than planned.
- Any further deterioration in the forecast 2017/18 position, including the risk that the measures put in place to reduce spending do not deliver as expected.
- The impact of inflation pressures above current assumptions (e.g. energy costs which are currently estimated at well above the rate of inflation for 2018/19.
- Changes in Non Service Resources budgets over the next few months – for example the amounts provided for levies are currently based on estimates and levying bodies are yet to confirm their 2018/19 charges.
- General population increases that 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.

12.3 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.
- Housing Benefit admin fee may end during the period of the MTFS.
- The impact of changes in legislation – for example the Homelessness Reduction Act and whether the funding provided to undertake the new responsibilities under the Act will be sufficient.
- Ability to work collaboratively with a number of partner organisations – for example on shared services and for such collaborations to deliver much needed efficiency gains.
- Impact of NHS Sustainable Transformation Plans (STPs) may result in a transfer of costs.

13 Council's Capital Strategy and Capital Programme 2018/19-2022/23

13.1 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.

13.2 The Council's Capital Strategy is an ambitious mix of regeneration growth and asset availability that will ensure delivery of 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.

13.3 The MTFS capital programme funding assumes a mix of central government grant funding, funding from other public bodies (such as the GLA and TfL), developer contributions, 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 Council's treasury management strategy statement and quarterly performance reports. To the extent that grant and other sources of capital financing 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.

13.4 The table below reflects the revised delivery assumptions of the capital over the Council's 5-year MTFS period (including the estimated 2017/18 capital outturn) and net borrowing requirement.

Table 13.1: Summary of Revised Capital Programme (2017/18-2022/23)

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23	TOTAL
	(£,000)	(£,000)	(£,000)	(£,000)	(£,000)	(£,000)	(£,000)
Priority One	8,646	8,393	13,622	7,028	3,001	2,166	**42,857**
Priority Two	3,078	4,123	2,203	2,003	2,003	2,003	**15,413**
Priority Three	14,332	16,193	16,707	11,409	10,979	11,109	**80,729**
Priority Four	24,000	67,037	57,336	85,599	50,966	52,861	**337,797**
Priority Five	3,522	25,525	25,525	4,934	525	525	**60,556**
Priority Six	6,735	15,416	5,605	975	1,035	950	**30,716**
Total	**60,312**	**136,687**	**120,998**	**111,948**	**68,509**	**69,614**	**568,067**
Borrowing	36,458	61,596	45,341	46,473	28,529	16,657	**235,054**

13.5 Throughout 2017/18 there have been 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 budget monitoring report and have been incorporated into the table above. The table above also includes substantial slippage from 2017/18 into future year's budgets.

13.6 As part of the budget setting process, service areas were invited to submit bids for capital resources. These have been assessed by Capital Board and a number of schemes are recommended for inclusion within the programme. These schemes are outlined below:

Priority 1

13.7 There no new schemes proposed for the P1 capital programme. Officers are working on a detailed, evidenced based, programme of works to enhance the condition and suitability of the Council's schools. At this stage there are no detailed additional proposals for this priority's capital programme.

Priority 2

13.8 Within the draft capital programme there is an allowance of £1.5m for the conversion and adaptation of properties to enable supported living. This will support independence and reduce the need for more costly forms of support.

Priority 3

13.9 The current capital programme has a budget for Parkland Walk Bridges of £1.1m (£0.5m 2017/18, £0.3m 2018/19 and £0.3m 2019/20). Initial surveys have indicated that the budget allocated is insufficient to effect the repairs required. The draft capital programme increases the budget to £1m per annum in 2018/19-2021.

13.10 There are two separate proposed multi use games areas (MUGA) within the draft capital programme. The first is at Down Lane and is to convert an unused car park area and provide a 3G MUGA. This is to be funded via SECTION 106 contributions. The second is at Bull Lane Playing Fields (BLPF).

13.11 The Council has been successful in getting to the second round of bidding to the Football Foundation for funding to provide a two 3G pitch facility at BLPF, with ancillary infrastructure. The overall cost of the project is £3.6m with the Council providing the site and £1.4m, should the Council be successful. There will be revenue savings of £27k on the maintenance and rates on the BLPF, as well as other savings across the parks service. These other savings are being worked through so as to contribute to the achievement of the MTFS.

Priority 4

13.12 There are a number of changes proposed in the draft capital programme. Elsewhere on the agenda there is a report seeking authority to enter into a funding agreement with Argent Related Ltd to undertake works on the bus station in Tottenham Hale as part of the regeneration strategy for the area. The draft capital programme assumes that the recommendation to enter the funding agreement is accepted. The effect of these changes is to increase the overall cost of the scheme by £5.965m, with £1.3m being met by additional GLA grant. The residual funding requirement of £4.665m is to be met through allocating additional capital receipts from the overall development of £2.665m and to increase the overall level of Section 106 funds allocated to the project. Both these funding sources are as a result of increased housing density levels within the current masterplan for the regeneration of the area.

13.13 Within the current programme, there is a scheme, White Hart Lane Public Realm (LIP) that has been included in the understanding that there would be LIP funding made available from TfL in 2018/19. In late December 2017, TfL informed the Council that they would not be funding this project in 2018/19 but deferring it until 2019/20. The timing of the works for 2018/19 was to coincide with THFC not being in residence, thus minimising the disruption in the area. The draft capital programme includes this scheme in anticipation of the LIP funding being received from TfL in 2019/20. The overall scheme cost is £4.3m and the TfL funding when received will cover the cost 100%.

13.14 The Jackson Lane Arts Centre has bid for funding from the Arts Council and requires match funding from the Council. The draft capital programme includes £1m as match funding to the Arts Council bid.

13.15 Bruce Grove Public Realm. The proposed budget for this scheme is £3.3m with approximately 50% contribution from the GLA. It is a programme including decluttering of the pedestrian environment, upgrades to materials use on the carriageway and footway, new crossings, cycle provision, widening of the footway and new lighting, greening and street furniture as appropriate.

13.16 Tottenham High Road Strategy. The proposed budget for this scheme is £0.8m. Following the successful completion of the Growth on the High Road programme for Tottenham work is underway to prepare a new strategy and 10-year delivery plan for Tottenham High Road. The strategy will be finalised in early 2018/19 and funding for design development will be required to progress projects and grant funding bids.

13.17 There is also a Strategic Regeneration Initiative budget to support new strategic regeneration initiatives in the borough

Priority 5

13.18 A provision is made to cover the potential costs of putting in place a temporary accommodation acquisition programme subject to further reports.

Priority X

13.19 This priority now contains a Responsiveness Fund of £3.5m per annum for two years. The fund is there to allow timely responses to made to in year requests and new initiatives. It is primarily there to support in-year bids for match funding requests. The allocation of funds from the Responsiveness Fund will be undertaken by Capital Board (in line with the current authority levels contained within Standing Orders).

13.20 The main capital financing elements of the £507.8m 5-year programme are Grants at £99.4m (19.6%), Developer contributions at £193.2m (38.1%), and Retained Capital Receipts £16.3m (3.2%), use of reserves £0.3m (0.1%). The balance of £198.6m (39.1%) will need to be borrowed.

Table 13.2: Capital Programme Funding Analysis (2018/19 – 2022/23)

Capital Programme, 5 Year MTFS Overview	2018/19 Budget	2019/20 Plan	2020/21 Plan	2021/22 Plan	2022/23 Plan	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Reprofiled Expenditure	**136,687**	**120,998**	**111,948**	**68,509**	**69,614**	**507,755**
Funding						
Grants	33,056	25,274	18,153	13,346	9,568	99,397
Use of Reserves	0	100	0	0	124	224
Developer Contributions	34,535	42,783	45,998	26,634	43,265	193,215
Retained Receipts	7,500	7,500	1,323	0	0	16,323
Borrowing	61,596	45,341	46,473	28,529	16,657	198,596
Total	**136,687**	**120,998**	**111,948**	**68,509**	**69,614**	**507,755**

13.21 The proposed capital programme is set out at appendix 3 of this report.

MTFS Affordability and Governance

13.22 Members consider annually, as part of the Treasury Management Strategy Statement (TMSS), a number of prudential indicators which are largely concerned with ensuring the affordability of capital expenditure decisions. The TMSS also includes the Council's MRP policy statement.

13.23 Any proposed revisions to the current policy statement arising from the Section 151 Officer's review will be presented to the Council's appropriate Committees for scrutiny/agreement prior to submission to Full Council for approval.

Other Considerations

13.24 As with any longer term strategy, there is a need to undertake regular reviews of detailed action plans to take account of changing circumstances.

13.25 As stated above, 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.

13.26 The Council's regeneration projects are likely to have further impacts on the Council's capital programme, which will need to be taken into account in future updates

13.27 The current capital programme contains provision for funding certain elements of the proposed schemes but these may need to be revised as the regeneration projections progress.

14 Housing Revenue Account (HRA)

Housing Rents

14.1 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. Under self-financing Councils retain all the money they receive from rent and use it to manage and maintain their homes.

Housing Rents

14.2 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.

14.3 From 2 April 2018, 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 2017 plus 1%) as the Act exempts these properties from the rent reductions.

General needs and sheltered / supported housing

14.4 This is the third 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 4% (CPI at September 2017 of 3% plus 1%) from next April.

14.5 Provisional rents for general needs and sheltered/supported housing for 2018/19 have been calculated so that the rent paid by existing tenants is reduced by 1% from the 2017/18 levels. On this basis, the current average weekly dwelling rent will reduce by £1.04 from £103.89 to £102.85. The potential rental income budget for 2018/19 will reduce by £767k against the budget for 2017/18. Table 14.1 below sets out the average weekly dwelling rents for 2018/19 by property size.

14.6 The government announced in October 2017 that annual increases in social housing rents will return to CPI plus 1% for the next five years after the statutory rent reduction ends in March 2020. This provides certainty regarding rental income in the short to medium term.

14.7 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 14.1: Proposed rents for general needs and sheltered / supported housing

Number of Bedrooms	Number of Properties	Current average weekly dwelling rent 2017/18	Provisional average weekly dwelling rent 2018/19	Proposed average rent decrease	Percentage decrease
Bedsit	135	£84.16	£83.31	-£0.84	-1%
1	5,432	£89.19	£88.30	-£0.89	-1%
2	5,190	£103.95	£102.91	-£1.04	-1%
3	3,751	£119.08	£117.89	-£1.19	-1%
4	591	£135.45	£134.10	-£1.35	-1%
5	104	£158.77	£157.18	-£1.59	-1%
6	14	£164.88	£163.23	-£1.65	-1%
7	2	£156.01	£154.45	-£1.56	-1%
8	1	£176.62	£174.85	-£1.77	-1%
All dwellings	15,220	£103.89	£102.85	-£1.04	-1%

New build

14.8 On 12 July 2016, the Cabinet approved the rent levels for new homes built under the Council's New Build Infill 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 programme has delivered fifteen new homes which are let at affordable rents. A further four shared ownership homes have also been delivered. Affordable rents will reduce by 1% from their current levels with effect from 2 April 2018. These rents will also be further reduced over the next year.

14.9 The current average weekly rent of £248.14 will reduce by £2.48 to £245.66 per week. There is a range of affordable rents across different sizes of properties. Table 14.2 sets out the provisional average weekly affordable rents for 2018/19 by property size.

Table 14.2: New build Average Weekly Affordable Rent (2018/19)

Number of Bedrooms	Number of Properties	Current average weekly rent 2017/18	Provisional average weekly rent 2018/19	Proposed average rent decrease	Percentage decrease
1	1	£209.41	£207.32	-£2.09	-1%
2	5	£232.77	£230.44	-£2.33	-1%
3	5	£223.37	£221.14	-£2.23	-1%
4	2	£294.06	£291.12	-£2.94	-1%
5	2	£321.92	£318.70	-£3.22	-1%
All dwellings	15	£248.14	£245.66	-£2.48	-1%

Service charges

14.10 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. 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.

14.11 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.

14.12 Tenants currently 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

14.13 Tenants will no longer be charged for bin and chute cleaning as the service is being replaced by periodic cleaning of refuse chutes in blocks.

14.14 It is proposed to introduce new charges for services that are not covered by the rent but the residents are benefiting from but have not been previously charged for. The new service charges below will be paid by residents receiving the services;

- TV aerial maintenance
- Door entry systems maintenance
- Sheltered housing cleaning service
- Good neighbour cleaning service
- Window cleaning
- Converted properties cleaning

14.15 Table 14.3 below sets out the proposed changes in tenants' existing service charges and the proposed new service charges for 2018/19

Table 14.3 - Proposed Leaseholders' Service Charges (2018/19)

Tenants' service charges	Current Weekly Charge 2017/18 £	Proposed Weekly Charge 2018/19 £	Increase/ (decrease) £	Projected Annual Income £000
Concierge	£15.43	£15.64	£0.21	£1,562
Grounds maintenance	£2.77	£2.81	£0.04	£1,322
Caretaking	£4.02	£4.22	£0.20	£1,613
Street sweeping (Waste collection)	£3.62	£4.42	£0.80	£1,890
Light and power (Communal lighting)	£2.62	£2.39	-£0.23	£1,095
Gas (Elderly Person)	£11.16	£9.58	-£1.58	£188
Gas (Not Elderly Person)	£10.68	£9.16	-£1.51	£52
GLC Heating	£12.23	£10.49	-£1.74	£33
District Heating 6	£10.93	£9.38	-£1.55	£1
Oil/Electricity (Elderly Person)	£8.74	£7.50	-£1.24	£15
Integrated reception service (Digital TV)	£0.77	£0.77	£0.00	£349
Estates road maintenance	£0.57	£0.58	£0.01	£270
Bin and chute cleaning	£0.16	£0.00	-£0.16	£0
TV aerial maintenance	£0.00	£0.18	£0.18	£81
Door entry system maintenance	£0.00	£0.63	£0.63	£285
Sheltered housing cleaning service	£0.00	£2.06	£2.06	£91
Good neighbour cleaning service	£0.00	£1.00	£1.00	£28
Window cleaning	£0.00	£0.50	£0.50	£38
Converted properties cleaning	£0.00	£1.02	£1.02	£75
Proposed tenants' service charge income				£8,988

Water rates

14.16 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 based on the rateable value of each property.

14.17 The weekly water rates to be paid by each tenant in 2018/19 will be provided by Thames Water in March 2018. Tenants will be notified accordingly.

Commercial Rents

14.18 Following the Cabinet decision in July 2017, most of the commercial portfolio within the HRA have been transferred to the General Fund. Therefore, most of the income and expenditure relating to Commercial properties is now accounted for in the General Fund.

HRA Expenditure

14.19 The Council's Arm's 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 £40.14m for 2018/19 compared to £40.03m budgeted in 2017/18. The increase in the main is due to 1% pay award increase in staffing salary budgets and a reduction in the Pension contribution costs.

14.20 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 2017/18 due to reduced borrowing rates. Depreciation charge from this year and going forward will be based on a weighted average life (based on components).

HRA Budget 2018/19

14.21 The 2018/19 HRA budget surplus remains at £16m for 2018/19. This surplus will be added to HRA reserves to fund future capital works.

14.22 In previous years, the HRA has held the budget for Community Alarms. This is an emergency service that is provided 24 hours/365 days a year by the Community Alarm Service team. Service users are mainly older and vulnerable people who live in and outside the borough who are provided with a personal security system to enable them live safely in their homes. A fee is charged for using the service where appropriate. All the applications and assessments for community alarms are processed by the teams in Adult services. Due to this, it is proposed from 1st April 2018 onwards, the budget for Community Alarms will sit with Adult Social Care, and hence the HRA will no longer need to make any budget provision for this service.

14.23 There are a number of new initiatives being developed which may impact on the overall HRA budget for 2018/19. Any impact on the HRA revenue budget position will be highlighted in any report to Cabinet or Council.

HRA Capital Programme 2018/19

14.24 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 Finance Officer. The proposed capital programme for all HRA schemes for 2018/19 is included at Appendix 4.

14.25 The new standard requires an investment of around £264.3m over the next five years. The Capital budget of £11.5m indicated for remedial works on Broadwater Farm is currently an estimate only based on initial desktop analysis of options. Officers are currently working on establishing a robust budget figure.

Development of HRA Business Plan

14.26 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.

14.27 This report outlines proposals for changes in rents and other charges for HRA properties in order to balance the Housing Revenue Account (HRA) for 2018/19 and the HRA business plan for five years from 2018/19 to 2022/23.This report sets out the proposed 2018/19- 2022/23 budget for the HRA.

14.28 The Business Plan for the next 10 years ensures a reserve balance of £10m. The capital borrowing headroom at the beginning of 2017/18 was £56.4m and this is forecast to increase to £73.5m at the beginning of 2018/19. This additional borrowing headroom has allowed the HRA Capital Programme to be increased to around £264.3m over the next five years (as noted at 14.25 above), instead of £200m under the previous Business Plan. This will allow the Council to reach its Decent Homes target more quickly than under the previous Business Plan.

14.29 There is an ongoing inquiry into the Grenfell Fire tragedy and a review into Building Regulations. Once these reports are complete there may be additional requirements relating to fire safety in Council blocks. £16m has been set aside in the Business Plan to allow for any associated costs.

14.30 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 as an ongoing exercise including the valuation of the sites disposed of, the new dwellings acquired and the related impact on the housing stock and HRA debt.

14.31 In order to fund the 5 year capital programme it has become necessary to borrow funds over the next 5 years starting in 2018/19. It is estimated that the HRA will need new borrowing of £24m in 2018/19.

Government Policies

14.32 The Housing and Planning Act 2016 introduced the mechanism to enforce a levy on Councils' HRAs to government, which they expected would be funded through Councils selling their most valuable homes when they become vacant. The policy was intended to fund an extension of the Right to Buy to Housing Association tenants. However, this policy has yet to be implemented and the Secretary of State for Housing at the time stated in a letter to a London councillor that "local authorities will not be expected to make a payment in 2017/18 or in 2018/19".

14.33 In October, the government announced a return to Consumer Price Index (CPI) plus 1% rent rises for five years after 2020. This has been factored into the Business Plan.

14.34 The Chancellor announced in the Autumn Budget 2017 that the Government will lift Housing Revenue Account borrowing caps for councils in areas of high affordability pressure. Local authorities will be invited to bid for increases in their caps from 2019/20, up to a total of £1 billion by the end of 2021/22.Officers will assess the possibility for Haringey to obtain additional borrowing capacity to allow additional investment in its housing priorities.

15 Dedicated Schools Budget (DSB)

15.1 The Dedicated Schools Budget is substantially funded from the ring-fenced Dedicated Schools Grant and two other funding streams (Pupil Premium and Post 16 Grant) which are, in effect, passported to schools. Spending must be consistent with the requirements of the prevailing Schools and Early Years Funding Regulations and there are requirements about whether Schools Forum has a decision-making or a consultative role in determining budget levels for each year.

15.2 The financial position reported to Schools Forum in January 2018 set out the prevailing financial position. There are budget pressures within both the Early Years Block and High Needs Block and this will reduce available DSG reserves to a surplus of £0.72m (£2.8m surplus, 2016/17) by the end of 2017-18 financial year.

15.3 Table below sets out Haringey's Dedicated Schools Grant allocations for 2017-18, including the minimum rebased DSG baseline allocation for 2018-19, the provisional National Funding Formula DSG allocations for 2018-19 and the illustrative National Funding Formula for 2019-20.

Table 15.1: Haringey's Dedicated Schools Grant Allocation

Dedicated Schools Grant	2017-18 DSG allocations as at 10 Oct 2017	2018-19 Funding allocation as at 19 Dec 2017	2019-20 Illustrative NFF
	£'000	**£'000**	**£'000**
Schools Block	195,290	195,299	194,240
Central School Services Block	0	3,090	2,990
Early Years Block	18,670	20,264	18,670
High Needs Block	35,850	35,804	35,930
Total DSG	**249,810**	**254,457**	**251,820**

15.4 The items that were previously top sliced as Centrally Retained elements in Schools Block have been rebased into Central School Services Block (CSSB) in 2018-19 and 2019-20 under the National Funding Formula.

15.5 Overall, Haringey received a provisional increase of 1.9% in its DSG allocation which is equivalent to £4.65m. This is based on October 2017 census pupil numbers of 33,724.

15.6 The 2018/19 funding allocation to Haringey for CSSB and Early Years Block increased by £3.09m and £1.6m respectively. The Schools and High Needs Block element of the DSG remained relatively flat.

DSG Reserves

15.7 DSG Reserves is expected to close with a surplus of £0.72m at the end of 2017-18 – a significant decrease from the 2016/17 surplus balance of £2.8m. The below table sets out the projected closing position for the DSG in 2017/18.

Table 18.2: Projected DSG Reserves Position at 31 March 2018

DSG Reserves	Schools Block	Early Years Block	High Needs Block	DSG Reserve
	£'000	**£'000**	**£'000**	**£'000**
2017-18 Opening Balance	(815)	(1,985)	0	(2,800)
2017/18 Movement	200	1,100	780	2,080
Projected 2017-18 Balance c/f	(615)	(885)	780	(720)
Projected 2018-19 Opening Balance	(615)	(885)	780	(720)

16 MTFS Consultations Outcomes and Findings

16.1 In December 2017, the Cabinet agreed to begin the necessary statutory consultation on the Medium Term Financial Strategy and proposals set out in that report, running from 19th December 2017 through to January 23rd 2018.

16.2 The Council undertook a pre-budget engagement exercise consisting of a series of events and activities during October and November 2017.

16.3 Detailed information was made available in the following ways:

- Dedicated pages on our website;
- An on-line survey available on the Haringey Council;
- 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;
- Regular social media promotion;
- Engagement with local media;
- Publicised through our partners and volunteer organisations;

16.4 A more detailed summary of the consultation process together with a breakdown of responses, is appended to the Cabinet report at Appendix 8. Having taken these into account, this report not propose any amendments to the proposals being put to Council.

17 Overview and Scrutiny

17.1 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 12 Cabinet.

17.2 Following consideration by Cabinet, all four Scrutiny Panels met in December 2017 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)

17.3 In addition, the Overview and Scrutiny Committee met on 11th January to consider proposals relating to Priority X (Enabling).

17.4 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. These were considered by the Overview and Scrutiny Committee on 29th January, along with emerging recommendations from each Panel, ahead of final recommendations being agreed and referred to Cabinet.

17.5 The key recommendations from the Overview and Scrutiny Committee and Cabinet Member responses are attached at Appendix 8.

18 Statutory Officers' comments

Chief Finance Officer Comments

18.1 Under Section 25 of the Local Government Act 2003, the Section 151 Officer is required to include in the Budget Report a statement of their view on the robustness of any estimates for 2018/19 and the MTFS period to 2022/23 and the adequacy of proposed earmarked reserves and balances included in the report.

18.2 This budget has been prepared in line with guidance from the Section 151 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.

18.3 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 2018/19 budget and MTFS.

18.4 The revenue implications arising from the 10-year Capital Strategy have been incorporated within the proposed budget and MTFS period.

18.5 All of these measures are part of the assurance to the Section 151 Officer regarding the robustness of all estimates contained within this report based on financial information available at the time.

18.6 Given the current level of savings assumed in the MTFS, a Budget Resilience Reserve has been established to ensure that the Council is able to mitigate any delays in the savings delivery. This reserve is a ‘port of last resort’ and does not diminish the requirement for services to deliver savings as planned.

Comments of the Assistant Director of Corporate Governance Comments

18.7 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.

18.8 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.

Equalities Comments

18.9 We are proud of our diversity and of the potential this offers:

- Around 270,000 people live in Haringey (an increase of 13,300 since the 2011 Census). By 2021, it is projected that the population will rise by a further 13,000.
- Over 100 languages are spoken.
- Haringey is the eighth most ethnically diverse in the country; over two thirds of residents are non-White British. English is an additional language for over half our children and young people.
- Haringey is a “young” borough. Children and young people aged 0 to 19 comprise about a quarter of the population.

18.10 Achieving better outcomes and ensuring we have the capacity to deliver against a background of high levels of deprivation is a continuing challenge. Haringey is the sixth most deprived borough in London, mostly related to low incomes, poor housing conditions and high crime. Nearly one third of working-age residents in Haringey earns below the London Living Wage. One in three children live in poverty and one in six live in a household where no adult works. Over 3,000 households live in temporary accommodation.

18.11 There are wide differences in the levels of deprivation and health; the more deprived the area, the shorter the life expectancy, especially for men, and the shorter the healthy life expectancy. While levels of teenage pregnancy are reducing, the numbers are still high. We also have high levels of childhood obesity, mental illness and sexually transmitted infections.

18.12 Addressing the significant social, economic and health issues are made more difficult by the significant financial challenges the council and the public sector faces.

Our Equalities Duties:

18.13 The Equality Act 2010 places a 'General Duty' on all public bodies to have 'due regard' to:

- Eliminating discrimination, harassment and victimisation
- Advancing equality of opportunity
- Fostering good relations
  In addition, the Council complies with the Marriage (same sex couples) Act 2013.

18.14 The Act covers nine protected characteristics which are:

- age
- disability
- gender and gender reassignment
- pregnancy and maternity status
- marriage and civil partnership
- ethnicity
- religion or belief
- sexual orientation

18.15 The Public Sector Equality Duty came into force on 5 April 2011. The broad purpose of the equality duty is to integrate consideration of equality and good relations into the day-to-day business of public authorities - in shaping policy and delivering services.

18.16 Every person can identify with a combination of these characteristics; we all have an age, a disability status, a gender, our own beliefs and a sexual orientation. The purpose of the equalities monitoring process is to identify where proposals disproportionately impact on those characteristics and to mitigate the impact, ensuring that the council eliminates discrimination, harassment and victimisation; advances equality of opportunity; fosters good relations.

18.17 Haringey Council believes the Equality Impact Assessment process is an important way of informing our decision making process.

18.18 The Corporate Plan 2015-18, sets out how we plan to support Haringey's residents to build a stronger future through 5 priorities:

- Outstanding for all: Enable every child and young person to have the best start in life, with high quality education;
- Empower all adults to live healthy, long and fulfilling lives;
- A clean and safe borough where people are proud to live, with stronger partnerships and communities;

- Drive growth and employment from which everyone can benefit;
- Create homes and communities where people chose to live and are able to thrive.

Haringey's Priorities:

18.19 These are underpinned by 6 cross-cutting principles:

- Prevention and early intervention – preventing poor outcomes for children, young people and adults and intervening early when help and support is needed;
- Tackling inequality – tackling the barriers facing the most disadvantaged and enabling them to reach their potential;
- Working together with communities – building resilient communities where people are able to help themselves and support each other;
- Value for money – achieving the best outcome from the investment made;
- Customer focus – placing our customers' needs at the centre of what we do;
- Working in partnership – delivering with and through others.

18.20 The Council's 2018/19 budget and its Medium Term Financial Strategy (MTFS) 2018/19 – 2022/23 are aligned with the 5 corporate plan priorities. All priorities have delivery plans including a clear vision, objectives and performance indicators that are publicly available so our progress against those targets is transparent.

18.21 The council has ambitious plans for the borough and it is committed to achieving the best outcomes for residents, rather than just managing decline. In the context of delivering millions of pounds of savings, the council will need to make changes to the way it delivers its services. Where budget reductions have adverse impacts on service users, detailed analyses will be conducted to identify and mitigate impact.

18.22 At this stage, the assessment of the potential impact of decisions is high level and has not been subjected to a detailed quantitative and qualitative analysis. This is a live process and, as proposals are developed, full impact assessments will be completed and consulted on to mitigate the impact on groups who share protected characteristics and to ensure that equality considerations are embedded in the decision-making process.

18.23 We have a legal responsibility to ensure that our impact assessments, where needed are an integral part of the formulation of a proposal policy and not justification for its adoption. If a risk of adverse impact is identified, consideration will be given to measures that would mitigate that impact before fixing on a particular solution.

Next steps:

18.24 Tackling inequality is a priority for the council and this is reflected in the objectives and performance targets we have set out in the corporate plan 2015-18, as well as the ambition for the council's borough plan, which will set the vision for Haringey from 2018 to 2022. We have a legal responsibility to ensure that equality objectives are embedded in the plan.

18.25 The new savings proposals in this report are currently at a high level and will be developed further as new operating models, service changes and policy changes are progressed and implemented. Equalities impact assessments will be developed as part of this process.

19 Use of Appendices

Appendix 1 – General Fund Revenue MTFS 2018/19-2022/23

Appendix 2 – HRA Revenue Budget 2018/19

Appendix 3 – General Fund MTFS Capital Programme 2018/19-2022/23

Appendix 4 – HRA Capital Programme 2018/19

Appendix 5 – Dedicated Schools Budget 2018/19

Appendix 6 – General Revenue Budget 2018/19

Appendix 7 – Overview and Scrutiny Committee Recommendations and Proposed Response (To Follow)

Appendix 8 – Summary of Consultation Responses (To Follow)

Appendix 9 – MTFS Savings Proposal Summary

Annex 1 – P1 Savings

Annex 2 – P2 Savings

Annex 3 – P3 Savings

Annex 4 – P4 Savings

Annex 5 – P5 Savings

Annex 6 – PX Savings

Appendix 10 – Calculation of 2018/19 Council Tax Base

Appendix 11 – Flexible Use of Capital Receipts Policy

20 Local Government (Access to Information) Act 1985

20.1 For access to the background papers or any further information, please contact Oladapo Shonola, Lead Officer – Budget and MTFS.

HARINGEY GENERAL FUND BUDGET 2018/19 AND MEDIUM TERM FINANCIAL PLAN 2018/23

Appendix I

	2017/18 Budget	Movement	2018/19 Budget	Movement	2019/20 Projected	Movement	2020/21 Projected	Movement	2021/22 Projected	Movement	2022/23 Projected
Services	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Priority 1	56,273	(1,748)	54,525	(310)	54,215	0	54,215	0	54,215	0	54,215
Priority 2	91,130	680	91,809	10	91,820	65	91,885	189	92,073	319	92,393
Priority 3	29,580	(1,660)	27,920	(150)	27,770	0	27,770	0	27,770	0	27,770
Priority 4	4,766	(50)	4,716	0	4,716	0	4,716	0	4,716	0	4,716
Priority 5	19,883	(50)	19,833	(120)	19,713	0	19,713	(0)	19,713	0	19,713
Priority X	38,507	(226)	38,281	(3,725)	34,556	(1,500)	33,056	(20)	33,036	0	33,036
Non Service Revenue	15,624	(3,590)	12,034	14,451	26,485	2,147	28,632	5,146	33,779	5,558	39,337
Further Savings to be identified	0	0	0	(6,987)	(6,987)	(387)	(7,374)	(504)	(7,878)	0	(7,878)
Contribution to/(from) Reserves and Balances	0	110	110	(185)	(185)	185	0	0	0	655	655
Total Budget Requirement	**255,762**	**(6,644)**	**249,228**	**2,984**	**252,102**	**510**	**252,613**	**4,811**	**257,424**	**6,532**	**263,956**
Funding											
New Homes Bonus	5,712	(2,976)	2,736	(36)	2,700	0	2,700	0	2,700	0	2,700
Adult Social Care Grant	1,195	(1,195)	0	0	0	0	0	0	0	0	0
Revenue Support Grant	38,590	(38,590)	0	(8,561)	(8,561)	(1,626)	(10,187)	(1,658)	(11,845)	0	(11,845)
Council Tax	93,773	8,544	102,317	5,236	107,554	2,695	110,249	4,358	114,607	4,532	119,139
Retained Business Rates (100%)	22,084	85,385	107,469	2,974	110,443	2,047	112,490	2,097	114,587	2,000	116,587
Top up Business Rates	54,232	(54,232)	0	0	0	0	0	0	0	0	0
Total Main Funding	**215,586**	**(3,063)**	**212,522**	**(387)**	**212,135**	**3,117**	**215,252**	**4,797**	**220,049**	**6,532**	**226,581**
Public Health	20,742	(533)	20,209	(532)	19,677	0	19,678	(0)	19,677	0	19,677
Other core grants	10,653	5,844	16,497	3,793	20,290	(2,607)	17,683	14	17,698	0	17,698
Contribution t/(from)o Reserves and Balances	8,782	(8,782)	0	0	0	0	0	0	0	0	0
TOTAL FUNDING	**255,762**	**(6,534)**	**249,228**	**2,874**	**252,102**	**510**	**252,613**	**4,811**	**257,424**	**6,532**	**263,956**

HRA Revenue MTFS (2018/19 -2022/23) Appendix 2

HRA (Draft) 5 Year Budget	2017/18 Revised Budget £000	2018/19 Draft Budget £000	2019/20 Draft Budget £000	2020/21 Draft Budget £000	2021/22 Draft Budget £000	2022/23 Draft Budget £000
Income						
Dwelling Rental Income	(81,838)	(81,071)	(79,733)	(81,017)	(82,352)	(83,260)
Non Dwelling Rents	(2,997)	(996)	(996)	(996)	(996)	(996)
Hostel Rental Income	(2,337)	(2,250)	(2,231)	(2,269)	(2,269)	(2,269)
Leasehold Service Charge Income	(7,143)	(8,124)	(8,343)	(8,550)	(8,636)	(8,722)
Tenant Service Charge Income	(9,674)	(10,483)	(10,664)	(10,854)	(11,816)	(11,934)
Community Alarm Income	(1,298)	0	0	0	0	0
Miscellaneous Income	(7,077)	(7,491)	(7,432)	(7,398)	(7,398)	(7,398)
Total Income	**(112,364)**	**(110,415)**	**(109,399)**	**(111,084)**	**(113,467)**	**(114,579)**
Expenditure						
Non-HfH Estates Costs	7,485	8,305	8,669	9,136	9,227	9,320
Housing Management Costs & NNDR	6,113	6,644	6,607	6,571	6,637	6,703
Bad Debt Provision	1,022	942	942	942	942	942
Hostel Expenditure	579	594	615	644	650	657
Supported Housing	135	278	318	369	373	376
Community Alarm	1,298	0	0	0	0	0
Regeneration Team Recharge	810	867	875	883	892	901
Other Property Costs	2,438	2,130	2,288	2,463	2,488	2,513
General Fund Recharges	6,379	4,297	4,297	4,297	4,340	4,383
Capital Financing Costs	12,400	10,000	11,100	12,120	7,710	7,618
Depreciation Charge	18,000	20,068	20,122	20,124	20,712	20,722
Management Fee	40,032	40,139	40,139	40,139	40,139	40,139
Total Expenditure	**96,691**	**94,264**	**95,972**	**97,688**	**94,109**	**94,274**
Surplus for the year on HRA services	**(15,673)**	**(16,151)**	**(13,427)**	**(13,396)**	**(19,358)**	**(20,305)**

General Fund MTFS Capital Programme (2018/19 – 2022/23)

Appendix 3

Scheme No.	Scheme Description	2017/18 Revised Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000	2020/21 Budget £'000	2021/22 Budget £'000	2022/23 Budget £'000
PRIORITY ONE							
101	Primary School - repairs & maintenance	1,274	1,075	1,030	1,000	1,000	1,000
102	Primary School - mod & enhance (Inc SEN)	4,174	5,447	8,240	1,165	720	525
103	Primary School - new places	773	54	162	39	0	0
104	Early years	0	93	93	93	0	0
109	Youth Services	505	121	14	0	0	0
110	Devolved School Capital	531	531	531	531	531	531
114	Secondary School - mod & enhance (Inc SEN)	920	647	3,552	4,200	750	110
199	P1 Other (inc Contingency & Social care)	469	425	0	0	0	0
PRIORITY ONE TOTAL		**8,646**	**8,393**	**13,622**	**7,028**	**3,001**	**2,166**
PRIORITY TWO							
201	Aids, Adaptations & Assistive Tech -Home Owners (DFG)	2,831	1,503	1,503	1,503	1,503	1,503
206	Community Reablement Hubs	50	0	0	0	0	0
207	New Day Opportunities Offer	197	0	0	0	0	0
208	Supported Living Schemes	0	1,500	0	0	0	0
209	Assistive Technology	0	620	200	0	0	0
210	Capitalisation of Occupational Therapist	0	500	500	500	500	500
PRIORITY TWO TOTAL		**3,078**	**4,123**	**2,203**	**2,003**	**2,003**	**2,003**
PRIORITY THREE							
301	Street Lighting	955	1,000	1,000	1,000	1,000	1,000
302	Borough Roads	3,314	3,000	3,000	3,000	3,000	3,000

Scheme No.	Scheme Description	2017/18 Revised Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000	2020/21 Budget £'000	2021/22 Budget £'000	2022/23 Budget £'000
303	Structures (Highways)	246	1,264	368	0	0	0
304	Flood Water Management	530	560	590	620	650	680
305	Borough Parking Plan	277	300	300	0	0	0
307	CCTV	0	0	0	0	900	1,000
309	Local Implementation Plan(LIP)	3,199	3,199	3,199	3,199	3,199	3,199
310	Developer S106 / S278	1,507	1,700	1,700	1,700	1,700	1,700
311	Parks Asset Management:	388	300	300	300	300	300
313	Active Life in Parks:	376	230	230	230	230	230
314	Parkland Walk Bridges	500	1,000	1,000	1,000	0	0
316	Asset Management of Council Buildings	2,500	2,500	2,500	0	0	0
317	Down Lane Multi Use Games Area (MUGA)	0	420	0	0	0	0
319	Bull Lane MUGA	0	720	2,520	360	0	0
419	NPD Phase 2 LBH Match Funding	540	0	0	0	0	0
PRIORITY THREE TOTAL		**14,332**	**16,193**	**16,707**	**11,409**	**10,979**	**11,109**
PRIORITY FOUR							
401	Tottenham Hale Green Space	308	5,662	4,990	5,946	900	2,680
402	Tottenham Hale Streets	818	14,470	9,017	7,683	5,097	1,363
403	Tottenham Regeneration Fund	0	197	0	0	0	0
406	Opportunity Investment Fund	1,561	208	0	0	0	0
407	Growth on the High Road	53	0	0	0	0	0
411	Tottenham High Rd & Bruce Grove Stn	115	559	0	0	0	0
415	North Tottenham Heritage Initiative	949	1,072	0	0	0	0
418	Heritage building improvements	1,500	1,000	0	0	0	0
421	HRW business acquisition	2,342	8,190	5,847	26,993	9,352	10,496
426	Northumberland Park	100	300	1,500	400	435	0
427	White Hart Lane Public Realm (LIP)	940	2,774	500	0	0	0
429	Site Acquisition (Tottenham & Wood Green)	150	10,000	10,000	8,867	0	0

Scheme No.	Scheme Description	2017/18 Revised Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000	2020/21 Budget £'000	2021/22 Budget £'000	2022/23 Budget £'000
430	Wards Corner CPO	0	8,950	8,950	0	0	0
434	Wood Green Regeneration	316	150	100	0	0	0
435	Wood Green Station Road	160	155	120	0	0	0
438	Vacant possession Civic Centre	2,899	515	72	0	0	0
444	Marsh Lane	1,786	600	821	9,323	4,700	266
445	Hornsey Town Hall	300	90	90	86	0	0
446	Alexandra Palace Heritage	3,294	0	0	0	0	0
447	Alexandra Palace - Maintenance	470	400	400	400	400	400
450	Winkfield Road	779	133	0	0	0	0
452	Low Carbon Zones	170	185	15	0	0	0
462	Western Road Recycling	86	0	0	0	0	0
464	Bruce Castle	80	94	0	0	0	0
465	District Energy Network (DEN)	556	800	800	0	0	0
466	Redevelopment of Waltheof Gardens	15	0	0	0	0	0
467	Contribution to Community Events & Public Space (THFC)	4,000	1,000	0	0	0	0
468	Keston Road (Maya Angelou Contact Centre)	253	289	0	0	0	0
469	Re-provision of schools in North Tottenham area	0	500	4,000	20,000	12,000	600
470	Wood Green HQ, Library & Customer Service Centre	0	250	950	2,400	6,000	8,400
471	Tailoring Academy Project	0	655	0	0	0	0
472	JLAC Match Fund	0	0	500	500	0	0
473	Bruce Grove Public Realm	0	2,800	500	0	0	0
474	Tottenham High Road Strategy	0	800	0	0	0	0
475	Tottenham Green Public Realm Scheme Phase 2	0	600	0	0	0	0
476	HDV Acquisitions & Receipts	0	1,639	5,163	0	12,082	28,657
477	Strategic Regeneration Initiatives	0	2,000	3,000	3,000	0	0
PRIORITY FOUR TOTAL		**24,000**	**67,037**	**57,336**	**85,599**	**50,966**	**52,861**
PRIORITY FIVE							
505	TA Solutions	500	0	0	0	0	0

Scheme No.	Scheme Description	2017/18 Revised Budget £'000	2018/19 Budget £'000	2019/20 Budget £'000	2020/21 Budget £'000	2021/22 Budget £'000	2022/23 Budget £'000
506	TA Property Acquisitions Scheme	2,497	0	0	0	0	0
509	CPO - Empty Homes	525	525	525	525	525	525
510	Tempory Accommodation Acquisition Programme	0	25,000	25,000	4,409	0	0
PRIORITY FIVE TOTAL		**3,522**	**25,525**	**25,525**	**4,934**	**525**	**525**
PRIORITY SIX							
601	Business Imp Programme	608	3,204	0	0	0	0
602	Corporate IT Board	533	3,934	0	0	0	0
603	ICT Shared Service - Set Up / Seed Money	1,679	821	0	0	0	0
604	Continuous Improvement	843	2,256	950	950	950	950
605	Customer Services (Digital Transformation)	1,494	0	0	0	0	0
606	Hornsey Library Refurbishment	91	810	99	0	0	0
621	Libraries IT and Buildings upgrade	52	592	1,056	25	85	0
639	Ways of Working	660	300	0	0	0	0
698	Responsiveness Fund	0	3,500	3,500	0	0	0
699	P6 - Approved Capital Programme Contingency	775	0	0	0	0	0
PRIORITY SIX TOTAL		**6,735**	**15,416**	**5,605**	**975**	**1,035**	**950**
OVERALL TOTAL		**60,312**	**136,687**	**120,998**	**111,948**	**68,509**	**69,614**

HRA Capital Budget (2018/19 – 2022/23) Appendix 4

5 Year HRA Draft Capital Budget	2018/19 Draft Budget £000	2019/20 Draft Budget £000	2020/21 Draft Budget £000	2021/22 Draft Budget £000	2022/23 Draft Budget £000	Draft Total Budget £000
Stock Investment Programme	51,310	60,000	53,000	50,000	50,000	264,310

HRA Draft Capital Programme 2018/19

Capital Programme	2018/19 £'000
Stock Investment Programme	
Professional Fees	2.00
Boilers	3.25
Decent Homes	12.20
Mechanical and Electrical	2.35
Lifts	0.72
H+S/Structural Works	6.56
Noel Park	3.00
Stock Survey	0.28
Capitalised voids	0.40
High Cost Voids	0.50
Estate Improvements	0.75
Design Only Programme/Procurement	1.80
Broadwater Farm Remedial Works	11.50
Set Aside Pending Building Regs Review	6.00
Total Stock Investment	**51.31**
Estate Regeneration	
High Road West Leaseholders	3.00
High Road West Leaseholders and Disturbance	0.12
500 white Hart Lane	4.42
Total Estate Regeneration	**7.54**
Total HRA Capital Programme	**58.85**
Financed by :	
HRA Reserves	15.19
Major Repair Reserves	20.07
Borrowing	23.59
Total Financing	**58.85**

Appendix 5

Dedicated Schools Budget (2018/19)

Allocation agreed by Schools Forum	Proposed Budget 2018-19	Proposed Budget 2018-19
	(£'000)	(£'000)
Amount distributed to Primary and Secondary Schools after de-delegation and central education services (former ESG)		**194,018**
Support for Underperforming Ethnic Minority Group	0	
Contingency for Schools in Financial Difficulty	179	
Trade Union Facilities Time - Primary	117	
Total De-delegation		**296**
Total budget allocation for Schools Block	**296**	**194,314**
Attendance and Welfare Service	0	
ESG transferred to DSG - Other Statutory and Regulatory Duties	378	
ESG transferred to DSG - Statutory Education Welfare Service	172	
Growth Fund	985	
School Standards	424	
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	166	
Total Central School Services Block		**4,075**
Funding for Settings		
3 & 4 Year olds base rates	11,873	
3 & 4Year olds supplements	3,660	
2 Year Olds Programme	2,436	
Early Years Pupil Premium	158	
Supplementary funding for Maintained Nursery Schools (MNS)	1,255	
Disability Access Fund	60	
Provision for transitional withdrawl of Childcare Subsidy	720	**20,161**
Centrally Retained budgets		
Early Years Quality Team	441	
EH Commissioning	228	
Overheads	0	
TU Representation	18	
Contingency	135	**823**
Total budget allocation for Early Years Block		**20,984**
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	14,277	
SEN Contingency	1,415	
Early Years SEN	810	
Total budget allocation for High Needs Block		**35,804**
Total Dedicated Schools Budget Allocation 2017/18		**255,177**
Funded from		
Schools Block DSG 2018/19		195,299
EY Block DSG 2018/19		20,264
High Needs Block DSG 2018/19		35,804
Central School Services Block		3,090
Brought forward DSG		720
Total		**255,177**

Appendix 6

HARINGEY COUNCIL BUDGET PLAN TO MARCH 2019

	2017/18	Unavoidable Growth	Pre-Agreed Savings	Additional Savings	New Investments	Corporate Adjustments	Other Budget Adjustments	2018/19
Expenditure	**£'000**	£'000	£'000	£'000	£'000	£'000	£'000	**£'000**
Priority 1	**56,273**	0	(1,748)	0		0		**54,525**
Priority 2	**91,130**	(0)	0	(2,390)		0	3,070	**91,809**
Priority 3	**29,580**	0	(1,660)	0		0		**27,920**
Priority 4	**4,766**	0	0	(50)		0		**4,716**
Priority 5	**19,883**	0	0	(50)		0		**19,833**
Enabling	**38,507**	325	(551)	0		0		**38,281**
Non Service Revenue	**15,624**	8,150	0	0	1,000	1,806	(14,546)	**12,034**
Contribution to Reserves and Balances	**-**						110	**110**
Priority Total	**255,762**	**8,475**	**(3,959)**	**(2,490)**	**1,000**	**1,806**	**(11,366)**	**249,228**
Funding								
Core Grants	**31,395**						5,712	**37,106**
New Homes Bonus	**5,712**						(2,976)	**2,736**
Adult Social Care Grant	**1,195**						(1,195)	**-**
Revenue Support Grant	**38,590**						(38,590)	**-**
Council Tax	**93,773**						8,144	**101,917**
Retained Business Rates	**22,084**						85,385	**107,469**
Top Up Business Rates	**54,232**						(54,232)	**-**
Budget Surplus / (Shortfall)	**8,782**						(8,782)	**-**
Total Funding Available	**255,762**	**0**	**0**	**0**	**0**	**0**	**(6,535)**	**249,228**

Budget Scrutiny Recommendations – Overview and Scrutiny Committee

Cross Cutting Issues

Ref	MTFS Proposal	Recommendation	Cabinet Response Required (Yes/No)	Cabinet Response
N/A	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.	**Cabinet to examine how the Council can ensure that meaningful consultation is undertaken in response to the budget setting process.**	Yes	The Council is required to consult with residents and businesses on any new budget proposals.
		Cabinet should regularly monitor progress on achievement of savings, and report regularly on budget, including achievement of savings, projections; risk; and mitigation.	Yes	The budget monitoring report is on the Council's forward plan to be considered by Cabinet on a quarterly basis.
		A) Cabinet members and priority leads as appropriate should report to their scrutiny panels, starting in October on: financial performance against budget, risks and mitigation plans, alongside regular reporting on overall priority performance. **B) Quarterly briefings prepared for all panel chairs on priority performance, budget, risks and mitigation.**		Cabinet Members and officers regularly attend scrutiny panel meetings and will continue to do so.

Ref	MTFS Proposal	Recommendation	Cabinet Respons e Required (Yes/No)	Cabinet Response
		Cabinet member for finance should then report to OSC on overall progress against budget, risks and mitigation.		
Any Other Comments				
That OSC look into the impact of austerity and poverty on services across local government. (The piece of work would need to be fully scoped).				

Budget Scrutiny Recommendations – Children and Young People's Scrutiny Panel

Priority 1

Ref	MTFS Proposal	Recommendation	Cabinet Response Required (Yes/No)	Draft Response
1.1	Children's Service – service redesign and workforce	The Panel welcome the strategic approach of making investments in the service to realise future savings.	No	
		The Panel welcome the pragmatic approach of bringing services in house, such as the Independent Reviewing Officers, allowing greater control on cost.	No	
		OSC recommend there be meaningful consultation with staff, users and communities to ensure services are delivered effectively, including where savings are required.	Yes	The Cabinet agrees that effective engagement with a range of stakeholders enriches and strengthens proposals for the redesign of services, and should include those directly using the services. An example would be the development of the draft Care Leavers' Strategy which is based on in-depth engagement with young people and will be finalised with the further involvement of a range of stakeholders.

Ref	MTFS Proposal	Recommendation	Cabinet Response Required (Yes/No)	Draft Response
		The Panel welcome the efforts to chart and manage risk and would want to see this continue.	No	
		That the Cabinet explore methods of bringing services back-in house, where it is financially viable.	Yes	When services are commissioned or re-commissioned, all possible approaches to service delivery are considered at that point, with a view to identifying the best quality and value approach that achieves the desired outcomes and improvements for children and young people.
1.2	Early Help and Targeted Response	The Panel welcome efforts to intervene earlier in supporting at-risk children, which may reduce longer term costs.	No	
		The Panel welcome efforts to model risk and forecast potential costs by identifying potential costs of different children-related activity and estimating likely uptake.	No	
1.3	New models of care	The Panel note there is a continuing interest in seeking partnership arrangements, and agree that should be on a pragmatic basis.	No	

Ref	MTFS Proposal	Recommendation	Cabinet Response Required (Yes/No)	Draft Response
		That OSC is concerned about the viability of the new models of care savings and sought assurances from Cabinet about the potential for the savings figure to be realised.	Yes	The Council is working with partners in light of the changes to safeguarding responsibilities and in response to the recent Joint Targeted Area Inspection to develop a joined up response to children, young people and families with needs in the borough. The emerging model is being developed in partnership and will be brought to Cabinet in order to start a period of engagement with a range of stakeholders. The primary focus of the model is improved outcomes for children, young people and families by working at an earlier stage across a range of partners.
		That Cabinet explore possibilities for further engagement with shared services and the pooling of resources with neighbouring local authorities.	Yes	As noted above, the Council is adopting a multi-agency approach to developing its model of care. As these proposals become more detailed and if appropriate, conversations with neighbouring authorities will be undertaken to determine areas for joint working on a bigger footprint.

Ref	MTFS Proposal	Recommendation	Cabinet Respons e Required (Yes/No)	Draft Response
				The Council is already working with the other NCL authorities to explore ways of jointly commissioning accommodation based and other specialist services.

Any Other Comments		
Panel's work programme	There should be a scrutiny project by the relevant scrutiny panel into the effect of poverty and austerity on child protection, including the cost implications	N/A
	In the context of service design and delivery, the relevant panel should look at models of co-production in the next administration.	N/A

Budget Scrutiny Recommendations – Adults and Health Scrutiny Panel

Priority 2

Ref	MTFS Proposal	Recommendation	Cabinet Response Required (Yes/No)	Draft Response
2.1	Haringey Learning Disability Partnership	That further financial and strategic information concerning the evidence base for the Learning Disability budget proposal, especially savings for 2018/19, be made available for consideration by OSC on 29 January before final budget scrutiny recommendations are made. Where possible, this information should be provided for the "mid-way" point.	No - This information was considered by OSC on 29 Jan	
2.2	Mental Health	That further financial and strategic information concerning the evidence base for the Mental Health budget proposal, especially savings for 2018/19, be made available for consideration by OSC on 29 January before final budget scrutiny recommendations are made. Where possible, this information should be provided for the "mid-way" point.	No - This information was considered by OSC on 29 Jan	

Ref	MTFS Proposal	Recommendation	Cabinet Response Required (Yes/No)	Draft Response
2.2	Mental Health	**That Cabinet have oversight of the funding available for those with acute mental health needs in a community care setting, and should make representations as appropriate via joint health and care bodies and to NHS England.**	Yes	The Council is working with the four other boroughs and five CCGs in the NCL area to ensure a joined up response on this issue which focuses on the health, wellbeing and quality of life of people with mental health needs living in the community. As well as direct approaches to the Mental Health Trust and to NHS England, to ensure that all those with mental health needs continue to receive the range of support that they require whether in a hospital, forensic or community setting, the Council has also referred the issue to the JHOSC for strategic oversight.
2.3	Physical Support	That further financial and strategic information concerning the evidence base for the Physical Support budget proposal, especially savings for 2018/19, be made available for consideration by OSC on 29 January before final budget scrutiny recommendations are made. Where possible, this information should be provided for the "mid-way" point.	No - This information was considered by OSC on 29 Jan	

Ref	MTFS Proposal	Recommendation	Cabinet Response Required (Yes/No)	Draft Response
2.1 2.2 2.3	Haringey Learning Disability Partnership Mental Health Physical Support	That further information on the risks associated with each of the budget proposals be made available for consideration by OSC on 29 January.	No - This information was considered by OSC on 29 Jan	
2.1 2.2 2.3	Haringey Learning Disability Partnership Mental Health Physical Support	**That Cabinet be aware that OSC have significant concerns over the viability of savings proposals to Haringey Learning Disability Partnership, mental health and physical support.**	Yes	The savings proposals for Priority 2 have been made in cognisance of the impact of increasing demand and market pressures for adults with care and support needs. The range of interventions proposed to achieve the required savings is based on evidence drawn from other local authorities and recognise that actions around demand management, market management and operational management are needed. There is a range of risks associated with the delivery of all savings and a risk register has been produced and shared which seeks to set these out. The register identifies actions to mitigate the impact of

Ref	MTFS Proposal	Recommendation	Cabinet Response Required (Yes/No)	Draft Response
				these risks and to support delivery of the savings
N/A		That further information on the overspend on care packages be made available for consideration by OSC on 29 January.	No - This information was considered by OSC on 29 Jan	

Any Other Comments		
Panel's work programme	That the panel examine the impact on clients as they go through changes in services provision in relation to the proposed changes to Haringey Learning Disability Partnership, mental health and physical support	N/A

Budget Scrutiny Recommendations – Environment and Community Safety Scrutiny Panel

Priority 3

Ref	MTFS Proposal	Recommendation	Cabinet Response Required (Yes/No)	Draft response
3.7	Rationalisation of Parking Visitor Permits	That clarification be provided regarding the concessionary rate for parking visitor permits. N.B. The service has been confirmed that the concessionary rate was reduced from 75 to 65, as recommended by the Overview and Scrutiny Committee in its response to Cabinet on the MTFS dated January 2017	No - This information was considered by OSC on 29 Jan	
3.8	Relocation of Parking/CCTV Process and Appeals	That the equalities impact assessment (EIA) in respect of the proposal to relocate parking/CCTV processes and appeals be circulated to the Panel N.B. The EIA will be circulated to Panel Members	No - This information was considered by OSC on 29 Jan	

Ref	MTFS Proposal	Recommendation	Cabinet Response Required (Yes/No)	Draft response
3.2	Charging for Bulky Household Waste	**Given the potential negative impact on recycling levels and a potential increase in fly tipping, that Cabinet re-examine whether the savings proposed are financially achievable in the round.**	Yes	There is no negative impact on recycling as a result of the charge. If residents do not take up the bulky collection it is expected that items will either be taken to the Reuse & Recycle Centre or residents will arrange alternative collections. It is possible that a minority of residents may choose to fly tip their waste, as some do now, but the new charge for collections is unlikely to encourage previously law-abiding residents to change their behaviour in this way. Weekly monitoring does not show any significant increase in fly-tipping since charges were introduced. Fly-tips are collected by Veolia in the same way as bulky waste and will be taken to the Biffa MRF as will items from the reuse and recycle centre. Even if items are fly-tipped rather than collected they will still be recycled.

Ref	MTFS Proposal	Recommendation	Cabinet Response Required (Yes/No)	Draft response
				In summary, there is no loss of recycling to the system nor an increase in fly-tipping since charges were introduced. We continue to monitor the take up of bulky waste collections and fly tipping around the borough closely, and are working across services and with Veolia to implement an action plan to reduce this further.
3.1 3.2 3.3	Green Waste Charging Charging for Bulky Household Waste Charging for Replacement Wheelie Bins	**That Cabinet note that OSC have concerns over the proposed charges for green waste and that the possibility of including a concessionary rate be explored as part of the fees and charges setting process.**	Yes	This will be considered as part of the wider review of fees and charges undertaken as part of the 2019/20 MTFS process.
Any Other Comments				

<table>
<tr><th>Ref</th><th>MTFS Proposal</th><th>Recommendation</th><th>Cabinet Response Required (Yes/No)</th><th>Draft response</th></tr>
<tr><td>3.1</td><td>Green Waste Charging</td><td rowspan="3">That the Panel continue to monitor the impact of the introduction of charges for replacement bins and collection of green waste and bulky items.</td><td rowspan="3" colspan="2">N/A</td></tr>
<tr><td>3.2</td><td>Charging for Bulky Household Waste</td></tr>
<tr><td>3.3</td><td>Charging for
Replacement Wheelie Bins</td></tr>
</table>

Budget Scrutiny Recommendations – Housing and Regeneration Scrutiny Panel

Priority 4 & 5

Ref	MTFS Proposal	Recommendations	Cabinet Response Required (Yes/No)	Draft response
4.1	Consultancy Spend (Tottenham Regeneration)	That further information on the Consultancy Spend for Tottenham Regeneration be made available for consideration by OSC on 29 January before final budget scrutiny recommendations are made. This should include information on how the budget was spent in 2017/18 and what the budget will be used for during 2018/19.	No - This information was considered by OSC on 29 Jan	
4.1	Consultancy Spend (Tottenham Regeneration	**That an in-principle target of zero be set for consultancy spend.**	Yes	The Council looks to only use consultants when their specialist skills and the additional capacity they bring to projects are required.
5.1	Reduction in Housing Related Support Budget	None	No - This information was considered by OSC on 29 Jan	
Any Other Comments				
N/A		That a full breakdown of the P4 and P5 budget, for April 2018 – March 2023, be made available for consideration by OSC on	No - This information was	

Ref	MTFS Proposal	Recommendations	Cabinet Response Required (Yes/No)	Draft response
		29 January before final budget scrutiny recommendations are made. This should include information on the capital strategy and HRA.	considered by OSC on 29 Jan	
N/A		That further information on the Consultancy Spend for Wood Green Regeneration be made available for consideration by OSC on 29 January before final budget scrutiny recommendations are made. This should include information on how the budget was spent in 2017/18 and what the budget will be used for during 2018/19.	No - This information was considered by OSC on 29 Jan	

Budget Scrutiny Recommendations – Overview and Scrutiny Committee

Priority – X				
Ref	**MTFS Proposal**	**Recommendation**	**Cabinet Response Required (Yes/No)**	
6.1	Shared Service Centre	Further information be provided on the savings proposed within each area of the Shared Service Centre; the impact in 2019/20 on staffing posts as a result; and the capital costs.	No - This information was considered by OSC on 29 Jan	
6.1	Shared Service Centre	**That Cabinet note OSC concerns about the potential for significant job losses in relation to the savings proposed under Priority X. That Cabinet ensure that there is a full and proper consultation carried out with the trade unions and all effected staff.**	Yes	Noted. Any changes to staffing will be undertaken in accordance with Council policy, including appropriate consultation.
Any Other Comments				
None				

Appendix 8

The Budget Consultation 2018/19

- The council launched its Our Budget consultation on Tuesday 19th December, which ran over a five-week period and closed on the 23rd January 2018.

- The consultation put forward budget proposals for 2018/19, largely based on previous consultation feedback from residents.

- That process, conducted at the end of 2016, saw over 800 residents tell us what their priorities are and highlighted that there was a solid understanding of austerity and the funding challenges local authorities face.

- At the end of 2016, when asked to identify 5 things of the that are most important(Q3) - Children and Families services made up the top three slots in the top five priorities - **School improvement, Early help and prevention** and **family support and safeguarding.** Also making the top five of people's priorities was **Parks**, with 29%, closely followed by **Maintaining Independence**, Under Adults Social care with 27% of respondents opting for this.

- At the other end of the 'most important' spectrum was **Sports development** with just 5% of respondents considering it a priority. This resonated with findings for the question of least important with **Sports development** marginally toping the 'less important' list with 36% of respondents opting for this service, this was closely followed by **Promoting healthy lifestyles** with 34% of respondents choosing this.

The Consultation Process in 2018

- The consultation process included:

    - A budget leaflet outlining our budget, how we spent our budget in 2017/18, and a set of budget proposals for 2018/19.
    - An accompanying questionnaire both hard copy and online
    - Dedicated budget pages on our website outlining our financial challenges and information on ways of getting involved
    - Detailed discussions with the Haringey VCS Forum and Haringey Joint Partnership Board
    - Hard copies of the budget leaflet and questionnaire was sent to all local libraries, partner organisations, voluntary sector groups and businesses in the borough
    - Budget engagement sessions held in three of the boroughs main libraries:

Engagement session	Date

Hornsey Library	Thursday 4 January 2018, 4.30-6.30pm
Marcus Garvey Customer Service Centre	Tuesday 9 January 2018, 4.30-6.30pm
Wood Green Library	Thursday 11 January 2018, 4.30-6.30pm
Haringey VCS Budget Consultation Event Chestnuts Community Centre	Tuesday 9th January 2018
Joint Partnership Board	Thursday 25th January 2018

Contact was also made with the following business groups to highlight the consultation process:

- Wood Green Forum
- Tottenham Traders
- Muswell Hill Traders
- FSB
- North London Chambers of Commerce
- Turnpike Lane Traders Association

- Senior Council officers also met with the Chair of Haringey Business Alliance on 17 January where the budget consultation was specifically discussed;
- All of the businesses who were contacted as part of the business rate relief change last year were emailed directly asking them to engage in the budget consultation

1.7 The consultation questionnaire focused around four main questions:

- Q1. Which proposal do you support?
- Q2. Are there any proposals you think we should not progress and why?
- Q3. Are there any changes or proposals we haven't included that you think we should consider?
- 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. For more information go to www.haringey.gov.uk/budgetequaliies In considering our proposals please let us know if you think there will be any specific equality impacts.

2. 2018 Consultation Findings

- During the five-week consultation period, we received 33 responses to the budget proposals, 24 of which were via our online questionnaire and nine were received by post. We also collated feedback on the proposals from the voluntary sector forum. For full breakdown, please see **Appendix 3.**

- Overall, the responses received from the consultation showed a recognition of the financial challenges facing the Council and the level of savings the Council have to make going forward. Feedback shows many of the respondents were broadly in support of all of the budget proposals. One respondent adding, all of the proposals are reasonable considering the amount of savings required.

- A common theme throughout the feedback is the need to lessen the impact of cuts on the most vulnerable in the community. Hence, there was good support for adult social care precept in order to safeguard those accessing social care. There was also mention of other vulnerable groups such as those with mental health issues. There was good support for the proposal to work with partners to reduce demand on acute services for adults with learning disabilities and poor mental health.

- The only overwhelming objection was for introducing charges for some environmental services and many put forward rational reasoning behind their objections. Salient points from feedback are broken down by each question below.

- Proposals for 2018/19 remain largely in line with those priorities set last year. We have a series of budget proposals that cover each of our five priority areas, and general costs such as office space and administrative functions.

3. Question breakdown

- When asked, ***which proposals do you support?*** The highest proportion of respondents expressed their support for the introduction of an Adult social care precept, providing they see an increase in social care provisions in the borough. One respondent said, while they support the precept, there is a need for the Council to show residents proposals on what this would mean for the future of adult social care in the borough.

- The next most supported proposals were specifically around the council tax freeze, sharing additional services with other councils and helping people access more services and information online. One respondent said they support sharing services with other councils and supports helping people access more services online but only if residents can see a marked improvement in responsiveness and real action to a question/issue.

- When asked, ***Are there any proposals you think we should not progress and why?*** The highest proportion of the respondents said they were against charging for some environmental services. Their main concern being that by introducing charges, they felt people would not pay and would continue to dump rubbish, worsening an already significant problem in the borough. One person said that charging would potentially create more cost in the end through having to clean up the excess fly tips and rubbish. Another argued that charging for garden waste collections is short-sighted and encourages residents to put their garden waste in the general rubbish.

- Freezing the core element of council tax was a common proposal respondents opposed, arguing it should not be frozen again. Some respondents felt that by adding a small percentage to council tax this would raise a substantial proportion of the cuts we are facing. Although this would affect poorer people, the fact is that the poorest can claim it back through Council Tax Reduction Scheme. If taxes are increased, then more should be done to publicise the CRT scheme as many people are not aware they are eligible for CTR based on low income.

- We received a lot of feedback on question 3. ***Are there any changes or proposals we haven't included that you think we should consider?*** A couple of respondents talked about area specific issues but the salient points were mainly made on regeneration and planning. Some of the salient points below:
    - Collection rates for council tax are poor. If they were to increase to the median rate for London boroughs they would boost income by 2.5%, which would significantly reduce the need for cuts in services.
    - Regeneration - You should consider a Brixton Village approach of assessing quality not just who bids the highest for space. In the longer term those businesses will survive and bring in more money to the area as well as improve the overall experience of living here.

- Building community and greening the streets. Both reduce crime, graffiti, dumping, ASB and support well-being. To consider the pockets of deprivation for some of those in the west of the borough.
- You should make sure that the planning department follow up planning applications and, where improvements have been implemented, they should be flagged up with the LVA.
- Raising funds to reverse some of the Council's previous and planned cuts, especially to schools and libraries, and supporting initiatives to discourage car/van use (especially diesel cars/vans).
- The Council should restructure its charges for residents' parking permits and business parking permits so that the cost of each permit is much more closely linked to the vehicle's CO2 emissions, with high emissions vehicles being charged much more, and all diesel vehicles should pay an additional surcharge. To encourage residents to go car-free (and rely on car clubs like Zipcar, public transport, bikes, walking etc)

3.6. There were few responses to 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***. Here are some of the main points:

- Moving more to online contact will impact those with low literacy and computer skills and those with no internet access.
- If you comply with government cuts, it will affect disproportionately on the most disadvantaged. They tend to be the young, the elderly, the disabled, the ethnic minorities, who are often also the poor. Any cuts in local services are likely to have an unequal impact on certain groups of people.
- The proposals on health care for individuals with learning disabilities and poor mental health are unfair. In fact spending needs to be increased for mental health care in particular, if the statistics for the general population (65% showing clinical signs) is to be believed.

4. Feedback from Voluntary Sector Forum

4.1 A discussion with the Voluntary Sector Forum took place on Tuesday 9th January 2018 which, following a detailed presentation of the proposals being consulted on and the wider financial context, considered how they can work alongside the council to deliver services and help meet local needs in the midst of our financial challenges. Attendees said that they can see the increasing pressure on budgets while there continues to be an increase in demand on things like adult social care, children’s social care, temporary accommodation and many other services.

4.2 A detailed discussion of the potential benefits of co-location - where there is a multi-agency, multi-statutory central reference point to alleviate the referral process between different organisations such as the NHS, CCG and police – took place. As did a discussion and feedback on the Council’s approach to sheltered and supported housing.

4.3 Representative’s asked about using different funding streams more flexibly such as CIL and sect.106.

5 Feedback from Partnership Board

5.1 Main points taken from the Joint Partnership board meeting were:

- A view that we should have a prevention Strategy so that we can safeguard spending on prevention and earlier help to make longer term savings;
- Many of the proposals rely on access to community based solutions which in reality often means more of a burden on family carers – should we be doing more to support carers?
- Points raise regarding direct payments; London Living Wage and the supply chain; the HMRC ruling on sleeping/waking nights;
- HMRC ruling on sleeping/waking nights and the impact that may have; and a general recognition of the pressures of the current financial context
- A view that it will not be possible for the council to achieve the savings on the areas highlighted at the presentation as the demand for Adult and Children Social Care continue to grow.
- Prevention: It was agreed that there needs to be more work on prevention strategies and transitions so that in the long term there will be less people with high level needs.
- The strategy of “Diversion at the front door” explicitly states that community and voluntary organisations will be expected to play a greater role in supporting both service users and carers. The voluntary sector in Haringey would benefit from some “seed funding” to support their local activities as their survival is fundamental to the success of this strategy.
- Pressure on social workers and carers- the new savings could lead to biased services with social workers reducing costs of packages and that carers might experience even greater pressure due to the impact of “diversion at the front door”.
- Outsourcing Social Care- The collapse of Carillion has led to questions of outsourcing and wonders if the council has considered a potential collapse in the area of outsourcing social care.

List of consultation responses

Q1. Which proposals do you support?

- Further reducing spend on interim staff and consultants to save more than £50,000 Bringing new investment to Haringey to provide jobs, homes and community facilities and increased income from council tax and business rates. - We should absolutely encourage more diversity in the businesses in Wood Green. It can only help generate more income from tax etc.
- All of them.
- Extra support for the elderly. I support people should be helped to stay in their own home for longer however how do propose to do this?
- Broadly support most proposals
- Based on the limited outline on this section of the Council’s website, I support: * The Adult Social Care Precept * Focusing on early help, prevention and family support * Focusing on helping older people to live independently in their own homes * Bringing new investment to Haringey to provide jobs, homes and community facilities
- The increments for social care and policing - PROVIDED we see a visible increase in social care and policing services in the boroough. Moving contact online is a good idea - Wood Green Library si now impossible to use as a library thanks to the noise and the crowds. But if you are going online resource it fully so requests are responded to as quickly as they would in a phone call and not disappear into the ether
- Not adding 2% to council tax on top of the 3% for adult social care. Increasing online contact with council (as long as face to face/phone is still available for those with no internet access). Reducing spend on interim and consultants - the saving here seems low though, £50,000 would not cover many roles.
- The precept for social care.
- The very brief summary of "Our Savings Plans" on the web page linked from this consultation (http://www.haringey.gov.uk/local-democracy/policies-and-strategies/corporate-plan-2015-18/your-haringey-your-future/budget-proposals) seems broadly OK. However, there will be a lot of devil in the detail, and so I am unlikely to support all of the Council's detailed savings plans.
- Social Care precept.
- Social Care precept.
- I support the extra precept for adult social care but I cannot see your proposals for the future, only what you have done in the past. I think you should have done far more to fight the cuts and I think you should minimise cuts and be more proactive in maintaining services. I appreciate the fact that you have not closed libraries and many of your sports facilities continue to be free.

- Yes - To freeze the core element of Council tax to help high need families and low income families. However, I think it might not be possible to continue freezing for the upcoming years and as a Council, you cannot please residents and residents take it as false promises; but it might be worth thinking of coming terms with this when funding decreases rapidly or gradually. Maybe showcasing how much the average Haringey Council tax has been frozen for the the nine consecutive years could give us a picture whether residents of Haringey are paying a decent amount of Council tax compared to other neighbouring London boroughs. Who knows, probably other borough residents are paying more or less than Haringey residents??? However, I would like to say how will it be fair for everyone to pay a higher precept amount for funding adult social care services if they don't use adult social care services? I have no problem for paying my Council tax because it is meant to fund local Council services anyway, but some people might question about it. I support the rest except for the reduction of adult services for disabled people and people with learning difficulties, as well as with poor mental health conditions.
- Banding together with neighbouring boroughs to share/provide services jointly. Boosting online as opposed to face-to-face services BUT ONLY IF there is a marked improvement in responsiveness. It is often extremely hard to get any real response (i.e. beyond an acknowledgement) to questions/issues raised. The principle of preferring prevention to remediation. This should apply in all aspects of activity (e.g. littering, pollution and anti-social behaviour).
- All
- Increase harmonisation and integration of services with neighbouring boroughs Helping older people live in their own homes. At a time when key sector workers are struggling to find cheap accomodation, the Council could help them to find lodgings in homes and the elderly in those homes would not be alone and would also benefit from income. As the elderly are unable to access the internet as readily as everyone else, conduct interviews and make background checks this is somewhere social services could help out.
- Protection of adult social care, youth services and childrens services. I also want see refurbishment of council housing estates. Furthermore, I do not support the renewal of the Homes for Haringey contract. They are not fit for purpose and do not deliver a good service.
- early intervention to save money e.g. care. Share services with other councils - e.g. planning.
- The Haringey development vehicle’s continuation as planned

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

- Charging for some environmental services, including garden waste collections; bulky item collections and replacement wheelie bins. This could save more than £500,000 People won't pay more for uplift of times but will continue to dump rubbish - creating more cost in the long term to clean it up. Haringey in Wood Green has a disgusting amount of dumped residential and building materials.

- No.
- I don't understand the proposal to charge for garden waste and wheelie bins when we are already charged for these. Does this mean the proposal is to charge for more?
- I do not think you should you should freeze the core council tax yet again. It seems to me that raising it but the 2% or so currently allowed, and the approximately 5% proposed, would raise a certain proportion of the cuts we are facing. Although this impacts more on poorer people, the fact is that the poorest can claim it back through CTR and the council should be publicising this. Many people don't realise they can get CTR on the basis of low income.
- Waste and environmental charges. Fly tipping and rubbish disposal is already a huge problem in Haringey and this can only worsen it. If garden waste is to be charged improve options for those with small gardens and limited waste.
- Bulky waste collection should be kept. Otherwise there is on-street dumping which of course is expensive to clear and turns areas into depressing places to live.
- Yes. * Proposal: "Helping people access more services and information online rather than on the phone or in person, as online contact can be as much as 90 times cheaper than face-to-face and 28 times cheaper than telephone." * Reason: The intended savings of this proposal are not quantified. I believe improved access to more online services and information could complement face to face and human contact rather than replace it. As always, this would be specification and implementation-dependant, but improved access to more online services could feasibly enable savings to be made by complementing and enhancing the offline element, rather than by decreasing or replacing it. * Proposal: "Charging for some environmental services, including garden waste collections; bulky item collections and replacement wheelie bins. This could save more than £500,000" * Reason: The relatively small amount saved would be offset, to some degree, by the unidentified cost of administering related charges and loss of 'goodwill' among stakeholders. As a progressive and well run council, Haringey should, in my opinion, and evidently could, make savings in areas that do not degrade the actual and perceived value of its existing environmental services. As suggested under question 3 below, there are other areas where more pressing savings should be made.
- Charging for replacement wheelie bins - in the vast majority case, lost or broken bins are the fault of Veolia not residents, so you are reducing their accountability. encouraging them to cut corners
- They seem reasonable given the amount of saving required
- Freezing core council tax is worsening of the lives of Haringey people. Council tax overall must be increased for all our sakes. Those on benefits can be exempt from an increase. Most people are glad to pay more to stop the horrendous cuts that are damaging our society. You are a Labour council and should be fighting against the Conservative cuts, not accepting them, and even accepting as an inevitability that government funding will cease, as you do here. This is deliberate collusion with the Conservatives an it confuses Haringey people - they don't understand why is a Labour council going along with the current unjust economic dogma, and they lose faith in Labour. For this reason, it is reprehensible to call

cuts 'savings'. Furthermore, by doing so you avoid spelling out he cuts that will be made, eg how will you save money by 'helping' more old people have care in their homes? I suspect this means cutting care homes. Remember what the Labour Party was set up to do and act on that, not on cuts, privatisation and selling off public land and people's homes with the HDV which will benefit big business over people and bring shame on Haringey.

- The alliance with private developers for Haringey's property portfolio and redevelopment/regeneration proposals. The private developers will be "in it for the money" rather than for the genuine benefit of local residents. I remain unconvinced the plans will deliver real change and real benefit. Some of the charges for environmental services will, I believe, end up being counter productive. For instance, more garden waste will go to landfill, concealed in black bags at the bottom of general rubbish bins. Landfill tax costs will increase as a result. I suspect more fly tipping of old bulky items will also take place, or dumping of such in front gardens instead, leading to more of the borough looking and feeling like a waste tip.

- Yes. (1) I am very concerned about ongoing cuts to Council services in Haringey, especially schools and libraries. Accordingly I oppose the Council's decision to freeze the core element of Council Tax. This should instead be increased by the maximum permitted 2%. Of course nobody likes paying more tax, but this is better than watching valuable local services continue to shrink and wither away year after year. (2) Charging for garden waste collections is short-sighted and encourages residents to put their garden waste in the general rubbish. This is a backward step, likely to reduce the volume of green waste sent to composting facilities and making it harder to reduce the quantity of general rubbish. (3) The Council should eliminate any further planned funding for the redevelopment of Wood Green via the Haringey Development Vehicle (HDV). The redevelopment plans and the involvement of Lendlease require a fundamental re-think. This should include re-writing the plans to remove all buildings above 4 storeys high and to add large amounts of additional open and green space. The existing plans seem designed to turn Wood Green's streets turning into gloomy concrete wind tunnels and its buildings into unsightly high-rise towers and future ghettos. (4) The funds raised from (2) and (3) above should be used to: (a) reverse some of the Council's previous and planned cuts, especially to schools and libraries; (b) support initiatives to discourage car use (especially diesel cars/vans), such as those outlined in the Mayor of London's “Healthy Streets for London” document at https://tfl.gov.uk/corporate/about-tfl/how-we-work/planning-for-the-future/healthy-streets. This should include supporting the development of physically segregated bike lanes and on-street charge points for electric cars in Haringey; and (c) support and lobby for a Crossrail 2 station at Alexandra Palace (not Wood Green, which already has a frequent and well-connected tube service).

- Charging for garden waste. This will result in numerous polluting bonfires (& no doubt the burning of other, toxic, waste) which will be a serious problem for those with breathing conditions e.g. asthma and add to air pollution - particularly in the summer. Do not continue with the HDV. Do not continue to use Homes for Haringey or any arms-length company that is not accountable to residents.

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- I support the rest except for the reduction of adult services for disabled people and people with learning difficulties, as well as with poor mental health conditions. This proposal will be heavily criticised. I strongly believe that this proposal will be heavily criticised. Instead, what the Council could do is work strongly with the voluntary sector and independent sector and create ways in which people can use strong and high quality self-help tools for providing themselves social care services and create an investment programme on training young and mature people alike to get careers into social care and estimate how much income they could receive through their investment and limit their expenses by this way. There are so many Health and Social care and Psychology graduates who are willing to make a difference and will willingly reshape our services if they can come and offer those services whether in a voluntary placement or paid placement. The Council could introduce different schemes where people can implement a different type of way of delivering adult social care services such as having partnerships with schools and colleges who offer health and social care services to work with adults and plan activities and let learners gain valuable work experience for a long-term basis. Haringey Council could launch a media career start-off platform for people to make self-help videos of how to provide adult social care services and open up small retail businesses for young people to create and sell products which caters to the needs and tastes for our residents from Haringey who use adult social care services which reflects their taste of culture and background. For example, a shop on the high street that sells personalised designed equipment for elderly people who are disabled at reasonable prices??? And keep communities close together and not dividing them by policies that they don't want to listen to. As long as there IS A SERVICE THAT CATERS FOR THIS GROUP OF RESIDENTS, then there is less likely to be any conflicts. It could be in any possible, realistic and cost-effective way of providing adult social care services. What we need is a new vision for this service that can continue and be reshaped without ending but can offer a long-term solution and service. This means a new mindset and lots of positivity and community spirit. We need lots of community spirit. Because if communities are respected, listened to and strong - then they can solve problems and overcome them and remain resilient no matter if there are financial problems faced by local government. People need to change their mindset of depending on others and learn to stand up and create solutions for themselves and be proud that they live in a borough where there is a rich source of culture and diversity that needs to be represented through businesses and through creative work and opportunities which will in return create more opportunities and investment later on. After all, people will invest in places where there is a positive community spirit represented and people can get along without being brainwashed to be believe that deprivation will rule Haringey forever?? Aren't people sick of hearing the word 'deprivation'. Why can't we focus on positive aspects of this borough and keep on saying - amazing place of diversity and culture?? Things can change if people are willing to change. Haringey does deserve the chance to shine, doesn't it?? How can we let talented people from poor backgrounds think that their life is over because of their deprived background??? Now is the time for making new positive changes at a community level

- Pushing for ever more housing. 1) Let's use what we have better rather than bringing blight by building huge new developments (such as Apex House and Herbert Road). 2) Focus instead on getting more jobs in the borough, especially its eastern side.
- You should not be raising Council Tax at all. Talking about making cuts and tightening belts obscures the fact that the Council still wastes money and pays executives too much. My income doesn't go up each year, why should the Council Tax? You raised it last year, with Councillor Kober saying, "We're asking (sic) people to pay more." You weren't asking, you just raised it and here you go again.
- Adults with mental health issues still have their special needs, thei can't learn in regular way.
- Charging for refuse collection is going to be counter-productive. It will cause fly-tipping and more garbage on the streets. This will run down the appearance of the borough and cause a downard spiral. The expense of dealing with this problem will far outweigh any savings in charging for wheely bins. The blocking of the regeneration of Tottenham due to 'political agendas' is unacceptable. The type of regeneration has to be carefully thought out. More homes will cause increasing pressure on already over-burdened local services such as health care, education and transport infrastructure and should be avoided. If a speculator wants to build new residential units then they should be required to produce an impact statement on the local infrastructure and pay towards that impact - rather than reaping the profits of the land they build on but not of the massive negative financial consequences.
- Haringey Development Vehicle because wholesale privatisation of our assets is financially too risky for the next 20+ years. See Carrillion.
- Reduce housing benefit, increase funding for schools and nurseries

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

- Introduce CCTV on Wolves Lane and lighting in the adjoining park on White Hart lane. This will deter people from dumping rubbish, breaking into cars (a common occurrence) and speeding. The speed bumps don't work as cars and bikes swerve around them and make it even more dangerous. Speed cameras would also increase income. The park itself is a complete mess - the pond drained and looks really unappealing. There used to be a wild Canadian geese but they no longer visit due to lack of water. all of this means people don't treat the area with respect - dumping rubbish, allowing dogs to foul the area etc. A few simple and cheap steps would transform the area and make it safer. Re-generation - You should consider a Brixton Village approach of assessing quality not just who bids the highest for space. in the longer term those businesses will survive and bring in more money to the area as well as improve the overall experience of living here.
- No.
- There still needs to be adequate provision for those who are not able to look after themselves in their own homes.

- You should make sure that the planning department follow up planning applications and, where improvements have been implemented, they should be flagged up with the LVA.
- the information provided in this survey is too general to enable informed response therefore I cannot comment .
- CATEGORICALLY YES. If Ms Kober and Cllr Arthur are serious about plugging black holes in the Council's depleting finances, I believe they could do far worse than considering specific elements of the £16.2m Regeneration, Planning and Development budget. If this consultation is meaningful, then it should, in my opinion, consider unequivocal findings, based on actual experience, particularly in relation to the cost, benefit and delivery of the Planning Enforcement & Appeals Service: Costs awards for planning and enforcement appeals have been made against the Council. These awards are made for 'unreasonable behaviour' as opposed to different views relating to planning merits. The associated cost to the council is not limited to payments to appellants, but includes officer days taken defending such cost applications. The Council's 'Authority Monitoring Report' neither refers to this head of costs, nor to any actual or prospective steps to minimise it (for example, by minimising needless and trivial enforcement investigations and action, which do not correspond with public complaints or the public interest). Actual experience since 2015, points to a pattern of unreasonable behaviour resulting in avoidable costs in such appeals. Socioeconomic costs to appellants and the local economy fall outside fiscal budgetary concerns, but they also result in delay and loss of income from council tax and business rates. Yesterday, I referred Ms Lyn Garner to the FOI request below. If anyone at the Council is prepared to do the maths, I hope this can help them consider how these particular services are delivered. Aside from pointing to an area where the Council can and should make meaningful, urgently-needed improvements and savings, eliminating such waste should also help prevent further unnecessary damage to local individuals, businesses and the economy. https://www.whatdotheyknow.com/request/local_planning_policy_in_practic
- A pledge for no more cosmetic changes (logos, replacing signage etc). Better research before embarking on investments such as letting agencies, chicken shops, hanging speed limits etc. Otherwise we are in a situation where we continue to have residents pay more to receive less whilst valuable resources are wasted on vanity projects. I'd like to see true safeguarding of libraries. We were told that nothing would be lost in WG Central library but the LGBT resources have gone from a full bay of books to 3/4 of a shelf. If you're going to slash services tell us.
- Yes. Please please grow a spine and fight back against central government's austerity agenda. Don't just let them railroad these unpopular cuts that hit the poorest the hardest. Help build a decent London-wide campaign against austerity in local government, joining with neighbouring Labour councils.
- Yes. (1) See my comments in Q2 on raising funds to reverse some of the Council's previous and planned cuts, especially to schools and libraries, and supporting initiatives to discourage car/van use (especially diesel cars/vans). (2) The Council should restructure its charges for residents' parking permits and business parking permits so that the cost of each permit is much more closely linked to the vehicle's CO_2 emissions, with high emissions vehicles being charged much more, and all diesel vehicles should pay an

additional surcharge. Islington Council has taken both of these steps - see https://www.islington.gov.uk/parking/parking-permits/parking-permit-costs-table In addition, the Council should either substantially increase the charges for second and subsequent permits for a single household or business (e.g. charge twice as much for a second permit, four times as much for a third permit, etc), or simply allow a maximum of two residents' parking permits per household or business. To encourage residents to go car-free (and rely on car clubs like Zipcar, public transport, bikes, walking etc), households which do not hold any residents' parking permits should be rewarded with the right to obtain a limited number of free visitor parking permits each year, to use if they sometimes need to hire a car, have tradesmen visiting etc.

- Building community and greening the streets. Both reduce crime, graffiti, dumping, asb and support well-being. To consider the pockets of deprivation for some of those in the west of the borough. To set aside fund to end vehicle 'rat-runs' near shopping broadways (eg st james lane in muswell hill), which also creates speedy alternatives for moped and car criminals to getaway and will deter drug dealing - a particular long-term plea, which local police seem most sympathetic to! Ban diesel council vehicles immediately and a ban on all polluting buses and commercial vehicles going through the borough - using whatever existing & new powers possible, possibly in conjunction with neighbouring boroughs. Ban plastic straws, cups, cutlery etc across the borough immediately in council premises and extend to all food and shop outlets within 6 months. Increase environmental health inspections and trading standards, to protect the public. Crackdown on late licences for clubs and associated businesses servicing customers leaving them e.g. late-night kebab houses. Inspect - without warning, thoroughly and very regularly - all care homes and take strict action to safeguard residents & penalise owners and staff.

- I think we should be maximising the effect we have on the lives of young children and young people. I disagree with not raising Council Tax because, for the very poorest, it will be largely covered by Council Tax Reduction, and the richest, those in Band F and above, will have to contribute more. That increase in revenue can be used to benefit the most disadvantaged so that, ultimately, they benefit from an increase in Council Tax.

- n/a

- Collection rates for council tax . etc., are poor. If they were to increase to the median rate for London boroughs they would boost income by 2.5%, which would significantly reduce the need for cuts in services

- Haw much did cost children special schools and how much will cost if we would make them for adults as well?

- The council should also push for the extension of the Victoria Line to Northumberland Park (and beyond?) to ease ease congestion to White Hart Lane - why aren't the developers of the football club helping in the financing of this? This may also provide a second interchange point instead of Tottenham Hale for the proposed Crossrail 2. Why aren't tfl interested? The tracks are already there! With an incumbent Labour mayor now would be the time to push this through.

- Removal of Homes for Haringey with which I would like to see the ALMO contract cancelled and employees being brought back in house under the local authority.

- Look at what you post - sending letters about my council tax must be more expensive than telephone and wasteful if doing lots of letters. Also a better quicker response on phone might save expensive. Motivate your staff - they are slow. You must be able to do more with fewer. £22 million on "Borrowing" What are you doing - you could save on that?. Cut duplication - central services + customer services + Commercial + Corp. Programme must have lots of duplication.

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

- None.
- Bulk rubbish collection payment impacts most on the poorest - therefore it is discriminatory
- Moving more to online contact will impact those with low literacy and computer skills and those with no internet access.
- Yes, on those who have heart, breathing and lung conditions 're charging for garden waste (resultant bonfires).
- Yes, on those who have heart, breathing and lung conditions 're charging for garden waste (resultant bonfires).
- If you comply with government cuts, it will impact disproportionately on the most disadvantaged. They tend to be the young, the elderly, the disabled, the ethnic minorities, who are often also the poor. Any cuts in local services are likely to have an unequal impact on certain groups of people.
- n/a
- Looks good for me.
- The proposals on health care for individuals with learning disabilities and poor mental health are unfair. In fact spending needs to be increased for mental health care in particular, if the statistics for the general population (65% showing clinical signs) is to be believed.

The Budget Consultation 2018/19

- The council launched its Our Budget consultation on Tuesday 19th December, which ran over a five-week period and closed on the 23rd January 2018.
- The consultation put forward budget proposals for 2018/19, largely based on previous consultation feedback from residents.
- That process, conducted at the end of 2016, saw over 800 residents tell us what their priorities are and highlighted that there was a solid understanding of austerity and the funding challenges local authorities face.
- At the end of 2016, when asked to identify 5 things of the that are most important(Q3) - Children and Families services made up the top three slots in the top five priorities - **School improvement, Early help and prevention** and **family support and safeguarding**. Also making the top five of people's priorities was **Parks**, with 29%, closely followed by **Maintaining Independence**, Under Adults Social care with 27% of respondents opting for this.
- At the other end of the 'most important' spectrum was **Sports development** with just 5% of respondents considering it a priority. This resonated with findings for the question of least important with **Sports development** marginally toping the 'less important' list with 36% of respondents opting for this service, this was closely followed by **Promoting healthy lifestyles** with 34% of respondents choosing this.

The Consultation Process in 2018

- The consultation process included:
  - A budget leaflet outlining our budget, how we spent our budget in 2017/18, and a set of budget proposals for 2018/19.
  - An accompanying questionnaire both hard copy and online
  - Dedicated budget pages on our website outlining our financial challenges and information on ways of getting involved
  - Detailed discussions with the Haringey VCS Forum and Haringey Joint Partnership Board
  - Hard copies of the budget leaflet and questionnaire was sent to all local libraries, partner organisations, voluntary sector groups and businesses in the borough
  - Budget engagement sessions held in three of the boroughs main libraries:

Engagement session	Date

Hornsey Library	Thursday 4 January 2018, 4.30-6.30pm
Marcus Garvey Customer Service Centre	Tuesday 9 January 2018, 4.30-6.30pm
Wood Green Library	Thursday 11 January 2018, 4.30-6.30pm
Haringey VCS Budget Consultation Event Chestnuts Community Centre	Tuesday 9th January 2018
Joint Partnership Board	Thursday 25th January 2018

Contact was also made with the following business groups to highlight the consultation process:

- Wood Green Forum
- Tottenham Traders
- Muswell Hill Traders
- FSB
- North London Chambers of Commerce
- Turnpike Lane Traders Association

- Senior Council officers also met with the Chair of Haringey Business Alliance on 17 January where the budget consultation was specifically discussed;
- All of the businesses who were contacted as part of the business rate relief change last year were emailed directly asking them to engage in the budget consultation.

Revenue Savings Proposals - Summary

Appendix 9

Ref	Proposal	2018-19 £000's	2019-20 £000's	2020-21 £000's	2021-22 £000's	2022-23 £000's	Total £000's	Current Budget
	P1 - Childrens							
A1.1	**Service Redesign & Workforce**	150	-	-	-	-	**150**	10,601
A1.2	**Early Help & Targeted Response**	100					**100**	12,583
A1.3	**Family Group Conferencing**	100	-	-	-	-	**100**	30
A1.4	**Family Based Placements**	175	-	-	-	-	**175**	12,583
A1.5	**Care Leavers - Semi Independent Living**	75	-	-	-	-	**75**	1,699
A1.6	**Adoption and Special Guardianship Order payments**	148	310	-	-	-	**458**	2,739
A1.7	**New Models of Care**	1,000					**1,000**	pooled budgets
	Total	**1,748**	**310**	**-**	**-**	**-**	**2,058**	
	P2 - Adults							
A2.1	**Fees and charges review**		84		-	-	**84**	n/a
	A Total	**-**	**84**	**-**	**-**	**-**	**84**	
B2.2	**Haringey Learning Disability Partnership**	1,140	1,140	1,430	1,430	1,430	**6,570**	24,588
B2.3	**Mental Health**	390	390	490	490	490	**2,250**	9,352
B2.4	**Physical Support**	860	860	1,070	1,070	1,070	**4,930**	24,320
	B Total	**2,390**	**2,390**	**2,990**	**2,990**	**2,990**	**13,750**	
	Total	**2,390**	**2,474**	**2,990**	**2,990**	**2,990**	**13,834**	
	P3 - Cleaner and Safer							
A3.1	**Charge Green Waste - income generation**	375					**375**	n/a
A3.2	**Charging for Bulky Household Waste**	100					**100**	n/a
A3.3	**Charging for Replacement Wheelie Bins**	50					**50**	n/a
A3.4	**Charging for recycling bins and increasing residual bins for RSLs, Managing Agents, Developers etc...**	50					**50**	n/a
A3.5	**Reduce Outreach/ Education team - Service reduction**	65					**65**	n/a

Revenue Savings Proposals - Summary

Appendix 9

Ref	Proposal	2018-19 £000's	2019-20 £000's	2020-21 £000's	2021-22 £000's	2022-23 £000's	Total £000's	Current Budget
A3.6	**Closure of Park View Road R&R - Service reduction**	115					115	n/a
A3.7	**Rationalisation of Parking Visitor Permits**	225					**225**	n/a
A3.8	**Relocation of Parking/CCTV processes and appeals**	**380**					380	n/a
A3.9	**Move to Online Parking Permit Applications & Visitor Permits**		50				**50**	n/a
A3.10	**Parking New IT Platform**		100				**100**	n/a
A3.11	**Increase in CO2 Parking Permit Charge**	300					**300**	n/a
	Total	**1,660**	**150**	**-**	**-**	**-**	**1,810**	

Revenue Savings Proposals - Summary

Appendix 9

Ref	Proposal	2018-19 £000's	2019-20 £000's	2020-21 £000's	2021-22 £000's	2022-23 £000's	Total £000's	Current Budget
	P4 - Growth & Employment							
B4.1	**Tottenham Regeneration programme**	50					**50**	1,604,228
	B Total	**50**						
	Total	**50**	**-**	**-**	**-**	**-**	**50**	
	P5 - Housing & HRA							
B5.1	**Housing**	50	120				**170**	8,652,300
	Total	**50**	**120**	**-**	**-**	**-**	**170**	
	PX - Enabling							
A6.1	**Legal Services** - Reduction in staffing and other related expenditure		150				**150**	- 535
A6.2	**Audit and Risk Management** - reduction in cost on the external audit contract				20	-	**20**	11
A6.3	**Shared Service Centre** - new delivery model for shared services	250	1,500	1,500			**3,250**	9,02[illegible]
A6.4	**Shared Service Offer for Customer Services**		1,000				**1,000**	6,473
A6.5	**Closure of internal Print Room**	51					**51**	1,364
	Total	**301**	**2,650**	**1,500**	**20**	**-**	**4,471**	
	Council Wide Savings							
A6.7	**Senior Management Savings**						**-**	2,500
A6.8	**Alexandra House - Decant**	250	750				**1,000**	n/a
	Total	**250**	**750**	**-**	**-**	**-**	**1,000**	
A	**Total**	**3,959**	**3,944**	**1,500**	**20**	**-**	**9,423**	
B	**Total**	**2,490**	**2,510**	**2,990**	**2,990**	**2,990**	**13,970**	
	Grand Total	**6,449**	**6,454**	**4,490**	**3,010**	**2,990**	**23,393**	

Children's Services - Service Redesign and Workforce

Annex 1

Appendix 9

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 limpact 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

Proposal:
A number of pieces of work are included within this proposal which together contribute to savings across the workforce. This includes:

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 service management.

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.

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.

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.

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.

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 progessed through A2.1

SUMMARY

	Financial Data		Workforce Data
Base Data	**£000**		
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

B2.2

B2.3

Independent Reviewing Officers
This is a statutory requirement and

Reduction in Agency Spend
Although there have been some

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

Key benefits - financial and non-financial

<u>Contact Service</u>
Financial: £80k
Non-Financial: More flexible pool of

Internal dependencies and external constraints
- Commissioning and

A3.6

A3.7

A3.8

A3.9

A3.10

A3.11

Cost Benefit		**2017-18**	**2018-19**	**2019-20**	**2020-21**	**2021-22**
Benefits Estimated		300	150	0	**0**	0
Reduced benefits due to						
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

Appendix 9

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

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

PROPOSAL

Proposal:

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.

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.

This will include:
- 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.

A2.1

Rationale:

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

Benefits:

Internal

Procurement strategy:

A3.6

A3.7

A3.8

Cost Benefit		2017-18	2018-19	2019-20	2020-21	2021-22
Benefits		62	100			
Reduced benefits due to lead-on						
Additional Cost						
Net Impact		**62**	**100**			
Cumulative Cost/(Saving)		**62**	**162**	**162**	**162**	**162**
Payback Period: Not applicable						

Family Group Conferencing

Appendix 9

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

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.

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.

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

B2.2

Internal

Procurement strategy:

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

Family Based Placements

Appendix 9

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

Proposal:

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.

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.

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.

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.

B2.2

B2.3

Procurement strategy:

A3.6

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

Internal dependencies and external constraints:
This saving is dependent on the availability of appropriate foster carers and Independent Fostering Agency. arrangements

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

Appendix 9

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

Impact on Residents	Outcomes
Reducing dependence; building financial independence; careleavers living as other young people in the community but with support.	Improved independence for care leavers; better tenancy sustainment; higher employment rates for vulnerable young people.

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.

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

B2.4

Benefits:

Internal dependencies and external constraints:
None

Procurement strategy:

A3.6

A3.7

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

Appendix 9

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

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

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.

A2.1

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 bought into line.

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	
	Year 5	0	Year 5	
	Total	608	Total	0

Benefits:

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

Procurement strategy:

A3.5

A3.6

A3.7

A3.8

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					

New Models of Care

Appendix 9

Priority	1
Current Service Area	**Children's Social Care and Health**
Responsbile 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

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

PROPOSAL

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.

These savings have not yet been quantified but we anticipate joint working will add at least £1m by18/19 to the achievement of savings targets for P1.

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.

SUMMARY

		Financial Data		Workforce Data
Base 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

B2.2

Internal dependencies and external constraints:

Procurement strategy:

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					

Savings and Investment Pro-forma

Annex 2

Financial (Savings) information to be presented on incremental basis

Priority	2
Current Service Area	Haringey Learning Disability Partnership
Reference:	Maximising independence for Adults with LD
Council-Wide Saving (Yes/No)	No

Impact on Residents	Outcomes
Preventing, reducing or delaying the need for acute or long-term care	Integration of health and social care services
Maximising independence, choice and control for service users	Better use of resources to meet needs
	Personalised care & support

Over five years, the Haringey Learning Disability Partnership, working jointly with Children's Services and with key partners such as the Clinical Commissioning Group and the London Borough of Islington, will implement a coherent strategy that aims to bring Haringey's demand and spending on adults with learning disabilities in line with our statistical neighbours and limit growth in spending in line with population growth. This strategy will require the following actions, which will realise benefits cumulatively as it is implemented:

Demand management
- Improved Transitions from CYPS to ASC
- Application of indicative needs bandings
- Assistive Technology to reduce the need for live-in or double-handed care
- Strengths-based assessment and support planning, with annual review

Market management
- Expand Supported Living units for adults with learning disabilities
- Deregistration of current residential providers
- Avoid residential and facilitate step-downs from residential where VfM
- Developing the market for Day Opportunities and Personal Assistants
- Specialist brokerage capacity for Learning Disabilities care packages
- Outcomes based commissioning from providers on Positive Behaviour Support
- Joint commissioning of LD services with London Borough of Islington and across the NCL five boroughs

	Financial Data		Workforce Data
Base Data			
Current budget	24,588	**Employees**	n/a

Savings/ Invest	**£000**	**Change in employees**	
2018/19	1,140	2018/19	
2019/20	1,140	2019/20	
2020/21	1,430	2020/21	
2021/22	1,430	2021/22	
2022/23	1,430	2022/23	
Total	6,570	Total	0

Operational management - Workforce development on strengths-based assessment and support planning for workers and brokers - Operational alignment across CCG and Adult Social Care as part of implementing a pooled budget from 2018/19 - Apply 'top up' policy to enable choice of provision while containing cost to the council

Savings and Investment Pro-forma

Financial (Savings) information to be presented on incremental basis

Priority	2
Current Service Area	Mental Health
Reference:	Maximising independence for Adults with MH
Council-Wide Saving (Yes/No)	No

Impact on Residents	Outcomes
Preventing, reducing or delaying the need for acute or long-term care	Integration of health and social care services
Maximising independence, choice and control for service users	Better use of resources to meet needs
	Personalised care & support

Over five years, Adult Social Care will work closely with our delivery partner, Barnet, Enfield & Haringey Mental Health Trust, the Clinical Commissioning Group and our communities to strengthen the prevention and 'enablement' pathways for mental health and to ensure the support we provide minimises the long-run dependency of adults with mental health issues. For those whose needs require a social care intervention, we will develop the market and look at new commissioning arrangements to improve value for money as well as promoting choice and control for the service user. This strategy will require the following actions, which will realise benefits cumulatively as it is implemented:

Demand management

- 'Enablement' pathway, including Primary Care Mental Health Locality Hubs
- Application of indicative needs banding
- Increase take-up of Direct Payments by Mental Health clients
- Strengths-based assessment and support planning, with annual review
- Coordinate response to forensic mental health cases community discharge

Market management

- Expand Supported Living units for adults with mental health needs
- Deregistration of residential mental health providers to become Supported Living
- Avoid residential and facilitate step-downs from residential where VfM
- Specialist brokerage capacity for mental health care packages
- Develop the Clarendon Recovery College provision
- Joint commissioning of Mental Health services across the NCL five boroughs

	Financial Data		Workforce Data
Base Data			
Current budget	9,352	**Employees**	

Savings/ Invest	**£000**	**Change in employees**	
2018/19	390	2018/19	
2019/20	390	2019/20	
2020/21	490	2020/21	
2021/22	490	2021/22	
2022/23	490	2022/23	
Total	2,250	Total	0

Operational management
- Address recruitment & retention challenges for Mental Health social workers
- Workforce development on strengths-based assessment and support planning for workers and brokers
- Operational alignment across BEH Mental Health Trust and Adult Social Care
- Apply 'top up' policy to enable choice of provision while containing cost to the council

Savings and Investment Pro-forma

Financial (Savings) information to be presented on incremental basis

Priority	2
Current Service Area	Physical Support
Reference:	Maximising independence for Adults needing Physical Support
Council-Wide Saving (Yes/No)	No

Impact on Residents	Outcomes
Preventing, reducing or delaying the need for acute or long-term care	Integration of health and social care services
Maximising independence, choice and control for service users	Better use of resources to meet needs
	Personalised care & support

Over the next five years, Adult Social Care, working with the CCG, acute providers and primary care will seek to extend independence, choice and control to those with physical support needs and further strengthen the pathways that prevent, reduce and delay the need for social care. This will offset projected growth, particularly from the 76-85 cohort of older people with physical support needs.

This strategy will require the following actions, which will realise benefits cumulatively as it is implemented:

Demand management
- Use of preventative equipment, adaptations & technology
- Admission avoidance, including falls, working with CCG
- Targeted expansion of reablement, including for cases from community
- Discharge to Assess, Out of Hospital services & intermediate care
- Expand the Assistive Technology offer within reablement & long-term care

Market management
- Develop a more outcomes-focused Homecare offer
- Develop the market for Day Opportunities for older people
- Target intermediate care provision and manage voids
- Expand the provision of ExtraCare supported housing for older people

Operational management
- Continued evaluation and review of BCF-funded services
- Apply 'top up' policy to enable choice of provision while containing cost to the council
- Develop an integrated Occupational Health offer across acute, social and primary care

	Financial Data		Workforce Data
Base Data			
Current budget	24,320	**Employees**	

Savings/ Invest	**£000**	**Change in employees**	
2018/19	860	2018/19	
2019/20	860	2019/20	
2020/21	1,070	2020/21	
2021/22	1,070	2021/22	
2022/23	1,070	2022/23	
Total	4,930	Total	0

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Green Waste Charging

Annex 3

Appendix 9

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

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.

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.

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

B2.2

B2.3

Internal dependencies and external constraints:
Chargeable service will be fully administered by Veolia.
Develop IT booking provision.
Will need to complete a communications plan.

Procurement strategy - N/A

A3.6

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

Appendix 9

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

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.

Rationale:
- 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.

Impact on recycling rate will be low as material will still go to the bulk waste recycle facility at Edmonton.

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

B2.2

Internal dependencies and external constraints
- 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.

Procurement strategy

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

Appendix 9

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

Proposal:
Charging for new and replacement containers to residents for both recycling and residual bins.

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.

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.

The Outreach team would continue to vet requests to encourage recycling and correct use and allocation of containers.

SUMMARY

		Financial Data		Workforce Data
Base Data		£000		
Current budget		N/A	Employees	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

B2.2

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.

Procurement strategy

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...

Appendix 9

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

Proposal:
Extend charging of managing agents/developers for hire/replacement of communal recycling bins and review communal residual bin hire charge

Rationale:
Currently managing agents of blocks of flats are charged £145/year(£2.80/week) for Communal Residual Waste bin hire but Communcal Recycling bins are made availabel 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

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

B2.2

Internal dependencies and external constraints:
Income not guaranteed

Procurement strategy:

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

Reduce Education & Outreach Team

Appendix 9

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

Proposal:
Restructure entire Veolia Communications, Education & Outreach function and reduce Education/Outreach team by 50%.

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.

B2.2

SUMMARY

Base Data	Financial £000	Workforce	
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

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.

Procurement strategy:

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

Appendix 9

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

Proposal:
To close the Park View Road Reuse and Recycling Centre

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.

SUMMARY

	Financial Data		Workforce Data
Base Data	£000		
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

B2.2

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.

Procurement strategy:

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

Rationalisation of Visitors Permits and increase in hourly permit charge.

Appendix 9

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 60and 75 will no longer be entitled to a concession	More journeys undertaken by walking, cycling or public transport

PROPOSAL

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.

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.

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.

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.

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

B2.2

Internal dependencies and external constraints:
Will require IT development and working closely with Customer Services

Procurement strategy:

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					

Relocating Parking/CCTV Back office Processing & Appeals

Appendix 9

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

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.

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.

SUMMARY

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

B2.2

Internal dependencies and external constraints:
- IT systems will have to be developed and aligned between offices.
- Finding suitable accommodation to relocate staff.
- The potential recruitment of new staff.

Procurement strategy

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

Permits CO2 charging regime

Appendix 9

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

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.

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.

It also intended to remove the current incremental increase for additional cars per household as this has proved to be difficult to administrater.

SUMMARY

	Financial Data		Workforce Data
Base Data	**£000**		
Current budget	N/A	**Employees**	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

B2.2

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

Savings and Investment Pro-forma

Annex 4

Financial (Savings) information to be presented on incremental basis

Priority	4
Current Service Area	Regeneration
Reference:	
Council-Wide Saving (Yes/No)	No

Impact on Residents	Outcomes
Delay to progression of some regeneration schemes / projects	Slow the progress of the regeneration programme

Following a detailed review of the overall Tottenham Regeneration programme budget, savings from General Fund (£50k) have been identified from 2018/19 on consultancy spend. These proposed savings followed a detailed review with the budget holders to determine what spend could be delayed or reduced to meet the savings the Council is required to make. The impact of reduced spend on consultants will mean that progression of regeneration schemes or projects may be delayed.

	Financial Data		Workforce Data
Base Data			
Current budget	1,604,228	**Employees**	38
Savings/ Invest	**£000**	**Change in employees**	
2018/19	50	2018/19	0
2019/20		2019/20	
2020/21		2020/21	
2021/22		2021/22	
2022/23		2022/23	
Total	50	Total	0

Savings and Investment Pro-forma

Annex 5

Financial (Savings) information to be presented on incremental basis

Priority	5
Current Service Area	Housing
Reference:	S56300
Council-Wide Saving (Yes/No)	No

Impact on Residents	Outcomes
If a BME service is decommissioned, previous s	More appropriate and effective services c

This is a budget that commissions services so does not fund council employees. The current budget (2017/18) still includes the funding due to be transferred to Adults Services following the implementation of the Housing Related Support Review. The split is as follows:

£4,654k to Adults Services
£3,999k to remain in Housing Related Support

Savings offered:
Reduction in Housing Related Support budget by:
Potential Savings for 2018/19 of approx 50k by bringing monitoring roles back into the HRS team from HfH.

Additional savings of approx 120k in 19/20 by recommissioning community based homelessness prevention work.

	Financial Data		Workforce Data
Base Data			
Current budget	8,652,300	**Employees**	none
Savings/ Invest	**£000**	**Change in employees**	
2018/19	50	2018/19	0
2019/20	120	2019/20	0
2020/21		2020/21	
2021/22		2021/22	
2022/23		2022/23	
Total	170	Total	0

Shared Service Centre

Annex 6

Appendix 9

Priority	X
Current Service Area	Shared Service Centre

Impact on Residents	Outcomes
No impact on residents	N/A

Proposal:

6.3

Current budget	9,025	**Employees**	336
Savings/Invest	**£000**	**Change in employees**	
Total	3,250	Total	0

B2.2

B2.3

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

A3.5	**Procurement strategy** : Procurement Strategy is dependant on the option
A3.6	
A3.7	

FINANCIAL CASE

A3.8

A3.9

A3.10

A3.11

Funding Position	Total (project life)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k estimate	2021-22 £k
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

Alexandra House - Decant

Appendix 9

Priority	X
Current Service Area	All

Impact on Residents	Outcomes
No impact on residents	N/A

Proposal:

6.3

Current budget	N/A	**Employees**	N/A
Savings/Invest	**£000**	**Change in employees**	
Total	1,000	Total	0

B2.2

B2.3

Cost Benefit Analysis (CBA)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k	2021-22 £k
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

COMMERCIAL CASE

A3.5

Procurement strategy (where applicable)
Not applicable

A3.7

FINANCIAL CASE

A3.8

A3.9

A3.10

A3.11

Funding Position	Total (project life)	2017-18 £k	2018-19 £k	2019-20 £k	2020-21 £k estimate	2021-22 £k
Revenue funding from existing budget	**0**					
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. See above	Internal dependencies and external constraints Key dependencies are: renegotiation of rent; WOW programme implementation of new processes and technology (e.g. mobile working).

Closure of internal print room

Priority	X
Current Service Area	Communications

Impact on Residents	Outcomes
No impact on residents	N/A

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.

We will utilise our existing print framework to use suppliers which can continue to deliver a high volume and responsive service.

Base Data **£000**

Savings/Invest	£000	Change in employees	
Year 1		Year 1	
Year 2	51	Year 2	1
Year 3		Year 3	
Year 4		Year 4	
Year 5		Year 5	
Total	51	Total	1

Resources required:
N/A

B2.2

B2.3

B2.4

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Appendix 10

Calculation of the Council Taxbase for 2018-2019

Line	Band	@	A	B	C	D	E	F	G	H	Total
	Actual current properties										
1	Dwellings on database @ 11.01.2018	0	7,999	18,966	33,831	26,274	10,911	5,377	4,638	708	**108,704**
2	Exemptions @ 11.01.18	0	-200	-372	-528	-454	-181	-47	-32	-16	**-1830**
	Disabled Reductions of Band:										
3	Add to Lower Bands	0	1	16	42	114	78	34	27	9	**321**
	Take from Higher Bands	-1	-16	-42	-114	-78	-34	-27	-9	0	**-321**
4											
5	Line 1-2+3-4 = *H*	-1	7,784	18,568	33,231	25,856	10,774	5,337	4,624	701	**106,874**
6	Number in *H* above Entitled to										
	One 25% Discount		-4,397	-9,527	-11,871	-6,490	-2,207	-847	-527	-60	**-35,926**
7	Line 6 x 25%		-1099.25	-2381.75	-2967.75	-1622.50	-551.75	-211.75	-131.75	-15.00	**-8981.50**
8	Number in *H* above Entitled to										
	two 25% (50%) Discount	0	0	-1	-14	-20	-20	-15	-15	-6	**-91**
9	Line 8 X 50%		0.00	-0.50	-7.00	-10.00	-10.00	-7.50	-7.50	-3.00	**-45.50**
10	No in *H* above entitled to										
	10% discount		0	0	0	0	0	0	0	0	**0**
	10% of above		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
11	No in *H* above entitled to										
	0% discount		0	0	0	0	0	0	0	0	**0**
	0% of above		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
	No in *H* above entitled to										
	100% discount (4 weeks or less)		-3	-12	-7	-10	-6	-2	0	0	**-40**
	(assessed based on total aw ard / amount per band)										
12	*Total Discounts = Q*		-1102.25	-2394.25	-2981.75	-1642.50	-567.75	-221.25	-139.25	-18.00	**-9067.00**
13	Line 5+ Line 12	-1.00	6,681.75	16,173.75	30,249.25	24,213.50	10,206.25	5,115.75	4,484.75	683.00	**97,807.00**
	Estimated changes										
14	Properties Awaiting Banding										
16	Line 14		0	0	0	0	0	0	0	0	**0**
17	Properties to be Deleted										
18	Known Errors in Valuation List		0	0	0	0	0	0	0	0	**0**
19	Line 17 + Line 18	0	0	0	0	0	0	0	0	0	**0**
20	Line 16 + Line 19 (J)	0	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
21											
	Empty homes premium		30	42	29	34	12	4	4	4	**159**
	at 50% (E)		15	21	14.5	17	6	2	2	2	**79.5**
22	Debt movement (J)		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
23	Estimated change total	0	15.00	21.00	14.50	17.00	6.00	2.00	2.00	2.00	**79.50**
	CTR Discount										
	Band reduction based on total monetary award	-0.9	-2,360.00	-4,473.00	-5,860.00	-4,239.00	-1,337.00	-373.00	-82.00	-4.00	**-18,728.00**
	Expected in year changes		0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	**0.00**
24	Total CTR Band Equivalent	-0.90	-2,360.00	-4,473.00	-5,860.00	-4,239.00	-1,337.00	-373.00	-82.00	-4.00	**-18,728.00**
	Z total CTR Discount	-0.90	-2,360.00	-4,473.00	-5,860.00	-4,239.00	-1,337.00	-373.00	-82.00	-4.00	**-18,728.00**
25	*H - Q + J - Z*	-1.90	4,336.75	11,721.75	24,403.75	19,991.50	8,875.25	4,744.75	4,404.75	681.00	**79,158.50**
26	*To calculate band equivalents*		0.67	0.78	0.89	1.00	1.22	1.44	1.67	2.00	
27	Band D Equivalent: lines 25 x 26	0	2,891.17	9,116.92	21,692.22	19,991.50	10,847.53	6,853.53	7,341.25	1,362.00	**80,096.11**
28	Band D equivalent for Taxbase calculation										**80,096**
30	**Band D Equivalent for Taxbase Calculation**									***Before allowance for collection rate***	**80,096**
	Band D equivalent for Taxbase calculation after non-collection allowance **(3.75%)** applied										**77,093**

Appendix 11

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 use of flexible capital receipts to deliver ongoing transformative schemes and the savings these schemes will generate are set out in the below table.

	Investment Expenditure (one-off)					Planned Savings (recurrent)			
	2017/18 £'000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000
Transformation Programme (as detailed within Priority Programmes):									
Priority 1	510	-	-	-	-	(4,131)	(4,131)	(4,131)	(4,131)
Priority 2	1,206	-	-	-	-	(7,810)	(7,810)	(7,810)	(7,810)
Priority 1/2 (cross cutting)	228	-	-	-	-	-	-	-	-
Priority 3	123	-	-	-	-	(2,615)	(2,615)	(2,615)	(2,615)
Priority 4	785	-	-	-	-	(828)	(828)	(828)	(828)
Priority 5	100	-	-	-	-	(765)	(765)	(765)	(765)
Priority X (including all Council initiatives)	1,305	-	-	-	-	(2,958)	(2,958)	(2,958)	(2,958)
Restructure costs (savings included in Priority themes)	4,000	4,000	-	-	-	-	-	-	-
Dynamic Purchasing System	132	268	-	-	-	(200)	(400)	(400)	(400)
The FOBO programme will examine front office design and alignment and integration with the back office to improve business processes and deliver efficiencies	-	4,572	2,287	1,529	-	(250)	(2,750)	(4,250)	(4,250)
Future Ways of Working (FWoW) Programme - efficient ways of working through new single state of the art office equipped with modern technology and processes (savings, revenue streams being finalised as part of business case)	-	825	825	2,225	825	tbc	tbc	tbc	tbc
Replacement ERP solution, indicative savings over 10 year business plan period £11.8m	-	2,500	500	-	-	-	-	(500)	(1,000)
Haringey Education Partnership - more efficient and targeted school improvement service at lower cost and within reduced funding	-	875	-	-	-	-	-	-	-
Total	**8,389**	**13,040**	**3,612**	**3,754**	**825**	**(19,557)**	**(22,257)**	**(24,257)**	**(24,757)**

3. 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 will increase by the total investment expenditure amounts in each of the years detailed in the table and so will Capital Financing Requirement as these capital receipts supported schemes within the existing programme will now be financed by prudential borrowing.

   Financing costs as a percentage of the net revenue stream are detailed in the table above. Note that the savings generated from these projects will meet the debt financing costs arising from the additional borrowing. Therefore, there is no impact on Council Tax/Housing Rents as savings will meet the debt financing costs

4. The Prudential Indicators show that this Strategy is affordable and will not impact on the Council's operational and authorised borrowing limits.

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HARINGEY GENERAL FUND BUDGET 2018/19 AND MEDIUM TERM FINANCIAL PLAN 2018/23
Annex 1A

	2017/18 Budget	Movement	2018/19 Budget	Movement	2019/20 Projected	Movement	2020/21 Projected	Movement	2021/22 Projected	Movement	2022/23 Projected
Services	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**	**£'000**
Priority 1	56,273	(1,748)	54,525	(310)	54,215	0	54,215	0	54,215	0	54,215
Priority 2	91,130	680	91,809	10	91,820	65	91,885	189	92,073	319	92,393
Priority 3	29,580	(1,660)	27,920	(150)	27,770	0	27,770	0	27,770	0	27,770
Priority 4	4,766	(50)	4,716	0	4,716	0	4,716	0	4,716	0	4,716
Priority 5	19,883	(50)	19,833	(120)	19,713	0	19,713	(0)	19,713	0	19,713
Priority X	38,507	(226)	38,281	(3,725)	34,556	(1,500)	33,056	(20)	33,036	0	33,036
Non Service Revenue	15,624	(2,598)	13,026	13,459	26,485	2,147	28,632	5,146	33,779	5,558	39,337
Total Budget Requirement	**255,762**	**(5,652)**	**250,110**	**9,164**	**259,274**	**712**	**259,987**	**5,315**	**265,302**	**5,877**	**271,179**
Unidentified Savings	0		0		7,172		7,374		7,878		7,223
Balanced Budget Position	**255,762**		**250,110**		**252,102**		**252,613**		**257,424**		**263,956**
Funding											
New Homes Bonus	5,712	(2,976)	2,736	(36)	2,700	0	2,700	0	2,700	0	2,700
Adult Social Care Grant	1,195	(477)	718	(718)	0	0	0	0	0	0	0
Revenue Support Grant	38,590	(38,590)	0	(8,561)	(8,561)	(1,626)	(10,187)	(1,658)	(11,845)	0	(11,845)
Council Tax	93,773	8,544	102,317	5,236	107,554	2,695	110,249	4,358	114,607	4,532	119,139
Retained Business Rates (100%)	22,084	85,549	107,633	2,810	110,443	2,047	112,490	2,097	114,587	2,000	116,587
Top up Business Rates	54,232	(54,232)	0	0	0	0	0	0	0	0	0
Total Main Funding	**215,586**	**(2,181)**	**213,404**	**(1,269)**	**212,135**	**3,117**	**215,252**	**4,797**	**220,049**	**6,532**	**226,581**
Public Health	20,742	(533)	20,209	(532)	19,677	0	19,678	(0)	19,677	0	19,677
Other core grants	10,653	5,844	16,497	3,793	20,290	(2,607)	17,683	14	17,698	0	17,698
Contribution t/(from)o Reserves and Balances	8,782	(8,782)	0	0	0	0	0	0	0	0	0
TOTAL FUNDING	**255,762**	**(5,652)**	**250,110**	**1,992**	**252,102**	**510**	**252,613**	**4,811**	**257,424**	**6,532**	**263,956**

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Annex 2

	2018/19
Cash Limits by Priority	**£'000**
Priority 1	54,525
Priority 2	91,809
Priority 3	27,920
Priority 4	4,716
Priority 5	19,833
Priority X	38,281
Priority Cash Limit	**237,084**
Council Wide	12,034
Contributions to/(from) Balances	992
Council Cash Limit	**250,110**

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Annex 3a

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. **Capital 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 Reserve**: 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.

xvii. **Budget Resilience Reserve**: this reserve will be used to manage in-year budget risks due to service budget overspends and non delivery/delay of planned savings.

<u>Management and control</u>

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 is maintained at £15m during 2018/19 is appropriate.

1.3. The risks set out in Annex 3c assess a potential financial impact at £21.6m for 2018/19; 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 small margin for error and the CFO is therefore specifically highlighting the need for robust budget management in 2018/19 including the efficient delivery of agreed savings.

1.4. The 2018/19 figure for general balances (£15m) represents 6% of the Council's net budget requirement for 2018/19.

2. Earmarked Reserves

Services Reserve

2.1. It is Council policy that residual 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.

Insurance Reserve

2.2. 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.

PFI Reserve

2.3. 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.

Council Infrastructure Reserve

2.4. 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.

2.5. The infrastructure reserve will remain in place to spread the cost of future infrastructure programmes.

Transformation Reserve

2.6. The Transformation Reserve will be used to fund investment necessary to deliver longer term efficiencies and transformational change.

Financing Reserve

2.7. The financing reserve is a 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 CO_2 emissions and reduce energy costs.

Debt Repayment / Capital Reserve

2.8. 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.

Schools Reserve

2.9. 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.

2.10. 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.

Community Infrastructure and Growth Reserve

2.11. 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.

Urban Renewal Reserve

2.12. 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.

Labour Market Growth and Resilience Reserve

2.13. It is beneficial for the Council to support people into work and this reserve will support activities which achieve that aim.

Collection Fund Equalisation Reserve

2.14. 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.

Public Health Reserve

2.15. 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.

Unspent Grants Reserve

2.16. 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.

HRA reserve

2.17. 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..

2.18. 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.

HRA Major Repairs Reserve

2.19. The balance on this reserve represents the amount unspent of the major repairs allocation (MRA) and will be used for future housing capital spend.

HRA Smoothing Reserve

2.20. 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.

Budget Resilience Reserve

2.21. This reserve will be used to manage in-year budget risks due to service budget overspends and non delivery/delay of planned savings.

3. Overall

3.1. 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.

Projected Reserves Position (At Period 10 - 2017/18)

Description	17/18 Opening Balance	2017/18 Movements		17/18 Projected Yr End Balance
		To reserve	From reserve	
General Fund Reserve	(14,907,049)	(8,950,000)	8,782,000	(15,075,049)
General Fund Reserves	(14,907,049)	(8,950,000)	8,782,000	(15,075,049)
Earmarked Reserves:				
Service Reserves	(8,313,890)	-	1,942,977	(6,370,913)
Unspent Grants Reserve	(3,513,016)	-	523,163	(2,989,853)
Transformation Reserve	(10,339,378)	-	4,593,390	(5,745,988)
Insurance Reserve	(4,861,761)	-	-	(4,861,761)
PFI Lifecycle Reserve	(9,015,905)	-	-	(9,015,905)
IT Infrastructure Reserve	(837,858)	-	-	(837,858)
Accommodation Strategy Reserve	(442,229)	-	-	(442,229)
Financing Reserve	(879,801)	-	-	(879,801)
Debt Repayment Reserve	(5,103,241)	-	94,000	(5,009,241)
Community Infrastructure Reserve	(3,000,000)	-	-	(3,000,000)
Urban Renewal Reserve	(284,038)	-	-	(284,038)
Labour Market Growth Resilience Reserve	(1,578,323)	-	787,900	(790,423)
Risk Reserve	(400,000)	-	-	(400,000)
General Fund Earmarked Reserves	(48,569,439)	-	7,941,430	(40,628,009)
Schools Reserve	(7,876,354)	-	-	(7,876,354)
Schools Reserves	(7,876,354)	-	-	(7,876,354)
Housing Revenue Account Balance	(30,556,699)	(6,339,511)	-	(36,896,210)
Earmarked Reserves:				
Homes for Haringey	(629,362)	-	300,000	(329,362)
Smoothing Reserve	(6,339,511)	-	6,339,511	-
HRA Earmarked Reserves	(6,968,873)	-	6,639,511	(329,362)

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Annex 3c

Adequacy of Reserves - Risk Assessment 2018/19

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.

	Net Budget Exposure	Risk	Residual Impact
	£m	**%**	**£m**
1. Budget Process			
Priority 1 - Children's	55	A High level risk assessment	
Priority 2 - Adults	92	(10%) has been applied to the	
Priority 5 - Temp. Accomm.	11	budget amount potentially at risk	15.7
2. Savings Proposals			
- Delivery Programme	16	High risk (33%) on savings proposals for 2018/19	5.3
3.Corporate Risk Register	5	Low risk (2.5%) assessment on variety of risks within the corporate risk register	0.1
4. Unidentified Risks		Estimated	0.5
Total Risks			**21.6**
Less Budget Resilience Reserve			7.2
Less un-earmarked (General) reserves for the above			15.1
Available after risks			**0.7**

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Annex 4

London Borough of Haringey

Treasury Management Strategy Statement

2018-19 to 2020-21

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 Authority's treasury management strategy for 2018/19 will be the UK's progress in negotiating its exit from the European Union and agreeing future trading arrangements. The domestic economy has remained relatively robust since the surprise outcome of the 2016 referendum, but there are indications that uncertainty over the future is now weighing on growth. Transitional arrangements may prevent a cliff-edge, but will also extend the period of uncertainty for several years. Economic growth is therefore forecast to remain sluggish throughout 2018/19.

2.2 Consumer price inflation reached 3.0% in September 2017 as the post-referendum devaluation of sterling continued to feed through to imports. Unemployment continued to fall and the Bank of England's Monetary Policy Committee judged that the extent of spare capacity in the economy seemed limited and the pace at which the economy can grow without generating inflationary pressure had fallen over recent years. With its inflation-control mandate in mind, the Bank of England's Monetary Policy Committee raised official interest rates to 0.5% in November 2017.

2.3 In contrast, the US economy is performing well and the Federal Reserve is raising interest rates in regular steps to remove some of the emergency monetary stimulus it has provided for the past decade. The European Central Bank is yet to raise rates, but has started to taper its quantitative easing programme, signalling some confidence in the Eurozone economy.

2.4 **Credit outlook:** High profile bank failures in Italy and Portugal have reinforced concerns over the health of the European banking sector. Sluggish economies and fines for pre-crisis behaviour continue to weigh on bank profits, and any future economic slowdown will exacerbate concerns in this regard.

2.5 Bail-in legislation, which is intended to protect taxpayers from failing banks 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. In addition, the largest UK banks will ringfence their retail banking functions into separate legal entities during 2018. There remains some uncertainty over how these changes will impact upon the credit strength of the residual legal entities.

2.6 The credit risk associated with making unsecured bank deposits has therefore increased relative to the risk of other investment options available to the Authority; returns from cash deposits however remain very low.

2.7 **Interest rate forecast:** The Authority's treasury adviser Arlingclose's central case is for UK Bank Rate to remain at 0.50% during 2018/19, following the rise from the historic low of 0.25%. The Monetary Policy Committee re-emphasised that any prospective increases in Bank Rate would be expected to be at a gradual pace and to a limited extent.

2.8 Future expectations for higher short term interest rates are subdued and on-going decisions remain data dependant and negotiations on exiting the EU cast a shadow over monetary policy decisions. The risks to Arlingclose's forecast are broadly balanced on both sides. The Arlingclose central case is for gilt yields to remain broadly stable across the medium term. Upward movement will be limited, although the UK government's seemingly deteriorating fiscal stance is an upside risk.

2.9 A more detailed economic and interest rate forecast provided by Arlingclose is attached at Appendix 3.

3 Local Context

3.1 On 31st March 2017, the Council held £347.0m of borrowing and £18.6m 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

	31/03/2017 Actual £'000	31/03/2018 Original £'000	31/03/2018 Projected £'000	31/03/2019 Estimate £'000	31/03/2020 Estimate £'000	31/03/2021 Estimate £'000
General Fund CFR	305,346	374,671	351,995	413,279	448,411	482,635
Less: Share of existing external debt and other long term liabilities	159,839	125,322	190,254	134,472	129,067	124,316
Internal Borrowing	145,507	100,785	161,741	170,341	170,341	170,341
Cumulative Net Borrowing Requirement	0	148,564	0	108,466	149,003	187,978

Table 1b: Treasury Position – HRA

	31/03/2017 Actual £'000	31/03/2018 Original £'000	31/03/2018 Projected £'000	31/03/2019 Estimate £'000	31/03/2020 Estimate £'000	31/03/2021 Estimate £'000
HRA CFR	271,096	271,096	251,497	275,087	275,087	275,087
Less: Share of Existing External Debt & Other Long Term Liabilities	227,945	199,903	204,203	194,568	187,462	181,842
Internal Borrowing	43,151	71,193	47,294	47,294	47,294	47,294
Cumulative Net Borrowing Requirement	0	0	0	33,225	40,331	45,951

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 2018/19 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 2017/18 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

	31/03/2017 Actual £'000	31/03/2018 Original £'000	31/03/2018 Projected £'000	31/03/2019 Estimate £'000	31/03/2020 Estimate £'000	31/03/2021 Estimate £'000
HRA CFR	271,096	278,721	251,497	275,087	275,087	275,087
HRA Debt cap	327,538	327,538	327,538	327,538	327,538	327,538
Headroom	56,442	48,817	76,041	52,451	52,451	52,451

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

	2016/17 Actual £'000	2017/18 Original £'000	2017/18 Projected £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000
General Fund	55,321	133,941	51,990	143,119	117,888	106,448
HRA	58,210	68,901	47,995	58,850	0	0
Total	113,531	202,842	99,985	201,969	117,888	106,448

3.8 Capital expenditure is expected to be financed or funded as follows.

Table 4: Capital Financing

	2016/17 Actual £'000	2017/18 Original £'000	2017/18 Projected £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000
Capital receipts	2,385	1,045	1,627	7,500	7,500	1,323
Other grants & contributions	12,946	42,869	12,677	57,485	52,963	55,651
Government Grants	8,562	16,097	9,259	9,412	14,825	8,368
Reserves / Revenue contributions	56,768	59,186	42,975	35,953	369	132
Total Financing	80,662	119,197	66,538	110,351	75,657	65,475
Borrowing	32,868	83,645	33,447	91,619	42,230	40,973
Total	113,531	202,842	99,985	201,969	117,888	106,448

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).

Table 5: Incremental Impact of Capital Investment Decisions

	2016/17 Actual	2017/18 Approved	2017/18 Projected	2018/19 Estimate	2019/20 Estimate	2020/21 Estimate
Increase in Band D Council Tax	10.84	13.75	13.65	35.03	22.75	22.70
Increase in Average Weekly Housing Rents	0.09	0.20	0.50	2.16	0.00	0.00

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. The effect of net new borrowing is mitigated by the lower coupon compared with maturing debt. The HRA would derive greater benefit from the repayment of high coupon debt.

Table 6: Ratio of Financing Costs to Net Revenue Stream

	2016/17 Actual %	2017/18 Approved %	2017/18 Projected %	2018/19 Estimate %	2019/20 Estimate %	2020/21 Estimate %
General Fund	1.86	2.18	1.58	2.48	2.76	2.68
HRA	8.50	9.87	9.44	8.73	8.43	7.85

4. Borrowing Strategy

4.1. The Council currently holds £307.4m of long term loans, an increase of £36.7m on the previous year, as part of its strategy for funding previous years' capital programmes. The Council may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing.

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 2018/19 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 2018/19, 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, and the London CIV)
- 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 (up to one year in length) to cover cash flow shortages. The Council has previously raised the majority of its long-term borrowing from the PWLB but it continuously investigates 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 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. £100m of these LOBOS have options during 2018/19, and although the Council understands that lenders are very 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.

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 2018/19

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 been up to £50m. It is anticipated that net balances will be similar next year. 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 2018/19, 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 has previously occurred 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. However, the Bank Rate rose in November 2017 to 0.50%, so this situation may be less likely to occur in 2018/19.

Strategy

5.4. The majority of the Council's surplus cash is currently invested in short-term unsecured bank deposits and money market funds. These investments are exposed to bank bail in risk. Investment is also done with the Debt Management Office (HM Treasury), these investments are not exposed to 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 2018/19, counterparty investment limits have been maintained at 2017/18 levels – counterparty limits for individual banks has been set at £5m and exposure to each individual 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

5.6. 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.

5.7. 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”.

5.8. 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

5.9. 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.

5.10. 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 Finance 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

5.11. 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.

5.12. 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.

5.13. 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

5.14. 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.

5.15. 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

5.16. The Council has determined that revenue reserves available to cover investment losses are forecast to be £18m on 31st March 2018. 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

	2018/19	2019/20	2020/21
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

	2016/176 Actual £'000	2017/18 Approved £'000	2017/18 Projected £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000
Borrowing	347,046	481,523	348,959	618,366	653,498	687,723
Other Long-term Liabilities	45,498	54,540	45,498	43,261	38,137	33,466
Total	392,544	536,063	394,457	661,627	691,635	721,189

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.

Table11: Operational Boundary

	2016/176 Actual £'000	2017/18 Approved £'000	2017/18 Projected £'000	2018/19 Estimate £'000	2019/20 Estimate £'000	2020/21 Estimate £'000
Borrowing	347,046	431,523	348,959	568,366	603,498	637,723
Other Long-term Liabilities	45,498	49,582	45,498	39,934	35,203	30,892
Total	392,544	481,105	394,457	608,300	638,702	668,614

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

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-18	31-Mar-18
	%	%	%	LOBO adjusted %
under 12 months	0%	60%	17%	45%
12 months & within 24 months	0%	40%	3%	10%
24 months & within 5 years	0%	40%	6%	6%
5 years & within 10 years	0%	40%	5%	5%
10 years & within 20 years	0%	40%	5%	5%
20 years & within 30 years	0%	40%	15%	13%
30 years & within 40 years	0%	50%	26%	14%
40 years & within 50 years	0%	50%	24%	3%
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 Council 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

	2018/19	2019/20	2020/21
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 took 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 are 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.

<u>Policy on Use of Financial Derivatives</u>

9.2. The Council has previously made use of financial derivatives embedded into loans to reduce costs e.g. LOBO loans. The Council will <u>not</u> 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.

<u>Policy on Apportioning Interest to the HRA</u>

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.

<u>Investment Training</u>

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.

<u>Investment Advisers</u>

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.

<u>Investment of Money Borrowed in Advance of Need</u>

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 2018/19 will not exceed the authorised borrowing limit. 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 2018/19 is £30k, based on an average investment portfolio of £15m at an interest rate of 0.20%. The budget for debt interest paid in 2018/19 is £16.1m, based on an average debt portfolio of £350m (including short term debt) at an average interest rate of 4.6%. 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 long term debt will decline in 2018/19 from 4.70% to 4.51% with interest costs falling by approximately £1.0m. New long term debt has been raised in 2017/18 at an average cost of 2.61%.

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, 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 Finance Officer, 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

Appendix 1

Details of Treasury Position

A: General Fund Pool

	31-Mar-18 Projected £'000	31-Mar-19 Estimate £'000	31-Mar-20 Estimate £'000	31-Mar-21 Estimate £'000
Existing External Borrowing commitments:				
PWLB	60,897	58,913	57,450	56,293
Market loans	92,281	42,281	42,281	42,281
Total External Borrowing	153,178	101,194	99,731	98,574
Long Term Liabilities	37,076	33,278	29,336	25,743
Total Gross External Debt	190,254	134,472	129,067	124,317
CFR	351,995	413,279	448,411	482,635
Internal Borrowing	161,741	170,341	170,341	170,341
Cumulative Borrowing requirement	0	108,466	149,003	187,978

B: HRA Pool

	31-Mar-18 Projected £'000	31-Mar-19 Estimate £'000	31-Mar-20 Estimate £'000	31-Mar-21 Estimate £'000
Existing External Borrowing commitments:				
PWLB	121,484	111,849	104,743	99,122
Market loans	82,719	82,719	82,719	82,719
Total External Borrowing	204,203	194,568	187,462	181,841
CFR	251,497	275,087	275,087	275,087
Internal Borrowing	47,294	47,294	47,294	47,294
Cumulative Borrowing requirement	0	33,225	40,331	45,951

C: Security Measure

		2018/19	2019/20	2020/21
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+

Appendix 2

Summary of Prudential Indicators

No.	Prudential Indicator	2018/19	2019/20	2020/21
CAPITAL INDICATORS				
1	Capital Expenditure	£'000	£'000	£'000
	General Fund	143,119	117,888	106,448
	HRA	58,850	0	0
	TOTAL	201,969	117,888	106,448

No.	Prudential Indicator	2018/19	2019/20	2020/21
2	Ratio of financing costs to net revenue stream	%	%	%
	General Fund	2.48	2.76	2.68
	HRA	8.73	8.43	7.85

No.	Prudential Indicator	2018/19	2019/20	2020/21
3	Capital Financing Requirement	£'000	£'000	£'000
	General Fund	413,279	448,411	482,635
	HRA	275,087	275,087	275,087
	TOTAL	688,366	723,498	757,723

No.	Prudential Indicator	2018/19	2019/20	2020/21
4	Incremental impact of capital investment decisions	£	£	£
	Band D Council Tax	35.03	22.75	22.70
	Weekly Housing rents	2.16	0.00	0.00

No.	Prudential Indicator	2018/19	2019/20	2020/21
TREASURY MANAGEMENT LIMITS				
5	Borrowing Limits	£'000	£'000	£'000
	Authorised Limit	661,627	691,635	721,189
	Operational Boundary	608,300	638,702	668,614

No.	Prudential Indicator	2018/19	2019/20	2020/21
6	HRA Debt Cap	£'000	£'000	£'000
	Headroom	52,451	52,451	52,451

No.	Prudential Indicator	2018/19	2019/20	2020/21
7	Upper Limit - Fixed Rate Exposure	100%	100%	100%
	Upper Limit - Variable Rate Exposure	60%	60%	60%

No.	Prudential Indicator	2018/19		2019/20		2020/21	
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	2018/19	2019/20	2020/21
9	Sums invested for more than 364 days	£10m	£10m	£10m

No.	Prudential Indicator	2018/19	2019/20	2020/21
10	Adoption of CIPFA Treasury Management Code of Practice	✓	✓	✓

Arlingclose Economic & Interest Rate Forecast November 2017

Underlying assumptions:

- In a 7-2 vote, the MPC increased Bank Rate in line with market expectations to 0.5%. Dovish accompanying rhetoric prompted investors to lower the expected future path for interest rates. The minutes re-emphasised that any prospective increases in Bank Rate would be expected to be at a gradual pace and to a limited extent.
- Further potential movement in Bank Rate is reliant on economic data and the likely outcome of the EU negotiations. Policymakers have downwardly assessed the supply capacity of the UK economy, suggesting inflationary growth is more likely. However, the MPC will be wary of raising rates much further amid low business and household confidence.
- The UK economy faces a challenging outlook as the minority government continues to negotiate the country's exit from the European Union. While recent economic data has improved, it has done so from a low base: UK Q3 2017 GDP growth was 0.4%, after a 0.3% expansion in Q2.
- Household consumption growth, the driver of recent UK GDP growth, has softened following a contraction in real wages, despite both saving rates and consumer credit volumes indicating that some households continue to spend in the absence of wage growth. Policymakers have expressed concern about the continued expansion of consumer credit; any action taken will further dampen household spending.
- Some data has held up better than expected, with unemployment continuing to decline and house prices remaining relatively resilient. However, both of these factors can also be seen in a negative light, displaying the structural lack of investment in the UK economy post financial crisis. Weaker long term growth may prompt deterioration in the UK’s fiscal position.
- The depreciation in sterling may assist the economy to rebalance away from spending. Export volumes will increase, helped by a stronger Eurozone economic expansion.
- Near-term global growth prospects have continued to improve and broaden, and expectations of inflation are subdued. Central banks are moving to reduce the level of monetary stimulus.
- Geo-political risks remains elevated and helps to anchor safe-haven flows into the UK government bond (gilt) market.

Forecast:

- The MPC has increased Bank Rate, largely to meet expectations they themselves created. Future expectations for higher short term interest rates are subdued. On-going decisions remain data dependant and negotiations on exiting the EU cast a shadow over monetary policy decisions.
- Our central case for Bank Rate is 0.5% over the medium term. The risks to the forecast are broadly balanced on both sides.
- The Arlingclose central case is for gilt yields to remain broadly stable across the medium term. Upward movement will be limited, although the UK government’s seemingly deteriorating fiscal stance is an upside risk.

	Dec-17	Mar-18	Jun-18	Sep-18	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Average
Official Bank Rate														
Upside risk	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.44
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	0.00	0.00	0.00	0.00	0.00	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.15
3-month LIBID rate														
Upside risk	0.30	0.30	0.30	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.60	0.53
Arlingclose Central Case	0.25	0.25	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.29
Downside risk	-0.10	-0.10	-0.15	-0.10	-0.10	-0.20	-0.20	-0.20	-0.20	-0.20	-0.20	-0.20	-0.20	-0.17
1-yr LIBID rate														
Upside risk	0.15	0.15	0.20	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.65	0.65	0.32
Arlingclose Central Case	0.50	0.50	0.50	0.50	0.60	0.70	0.70	0.70	0.70	0.70	0.70	0.60	0.60	0.62
Downside risk	-0.15	-0.20	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.30	-0.10	-0.10	-0.25
5-yr gilt yield														
Upside risk	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55
Arlingclose Central Case	0.55	0.55	0.60	0.60	0.60	0.65	0.70	0.75	0.80	0.85	0.90	0.95	0.95	0.73
Downside risk	-0.20	-0.20	-0.25	-0.25	-0.25	-0.35	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.40	-0.33
10-yr gilt yield														
Upside risk	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55
Arlingclose Central Case	1.05	1.02	1.05	1.05	1.05	1.10	1.15	1.20	1.25	1.30	1.35	1.40	1.40	1.18
Downside risk	-0.20	-0.35	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.25	-0.15	-0.15	-0.24
20-yr gilt yield														
Upside risk	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.70	0.70	0.57
Arlingclose Central Case	1.60	1.60	1.60	1.60	1.60	1.65	1.70	1.75	1.80	1.85	1.90	1.95	1.95	1.73
Downside risk	-0.30	-0.30	-0.35	-0.35	-0.35	-0.35	-0.35	-0.35	-0.35	-0.35	-0.35	-0.35	-0.35	-0.34
50-yr gilt yield														
Upside risk	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.55	0.85	0.85	0.60
Arlingclose Central Case	1.50	1.50	1.50	1.50	1.50	1.55	1.60	1.65	1.70	1.75	1.80	1.85	1.85	1.63
Downside risk	-0.30	-0.30	-0.35	-0.35	-0.35	-0.35	-0.35	-0.35	-0.35	-0.35	-0.35	-0.50	-0.50	-0.37

Counterparty Policy for in house treasury activities

The investment instruments identified for use in 2018/19 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 2018/19 will be to partially 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. Ten countries have AAA ratings from all three rating agencies – Australia, Canada, Denmark, Germany, Luxembourg, 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 will remain 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 £10m	364 days 24 months	Specified non-specified
Supra-national Banks & European Agency	AA-	£10m £5m	364 days 24 months	specified non-specified
Covered Bonds issued by UK Banks	Bond AA+ / counterparty A- Bond AA+ / Counterparty BBB+ Bond AA+ / counterparty A-	£5m per bond, £20m aggregate £5m per bond, £10m aggregate £5m per bond, £10m aggregate	364 days 364 days 24 months	Specified Non-specified non-Specified
UK Local Council Deposits	n/a	£15m per counterparty £5m per counterparty	364 days 24 months	specified non-specified
UK & AAA country Banks - term deposits, CDs and call accounts	AA- AA- A-	£10m per bank or banking group £5m per bank or banking group £5m per bank or banking group	364 days 24 months 364 days	specified non-specified non-specified
Constant Net Asset Value Money Market Funds (MMFs), UK / Ireland / Luxembourg domiciled Variable NAV Enhanced Cash Funds, UK/Ireland/Luxembourg domiciled	AAA AAA	£10m per MMF. Aggregate £50m. £5m per ECF. Group limit £15m	daily liquidity Minimum Weekly Redemption	specified 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.

Appendix 5

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 added as a counterparty when compared with last year's list, there are now nine banks. The number of supranational banks has remained at eight. These banks raise funds via CDs. 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 which is AA+ rated.

All overseas banks are rated AA- or better by the 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	6 months
	United Kingdom	LLOYDS BANK PLC	6 months
	United Kingdom	BARCLAYS BANK PLC	100 days
	United Kingdom	COVENTRY BUILDING SOCIETY	6 months
	United Kingdom	HSBC BANK PLC	6 months
	United Kingdom	NATIONWIDE BUILDING SOCIETY	6 months
	United Kingdom	ABBEY NATIONAL TREASURY SERV	6 months
	United Kingdom	SANTANDER UK PLC	6 months
	United Kingdom	STANDARD CHARTERED BANK	100 days
UK: Other Institutions			
	United Kingdom	DEBT MANAGEMENT OFFICE	50 years
	United Kingdom	LCR FINANCE PLC	15 years
	United Kingdom	NETWORK RAIL INFRASTRUCTURE	15 years
	United Kingdom	WELLCOME TRUST FINANCE PLC	20 years
Non-UK Banks - Term Deposits, Call Accounts and CDs			
	Australia	NEW SOUTH WALES TREASURY	25 years
	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
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

Annex 5

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 19th January 2018 the Chief Financial Officer, after consultation with the Cabinet Member for Finance and Health, calculated the Council Tax Base 2018/19 for the whole Council area as **77,093**.

2. The Council Tax Requirement for the Council's own purposes for 2018/19 is calculated as **£98,800,076.01.**

3. That the following amounts be calculated for the year 2018/19 in accordance with Sections 31 to 36 of the Act:

   a) **£971,224,070.00**

      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) **£872,423,993.99**

      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) **£98,880,076.01**

      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) **£1,281.57**

      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 2018/19 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
£	£	£	£	£	£	£	£
854.38	996.78	1,139.18	1,281.57	1,566.37	1,851.16	2,135.96	2,563.15

GREATER LONDON AUTHORITY

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
196.15	228.85	261.54	294.23	359.61	425.00	490.38	588.46

AGGREGATE OF COUNCIL TAX REQUIREMENTS

A	B	C	D	E	F	G	H
£	£	£	£	£	£	£	£
1,050.53	1,225.63	1,400.72	1,575.80	1,925.98	2,276.16	2,626.34	3,151.61

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 2018/19 as set out in The Referendums Relating to Council Tax Increases (Principles) (England) Report 2018/19, it is determined that the Council's relevant basic amount of Council Tax for the year is not excessive.

Annex 6

THE HARINGEY BUSINESS ALLIANCE

Business and Community Partners Working Together to Build a Better Haringey

“2018 – 2019 HARINGEY COUNCIL BUDGET PROPOSALS”

…………………………………………………………………………………………………..

THE HBA RESPONSE

……………………………………………………………………………………………………

INDEX

- The HBA Vision and the HBA Approach
- FORWARD from your HBA Officers
- BUDGET PROPOSALS
  – some observations
- HBA’s 4 Point Plan
- THE WAY AHEAD – TOGETHER!

The HBA Vision:

***to make Haringey an even better place in which to work and live ……
and how your business community can join collectively with Haringey councillors and staff to expand and grow for the benefit of all***

The HBA Approach:

to foster a business-friendly environment for the greater good of all Haringey residents, traders, employees, investors, entrepreneurs, innovators, customers, council staff, public sector workers, shoppers and visitors

FORWARD from your HBA officers

The Haringey Business Alliance fully recognises the enormous challenges facing our elected councillors in the current administration and the new council that will follow from the forthcoming local elections.

Despite many gloomy forecasts for the economic future of boroughs such as ours the HBA is fiercely optimistic about Haringey. We believe our incoming council leadership should face the forthcoming short term fiscal period with bold and imaginative measures. The HBA urges you to replace the mantra of austerity, cuts and service reductions with a wholly new set of inclusive policies for the Haringey business sector as well as all our social partners.

The core of your business rates income derives from the hundreds of small and medium businesses who collectively employ the significant majority of our borough's private sector workers. It is these businesses that are the beating heart of our designated town centre high streets in Tottenham, Tottenham Hale, Wood Green, Turnpike Lane, Bruce Grove, Highgate, Stroud Green, Muswell Hill, Crouch End, Green Lanes and the numerous subsets off the key high street hubs. These employers and their active network of local high street Traders Groups combined three years ago to form the HBA. The HBA is their collective voice to represent our hopes and aspirations for the borough's short, medium and long term economic viability.

The majority of Haringey's local businesses are owned by residents living in our borough. We pay our council taxes as well as our business rates. We are long term investors in Haringey. Many of us are deeply rooted in our numerous religious and ethnic communities with school and family connections stretching back through generations. We employ, train and develop workers who live locally. We create inward investment. We adapt quickly to the rapidly changing patterns of trade. We utilise fast moving technologies to survive and compete. Some businesses fall by the wayside, which is natural in a highly competitive market, but most of us survive and do our best to expand. It is in all our interests for the Haringey business sector to be supported and encouraged by the council.

Your local business leaders are the ones that pump significant donations into our school festivals, our vast array of local charities and our mosques and churches. These are the local community activists that, from their business background liaise with the borough's resident's associations, school and college heads, religious leaders, council employees, police, health and community workers and others. They are joined in the HBA by the national chain stores, banks and large retail outlets to form a powerful and cohesive unit with which to engage our council leaders.

So, are we satisfied with the progress made by the HBA in our role as the trade union for Haringey's business sector? In a word, no. It has taken us over 15 years to build our numerous and still expanding local town centre Traders Groups, but we are not confident the council fully appreciates the vast wealth of knowledge we have accumulated and that we wish to share with the policy makers for a better Haringey. We are concerned that decisions are often taken by the council which are detrimental to the economic viability of our high streets and damaging to our goal of growing the borough's business rates income for the general good of our whole community.

Is it easy to improve the relationship between the council and the HBA for the better? In a word, yes. The HBA is unique in its mass based representative structure amongst all London boroughs. It serves as a model for others to copy. Your business sector leaders wish to work together with council policy makers and officers in a new and concerted team effort. We seek your commitment to joint initiatives promoting investment, jobs, apprenticeships and training. In this way we can grow income generation for the council finances through an expanding business sector in which we take advantage of the many positive advantages of living and working in our wonderful Haringey.

There are numerous examples of how the business sector can help Haringey to grow. Our local building companies want to work towards making our borough the home of world class sustainable building by working with residents and promoting gender equality, diversity and inclusiveness. Our SMEs and larger businesses have developed strategies to support and encourage BAME communities, so we need to ensure such best practice policies are promoted amongst the smaller businesses who do not have their own in-house human resource skills. There are so many ways in which a new partnership can benefit our borough, and now is the right time to make progress, together.

As Haringey councillors and members of the borough's Senior Leadership Team you have had to make cuts in services and staffing. Most businesses in our borough had already made similar and even greater proportional cuts since the beginning of the recession. Sadly, some of the businesses long established in Haringey have been forced out of existence. Others are surviving but only just. Despite such economic pressures we have developed vibrant retail, commercial, trading, manufacturing and service sectors offering a vast range of goods and services to Haringey residents and visitors as well as the immediate local, regional, national and even international markets.

Most notably we have successful local employers who have thrived, invested and employed yet more staff. In doing so they have shown initiative, grit and resilience of which we should all be proud – but the HBA is convinced that by forging a genuine cooperative working relationship between the council and the business community we can achieve a great deal more for the benefit of all our borough's workforce and residents.

We are pleased to submit a four-point plan as the basis for detailed discussions as to how to make the most of the vast pool of business experience we want to place at Haringey's disposal for the benefit of our borough's economic growth.

HBA PANEL MEMBERS:
Chair: Roger Ward (Muswell Hill Traders Group)
Vice Chair: Christine Patterson (Wood Green Business Forum)
Vice Chair: Rob Tao (Haringey Green Lanes Traders Association)
Vice Chair: Sol Ali (Turnpike Lane Business Forum)
Vice Chair: Lewis Freeman (Crouch End Traders Group)

BUDGET PROPOSALS: SOME OBSERVATIONS

COUNCIL TAX FREEZE?

Whilst we appreciate a 2% increase in council tax may “only” raise £2million it should be remembered that this will increase over the life of the incoming council through the impact of compound growth. It may be wise to reconsider that proposal.

ADULT SOCIAL CARE

Without being privy to the detailed costings of this vital service to our community it would seem prudent for our council to press ahead with the precept as proposed.

£15M CENTRAL (ADMINISTRATIVE) BUDGET CUTS

The package set out in the consultation paper is difficult to comment upon without access to the detailed costings. However, it does seem to the HBA that progress on sharing services with other councils has been rather slow to implement. We look forward to further advances in this area of service delivery improvement at reduced overhead costs.

INWARD INVESTMENT

Obviously, this is the one topic with which the business sector feels most able to assist the incoming council leaders. We are eager to work in partnership to forge a practical joint approach to raise investment in businesses be they small, medium or large. It is possible that such an initiative may require some challenges to entrenched perceptions on all sides. Genuine dialogue should solve that matter if it is indeed an actual reality. The HBA feel this is now the time and opportune moment in the life of our borough to take advantage of creative thinking for the benefit of all the social partners in Haringey.

4 POINT ACTION PLAN

The HBA proposes
the appointment of a Business Czar to work with the Council Leader, the appropriate elected Cabinet Members and senior officers to lead new initiatives aimed at expanding the business sector in Haringey for the benefit of all.

The HBA proposes
that the implementation of existing council policies and the adoption of all new policies by the council's officers and elected members be subject to a simple test, publicly identified, as to how that policy will impact either positively, neutrally or negatively on the business sector in terms of investment growth and employment.

The HBA proposes
that council officers with significant responsibility for borough businesses be coordinated to avoid duplication of effort and ensure a multi-disciplinary approach in liaison with the borough's business sector.

The HBA proposes
the council should commit to strengthening the current network of Town Centre Traders Groups with a view to providing administrative and logistical support in their promotion of the business sector thereby increasing the borough's business rates income.

THE WAY AHEAD: TOGETHER! BUSINESS IN PARTNERSHIP WITH HARINGEY COUNCIL

The future of Haringey's income stream increasingly depends on your need to nurture a thriving local business sector. If we cannot work together to support and develop the latent talent within the borough's business community, it will inevitably harm our council coffers. By 2020 nearly 50% of your non-hypothecated income will derive from our borough's business sector of which small and medium companies are the dominant private sector employers.

Let us be optimistic regarding the provision of vital services to our community. The 2018 – 2019 budget should take a positive approach towards growth and investment. This is a perfect opportunity to reappraise the traditional approach to handling central government budget cuts. If the council listens to the concerns, hopes and aspirations of its local businesses, as well as its residents, we are convinced we shall boost its income by growing the number of businesses in Haringey and thus increasing its Business Rates monthly income whilst reducing the borough's unemployment levels. What's not to like about that?

In simple terms your borough's business community stands for growth leading to prosperity and a better Haringey for all. The HBA seeks the creation of a business-friendly environment to encourage investment to earn income to pay suppliers, to pay rent, to pay wages, to increase staff numbers and of course to pay Business Rates as our contribution towards your expenditure on crucial service delivery objectives to our public.

To help in achieving this objective requires a positive working relationship between the council's elected representatives, its staff and the borough's business people based on mutual trust and understanding.

If ever there was a moment for us all to come together in the development of the borough of Haringey, this is it. It is our mutual opportunity to jointly work towards the creation of a socially progressive and dynamic local economy in which the business sector is actively engaged in the preparation and implementation of all those crucial policies with a direct impact upon economic growth.

We thank you for taking time to study our submission. We wish you well in the process of finalising the budget for 2018 – 2019 confident that the council's current and future leadership fully appreciates the business sector's concerns, and hopes, for a brighter future for all.

The HBA PANEL

NOTE: Whilst we are confident the views expressed in this document are a fair and honest reflection of the HBA membership the authors accepts sole responsibility for its contents. Jan 2018.

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Annex 7

Update on Equality Impact Consideration on Budget Proposals

Priority	Item	Saving type	Next steps	Equality considerations/EqIA	Expected at Cabinet	Update on implementation
1.1	**Adoption and special guardianship order payments**	Implemented in 2017/18.	Implemented.	Equality considerations embedded in implementation.	Cabinet Member signing in October 2017.	Implemented. The service actively monitors the impact of the policy.
1.2	**External commissioning of Independent Reviewing Officers**	Carried over to 2018/19.	Proposal under review.	Proposal under review.	Proposal under review.	Proposal under review.
1.3	**Care leavers: semi independent living cohort review**	Carried over to 2018/19.	Proposal under review.	Proposal under review.	Proposal under review.	Proposal under review.
1.4	**Reviewing family based placements**	Implemented in 2017/18.	Implemented.	Equality considerations embedded in implementation.	Officer-determined as part of Business As Usual.	Officer-determined as part of Business As Usual.
1.5	**Targeted response and early help interventions**	Carried over to 2018/19.	Part of wider Early Help offer decided in March 2015.	Equality considerations embedded in original offer in March 2015.	Officer-determined as part of Business As Usual.	Officer-determined as part of Business As Usual.

Priorit y	Item	Saving type	Next steps	Equality considerations/EqIA	Expected at Cabinet	Update on implementation
1.6	**Increasing use of family group conferences**	Implemented in 2017/18.	Implemented.	Equality considerations are actively embedded in implementation.	Officer-determined as part of Business As Usual.	Proposal implemented and being embedded.
1.7	**Schools and learning: managing the loss of Education Support Grant and changes to DSG**	Carried over to 2018/19.	Review service	EqIA on Early Years Funding decision can be found here.	Early Years funding decision came to February 2017 Cabinet. November 2017 Cabinet authorised set up of the Haringey Education Partnership. Other decisions on Education, Welfare and Schools & Learning will go to subsequent Cabinet meetings.	The loss of a grant will be covered in 2017/18. The Haringey Education Partnership model will mitigate future impacts. Equality considerations will be embedded in any future proposals.
1.8 + 2	**Housing Support Transformation Framework**	Implemented in 2017/18.	Implemented.	Final EqIA found here.	Agreed at March 2017 Cabinet.	Equality considerations have

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Priority	Item	Saving type	Next steps	Equality considerations/EqIA	Expected at Cabinet	Update on implementation
						been embedded in implementation.
2.1	**Osborne Grove – Prevention services Residential home**	Carried over to 2018/19.	Closure decision in December 2017; Options appraisal in mid-2018	EqIA on the closure decision can be found here.	Agreed at December 2017 Cabinet.	Options appraisal will be conducted at a subsequent Cabinet meeting. Equality considerations will be embedded in the development of the proposals.
2.2	**Fees and Charges – DRE, transport for day opportunities and self funders administration fees**	Implemented in 2017/18.	Implemented.	Final EqIA can be found here.	Agreed at November 2017 Cabinet.	Implemented. The service continues to monitor impact on service users as part of the implementation.
2.3	**Technology Improvement**	Re-profiled in new savings proposals.	Re-profiled in new savings proposals.	Re-profiled in new savings proposals.	Re-profiled in new savings proposals.	Re-profiled in new savings proposals.
2.4	**Market efficiencies**	Re-profiled in new savings proposals.	Re-profiled in new savings proposals.	Re-profiled in new savings proposals.	Re-profiled in new savings proposals.	Re-profiled in new savings proposals.
2.5	**New Models of Care**	Carried over to 2018/19.	Proposal under review.	Proposal under review.	Proposal under review.	Proposal under review.

Priority	Item	Saving type	Next steps	Equality considerations/EqIA	Expected at Cabinet	Update on implementation
2.6	**Learning Disabilities**	New saving proposal.	Scoping a new model and menu of Assistive Technology. Development of a strategy to identify opportunities for better value from providers.	Equality considerations to be embedded in scoping exercise and detailed proposals. This is ongoing and will focus on barriers to accessing services and any potential worsening of inequalities.	TBD.	Equality considerations will be embedded in implementation.
2.7	**Mental Health**	New saving proposal.	Scoping a new model and menu of Assistive Technology. Development of a strategy to identify opportunities for better value from providers.	Equality considerations to be embedded in scoping exercise and detailed proposals. This is ongoing and will focus on barriers to accessing services and any potential worsening of inequalities.	TBD.	Equality considerations will be embedded in implementation.
2.8	**Physical Disabilities**	New saving proposal.	Scoping a new model and menu of Assistive Technology. Development of a strategy to identify opportunities for better value from providers.	Equality considerations to be embedded in scoping exercise and detailed proposals. This is ongoing and will focus on barriers to accessing services and any potential worsening of inequalities.	TBD.	Equality considerations will be embedded in implementation.

Priority	Item	Saving type	Next steps	Equality considerations/EqIA	Expected at Cabinet	Update on implementation
3.1	**Charging for green waste collections**	Implemented in 2017/18.	Implemented.	EqIA can be found here.	Agreed at February 2017 Cabinet.	Implemented. The service continues to monitor impact on service users as part of the implementation.
3.2	**Charging for bulky waste collections**	Implemented in 2017/18.	Implemented.	EqIA can be found here.	Agreed at February 2017 Cabinet.	Implemented. The service continues to monitor impact on service users as part of the implementation.
3.3	**Charges for replacement wheeled bins**	Implemented in 2017/18.	Implemented.	EqIA can be found here.	Agreed at February 2017 Cabinet.	Implemented. The service continues to monitor impact on service users as part of the implementation.
3.4	**Charges for RSL recycling bins**	Implemented in 2017/18.	Implemented.	EqIA screening tool can be found here.	Agreed at February 2017 Cabinet.	Implemented. The service continues to monitor impact on service users as part of the implementation.
3.5	**Charges for residual waste collection for flats above shops**	Implemented in 2017/18.	Implemented.	EqIA can be found here.	Agreed at February 2017 Cabinet.	Implemented. The service continues to monitor impact on service users as part of the implementation.

Priorit y	Item	Saving type	Next steps	Equality considerations/EqIA	Expected at Cabinet	Update on implementation
3.6	**Reduce Veolia's Education & Outreach team**	Implemented in 2017/18.	Implemented.	Equality considerations are embedded as part of Veolia's restructure process. No EqIA will be published.	Non-executive function.	This is an internal change in the size/structure of Veolia's Education and Outreach team. The change is not believed to have had any disproportionate impact on groups with protected characteristics.
3.7	**Close Park View Road R&R**	Implemented in 2017/18.	Implemented.	Equality considerations made in original decision.	Officer-determined as part of Business As Usual.	Implemented. Alternative services are available, including alternative reuse and recycling centres in Haringey and the wider north London area. The change is not believed to have had any disproportionate impact on groups with protected characteristics. We have provided details of alternative sites on our website here.

Priority	Item	Saving type	Next steps	Equality considerations/EqIA	Expected at Cabinet	Update on implementation
3.8	**Veolia Operations Efficiencies**	Carried over to 2018/19.	Review service	Equality considerations will be made in any efficiency savings.	To be determined.	Changes to universal services implemented to date, including to the leaf fall collection and weed spraying services, have had no disproportionate impact on groups with protected characteristics. Equality considerations will be embedded in any detailed proposals.
3.9	**Parking charges and permits:** **-new parking charges for diesel cars** **-move application for parking permits online** **-increase cost of visitor permits** **-cashless parking**	Carried over to 2018/19.	Consultation	To be developed in line with final decision.	Decisions on remaining proposals will go to subsequent Cabinet meetings.	Online applications for permits and visitor vouchers have been implemented. Online permits will be delivered with the new IT platform. The Service communicated the change and continues to monitor impact on service users.

Priorit y	Item	Saving type	Next steps	Equality considerations/EqIA	Expected at Cabinet	Update on implementation
						Proposals to introduce new parking charges for diesel cars and to increase the cost of visitor permits are currently subject to statutory consultation. Increases in hourly permit charges are expected to be implemented in March 2018. The service will continue to monitor impact on service users.
3.10	**Parking new operating model & back office relocation**	Carried over to 2018/19.	Commissioning review to consider options.	To be developed in line with final decision.	TBD.	Options are still being considered. Equality considerations to be included in the development of proposals.
4.1	**Tottenham Regeneration savings –**	New saving proposal	Review service	No EqIA required. Equality considerations	Officer-determined as part of	Officer-determined as part of Business As Usual.

Priority	Item	Saving type	Next steps	Equality considerations/EqIA	Expected at Cabinet	Update on implementation
	consultancy and communication spend			to be embedded in final decision.	Business As Usual.	
4.2	**Planning Income – increase pre-application fees**	Implemented in 2017/18.	Implemented.	Equality considerations factored in Cabinet member signing report. Equality comments can be found here.	Cabinet Member signing in November 2017.	Implemented. The service continues to monitor impact on service users.
4.3	**Corporate Projects – potential transfer of functions to Haringey Development Vehicle (HDV)**	Carried over to 2018/19.	Review service. Dependent on final outcome of the HDV.	Final EqIA can be found here.	TBD.	TBD.
X.1	**Reduction in Legal staff and expenditure**	Carried over to 2018/19.	Restructure	Equality considerations are included as part of the restructure process. For data protection purposes, it is not published publically.	Non-executive function.	Restructure will begin in June 2018.
X.2	**Audit and Risk Management savings**	Implemented in 2017/18.	Implemented.	Equality considerations are included as part of the restructure process. For data protection purposes, it is not published publically.	Non-executive function.	Implemented.

Priorit y	Item	Saving type	Next steps	Equality considerations/EqIA	Expected at Cabinet	Update on implementation
X.3	**Democratic Services restructure**	Implemented in 2017/18.	Implemented.	Equality considerations are included as part of the restructure process. For data protection purposes, it is not published publically.	Non-executive function.	Implemented. Restructure EqIA completed as part of the process.
X.4	**Shared Service Sector – Business support – Restructure in staffing**	Implemented in 2017/18.	Implemented.	Equality considerations are included as part of the restructure process. For data protection purposes, it is not published publically.	Non-executive function.	Implemented. Restructure EqIA completed as part of the process.
X.5	**Shared Service Centre**	Carried over to 2018/19.	High-level service review has completed. Detailed action plan will take place from now until March 2018.	To be developed in line with final decision. Action plan will be unavailable for review until February 2018.	By 2019	High-level service review has been completed. Detailed action plan is currently being developed – expected in March 2018. Equality considerations will be embedded as the detailed proposals are developed.
X.6	**Shared Services for Customer Services**	Carried over to 2018/19.	High-level service review has completed.	To be developed in line with final decision. Action plan will be	By 2019	High-level service review has been completed. Detailed

Priorit y	Item	Saving type	Next steps	Equality considerations/EqIA	Expected at Cabinet	Update on implementation
			Detailed action plan will take place from now until February 2018.	unavailable for review until February 2018.		action plan is currently being developed – expected in March 2018.
X.7	**Senior management saving**	Carried over to 2018/19.	Restructure	Equality considerations are included as part of the restructure process. For data protection purposes, it is not published publically.	Non-executive function.	Restructure to commence in February 2018. A restructure EqIA will be completed as part of this process.
X.8	**Alexandra House - Decant**	Carried over to 2018/19.	Vacate 3 floors by March 2018.	Part of previous decision which considered equality considerations	Officer-determined as part of Business As Usual.	Commercial & Operations have moved. 3 floors will transfer to RPH by March 2018. The relocations have taken into consideration and accommodated the interests of staff with disabilities.
X.9	**Translation and Interpreting service**	Implemented in 2017/18.	Implemented.	Equality considerations factored in decision.	Officer-determined as part of Business As Usual.	Implemented.

Priority	Item	Saving type	Next steps	Equality considerations/EqIA	Expected at Cabinet	Update on implementation
X.10	**Closure of internal print room**	Carried over to 2018/19.	Part of Shared Digital Service programme	To be developed in line with final decision.	Officer-determined as part of Business As Usual.	Closure will take place in April 2018. The service will deliver a new solution for Committee papers.
X.11	**Communications post deletion**	Implemented in 2017/18.	Implemented.	Equality considerations are included as part of the restructure process. For data protection purposes, it is not published publically.	Non-executive function.	Implemented.
X.12	**Communications income generator**	Implemented in 2017/18.	Implemented.	No EqIA required.	Non-executive function. Officer-determined as part of Business As Usual'.	Implemented and income generated.
X.13	**Professional Development Centre running costs**	Carried over to 2018/19.	Vacate the building.	No EqIA is anticipated.	Equality comments in the original decision can be found here.	The service is experiencing delays in vacating the building. The service is investigating reduced occupancy as a means of achieving some savings. Equality

Priorit y	Item	Saving type	Next steps	Equality considerations/EqIA	Expected at Cabinet	Update on implementation
						considerations will be embedded in the development of any proposals.
X.14	**Insurance – reprocure as part of London Consortium**	Implemented in 2017/18.	Implemented.	No EqIA was required.	Agreed at January 2017 Cabinet.	Implemented.
X.15	**Voluntary severance savings**	Carried over to 2018/19.	Restructure	Equality considerations are included as part of the restructure process. For data protection purposes, it is not published publically.	Non-executive function.	Discussions with ADs and HoS are ongoing.

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